



Rules on the Fiscal Incentives Act of Bhutan 2017

Department of Revenue & Customs
Ministry of Finance
Thimphu



**ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
TASHICHODZONG**

FOREWORD

The Ministry of Finance is pleased to issue the Rules on the Fiscal Incentives Act of Bhutan 2017 passed by the 9th Session of the 2nd Parliament. The Rules on Fiscal Incentives shall supersede all the previous incentives and any rules that contravene with these incentives including the Royal Government's orders Lhenzhung/CAD-03/08/1721 dated 27th June, 2008 and DRC/C-TIS/TAP/02/07/1865 dated 15th November 2007 regarding the specific and concessional rates on imported raw materials announced vide Fiscal Incentives 2010.

This Rules have been framed as per the sequence of the Act for easy cross reference. It is divided into Direct Tax incentives and Indirect Tax Incentive which are further divided into General Incentives and Sector Specific Incentives. The General Incentives are applicable to all the sectors of the economy and Sector Specific Incentives are applicable to the priority sectors identified under Economic Development Policy of December 2016 including the five jewels.

This Rules shall come into force in accordance with Section 1 and Section 2 of the Fiscal Incentives Act of Bhutan 2017.

NAMGAY DORJI
FINANCE MINISTER

ACRONYM

BICMA	: Bhutan Information, Communications & Media Authority
BIT	: Business Income Tax
BOC	: Bhutan Olympic Committee
BSB	: Bhutan Standards Bureau
CD	: Customs Duty
CDB	: Construction Development Board
CIT	: Corporate Income Tax
CSIs	: Cottage & Small Industries
DGM	: Department of Geology and Mines
DHPS	: Department of Hydropower and Power Systems
DRC, HQ	: Department of Revenue & Customs, Head Quarter
DTAA	: Double Taxation Avoidance Agreement
ICT	: Information & Communication Technology
INR	: Indian Rupee
IT Act	: Income Tax Act, 2001
IT/ITES	: Information Technology / Information Technology Enabled Services
MOAF	: Ministry of Agriculture & Forest
MOE	: Ministry of Education
MOEA	: Ministry of Economic Affairs
MOF	: Ministry of Finance
MOH	: Ministry of Health
MOIC	: Ministry of Information and Communication
MOLHR	: Ministry of Labour & Human Resources
NECS	: National Environment Commission Secretariat
R&D	: Research & Development
RA	: Reinvestment Allowance
RNR	: Renewable Natural Resources
RRCO	: Regional Revenue & Customs Office
RSTA	: Road Safety & Transport Authority
ST	: Sales Tax
STCA	: Sales Tax Collecting Agent
TCB	: Tourism Council of Bhutan
TDS	: Tax Deducted at Source

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RULES ON THE FISCAL INCENTIVES ACT OF BHUTAN 2017

In order to stimulate economic growth, foster private sector development and generate employment, the Ministry of Finance in exercise of the powers conferred under Section 44, Chapter 6 of the Fiscal Incentives Act of Bhutan 2017, hereby frames this Rules on the Fiscal Incentives Act of Bhutan 2017 as follows:

CHAPTER 1 PRELIMINARY

Title

1. This Rules is the Rules on the Fiscal Incentives Act of Bhutan 2017.

Commencement

2. The income tax holiday/income exemption period shall start from the date of commercial operation. (Section 3)
3. Sales Tax and Customs Duty exemption comes into force from 8th May 2017 and will cease on 31st December 2020.

