

**GOVERNMENT OF PUNJAB  
DEPARTMENT OF INDUSTRY & COMMERCE**

**Notification**

No.CC/NIP/2009/1547

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The Governor of Punjab is pleased to formulate 'Industrial Policy – 2009' to facilitate the development of Industry in the State of Punjab, as contained in Chapters 1 to 13 herein under:-

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## CHAPTER – 1

### PUNJAB AT A GLANCE

- Punjab was the first Indian State to use agricultural technology to engineer a “Green Revolution”, recording the highest growth rate in food production. Today, with its rich agricultural resources and favourable climate, the state continues to be one of the largest producers of food grains and cash crops in the country. Punjab contributes 68 per cent to the annual food production of India. Punjab’s large agriculture base gives it a competitive advantage in industries such as food processing and textiles.
- Punjab with 5.03 million hectares area and population of 24.3 million has a number of advantages of doing business. Agriculture has been the main stay of Punjab’s economy. Although it accounts for 1.5% of total land area of the Country, yet it accounts for 54% of the marketable surplus of wheat and 38% of the marketable surplus of rice in India.
- Punjab ranks high in the country in the following areas:-
  - § Infrastructure
  - § Power
  - § Road Network
  - § Telecom Density
  - § Attractive Consumer Market
  - § Agriculture Production

#### 6.11 The main advantages of doing business in Punjab are:-

- Highest work force productivity. Only 1.2% of all man-days lost, despite having 5% of the total industrial work force.
- Excellent human resources and availability of manpower. There are 10 Universities / Deemed Universities. Besides, there are exclusive technical universities with 100 plus professional colleges. 10,000 technicians and 20,000 skilled craftsmen are trained every year in 55 polytechnics and 180 ITIs.
- All towns and villages are covered with telecom infrastructure. State has highest Optic Fibre Density of 25,000 Kms. which is 2.5 times the national average.
- Every village of the State is connected with metal roads – 61,530 Kms.
- Per capita bank deposits in the State are 1.8 times of the national average.
- Motor vehicle density in Punjab is 2.4 times of national average.

## **CHAPTER – 2**

### **NEED FOR NEW POLICY**

#### **2.1 PREVIOUS POLICIES**

State Government had formulated Industrial Policies in 1978, 1982, 1989, 1992, 1996 and last Industrial Policy of Punjab was notified in March, 2003. The objectives of the last policy were to create conducive investment climate through infrastructure creation and to make the small scale industry competitive.

#### **2.2 NEED FOR NEW POLICY**

However, in view of the fast changing global economic scenario, the state government decided to frame a new well directed Industrial Policy to push the State's economy. It was, decided to utilise the experience and expertise of UNIDO to suggest measures for attracting new investments and revival / growth of existing Industry. This initiative of State Government was also supported by the Department of Industrial Policy & Promotion of Government of India by providing financial assistance to UNIDO for this assignment.

#### **2.3 RECOMMENDATIONS OF UNIDO**

UNIDO for this purpose engaged the services of Dr. Isher Judge Ahluwalia as their lead Consultant. The team of Consultants studied the status of Industry in Punjab in depth and held discussions with Representatives of Industry, Industrial Associations, Confederations / Chambers of Industry and Representatives of different Departments / Agencies of State Government. Based on their study and interaction, a 'Punjab Industrial Review Report' was submitted by the UNIDO to State Government.

### CHAPTER – 3

## THRUST OF NEW POLICY

- § To play the role of facilitator & hand-holding being investor-friendly.
- § To lessen the Government control while outsourcing regulatory measures.
- § To bring administrative reforms under the aegis of Punjab Social Development and Governance Reforms Commission.
- § To attract investment in the private sector & under the PPP mode.
- § To create Dedicated Fund for the development of clusters, Common Facilities. Centres and providing infrastructural support under the initiatives of Centre & State Government.
- § To promote competitiveness and cutting costs for the industry.
- § To stimulate economic growth, industry and service sector being the main engines of growth.
- § To promote IT & IT Enabled Services.
- § To promote value addition to the resources of the State while promoting Agro based & Food processing industry.
- § Emphasis on fresh employment generation and skill upgradation.
- § To revive the sick industry by way of OTS and to provide mechanism for debt re-structuring.
- § To address & take care of environmental issues

## CHAPTER – 4

### EASE OF DOING BUSINESS

#### 4.1 INDUSTRY PARTICIPATION

In order to lay down system for organized participation of industry and trade in the process of suggesting policy measures for the development of industry and trade State Government has constituted following Boards/ Council :-

- (i) Large Industry Development Board, Headed by Hon'ble Chief Minister.
- (ii) Infrastructure Development Council, Headed by Hon'ble Chief Minister.
- (iii) Medium Industry Development Board, Headed by Representative of industry.
- (iv) Small Industry Development Board, Headed by Representative of industry.
- (v) Traders Board, Headed by Representative of trade.
- (vi) Small Traders Board, Headed by Representative of trade.

These council/boards will interact with the representatives of the industry and make recommendations to the State Government for development of industry.

#### 4.2 INDUSTRIAL FACILITATION

State Government has implemented the Punjab Industrial Facilitation Act, which aims at expediting the Industrial Approvals in a time bound manner. Udyog Sahayak in the Directorate of Industries & Commerce and District Industries Centres in the State have been designated as State Nodal Agency and District Nodal Agencies respectively under this Act. Following Committees have been constituted under the Act:-

- (i) **State Board under the Chairmanship of Hon'ble Chief Minister** to review and monitor the Industrial Approvals and grant exemption or relaxation from the provision of any law made by the Punjab State Legislature relating to industrial development.
- (ii) **Empowered Committee on Industrial Facilitation under the Chairmanship of Hon'ble Industries & Commerce Minister** to review and monitor the status of application for clearances and resolve inter-departmental matters
- (iii) **District Level Single Window Clearance Committee** under the Chairmanship of Deputy Commissioner to review and monitor the status of application received at District level.

#### 4.3 DEEMED APPROVALS

Time schedules for various approvals required by an entrepreneur have been notified under Industrial Facilitation Act.

Notification has also been issued to the effect that in case, the application for approvals is kept pending by the concerned Department without assigning any reason and approval is not granted within the notified time schedule, deemed approval shall be granted to the applicant by the Nodal Agency.

#### **4.4 ONLINE SUBMISSION OF COMPOSITE APPLICATION FORM UNDER SINGLE WINDOW SERVICE**

A Single Composite Application Form for all clearances required by an Entrepreneur has been devised under the Industrial facilitation Act . The facility of online submission of the Form with digital signatures has been introduced. Facility of online tracking the status of application by the applicant has also been introduced.

#### **4.5 24 HOUR HELP LINE**

24 hour help line has been set up by the Department of Industries & Commerce for providing information regarding State Government policies, investment opportunity etc. to the entrepreneurs.

#### **4.6 INFORMATION HUBS**

District Industries Centres in the State will be converted into Information Hubs for the entrepreneurs to enable them to access the International markets, thereby enhancing their exports.

#### **4.7 OUTSOURCING OF INSPECTIONS**

State Government will outsource the inspection / verification in addition to the self certification / outsourced inspections, already done under the labour laws etc under the following Acts to qualified Chartered Engineers / Environment Engineers in order to provide option to the industry for such inspections/ verifications from parallel authorities in addition to the departmental agencies:-

- (i) Inspection of Boilers under Indian Boilers Act, 1923.
- (ii) Inspection under Standards of Weights & Measures (Enforcement) Act, 1985.
- (iii) Inspection / testing of electric installations under Indian Electricity Act, 1910 & Indian Electricity Rules, 1956.
- (iv) Inspection / verification under the Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control of Pollution) Act, 1981.

#### **4.8 ENVIRONMENTAL REFORMS**

Following measures will be taken to facilitate the environmental clearances:-

- (i) Reclassification of industries will be done by creating orange category

in addition to red and green categories

- (ii) The classification of industries will be based on nature / level of pollution irrespective of investment.
- (iii) Pollution Control Board will approve more reputed laboratories in addition to the three private laboratories already approved, in order to provide more avenues for testing of samples by the industry.

## CHAPTER – 5

### POWER SECTOR REFORMS

The State Government is conscious of the fact that adequate, assured and reliable power is key to the growth of Industry. State Government has undertaken setting up of following new power projects:-

Sr. No.	Name of the TPS	Cost (Rs. In crores)	Proposed Date of Start	Proposed Date of completion
1.	Talwandi Sabo 660X3=1980 MW	10000 (Appx.)	1.9.08	2012-13
2.	Rajpura 660X2=1320 MW	6500	17.2.09	30.10.2012
3.	Goindwal Sahib 270X2=540 MW	2700	Oct. 2008	2013-14
4.	Gidderbaha 660X4=2680 MW	13200	25.7.09	31.3.2014
5.	Extension Bathinda TPS 250X2=500 MW	2500	30.5.09	30.9.2012
6.	Extension Lehra Mohabat TPS 250X2=500MW	2500	30.5.09	30.9.2012

The total power availability which is at present 6609 MW will increasing to 8640 MW by 2011-12 and further to 16,275 MW during 2016-17 thereby making Punjab a Power Surplus State. The new power plants are being promoted through Private Sector Participation on BOO basis.