Extend

4. This rules extend to the whole of the Kingdom of Bhutan.

CHAPTER 2 DIRECT TAX INCENTIVES GENERAL INCENTIVES

Income tax exemption on convertible currency earnings from export excluding INR earnings (Section 8)

5. Income tax exemption of 10 years on convertible currency earnings from export by newly established manufacturing and IT service industries.
 - (1) To avail the incentives, the following conditions must be fulfilled:
 - (a) The business entity must be a licensed manufacturing and IT service industry registered with DRC as taxpayer;
 - (b) The unit must be newly established commencing commercial operation between 8th May 2017 and 31st December 2020;

- (c) Export earnings must be from export of Bhutanese origin goods;
- (d) The exemption shall be provided to the extent of convertible currency earned from export sales. Expenses incurred in earning convertible currency shall not be allowed as deductible expenditure. Where actual expenses incurred for earning convertible currency cannot be determined, proportionate expenditure shall be disallowed at the ratio of export sales to total sales;
- (e) The manufacturing entities earning convertible currency must meet the minimum value addition criteria set by MoEA;
- (f) Exemption from tax shall not preclude the requirement to declare the income to the tax authorities;
- (g) All transactions in convertible currency must be routed through a Royal Government recognized financial institution and must submit all records to the concerned RRCO with whom they are registered;
- (h) Statement issued by recognized financial institution confirming the receipt of the convertible currency earned from the export of goods must be submitted within the income year.

Reinvestment allowance (Section 9)

- 6. Reinvestment Allowance (RA) of 25% to Manufacturing and Service industries.
 - (1) It shall be applicable for reinvestment undertaken in the form of capital expenditure between 8th May 2017 and 31st December 2020;
 - (2) Capital expenditure incurred is for expansion of production capacity, modernization, automation, product diversification and up-gradation of production facilities, with corresponding quantifiable increase in the output or reduction in cost of production including increase in efficiency;
 - (3) RA shall be allowed as deductible expenditure in the income year following the completion of the project, for instance after the building is completed or when the plant/machinery is put into operation;
 - (4) To avail the incentives, the following conditions must be fulfilled:
 - (a) RA shall be allowed as deduction over and above the normal

depreciation provided that the reinvestment expense is capitalized in the books in accordance with the Bhutanese Accounting Standards;

- (b) The company can either claim full deduction of RA in the same income year or split the claim in phased manner up to three subsequent years following the income year subject to a maximum limit of 25%;
- (c) In the event the asset is disposed off within 5 years from the date of completion of the project, RA previously given shall be withdrawn and subject to tax accordingly. “Disposed off” here means sold, conveyed, transferred, assigned or alienated with or without consideration;
- (d) Reinvestment which is in the nature of recurrent expenditure shall not be allowed;
- (e) The business entity must be registered under the Companies Act of Bhutan, 2016;
- (f) Reinvestment has been actually undertaken in the business from general reserves and not through loans, and is supported by necessary development plans and other relevant documents;
- (g) If reinvestment is undertaken from general reserves as well as through loans, 25% RA shall be allowed proportionately to the amount of reinvestment undertaken from general reserves.
- (h) Reinvestment expenditure shall exclude expenditure on purchase of land, furniture and fixture.

Tax rebate to industries adopting modern environmentally-friendly technologies (Section 10)

- 7. Tax rebate of up to 15% of the up-gradation expenses for adopting modern environmentally-friendly technologies.
 - (1) It shall be applicable to industries adopting such technologies between 8th May 2017 and 31st December 2020;
 - (2) Rebate shall be allowed only to the extent covered by the BIT/CIT amount payable for the income year. The rebate amount not covered shall be allowed to be carried forward to three subsequent income years following the income year;

- (3) To avail the incentives, the following conditions must be fulfilled:
 - (a) The technological up-gradation should meet the criteria, specification and standard prescribed by the law;
 - (b) There must be a letter of recommendation from NECS.

Income tax holiday to Small and Micro businesses (Section 11)

8. It shall be applicable to Small and Micro businesses located in the rural areas till 31st December 2018.
 - (1) Micro businesses holding Registration Certificate with any activity specifications and small businesses holding trade license classified as “Trade” and “Service” with exception to following activities are eligible for the incentives.
 - (a) Travel agents and ticketing businesses;
 - (b) Construction and Hiring businesses;
 - (c) Goods and passenger transport businesses;
 - (d) Consultancy businesses.
 - (2) To avail the incentives, the following conditions must be fulfilled:
 - (a) The business entity must hold micro registration certificate or a trade license classified as service or trade but excluding those activities specified under clause 8(1);
 - (b) The license holders are registered with Department of Revenue & Customs and issued with a valid Taxpayer Number (TPN).
 - (c) Business entity is located away from the boundaries of Thimphu, Phuentsholing, Gelephu and Samdrup Jongkhar Thromdes for Micro traders and outside the boundaries of four major Thromdes and Dzongkhag headquarter Throms for small business entity.
 - (d) Turnover or investment for small business must be within the limit prescribed under **Annexure 1** of the Rules on the Income Tax Act 2001 and within Nu.1 million for micro business.
 - (e) Small business submitting annual accounts to RRCO must continue to maintain and submit accounts even if they are exempted. Failure to submit accounts will result in withdrawal of exemption.

Tax rebate for employing 100% Bhutanese nationals (Section 12)

9. Tax rebate of 10% shall be allowed to business employing 100% Bhutanese nationals with no less than 20 employees.
 - (1) It shall be applicable to businesses employing 100% Bhutanese nationals between 8th May 2017 and 31st December 2020;
 - (2) 10% of the assessed tax amount shall be allowed as tax rebate;
 - (3) To avail the incentives, following conditions must be fulfilled:
 - (a) Business entity must employ 100% Bhutanese nationals;
 - (b) Business entity must employ at least 20 employees;
 - (c) 100% employment of Bhutanese nationals must be maintained throughout the income year;
 - (d) The number of employees must be certified by MoLHR.

Income tax holiday for broad based ownership (Section 13)

10. Income tax holiday of 5 years to companies going for an IPO.
 - (1) It shall be applicable to the companies going for an IPO between 8th May 2017 and 31st December 2020;
 - (2) To avail the incentives, the following conditions must be fulfilled:
 - (a) Minimum 35% of the issued capital must be offered to the public for subscription as per the Regulations for Public Issue of Shares, 2015;
 - (b) There must be a certification letter from the Company Registry Division, MoEA.

Waiver of interest income for financial institutions (Section 14)

11. Waiver of income tax on interest income earned by financial institutions through preferential lending for Education and Skills Development Program and Overseas Employment.
 - (1) It shall be granted from 8th May 2017 till 31st December 2020;
 - (2) It shall be applicable to all financial institutions;
 - (3) To avail the incentives, the following conditions must be fulfilled:
 - (a) Financial institutions must lend at preferential rate to individuals

who has letter of recommendation from MoLHR for the purpose of Education and Skills Development Program and Overseas Employment;

- (b) The preferential lending rate must be lower than the commercial borrowing rate;
- (c) The interest income should be declared separately in the books of accounts.

CHAPTER 3 SECTOR SPECIFIC INCENTIVES

Cottage and Small Industries (CSI) and Co-operative Sector (Section 15)

- 12. Income tax holiday of 10 years to CSIs and Co-operatives [Section 15 (a)]
 - (1) It shall be applicable to newly established CSIs and Co-operatives;
 - (2) The business should have commenced commercial operation between 8th May 2017 and 31st December 2020;
 - (3) To avail the incentives, the following conditions must be fulfilled:
 - (a) CSIs must be a licensed business entity;
 - (b) The categorization of CSI shall be as per the license issued by the authorized agency;
 - (c) Co-operatives must be established under the Co-operative Act of Bhutan (Amendment) 2009 and must be approved by the concerned agency;
 - (d) CSIs must be involved in Production and Manufacturing of goods excluding sawmill, non-integrated furniture units, mining, quarrying, and logging activities. In addition, priority service industries not included under the sector specific incentives shall be eligible for tax holiday based on the recommendation of MoEA.

- 13. Waiver of income tax on interest income earned by financial institutions through preferential lending to CSI and Co-operatives [Section 15 (b)]
 - (1) It shall be granted from 8th May 2017 till 31st December 2020;
 - (2) It shall be applicable to all financial institutions;

- (3) To avail the incentives, the following conditions must be fulfilled:
 - (a) Financial institutions must lend at preferential rate to CSIs and Co-operatives for the purpose of commercial expediencies;
 - (b) The preferential lending rate must be lower than the commercial borrowing rate;
 - (c) The CSIs and Co-operatives availing such credit facilities must be licensed and registered with DRC;
 - (d) The interest income should be declared separately in the books of accounts.