Following simplifications will be done with regard to industrial power connections:-

- (i) There will be no lock in period in case an industry wants to gets its connected load increased again to the original level after getting it reduced. Further there will be no charges for such increase.
- (ii) In case load of industry on a power feeder is more than 75% it will be treated as industrial feeder.
- (iii) Uninterrupted power supply will be given to the continuous process industry.
- (iv) PSEB will endeavour to provide regular power supply to the industry.



## **CHAPTER – 6**

### **VAT REFORMS**

#### **6.1 INFORMATION COLLECTION CENTRES (ICC)**

State Government attaches great importance to free movement of goods for speedy growth of trade and Industry in the State. Accordingly, tax barriers have been removed and for movement of goods only information regarding goods being carried is to be given at the Information Collection Centres (ICC). Only sample checking not exceeding 0.5 – 1% of the total vehicles passing through ICCs will be done at the level of Inspectors and other senior officers. However, in order to further streamline the activities at ICCs, privatisation and modernisation is being undertaken. The Punjab Infrastructure Development Board is working for setting up of modern integrated check posts in the State.

#### **6.2 VAT REFUND**

Time period for issuance of VAT refunds has been reduced from 90 days to 60 days. Further, 75% of the VAT refund has been allowed against Indemnity Bond to the Units who are filing returns on monthly basis.

Any delay in grant of refund beyond period of 60 days attracts the provision of payment of interest, besides punitive action against the official/officer responsible for delay.

#### **6.3 ONLINE PAYMENT AND E- FILLING OF RETURNS**

State Government will introduce the facility of online payment and direct refund of VAT into the bank accounts of the dealers.

The option of e- filling of returns is already available to all the dealers in the state.

#### **6.4 PERIODIC REVIEW OF VAT RATES**

State Government will undertake periodic review of VAT rates to remove the disparities, if any, keeping in view the rates of other states so that industry in the State remains competitive.

#### **6.5 ENTRY TAX**

State Government will also undertake periodic review to include or abolish Entry tax on such items that may be affecting the competitiveness of the state's industry.

#### **6.6 SCRUTINY OF PAPERS AT DEALER LOCATION**

In case a truck is impounded, the scrutiny of papers by Excise & Taxation Department will be done at the place where the dealer is registered and not at the place where truck has been impounded.

**CHAPTER – 7****MEASURES FOR ATTRACTING NEW INVESTMENT****7.1 ANCHOR UNIT**

State Government will have an open ended tailor - made policy as per the requirements on case to case basis for attracting Anchor units having scope for growth of ancillary.

**7.2 CHANGE OF LAND USE**

No approvals are necessary in case of change of land use from agriculture to industry in the areas earmarked for industry in the Master Plan or other areas where there are no Master Plans. The industry will, however, intimate the site details including Khasra Numbers of land on which industry is proposed to be set up to the Department of Housing & Urban Development.

**7.3 CHANGE OF LAND USE (CLU) CHARGES, EXTERNAL DEVELOPMENT CHARGES(EDC) AND LICENSE FEE**

There will be no CLU charges and License fee for change of land use from agriculture to industry anywhere in the state. Similarly, there will be no CLU and License fee for change of land use from agriculture to industry in case of industrial component of the Industrial Park. However, these charges will be applicable on the residential and commercial components of the Industrial Park, as per rates notified by the State Government.

The External Development Charges for industry and Industrial Parks will be on actual basis. The entrepreneurs will have the option to get the External Development works executed from the concerned development agency of the area by depositing the actual charges or execute such works of their own in accordance with the plans / structures duly approved by the development agency.

**7.4 SUPER MEGA PROJECTS**

Special package of concessions for Super Mega Mixed Use Integrated Industrial Park projects will also continue in accordance with notification no 10/61/06- AS4/2250 dated 17.11.2006 and guidelines issued by the State Government.

**7.5 MEGA PROJECTS**

State Government will consider and determine a special package of incentives as well as Facilitation by way of relaxation of rules and regulations and provision of legal, institutional and financial dispensation of new as well as existing industrial undertakings or group of industrial undertakings expansion through an Empowered Committee headed by the Chief Minister in accordance with the conditions already laid down separately for this purpose by the State Government.

Investment in more than one unrelated item at same location by one company will be clubbed for the purpose of determining minimum permissible investment for eligibility of Mega Project.

## **7.6 STAMP DUTY EXEMPTION**

In order to facilitate the grant of stamp duty exemption, Revenue Department will issue a general notification for remission of stamp duty for Mega Projects as approved by the Empowered Committee or for other projects, Super Mega Projects as admissible under Industrial Policies of the State.

## **7.7 DEVELOPMENT OF INTEGRATED MULTIPLEX COMPLEXES**

Development of Integrated Multiplex complexes will be encouraged in accordance with the scheme notified by the State Government vide no 5/58/2002/IIB/ 2725 dated 8.9.2003 and amended vide notification no CC/JDP/Multiplex/ 63 dated 9.1.2009. However, minimum investment limits for such multiplexes will be as under:-

- (i) Ludhiana, Jalandhar, Amritsar, Mohali and Bathinda = Rs.20 crore
- (ii) For towns other than Ludhiana, Jalandhar, Amritsar, Mohali and Bathinda = Rs.10 crore

## **7.8 HOTEL PROJECTS**

Hotel Projects as defined by the Department of Tourism will be given the status of industry in non - designated areas and will be entitled to concessions as admissible to industry.

Farm Tourism / Bed and Breakfast Tourism Scheme/ Tented accommodations fulfilling the guidelines prescribed by the Department of Tourism will be given the facility of levy of water supply and power tariff at domestic rates.

## **7.9 HEALTH TOURISM**

Health Tourism Projects as defined by Department of Health will be given the status of industry.

Such projects will be given facility of using upto 25% of the medical facilities and other services areas for commercial purposes without payment of change of land use charges.

Such projects fulfilling the minimum investment criteria of Mega Projects will also be eligible for consideration of special package of concessions by the Empowered Committee.

## **7.10 TEXTILE INDUSTRY**

Incentives provided in the Textile Policy notified by the State Government vide

No. 5/58/2002/5IB/1263 dated 11.7.2006 will continue.

### **7.11 DEDICATED FUND**

To attract new Industry & look after the existing one , dedicated annualised fund amounting to Rs. 150 Crores will be created for the purposes of creation & upgradation of Industrial Infrastructure, to make contributions as a State share for the Central Govt. Schemes like Cluster Development, Common Facility Centers, R & D, Marketing, etc.

The fund will comprise of contributions from PIDB and from the proceeds of the OUVGL. Realisation from Change of Land use charges from the Industry to Commercial use as provided in the notification No.CC/JDP.IP-2003/CLU/1020-A dated 4/7<sup>th</sup> March 2005 will also form part of this dedicated fund.

**CHAPTER – 8****ENHANCEMENT OF COMPETITIVENESS OF THE EXISTING  
INDUSTRY****8.1 RELIEF TO SICK MICRO AND SMALL INDUSTRIES**

Scheme for relief and concessions to sick Small Scale units as notified vide no 5/58/2002/IIB/1510 dated 29.5.2003 will be continued for Micro and Small Industries.

**8.2 CDR PACKAGE**

State Government will set up a mechanism for providing Corporate Debt Relief for large units.

**8.3 CARBON CREDITS**

State Government attaches great importance to energy conservation and minimisation of carbon emissions in the environment. The UNFCCC has launched a programme of carbon credits and some individual units in the State are working in this area. To fully exploit the economic and natural benefit of this programme state shall set up a Carbon Credit Cell in the PSIDC. The cell would guide the local entrepreneurs to adopt the relevant technology to earn carbon credits. To encourage the entrepreneurs the equipments used for acquiring technology for reducing carbon credit emission will be exempted from VAT. List of such equipments will be identified by the Department of Industries & Commerce.

## CHAPTER – 9

### INFRASTRUCTURE DEVELOPMENT

#### 9.1 PPP MODE OF DEVELOPMENT

Punjab State has been pioneer in introducing Private Partnership mode for development of Roads, Bridges and other infrastructure. State Government had enacted an over arching legislation - Punjab Infrastructure (Development and Regulation) Act, 2002 to attract Private Sector Investment into infrastructure development. Punjab Infrastructure Development Board (PIDB), which is the Nodal Agency for infrastructure development is also harnessing and promoting private sector participation by considering Unsolicited Proposals (Swiss Challenge Route) which encourages the private sector to bring out beneficial ideas for project development that otherwise are overlooked and allows unique and innovative ideas or approaches that have been developed outside the Government agencies for use in accomplishment of their missions.