14. An additional 10% deductible expenditure for use of locally produced products [Section 15 (c)]
 - (1) It shall be granted from 8th May 2017 to 31st December 2020;
 - (2) It shall be applicable to all CSIs sourcing locally produced raw materials for manufacturing purpose;
 - (3) To avail the incentives, the following condition must be fulfilled:
 - (a) CSI must be licensed and registered with DRC.

Mining Sector (Section 16)

15. Income tax holiday of 10 years for newly established domestically sourced mineral based industries [Section 16 (a)]
 - (1) To avail the incentives, the following conditions must be fulfilled:
 - (a) The mining industry must be a licensed business entity and should have commenced commercial operation between 8th May 2017 and 31st December 2020;
 - (b) The categorization of the exempt industry shall be as per the list approved by the DGM, MoEA;
 - (c) Mining operations engaged in primary extraction, quarrying, crushing unit and basic ore dressing shall not be eligible for this incentive;
 - (d) The business entity must meet the value addition condition prescribed by MoEA;
 - (e) There must be a recommendation letter from the DGM, MoEA.

16. Income tax holiday of 5 years for existing domestically sourced mineral based industries [Section 16 (a)]
- (1) It shall be applicable to existing mining industries.
 - (2) It shall be granted from 8th May 2017 for 5 years.
 - (3) To avail the incentives, the following conditions must be fulfilled:
 - (a) There must be a recommendation letter from the DGM, MoEA;
 - (b) The business entity must be licensed entity;
 - (c) The business entity must meet the value addition condition prescribed by MoEA;
 - (d) Existing mining operations engaged in primary extraction, quarrying, crushing unit and basic ore dressing shall not be eligible for this incentive.

Tourism Sector (Section 17)

17. Income tax holiday of 10 years to newly established tourist standard hotel and 5 years to existing hotel upgraded to tourist standard hotel [Section 17 (a)]
- (1) The unit is newly established and commencing commercial operation between 8th May 2017 and 31st December 2020;
 - (2) The existing hotel is upgraded to a tourist standard hotel and commencing commercial operation between 8th May 2017 and 31st December 2020. For the purpose of this rules, existing hotels shall mean those hotels which are not rated as standard hotel by TCB;
 - (3) The income tax holiday shall be applicable on the income generated from core hotel business only. Miscellaneous income and income generated from letting out some portion of the hotel building will not be eligible for exemption;
 - (4) For the purpose of claiming tax deductible expenditure on the assets such as land, building and other facilities, the ownership of the property must be either in the name of the license holder or in the name of his immediate family members;
 - (5) To avail the incentives, the following conditions must be fulfilled:
 - (a) Tourist Standard hotel established is as per the standards and rating prescribed by the TCB;

- (b) There must be a certification letter from the TCB;
 - (c) The unit should be registered as Sales Tax Collecting Agent (STCA) with the concerned RRCO;
 - (d) Businesses conducted in hired premises shall be eligible for tax holiday.
18. Income tax holiday of 5 years to Farm House and Home Stay established as hospitality unit [Section 17 (b)]
- (1) To avail the incentives, the following conditions must be fulfilled:
 - (a) The Farm House and Home Stay is registered with the TCB as hospitality unit between 8th May 2017 and 31st December 2020;
 - (b) The commercial operation should have commenced between 8th May 2017 and 31st December 2020;
 - (c) There must be a certification letter from the TCB;
 - (d) Farm House and Home Stay meet the standard for hospitality unit as prescribed by the TCB.