PIDB also provides Viability Gap Funding upto 40% of the Project cost for Roads and Bridges Projects taken up on PPP Mode.

Under PPP initiative 3 Expressways projects and 48 ROB/RUB projects are under implementation while 8 ROB/RUB projects have already been completed.

#### 9.2 DEVELOPMENT OF INDUSTRIAL PARKS

Following incentives provided under the Industrial Policy of 2003 for development of Industrial Parks through Private Sector or Cooperative Societies of Industrialists/ Entrepreneurs as Joint Ventures of private sector and public sector undertakings will continue :-

- i Such parks are exempted from the Punjab Apartment and Property Regulation Act (PAPR), 1995, in accordance with powers vested under Section 44(2) of the Act.
- ii No stamp duty on first sale / transfer of first sale / transfer of developed infrastructure by the Developer in Industrial Parks / Complexes during setting up of such Parks and subsequently for three years. Thereafter normal stamp duty shall be charged on such transactions.

Approved Industrial Parks shall be incorporated and included as such in the Draft Master Plan before its finalization.

#### 9.3 MAINTENANCE & UPGRADATION OF INFRASTRUCTURE IN INDUSTRIAL FOCAL POINTS / ESTATES / AREAS

The users of land in a particular Focal Point / Estate / Area will be involved in maintenance and upgradation of infrastructure in their area through creation of Special Purposes Vehicles for each area. To provide legal framework to this activity Punjab Common Industrial Infrastructure Maintenance Act will be enacted.

All existing and new Industrial Focal Points / Areas / Estates / Parks

developed by State Government agencies or private developers will be brought under the purview of this Act. This Act shall have over riding effect on any existing provisions of any Department / Corporation / local bodies.

#### **9.4 DEVELOPMENT OF SPECIAL ECONOMIC ZONES**

For accelerating the development of the Special Economic Zones, State Government has enacted Punjab SEZ Act.

#### **9.5 AIR CONNECTIVITY**

State Government attaches great importance to creation of infrastructure for the development of more Airports in the state. Following initiatives have been taken in this direction:-

##### **(i) Mohali International Airport**

MOU between Govt. of Punjab & Airport Authority of India and Government of Haryana for the development of International Civil Air Terminal at Mohali has been signed and land measuring 305 acres has already been acquired. This project will be expedited.

##### **(ii) Amritsar International Airport**

162 acres of land has been provided by State Government free of cost for the up-gradation of Amritsar airport to International Standards. Infrastructure of the level of International standard has been established. 10 International flights to various destinations and 16 flights per week to Delhi by three domestic airlines are operating from this airport.

State Government has also initiated the process of further upgradation of this airport by construction of Parallel taxi track and relocation of Operational Readiness Platform for this airport.

##### **(iii) Civil Airport At Sahnewal Near Ludhiana**

Domestic flights will be started very shortly from this airport.

##### **(iv) Civil Airport Station At Pathankot**

Land measuring about 222 Kanal has been handed over to Airport Authority of India free of cost on which construction of Civil Enclave has already been completed and a private airline has also started domestic flights.

##### **(v) Development Of Civil Enclave, Bathinda**

Government of India has accorded their approval for starting two civil commercial flights from Indian Air force station Bhisiana near Bathinda. 39 acres of land is being acquired for this purpose.

##### **(vi) OTHERS PROJECTS**

Government of India have accorded their approval for setting up of flying institute at Faridkot and Behman Jassa Singh near Talwandi

Sabo Distt. Bathinda. Department is planning to have runway strip of 7000 feet at Behman Jassa Singh to cater to the needs of Refinery and up-coming Petro Chemical hub in that area.

#### **9.6 HELICOPTER SERVICE**

Helicopter service from industrial hubs like Ludhiana , Jalandhar etc. will be started.

#### **9.7 INDUSTRIAL CORRIDOR AND FREIGHT CORRIDOR**

The Government of India has extended the Eastern Railway Freight Corridor from Sonapur to Delhi up to Ludhiana in Punjab. A Multi Model Logistics Park in District Ludhiana is also being set up by the Dedicated Freight Corridor Corporation of India, Ministry of Railways. Government of Punjab has requested Government of India to extend the Eastern Freight Corridor from Ludhiana to Amritsar.

Government of India has also agreed in principal to extend the Mumbai Delhi Industrial Corridor upto Ludhiana in Punjab. The State Government has taken up the matter with Government of India to extend this corridor upto Amritsar.

#### **9.8 REHABILITATION OF INDUSTRIAL WORKERS**

Under the BSVP and IHSDP Central Schemes under JNNURM wherein an outlay of Rs.537 Crores for 2005 to 2012 has been earmarked, the State Govt. will provide affordable housing to the slum dwellers/ Industrial workers in the Urban Areas.

#### **9.9 VERTICAL GROWTH OF INDUSTRY**

Higher FAR will be allowed to IT and Service Industry subject to the fulfilment of town planning norms and keeping in view the infrastructure support.

#### **9.10 UTILIZATION OF VACANT LANDS**

Vacant lands in Industrial Focal Points will be utilized for developing Industrial Parks.

#### **9.11 DEVELOPMENT OF GOINDWAL SAHIB INDUSTRIAL COMPLEX**

State Government will make endeavour to provide best infrastructure at Goindwal Sahib Industrial Complex.

#### **9.12 LAND BANK**

State Government will create land bank to develop Industrial Areas for the relocation of existing industries from residential areas and for location of new industries.



## **CHAPTER – 10**

### **HUMAN RESOURCE**

- 10.1** There has been an increasing awareness that the people of the state be looked upon as its valuable resource, indeed the most valuable resource, and that the growth process should be based on the integrated development of the citizen from childhood right through life. Human Resource Development has been identified as one of the main pillars to support the exponential growth of any state based on knowledge based and service based and service sector based economy. A need has been identified to develop the citizens skill levels to compete in the Global Market.
- 10.2** In Pursuance to the above, it is envisaged to promote Human Resource Development through 'Knowledge Generation', 'Knowledge Dissemination' and 'Knowledge Level Evolution' of the citizens through Educational, Vocational, Professional Development and Consultancy Process. The state envisages effectively utilizing the existing as well as developing educational and Information & Communication Technology (ICT) based infrastructure and resources through Public Private Partnership (PPP).

## CHAPTER – 11

### IT/ KNOWLEDGE INDUSTRY POLICY, 2009

#### 11 .1 PREAMBLE

- 11.1.1 The Information Technology & Knowledge Industry Policy, 2009 endeavors to delineate a strategy for harnessing the opportunities and the resources offered by the Information Technology and Knowledge Industry for the comprehensive social and economic development of the State.
- 11.1.2 Punjab has led the country's economy in its growth led endeavour, be it agriculture or industry. It seeks to achieve leadership as a catalyst of India's advancement in the 21<sup>st</sup> century. This strategy has been conceived keeping in view the fact that IT/knowledge Industry constitutes the primary instrument for facilitating Punjab's emergence as a leading knowledge society in the region. The growth of Punjab in coming years will be increasingly driven by the knowledge and service-based sectors, where ease of information transactions will be a key determinant of success. The strategy intends to create an IT/Knowledge industry with exports worth USD 4.6 bn and 0.6 million direct and indirect jobs by 2018.
- 11.1.3 The primary impetus for growth in knowledge sector has come from private enterprise and community energies. The IT/Knowledge Industry policy accordingly envisages the role of Government as being primarily that of a facilitator for creating an enabling environment where the energies of the private sector and of civil society can be most effectively deployed. The objective of the Government is to put in place a package of policy measures and incentives, which will make Punjab one of the most attractive investment destinations in IT/ Knowledge Industry sector.
- 11.1.4 The Government of Punjab through Punjab Information Communication and Technology Corporation Ltd. (PICTCL), its nodal agency for the IT/Knowledge Industry investment has prepared a detailed strategy and action plan to promote the IT/Knowledge Industry sector in the State towards achieving socio-economic development of the State. The Strategy aims to create an ecosystem for IT/Knowledge industry by addressing the challenges for the four key components namely Infrastructure, Policy, Human Resources and Investor Relations.
- 11.1.5 The new IT/Knowledge Industry Policy 2009 is part of the overarching vision and strategy detailing out the key fiscal and non-fiscal incentives for the industry and an aggressive articulation to invite infrastructure developers and large IT units to undertake IT projects in the State.

#### 11.2 VISION

To use Information Technology and Knowledge Industry as a vehicle for economic development and transform Punjab from a Resource based economy to a Knowledge based economy

### **11.3 MISSION**

To create an enabling ecosystem for Information Technology and Knowledge Industry by focusing on creation of necessary infrastructure, development of human capital, proactive engagement with Investors and effective policy implementation.

### **11.4 OBJECTIVES**

- I** To establish Punjab as a leading IT/Knowledge Industry destination in the country
- ii** To provide a nurturing and enabling environment conducive to the vibrant growth of the local IT industry in the State
- iii** To aggressively promote the State as the destination of choice for emerging IT business opportunities including IT Enabled Services and other knowledge based industry
- iv** To develop IT/ Knowledge Industry as a strong small and medium enterprise sector in Punjab
- v** To attract foreign direct investment (FDI), in IT/Knowledge Industry by specially encouraging the MNCs and NRIs to invest in the State
- vi** To provide a conducive environment for the sector by reducing regulations and increasing new opportunities
- vii** To create world class infrastructure for IT/Knowledge Industry and an enabling framework for protection of intellectual property and data
- viii** To create availability of robust manpower and education infrastructure to enhance direct and indirect employment creation in the IT/Knowledge based sector in the State.

### **11.5 STRATEGIC FRAMEWORK AND ACTION PLAN**

The Government of Punjab has conceptualized a strategic framework and action plan to achieve economic growth through development of nationally and globally competitive industry by providing an ecosystem for facilitating IT/Knowledge Industry investments in the state. The Government intends to focus its incentive policy based on four critical enablers i.e. Infrastructure, Human Resource, Policy and Investor Relations for providing favourable ecosystem for IT investors in attracting investment into the state. The details of the strategic framework and action plan have been published separately.

### **11.6 DEFINITIONS**

- i** IT units refer to companies in the IT hardware, IT software and other Knowledge Industry units such as Biotechnology, Nanotechnology, and Telecommunications etc. IT software industry includes IT software, IT services and IT Enabled Services. A detailed category wise list of industries included in definition of IT industry is indicated in Annexure-I.

- ii A Biotech Company refers to Research and Development and/or non polluting manufacturing of products or processes, which use or are derived by using specific living systems (plants, animals and microbes or parts thereof) and or enzymes/ biocatalysts- derived there from. The company also includes activities such as Genetic engineering or cell culture or microbiology or biochemistry and Bio-informatics.
- iii Telecommunication companies include Basic Telecom Service Providers (fixed), VSAT, Cellular (Mobile) companies, Telecom Infrastructure companies, ISPs and any other value added services licensed by Ministry of Communications & IT, Government of India.
- iv Knowledge Industries refer to those industries which are relatively intensive in their inputs of technology and/or human capital. These include IT/ITES, Nanotechnology, Consulting, Biotechnology, electronics, and telecommunications. This will also include Research and Development services and other specialized institutions
- v Institutions offering specialized education & training for IT and Knowledge Industries such as finishing schools, Entrepreneurship Development Cells, Incubation Centres, Institutes of higher learning and other knowledge industries, which are part of an IT Park/Knowledge Park would be eligible for the benefits under this policy at par with IT units.
- vi IT Project refers to investment from infrastructure developers and the IT units/ companies as described in Annexure.
- vii Infrastructure developers or builders refer to real estate infrastructure companies constructing built up space for sale/ lease/ or sale cum lease to the IT/knowledge industries.
- viii SMEs: Small & Medium Enterprises are IT units with a fixed capital investment of upto Rs.10 crores
- ix Mega IT Projects for developers refers to projects with fixed capital investment of Rs. 50 crore and with a minimum area requirement of 10 acres
- x Mega IT Projects for units refers to projects with fixed capital investment of Rs. 25 crore.
- xi IT Parks are defined as follows:
  - a. IT Parks providing built up space to IT/Knowledge Industry
  - b. Integrated IT Parks providing built up space and plotted infrastructure for IT units/companies as well as necessary support infrastructure in terms of residential, commercial, recreational and other facilities.

#### **11.7 EXEMPTION FROM CLEARANCE FROM POLLUTION CONTROL BOARD**

IT and other knowledge units notified by PICTCL will be exempt from the purview of the Punjab Pollution Control Board (PPCB) on compliance of basic minimum norms/standards defined by PPCB for green industries.

## **11.8 EXEMPTION FROM INSPECTION UNDER VARIOUS LABOUR LAWS**

**11.8.1** IT units will be exempted from inspections under the following Acts and the Rules framed there under, barring inspections arising out of specific complaints. IT units are permitted to file self-certificates, in the prescribed formats.

- (i) The Factories Act, 1948
- (ii) The Employment Exchange (Notification of Vacancies Act), 1961
- (iii) The Punjab Shops and Commercial Establishment, 1958
- (iv) The Contract Labour (Regulation & Abolition) Act, 1970
- (v) The Payment of Wages Act, 1936
- (vi) The Minimum Wages Act, 1948
- (vii) The Employment Exchanges Act, 1959

**11.8.2** All IT units have general permission for three shift operations with women allowed to work in the night shift for IT Industry, provided adequate measures have been taken to ensure safety of the women employees

## **11.9 EXEMPTION FROM PUNJAB APARTMENT AND PROPERTY REGULATION ACT (PAPRA)**

IT/Knowledge Industry Parks shall be exempted from the Punjab Apartment and Property Regulation Act (PAPRA) 1995, in accordance with the power vested with the state government under Section 44 (2) of the Act.

## **11.10 INCENTIVES IN RESPECT OF ELECTRIC POWER**

- i** Power would be available to IT units/knowledge industrial units at industrial tariff irrespective of their location/zoning
- ii** The power connections provided to the IT units/parks would be given priority both in sanctioning and servicing
- iii** The captive power generation facility installed by IT units will be eligible for 100% exemption from payment of electricity duty for captive power generation
- iv** IT units/Knowledge industrial units would be entitled for 100% exemption from electricity duty for 5 years from the date of release of connection from PSEB
- v** IT Parks notified by PICTCL will be exempted from the purview of statutory power cuts, restriction of peak load hours and weekly off power cut towards provision for uninterrupted power supply
- vi** IT units authorized by PICTCL will be exempted from purview of restriction of peak load hours and weekly off power cut towards provisions for uninterrupted power supply
- vii** IT units/parks would be charged based on the actual units consumed and

not on the connected load

### **11.11 PROVISIONS OF VAT**

VAT on all IT products rationalized to be at par with minimum floor rate of 4%.

### **11.12 EXEMPTION FROM STAMP DUTY AND REGISTRATION FEE**

No stamp duty and registration fee will be levied in respect of land allotted by PICTCL to the IT Parks/units

- i 100% exemption of stamp duty and registration fee for units on the purchase/lease of built up office space within the constructed IT Park. This concession would be available only for the first transaction, when the first sale by the infrastructure company is made to a unit.
- ii 100% reimbursement from stamp duty and registration fee on land directly acquired by the developers for construction of IT Parks or IT units/ company to develop their own campuses only after IT Park is duly notified by PICTCL

### **11.13 PERMISSIBLE FAR**

IT Units/Parks will have permissible FAR of 300% on gross area of the project.

### **11.14 EXEMPTION FROM ZONING REGULATIONS & CONVERSION CHARGES**

#### 11.14.1 IT Units

- i IT units are exempted from land use zoning regulations and can be set up in any of the following notified land uses in the Master Plan /Zonal Development Plan:-
  - § Residential use zone
  - § Commercial use zone
  - § Institutional use zone
  - § Industrial use zone
  - § Conservation / Agricultural use zone
- ii No conversion or change of land use charges would be levied
- iii The IT unit has to be notified by PICTCL to avail of the above benefits.

#### 11.14.2 IT Parks providing Built Up Space

- i IT Parks are exempted from land use zoning regulations and can be set up in any of the following notified land uses in the Master Plan /Zonal Development Plan.
  - § Commercial use zone

- § Institutional use zone
- § Industrial use zone
- § Conservation / Agricultural use zone
- ii IT Park/unit has to be notified by PICTCL to avail the exemption from conversion charges and zoning regulations
- iii There shall not be any conversion charges.
- iv The minimum built up space for the IT Park/unit for utilizing the above exemption shall be 100,000 sq. ft.

#### **11.14.3 Integrated It Parks**

- i Integrated IT Parks will have to be set up on minimum area of 25 acres and will be exempted from land zoning regulations.
- ii Integrated IT Parks will have to use minimum 50% area as processing area e.g. providing space for IT industry and the balance for providing necessary support infrastructure e.g. residential, retail, recreational etc. as per approved plan.
- iii No conversion or change in land use (CLU) charges would be levied on any component of the Integrated IT Park.
- iv No External Development Charges (EDC) will be levied for Integrated IT Parks.

**11.14.4** IT Units/Parks will require to abide by the norms of parking standards, width of road etc. while availing of exemption from land use zoning regulations.

**11.14.5** The IT Parks shall provide the amenities / infrastructure specified in List I on mandatory basis and those specified in List II as desirable amenities to suit the needs of IT Industry in Annexure- II.