Agriculture & RNR Sector (Section 18)

19. Income tax holiday of 10 years to business engaged in agriculture and RNR activities listed under **Annexure 1** of this Rules [Section 18(a)]
- (1) To avail the incentives, the following conditions must be fulfilled:
 - (a) The entity should have commenced commercial operation between 8th May 2017 and 31st December 2020;
 - (b) It shall be effective from the date of commercial operation;
 - (c) The business unit is licensed and approved by authorized agency and registered with DRC;
 - (d) Integrated wood industries and existing wood based industries that upgrade to an integrated wood processing plant shall be eligible for tax holiday after certification by MoAF.

Education Sector (Section 19)

20. Income tax holiday of 5 years to newly established educational and vocational institute located outside Thimphu and Phuentsholing Thromde

areas [Section 19(a)]

- (1) It shall be applicable to those commencing commercial operation between 8th May 2017 and 31st December 2020;
- (2) For the purpose of claiming tax deductible expenditure on the assets such as land, building and other facilities, the ownership of the property must be either in the name of the license holder or in the name of his immediate family members;
- (3) Educational institutes shall include privately funded local or international schools /colleges, daycare centers as defined and categorized by MoE or MoLHR;
- (4) To avail the incentives, the following conditions must be fulfilled:
 - (a) There must be a recommendation letter from MoE/MoLHR;
 - (b) There must be a valid business license issued by authorized agency;
 - (c) Business conducted in hired premises shall be eligible for tax holiday.

21. Income tax holiday of 5 years to newly established music schools, games & sports school [Section 19(b)]

- (1) To avail the incentives, the following conditions must be fulfilled:
 - (a) The business entity must commence commercial operation between 8th May 2017 and 31st December 2020;
 - (b) It must be a licensed business entity registered with DRC.

Health Sector (Section 20)

22. Income tax holiday of 5 years to newly established selective private health service [Section 20(a)]

- (1) To avail the incentive, the following conditions must be fulfilled:
 - (a) The business entity must commence commercial operation between 8th May 2017 and 31st December 2020;
 - (b) Ministry of Health shall identify and approve selective health services for private investment;
 - (c) There must be an approval letter from the Ministry of Health;
 - (d) It must be a licensed business entity registered with DRC.

Information and Communication Technology (Section 21)

23. Income tax holiday of 5 years to newly established IT/ITES business [Section 21(a)]
- (1) It shall be applicable to IT/ITES, approved by MoIC and operating from within and outside the IT park;
 - (2) To avail the incentives, the following conditions must be fulfilled:
 - (a) The business entity must be licensed and registered with DRC;
 - (b) The business entity must commence commercial operation between 8th May 2017 and 31st December 2020;
 - (c) At least 80% of the staff employed should be Bhutanese nationals throughout the tax holiday period. In the event of non-compliance to this condition, the tax holiday shall be withdrawn for the relevant year;
 - (d) There must be a recommendation letter from MoIC.
24. Income tax holiday of 5 years to newly established business engaged in production of films, documentaries and serials for public broadcasting [Section 21(b)]
- (1) It shall be applicable to those films, documentaries and serials produced during the period between 8th May 2017 and 31st December 2020;
 - (2) To avail the incentives, the following conditions must be fulfilled:
 - (a) The unit must be a licensed entity and registered with DRC;
 - (b) There must be a recommendation letter from BICMA.
25. Income tax exemption of 5 years on animated films produced by newly established business [Section 21(c)]
- (1) It shall be applicable to income earned from animated films only produced during the period between 8th May 2017 and 31st December 2020;
 - (2) To avail the incentives, the following conditions must be fulfilled:
 - (a) The unit must be a licensed entity and registered with DRC;
 - (b) There must be a recommendation letter from BICMA.

26. Income tax holiday of 5 years to newly established media service providers, namely print media and broadcasting entities [Section 21(d)]
- (1) It shall be applicable only on income from the publication of newspapers and periodicals;
 - (2) To avail the incentives, the following conditions must be fulfilled:
 - (a) The business entity must commence commercial operation between 8th May 2017 and 31st December 2020;
 - (b) The unit must be incorporated under the Companies Act of Bhutan, 2016.