**11.14.6** The developers shall furnish an undertaking to the Local Authority that the built space shall be sold / leased / rented only to IT Units as recognized under this policy and if any IT Unit vacates, the same will be informed to PICTCL and subsequent lease etc., will be given only to the units recognized under this policy.

**11.14.7** The local authority shall obtain a bank guarantee for an amount equal to twice the conversion charges in case of an IT Park. The premises will be inspected on completion by PICTCL for ensuring compliance with the above stipulations before advising the Local Authority for discharge of Bank Guarantee.

### **11.15 SPECIAL INCENTIVES FOR MEGA PROJECTS**

Government may consider special package of incentives for all Mega Projects on a case to case basis based on the gestation period of projects, pioneering nature of projects, Locational aspects, state of the art technology, profitability,

scope for further related investment etc. Empowered Committee under the Chief Minister shall be competent to approve the special package of incentives and modalities for the same.

#### **11.16 SPECIAL INCENTIVES FOR SMALL AND MEDIUM ENTERPRISE (SMES)**

Capital subsidy @20% of fixed capital investment in a project, subject to ceiling of Rs.20 lacs, to be available to first 10 approved SME units in the IT Parks notified by PICTCL.

#### **11.17 INCENTIVE FOR QUALITY CERTIFICATIONS**

The Government will reimburse 20% of expenditure incurred by the IT software company for obtaining quality certifications for SEI CMM (Software Engineering Institute – Capability Maturity Model) Level 2 upwards, subject to maximum ceiling of Rs. 4 lakhs. Similar reimbursement will be made for ITES Companies for achieving COPC (Customer Operation Performance Centre) and eSCM (eSourcing Capability Model) certification. The IT/ITES units/companies can claim this incentive only once.

#### **11.18 VENTURE FUND FOR IT/ KNOWLEDGE INDUSTRY**

Punjab Venture Capital Fund has been created by Government of Punjab with a corpus of Rs. 20 crore contributed by SIDBI and various state corporations. The fund has already mobilized contributions to the tune of Rs. 5 crore and the management of the fund is going to be entrusted to private partner. The State Government will contribute an additional sum of Rs. 5 crores to the corpus.

#### **11.19 UPGRADATION OF INFRASTRUCTURE IN EXISTING ESTATES, MOHALI**

- i The existing estates in Mohali were developed during the year 1980-81 for setting up of Electronic Industries and there is need to upgrade the infrastructure in these estates by allowing development of world class IT campus/ complexes to fulfill the requirements of IT/ Knowledge Industry.
- ii PICTCL will work out modalities in agreement with all the stakeholders to enable the developers/IT Units to develop IT Park/ IT campuses/IT built up space in the existing estates in Mohali by rezoning of existing layouts and other development controls.

#### **11.20 IT / KNOWLEDGE INDUSTRY DEVELOPMENT FUND**

- i The State Government will set up a development fund contributed by government agencies including PIDB and OUVGL Scheme for promotion of IT/Knowledge Industry.
- ii The fund shall be utilized to promote IT/Knowledge Industry for creation of Infrastructure, Human Resource Development, Policy implementation and building strong Investor Relations. The fund shall also provide an additional assistance for advancement of SMEs.



- iii The core group under the Chairmanship of Chief Secretary will approve the expenditure from the development fund.

#### **11.21 DATA PROTECTION AND CONSUMER PRIVACY**

State Government would incorporate necessary regulation on Data Protection and Consumer Privacy to reassure the IT/ITeS companies and their client of the safety of their data and indicate the State Government's commitment to data protection and consumer privacy. Action will be taken to protect the Data and consumer privacy through state policies and recommendation for enactment of suitable laws.

#### **11.22 CLEARANCES AND SUPPORT**

PICTCL shall act as nodal agency for facilitating investments and land allotment for the IT/ Knowledge industry and shall provide single window services to such investors. All statutory clearances to IT Parks/units on lands allocated by PICTCL would be given by PICTCL except the clearances from Fire Services, Airport Authority etc.

#### **11.23 ALLOTMENT/TRANSFER OF LAND TO PICTCL BY STATE GOVERNMENT**

State Government will prioritize the allotment/transfer of available land with various government departments/agencies to PICTCL to develop IT/Knowledge Industry infrastructure by identifying key IT complexes/Parks in the state.

#### **11.24 MODALITIES FOR THE IMPLEMENTATION OF THE POLICY**

- i The detailed schemes may be framed, wherever required, to give effect to the provisions of this policy.
- ii For an effective implementation and facilitation of Policy, following committees/ expert groups are being formed by the Government of Punjab:
  - a. Formation of Vision Group under the Chairmanship of Chief Minister and comprising of key decision makers from the government and representatives of industry.
  - b. Formation of Core Group and Task Forces under the Chairmanship of Chief Secretary and comprising of key decision makers from Government and Industry representatives
  - c. The composition of Vision Group, Core Group and Task Forces is defined in Annexure III.

#### **11.25 AMENDMENT IN THE DEFINITION OF IT/BT/KNOWLEDGE BASED INDUSTRY**

The Core Group under the Chairmanship of Chief Secretary will decide regarding amendment in the definition as may be required from time to time.

## CHAPTER 12

### AGRO INDUSTRIAL POLICY, 2009

#### 12.1 INTRODUCTION

- 12.1.1** Punjab has been in the forefront of the Green Revolution in the late sixties and the seventies, with rich agricultural base. This, together with good infrastructure, particularly a network of good roads and communications, as well as enterprising people, provides excellent pre-conditions for an industrial take-off. At present, the agro processing industry in Punjab is confined to low value addition items like oil extraction, manufacture of bakery items, milling etc. The major reason for absence of high value addition in food processing is that it lacks major investment in infrastructure in terms of cold chains, introduction of new technologies & up-gradation of existing technologies/ infrastructure.
- 12.1.2** The State has achieved highest productivity levels in the production of wheat, paddy, tomatoes, potatoes, maize, cotton, citrus, etc. Punjab produced 15.7 million metric tones of wheat (2007-08), which is more than 20% of country's production and 10.5 million metric tons (2007-08) of rice accounting for 11% of country's production. Punjab also produced large quantity of cotton fibre i.e. around 0.4 million tons (2007-08), which is approx. 9% of country's production. Punjab is rightly called the "Food Basket of India" as it contributes 60 to 70% of wheat and 40 to 50% of rice to the Central Pool. The State has a potential to become agro processing hub of the country.
- 12.1.3** However, Punjab's average cumulative growth in agriculture sector during 2001 to 2007 has come down to 2.2% as against 3.2% in the country. Similarly, average cumulative growth of industry in the GDP of Punjab during the same period has come down to 4.2% against 7% in the country. Share of industry in the GDP of Punjab is 17.7%, which is much less than the states with similar per capita income in the country.
- 12.1.4** While Punjab possesses competitive advantage of lowest farm gate prices in several crops like wheat, paddy, cotton and horticultural crops such as potatoes, citrus, chilly, etc., this advantage is often frittered away due to lack of secondary/tertiary level processing facilities and lack of market information and marketing support. Numerous middlemen add to wastages from the farm to the consumer, retailer, processor or exporter. This leads to 30-35% wastages from the farm gate to the final consumer leading to price trade-up. Farmers realize a mere 25-30% of the final consumer price as opposed to 60-70% in well developed agricultural markets.
- 12.1.5** It is necessary that the agro industrial sector delivers adequate return on invested capital by operating throughout the year by integration of industry with the agro farms. A twin pronged strategy of improving

agricultural yields coupled with delivering the right quality at a competitive price to different markets would be necessary while renewing efforts towards ongoing diversification.

- 12.1.6** The agro industry needs to concentrate on primary, secondary and tertiary processing leading to higher levels of value addition for better returns. Centres for Agri & Food Processing technologies would be set up to develop technologies suitable to local produce and to meet quality and safety standards for exports. To develop human resources for the Agro & Food Processing Industries, specific courses with contents to meet the industry requirements would be introduced at all suitable levels in relevant institutes. Industry would have direct interface with the centers for development of technologies and the institutes providing courses in Agro/Food Processing sectors.
- 12.1.7** The incentives provided under the Industrial Policy 2003, taxation structure and infrastructure requirements to boost investment in agriculture sector were discussed with the various stakeholders in the industry viz. their associations namely CII, FICCI, PHD Chamber of Commerce and Progressive Farmers, etc. The suggestions so received were considered for inclusion in the New Agro Industrial Policy.

## **12.2 OBJECTIVES**

- 12.2.1** This policy endeavors to make Punjab, the destination of choice for investors and processors, both global and domestic.
- 12.2.2** Punjab has vast untapped potential in agro industrial sector, which could be used advantageously to achieve multiple goals viz. increased income for farmers, rural industrialization, employment generation, better quality products to consumers. This can be achieved by new investments in agro industries by national/multinational companies. The broad objectives of agro industrial policy are as under:-
- i.** To increase flow of investments in agriculture and agro industries so as to establish backward and forward linkages.
  - ii.** To accelerate a close interface between research, extension mechanisms, industry, farmers, markets and consumers.
  - iii.** To increase value addition thereby increasing income of farmers, traders and delivering better quality products to consumers.
  - iv.** To create modern supply-chain infrastructure needed for agro industrial development and marketing of agri produce.
  - v.** To create employment opportunities, thus, improving quality of life.
  - vi.** To assist small-scale agro based units to remain competitive in a globalized market.