Transport Sector (Section 22)

27. 3% TDS exemption on aircraft lease payment by domestic airline companies [Section 22(a)]
- (1) The following incentives shall be available from 8th May 2017 till 31st December 2020;
 - (2) Airline businesses shall be exempted from withholding 3% TDS on the aircraft lease payments;
 - (3) Withholding taxes paid by airline businesses in jurisdictions with which Bhutan does not have DTAA shall be allowed as tax deductible expenditure;
 - (4) To avail the incentives, the following conditions must be fulfilled:
 - (a) The unit must be a licensed business entity and registered with DRC;
 - (b) The airline business must be incorporated under the Companies Act of Bhutan, 2016.
28. Income tax holiday of 5 years to taxi/car- hire service providers [Section 22(b)]
- (1) It shall be applicable to those taxi/car-hire service providers;
 - (2) To avail the incentives, the following conditions must be fulfilled:
 - (a) The business must commence commercial operation between 8th May 2017 and 31st December 2020;
 - (b) The business entity must be incorporated under the Companies Act of Bhutan, 2016.

Waste Management and Recycling Industries (Section 23)

29. Income tax holiday of 5 years to newly established waste management/recycling entities including scrap dealers [Section 23 (a)]
- (1) To avail the incentives, the following conditions must be fulfilled:
 - (a) The business entity must commence commercial operation between 8th May 2017 and 31st December 2020;
 - (b) Waste Management /recycling unit must be a licensed entity;
 - (c) There must be a recommendation letter from NECS.

Business Infrastructure Development (Section 24)

30. Income tax holiday of 10 years to newly established infrastructure developer [Section 24 (a)]
- (1) It shall be applicable to development of infrastructure namely industrial estate, IT Park, dry port, warehousing and cold storage;
 - (2) To avail the incentives, the following condition must be fulfilled:
 - (a) The developer must be a licensed business entity and registered with DRC;
 - (b) The business entity must commence commercial operation between 8th May 2017 and 31st December 2020.

CHAPTER 4 INDIRECT TAX INCENTIVES GENERAL INCENTIVES

ST & CD exemption on plant and machinery

31. ST & CD exemption on plant and machinery for manufacturing and service industry (Section 25)
- (1) It shall be granted until the date of commercial operation or 31st December 2020, whichever is earlier, for a new industry;
 - (2) Plant and machinery required for expansion, up-gradation and augmentation of existing industry shall be exempted until 31st December 2020;

- (3) To avail the incentives, the following conditions must be fulfilled:
 - (a) The importer is a licensed manufacturing or service unit;
 - (b) The unit is registered with DRC;
 - (c) Technical clearance and import authorization from the concerned organizations, in case of restricted items, is submitted along with the application for exemption;
 - (d) Plant and machinery are peculiar to and directly related to the manufacture of the unit's product specified in the license issued by authorized agency;
 - (e) In case of clause 31(2), it should be duly recommended by MoEA, if required.
- (4) Spares and accessories shall be taxable;
- (5) Category of goods for civil, electrical, and plumbing works, and other materials used for installation or housing the plant and machinery including support structures, platforms, railings, laboratory and testing equipment, electronic goods, cold storage, home appliances, consumables, tools, kits, office equipment, furniture and vehicles, irrespective of the nature of business, shall not be eligible for ST & CD exemption;
- (6) Manufacturing and service industries involved in trading/resale of plant & machinery shall not be eligible for exemption.