- vii. To increase export of fruit & vegetables and value added agri products.

### **12.3 DEFINITIONS**

- A. 'Agro Industry' means units which add value to agricultural produce, intermediates and/or residues by processing or by improving storability or by providing link from farm to the market or part thereof.
- B. Other categories of units, products and processes as may be notified by Government from time to time, would also be eligible.

### **12.4 INCENTIVES**

#### **12.4.1 Interest Subsidy to Agro Industrial Units**

- A. Agro processing is a high risk industry. It is in its nascent stage of development in the Punjab. Agro industrial units pay heavy interest on term loan impacting their competitiveness & sustainability. In order to assist agro industrial units during the initial period of operations, interest subsidy will be granted on term loan taken from Scheduled/ Nationalized Banks/Financial Institutions, which fall under the purview of the Reserve Bank of India.
- B. 5% back ended subsidy for 5 years on the interest on term loan subject to a ceiling of Rs.20 lacs per year per unit i.e. maximum of Rs. 100 lacs in five years, will be provided subject to the conditions specified.
- C. Interest subsidy will be available to agro industrial units making fixed capital investment ranging from Rs.10 crores to less than Rs.25 crores and availing term loan upto Rs. 15 crores. The cost of land for the computation of fixed capital investment will not be more than 20% of fixed capital investment.

#### **12.4.2 Interest Subsidy to Agri Infrastructure Projects**

- A. Over the years, area under fruits & vegetables is increasing and to keep this momentum there is a need to create agri/cool chain infrastructure in the private sector. At present, modern cool chain infrastructure is virtually missing in the State. The Govt. is determined to bring private investment in this area by extending back ended interest subsidy scheme to units, which create agri infrastructure viz. integrated cold chain which includes pack houses, ripening chambers, washing/cleaning/grading lines, controlled atmosphere chambers, high humidity cold stores and refrigerated vans. The interest subsidy will be granted towards interest on term loan taken from Scheduled/Nationalized Banks/Financial Institutions, which fall under the purview of the Reserve Bank of India.
- B. 5% back ended subsidy for 5 years on the interest on term loan

subject to a ceiling of Rs. 20 lacs per year per unit i.e. maximum of Rs. 100 lacs in five years will be provided subject to the conditions specified.

- C. Interest subsidy will be available to agri infrastructure projects making fixed capital investment ranging from Rs.5 crores to less than Rs.25 crores and availing term loan upto Rs.15 crores. The cost of land for the computation of fixed capital investment will not be more than 20% of fixed capital investment.

#### **12.4.3 INTEREST SUBSIDY TO SMALL/MEDIUM AGRO INDUSTRIAL UNITS FOR MODERNISATION AND TECHNOLOGY UPGRADATION**

- A. The State Govt. would encourage existing small/medium agro industrial units to undertake modernization and/or technology upgradation to meet the challenges of marketing. Interest subsidy would be granted to units availing term loan from scheduled/nationalized Banks/FIs, which fall under the purview of the Reserve Bank of India.
- B. 5% back ended subsidy for 5 years on the interest on term loan subject to a ceiling of Rs.20 lacs per year per unit i.e. maximum of Rs. 100 lacs in five years, will be provided subject to the conditions specified.
- C. Interest subsidy will be available to existing small/medium agro industrial units undertaking modernization and/or technology upgradation for installing new equipments and availing term loan upto Rs. 5 crores for the purpose.

#### **12.4.4. Following conditions will also be applicable on the schemes mentioned above (Para 12.4.1 to 12.4.3):-**

- A. The back-ended interest subsidy will be provided after the unit has commenced commercial operations.
- B. The interest subsidy will be sent directly to the Banks/FIs.
- C. Interest subsidy will be available where the unit has not defaulted in repayment of principal and interest thereon.

#### **12.4.5 Assistance for Setting Up Centre of Excellence for Development of Technologies in the area of Agro / Food Processing Industry**

- A. The State Govt. intends to set up centres of excellence on PPP model to develop appropriate food processing/processing technologies (suitable to Punjab crops). Besides development of such technologies, the centres would also provide training/vocational courses to youth at all levels in agro processing, product development, pilot plant, incubation and food safety.
- B. The centres would be provided financial assistance upto 25% of the fixed capital investment, subject to a ceiling of Rs. 2.50 crores.

- C. The State Govt. will participate in PPP project on terms and conditions as decided by the Government.

#### 12.4.6 Assistance for International Food Standards/ Global Gap Certification.

In order to improve food quality & food safety at all levels of operations from farm to fork, assistance for obtaining International Food Standards/Global Gap Certification will be provided to the extent of 50% of actual expenditure subject to a ceiling of Rs.1 lac to producers of fruits & vegetables.

#### 12.4.7 Assistance for Preparation of Detailed Project Reports

To enable implementation of agro industrial units in a scientific manner, the Govt. will provide financial assistance to the extent of 50% of the cost of preparation of Detailed Project Report subject to a ceiling of Rs.5 lacs. The amount of assistance will be reimbursed only after the project is commissioned.

#### 12.4.8 Assistance for Patent Registration

For patent registration of new products relating to agro industries & agriculture, assistance of 50% will be provided, subject to a ceiling of Rs.2 lac per patent. The financial assistance will be made after the patent has been registered.

### 12.5 RESOURCE ALLOCATION

The financial obligation to provide subsidy/assistance under para 12.4 computes to Rs.530 lacs in year 1, Rs.1030 lacs in year 2, Rs.1330 lacs in year 3, Rs.1230 lacs in year 4, Rs.1530 lacs in year 5, Rs.1200 lacs in year 6, Rs.900 lacs in year 7, Rs.600 lacs in year 8 and Rs.300 lacs in year 9. Yearwise summary of the financial obligation is as under:-

(Rs. in Lacs)

Years	1	2	3	4	5	6	7	8	9	Total
Agro Industry – Interest Subsidy	100	200	300	400	500	400	300	200	100	2500
Agri Infrastructure -Interest Subsidy	100	200	300	400	500	400	300	200	100	2500
Modernisation/ Technology Upgradation - Interest Subsidy	100	200	300	400	500	400	300	200	100	2500
Centre of Excellence - Assistance	200	400	400	-	-	-	-	-	-	1000
IFS/ GAP	10	10	10	10	10	-	-	-	-	50

Assistance											
Detailed Project Report Assistance	-	10	10	10	10	10	-	-	-	50	
Patent Registration Assistance	-	10	10	10	10	10	-	-	-	50	
Total:		530	1030	1330	1230	1530	1200	900	600	300	8650

The total financial obligation for nine years is Rs.86.50 crores. It is proposed that the funds may be provided from the Rural Development Fund.

## 12.6 SUBSIDY ON DOMESTIC MARKETING & EXPORT OF FLOWERS, FRUITS & VEGETABLES AND IMPORT OF PLANTING MATERIAL

PAGREXCO has been providing subsidies for distant domestic marketing and exports of flowers, fruits & vegetables to the growers. Now, the subsidies will be provided at the rates mentioned below:-

### A. Domestic Distant Marketing (500 kms. away from Punjab Border)

#### Subsidy on Waxing/Grading

50% of the cost of waxing/grading of kinnow.  
(currently also at 50%).

#### Subsidy on Pre-cooling-cum-Cold Storage

50% of the cost of pre-cooling & cold storage on fruits & vegetables.  
(currently also at 50%).

#### Subsidy on Packing Material

25% of the cost of non-wooden packing material for all fruits & vegetables.  
(currently at 15%).

#### Subsidy on Freight

25% of the inland cost of freight for all fruits & vegetables.  
(currently at 15%).

#### Subsidy on inland reefer

25% of the inland freight cost of frozen fruits & vegetables (other than peas).  
(currently also at 25%).

### B. Export of flowers, fruits & vegetables

#### Subsidy on Packing Material

30% of the cost of non-wooden packing material for flowers, fruits & vegetables including frozen, processed and de-hydrated products.  
(currently at 25%).

#### Subsidy on in-land Freight

30% of in-land reefer cost of freight upto airport and/or sea port for flowers, fruits & vegetables including frozen, processed and de-hydrated products.

(currently at 25%).

Subsidy on Air-Freight for partial load

30% of air freight, subject to a maximum of Rs. 10/- per kg. for Asian countries and 25/- per kg. for other countries for flowers, fruits & vegetables including frozen, processed and de-hydrated products.  
(currently at 25%).

Subsidy on Air-Freight for full load

50% of air freight, subject to a maximum of Rs. 20/- per kg. for flowers, fruits & vegetables including frozen, processed and de-hydrated products.  
(currently also at 50%).

Subsidy on Sea-Freight

30% of sea freight cost, subject to a maximum of Rs. 10/- per kg. for Asian countries and 25/- per kg. for other countries for flowers, fruits & vegetables including frozen, processed and de-hydrated products.  
(currently at 25%).

**C. Subsidy on import of seed & planting material for Horticultural crops.**

Subsidy @ 50% of the landed cost in India including cost of planting material & freight  
(currently also at 50%).

(Subsidy under para 12.6 will be provided from the Corpus Fund being maintained by PAGREXCO)

**12.7** The concession regarding exemption of market fees on wheat given in the Department of Agriculture notification No. G.S.R. 96/P.A.23/61 /S.43/ Amd. (58)/2001, dated 11.09.2001 shall be retained.

**12.8** All agro processing units will be allowed to purchase agricultural products directly from the farmers and necessary exemption for this purpose will be given to them under the Punjab APMC Act.

**12.9 CLU/EDC CHARGES**

To provide incentives to new agro industrial units, CLU charges for conversion of agricultural land to agro industrial land would be waived off. Similarly, EDC charges for this specific purpose would also be reviewed.

**12.10 REVAMPING OF TAXES, VAT & DUTIES, RDF, MDF, ID CESS**

It shall be the endeavour of the State Govt. to rationalize taxes like VAT and other duties viz. VAT, RDF, MDF and Infrastructure Development Cess etc. on agricultural produce in the interest of promotion of agro industries.

**12.11 GENERAL CONDITIONS**

A. The interest subsidy will not be applicable to units engaged in wheat flour mills, rice sheller, cotton ginning/pressing mills, sugar mills, oil



expelling & solvent extraction units, distilleries, breweries and potato cold stores.

- B. Interest subsidy will be available on original amount of loan. Penal interest or compound interest shall not be taken into calculation.
- C. The unit with whom any taxes or any other Govt. dues are outstanding, the unit/industrial entrepreneur will not be eligible for any benefit under this policy.
- D. If the unit has availed interest subsidy or other financial assistance under any other scheme of State Govt./Govt. of India then similar benefits under this policy will not be available.
- E. The interest subsidy will be available to eligible units on First-come-First-Served basis.
- F. The application, forms and related documents for this policy will be devised by PAIC.
- G. All matters of interpretation under this policy will be referred to the Punjab Govt. (Agriculture Department) whose decision shall be final.

**CHAPTER -13**  
**APPLICABILITY OF THE POLICY**

- 13.1** The Industrial Policy 2003 notified vide No 5/58/2002/11B/968 dated 26.3.2003 will stand rescinded with the notification of Industrial Policy 2009.
- 13.2** The Principal Secretary Industries & Commerce shall be vested with powers to frame/ amend / relax/ interpret Rules and Schemes under this policy.
- 13.3** This policy and package of incentives would be effective from the date of notification of the policy. For giving effect to this policy, necessary amendments in various enactments, wherever necessary, shall be expeditiously undertaken. Government will also notify detailed Rules and Schemes for the implementation of this policy.

S. S. Channy,  
Principal Secretary to Government, Punjab,  
Department of Industries & Commerce.

**ANNEXURE – I**  
[ Clause 11.6(i) ]

- A. Categories of industries include in the scope/ definition of Information Technology Industry:**
- 1. Computing devices including:**
    - 1.1 Desktop / Personal computer
    - 1.2 Thin/ Thick clients
    - 1.3 Server
    - 1.4 Workstation
    - 1.5 Nodes
    - 1.6 Terminals
    - 1.7 Network PC
    - 1.8 Home PC
    - 1.9 Laptop computers
    - 1.10 Notebook computers
    - 1.11 Palm to computer/ PDA
    - 1.12 Hand held computer devices
  - 2. Network controller cards / memories including:**
    - 2.1 Network interface card (NIC)
    - 2.2 Adapter- Ethernet/PCI/EISA/Combo/PC MCIA
    - 2.3 SIMMs-memory
    - 2.4 Central processing unit (CPU)
    - 2.5 Controller-SCSI/Array
    - 2.6 Processors- Processor/Processor power module/upgrade
    - 2.7 Smart card devices
  - 3. Storage units including:**
    - 3.1 Hard-disk drivers/Hard drives
    - 3.2 RAID devices & their controllers
    - 3.3 Floppy disk drives
    - 3.4 CD-ROM drives
    - 3.5 Tape drives-DLT devices/DAT
  - 3.6 Optical Disk drives**
  - 3.7 Other digital storage devices including magnetic tapes & DATs**
  - 4. Others:**
    - 4.1 Keyboard
    - 4.2 Monitor
    - 4.3 Mouse
    - 4.4 Multimedia kits
    - 4.5 Scanners
    - 4.6 Joystick
    - 4.7 Card readers
    - 4.8 Computerised time recording devices
    - 4.9 Tablets
  - 5. Printers and output devices including:**
    - 5.1 Computer Printers of all types
  - 6. Networking products including:**
    - 6.1 Hubs
    - 6.2 Routers
    - 6.3 Switches for networking
    - 6.4 Computer network concentrators
    - 6.5 Trans-receivers
  - 7. Software including:**
    - 7.1 Application software
    - 7.2 Operating system
    - 7.3 Middleware/Firmware
    - 7.4 Any component level development of the above

software.

- 7.5 Design and Quality assurance work for these software.
- 7.6 System integration work/components for software.
- 7.7 Any localization and SCM work in the software.
- 7.8 Extension development (modules outside the main software).

#### **8. Power supplied to computer systems including**

- 8.1 Switch mode power supplies
- 8.2 Uninterrupted power supplies

#### **9. Networking / Cabling & related accessories (related to IT Industry)**

- 9.1 Fibre optic cable
- 9.2 CAT 3, CAT 5 & CAT 6 & other network specific cable
- 9.3 Connectors, terminal blocks
- 9.4 Jack panels, patch cord
- 9.5 Mounting cord, patch panels
- 9.6 Back boards, wiring blocks
- 9.7 Surface mount boxes

#### **10. Consumables including:**

- 10.1 CD-ROM/Compact disk
- 10.2 Floppy disk for computer
- 10.3 Tapes DAT/DLT for computer
- 10.4 Ribbons for computer
- 10.5 Toners
- 10.6 Inkjet cartridges for computer printers
- 10.7 Inks for computer output devices
- 10.8 Continuous Computer Forms

#### **11. Electronic Components:**

- 11.1 Printed circuit board assembly / populated PCB relating to computer integrated circuits/ICs & connectors for computers
- 11.2 Magnetic heads, Print heads

#### **12. Tele-communication equipments including:**

- 12.1 Videophones
- 12.2 Multiplexers/ Muxes
- 12.3 Modems
- 12.4 VSAT
- 12.5 Computer communication equipments
- 12.6 Wireless datacom equipment – Including Set top boxes for both video and digital signalling
- 12.7 Receiving equipment like Pagers, Mobile Cellular Phones etc.

#### **13. Information Technology services:**

- 13.1 Internet Service Provider
- 13.2 E-mail Service Provider
- 13.3 World wide web Service Provider
- 13.4 E-commerce & content development
- 13.5 Electronic Data Interchange (EDI) Services
- 13.6 Video conferencing
- 13.7 V-SAT, ISDN services
- 13.8 Electronic Data Centre activities

#### **14. IT Enabled Services: ITeS include processes and services sourced from a place that is located in a**

place separate from that in which the end users are located. It is delivered over private and secure public telecommunication networks. These services can be sourced from external contractors, own subsidiary or joint ventures.

**15. ITeS include, but are not limited to:**

- 15.1 Customer interaction services, e.g., call/contact centres and email help desks
- 15.2 Engineering and design
- 15.3 Back office processing
- 15.4 Finance and accounting (provided remotely)
- 15.5 Insurance claims processing (provided remotely)
- 15.6 HR services (provided remotely)
- 15.7 Web site development and maintenance services
- 15.8 Data search, integration and analysis
- 15.9 Network consulting and management
- 15.10 Remote education
- 15.11 Animation (provided remotely)
- 15.12 Market research (provided remotely)
- 15.13 Translation, transcription and localization (provided remotely).
- 15.14 Consultancy (Provided remotely) for:
  - 15.14.1 IT sector
  - 15.14.2 ERP
  - 15.14.3 CRM
  - 15.14.4 MRM

- 15.14.5 Technical support
- 15.14.6 Business Systems & Processes
- 15.15 Data Processing
- 15.16 System Integration and customization.
- 15.17 System Up gradation services
- 15.18 Designing and designing systems
- 15.19 Call Centers:
  - 15.19.1 Voice-inbound Both and outbound
  - 15.19.2 Data-inbound Both and outbound
  - 15.19.3 Software Extension development
  - 15.19.4 IT Facilities management (including provided remotely)

**16. Biotechnology**

- 16.1 Genetic Engineering
- 16.2 Cell Culture
- 16.3 Microbiology
- 16.4 Biochemistry
- 16.5 Bio Informatics

**17. Knowledge Industry include**

- 17.1 IT and IT Enabled Services
- 17.2 Nanotechnology
- 17.3 Biotechnology
- 17.4 Telecommunications
- 17.5 Consulting Agencies
- 17.6 Research and Development Services

**List – I****MANDATORY SPECIFICATIONS****1. LEGAL CLARITY**

- Clear & unencumbered Title.
- Undertaking to obtain Building Occupancy Certificate within three months of completion of construction.

**2. LARGE FLOOR PLATES**

- Min. Size: 10,000 sq. ft. / Floor (Optimum size: 20,000 – 30,000 sq.ft. / floor).
- Efficiency: Min. – 75% (Optimum over 80%), with a transparent and lucid definition of changeable and net lettable areas.

**3. COMFORTABLE FLOOR-TO-CEILING HEIGHTS**

- 7'.0"- 7'.6" Clear Height below False Ceiling OR
- Min. 9'.6" Clear Height below Beams / Slab.

**4. POWER & POWER-BACK-UP**

- A minimum of 0.6 KW/1000 sq. ft. of Power is required (Optimum level would be between 0.8 – 1.0 KW /1000 sq.ft.).
- On site Power Back-up of a minimum 100% must be provided (Diesel Generators, etc.,) to support office equipment, lighting and 50% for air-conditioning.
- Additional power Back-up for Emergency Lighting & Critical Facilities to be provided.

**5. AIR-CONDITIONING**

- Central Air-Conditioning Provided OR
- Provisions Made (AC Ducts, AHU Rooms)

**6. TELECOMMUNICATION INFRASTRUCTURE**

- Provision for False Flooring and Structured Cabling in the Building.
- Availability of Adequate Telephone lines (For Example – In-house Telephone Exchange (EPABX)).
- Optic Fibre Connectivity (Local Loop Network).
- Accessibility to the VSNL Earth Station.
- STPI Link / Space for installation of Dish Antenna / Microwave Tower.

**7. CONCEALED CABLING**

- Provision for concealed ducting for Power, Telecom and Data Cables in each hall in the Building.

**8. PARKING**

- Minimum of one Car Park / 750 sq. ft. of Super Built area.

- Adequate parking accommodation for Two Wheelers @ 1 Two Wheeler / 300 sq. ft. of Super Built Area.

#### **9. SECURITY & ACCESS CONTROL**

- Central Security Measures like 24 Hrs Security.
- Provision for Access Control Systems to be installed as required by Tenant Companies.

#### **10. FIRE-PROTECTION MEASURES – AS PER NBC (NATIONAL BUILDING CODE)**

- Integrated Fire Alarm System.
- Fire Sprinkler System.
- Required number of staircases as per the National Fire Prevention Code.

### **List – II**

#### **DESIRABLE SPECIFICATIONS**

##### **1. PARKING**

- Adequate Parking for Buses (if required due to peripheral location)
- Adequate provision for future expansion (including multi-level parking areas)

##### **2. SECURITY & ACCESS CONTROL**

- CCTV, Public Address System

##### **3. FIRE-PROTECTION MEASURES – AS PER NBC (NATIONAL BUILDING CODE)**

- Emergency Fire Trenches

##### **4. PROPERTY & FACILITIES MANAGEMENT**

- Quality Service Provided by a Reputed Service Firm

##### **5. ROUND THE CLOCK OPERATION OF ALL FACILITIES AND AMENITIES**

##### **6. OTHER AMENITIES**

**(Recommended maximum space to be used 20% of built up area)**

- Transport facilities to be provided in terms of shuttle buses that ply between the various key points in the city to the Tech Park at regular intervals.
- Food Court, Café and Restaurant
- Health Club equipped with an aerobics studio, games area, karaoke lounge, Jacuzzi and massage facilities and jogging trail
- Medical Centre to be provided with treatment for minor ailments and diagnostic services
- Banking & Foreign Exchange Facilities to be made available to tenants in the form of fully functional branches & ATM facilities if not existing within half a kilometer
- Freight and Courier Services

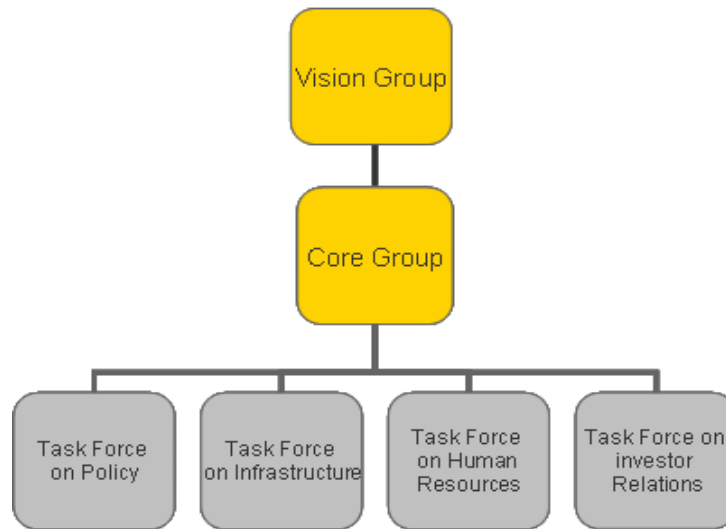
- Business Centre including suites, independent cabins, Conference Rooms, Discussion Rooms that offer the following facilities:
  - Fax Machine
  - Secretarial Services
  - Courier Services
  - Photocopying
  - Car Rentals
  - Hotel / Airline Booking
  - PCs, Printer, mobile telephone on rental

Desirable Infrastructure for Large Technology Parks (Over 10, 00,000 sq.ft.):

- Telecom Connectivity from Alternative Exchanges / Service Providers
- Power from Alternate Grids
- Residential, Retail & Entertainment Components



### Composition of Vision Group, Core Group and Task Force



1. Vision Group will be under the Chairmanship of Chief Minister and representatives of Industry Associations comprising of:
  - 11.25.1.1 Chief Minister
  - 11.25.1.2 Minister, Industries and Commerce
  - 11.25.1.3 Minister, Finance & Planning
  - 11.25.1.4 Minister, Information Technology
  - 11.25.1.5 Chief Secretary
  - 11.25.1.6 Principal Secretary, Department of Industries and Commerce
  - 11.25.1.7 Secretary, Housing & Urban Development
  - 11.25.1.8 Principal Secretary, Technical Education/Higher Education
  - 11.25.1.9 Managing Director, PICTCL
  - 11.25.1.10 Representatives from Industry and Industry Associations
  
2. Core Group will be under the Chairmanship of Chief Secretary comprising senior officials across departments and members from Government in the Vision Group
  
3. Task Forces will be constituted within the Core Group and will be under the Chairmanship of Chief Secretary comprising senior officials across departments and members from Government in the Vision Group
  - a. Task Force for Infrastructure
    - i. Principal Secretary, Industries and Commerce
    - ii. Principal Secretary, Finance
    - iii. Secretary, Housing & Urban Development
    - iv. Secretary, Local Government

- v. Secretary, Power
  - vi. Managing Director, PIDB
  - vii. Managing Director, PSIEC
  - viii. CA, GMADA
  - ix. Chief Town Planner, Punjab
  - x. Managing Director, PICTCL
  - xi. Representatives of Industry
- b. Task Force for Policy Implementation
- i. Principal Secretary, Industries and Commerce
  - ii. Secretary, Department of Finance
  - iii. Secretary, Housing & Urban Development
  - iv. Secretary, Local Government
  - v. Secretary- Department of Science and Technology
  - vi. Secretary, Department of Power
  - vii. Secretary, Department of Labour
  - viii. Chairman, PSEB
  - ix. Managing Director, PSIEC
  - x. Managing Director, PICTCL
  - xi. Representatives of Industry
- c. Task Force for Human Resource
- i. Principal Secretary, Department of Technical Educational and Industrial Training
  - ii. Principal Secretary, Department of Industries and Commerce
  - iii. Secretary, Department of Higher Education
  - iv. Secretary, Department of Employment Generation & Training
  - v. Vice Chancellors of Key Universities
  - vi. Managing Director, PICTCL
  - vii. Representatives from the Industry
- d. Task Force for Investor Relations and Promotion
- i. Principal Secretary, Industries and Commerce
  - ii. Secretary, Housing & Urban Development
  - iii. Secretary, Department of Public Relations,
  - iv. Secretary, Department of Tourism,
  - v. Managing Director, PIDB
  - vi. Director, STPI
  - vii. Managing Director, PICTCL
  - viii. Representatives from the Industry