ST & CD exemption on permissible raw materials and primary packaging materials (Section 26)

32. ST exemption on permissible raw materials and primary packaging materials for manufacturing industry
 - (1) It shall be granted until 31st December 2020;
 - (2) To avail the incentives, the following conditions must be fulfilled:
 - (a) The importer is a licensed manufacturing unit;
 - (b) The unit is registered with DRC;
 - (c) The raw materials and packaging materials are directly related to the manufacture of units' products specified in the license issued by authorized agency;

- (d) The final product meets the value addition criteria prescribed by MoEA;
 - (e) Raw materials and packaging materials are included in the list approved by DRC,HQ for a particular industry;
 - (f) Technical clearance and import authorization from the concerned organizations, in case of restricted items, is submitted along with the application for exemption;
33. Procedures for applying ST exemption on permissible raw materials and primary packaging material imported from India and countries other than India
- (1) The applicant should submit the following documents to the concerned RRCO;
 - (a) An application form as per the prescribed format by 31st October every year to avail exemption for the following year; and
 - (b) A letter of undertaking as per the prescribed format affixed with legal stamp.
34. CD exemption on permissible raw materials and primary packaging materials for manufacturing industry (Section 27)
- (1) It shall be granted until 31st December 2020;
 - (2) To avail the incentives, the following conditions must be fulfilled:
 - (a) Manufacturing industries earn their own convertible currency through the export of their finished products manufactured from the imported raw materials;
 - (b) CD exemption shall be provided to the extent of value of import of raw materials and packaging materials covered by convertible currency earned;
 - (c) It shall be subject to all the conditions and provisions of clause 32(2) of this Rules.
 - (3) Import of initial raw materials and packaging raw materials shall be subject to payment of CD at the time of import;
 - (4) Refund of CD levied under clause 34(3) shall be refunded to the manufacturing unit subject to fulfillment of the following conditions:

- (a) Manufacturing industries subsequently earn their own convertible currency through the export of their finished products manufactured from the imported raw materials;
 - (b) The value of initial import of raw materials and packaging materials is covered by convertible currency so earned and is adjusted/deducted accordingly from the convertible currency earned record.
- (5) Only those exports and its corresponding convertible currency earned between 8th May 2017 and 31st December 2020 shall be considered for the purpose of CD exemption under this Rule;
- (6) Notwithstanding clause 34(5) of this Rules, convertible currency earned after 31st December 2020 for the export made before 31st December 2020 shall not be considered for the purpose of CD exemption.
35. Procedure for applying ST & CD exemption on permissible raw materials and primary packaging materials imported from countries other than India
- (1) The applicant should submit the following documents to the concerned RRCO:
 - (a) An application form as per the prescribed format;
 - (b) A letter of undertaking as per the prescribed format, affixed with legal stamp;
 - (c) Import license/permit issued by the authorized agency;
 - (d) List of raw materials and primary packaging materials approved for ST exemption by concerned RRCO for the relevant year;
 - (e) Certificate of Origin, issued by the authority concerned, for goods which have earned convertible currencies in order to avail CD exemption;
 - (f) A certificate of fulfillment of value addition criteria prescribed by MoEA;
 - (g) A copy of pro-forma invoice/bills;
 - (h) Statement issued by recognized financial institutions confirming

the receipt of the convertible currency earned from export of finished products;

- (i) A copy of the project documents/approval/agreement, etc if relevant.

36. Payment of concessional customs duty rate of 3% on permissible raw materials and primary packaging materials (Section 28)

- (1) It shall be granted until 31st December 2020;
- (2) It shall be applicable to manufacturing industries that do not earn their own convertible currency under clause 34(2) of this Rules to avail CD exemption on industrial raw materials and primary packaging materials;
- (3) To avail the incentives, the following conditions must be fulfilled:
 - (a) Manufacturing unit must employ at least 80% Bhutanese nationals throughout the income year;
 - (b) In case of incorporated companies, total employees of the company shall be considered to calculate 80% employment of Bhutanese nationals;
 - (c) The number of employees should be duly certified by MoLHR;
 - (d) Manufacturing industries that do not meet the conditions of employment shall pay the existing customs duty;
 - (e) It shall be subject to all the conditions and provisions of clause 32(2) of this Rules;
 - (f) Manufacturing industries shall be subject to post audit, if required.

37. CD exemption on proprietary raw materials (concentrate/formula) for manufacturing industries. (Section 29)

- (1) It shall be granted until 31st December 2020;
- (2) It shall be applicable to manufacturing industries where franchise agreement has been approved by MoEA;
- (3) To avail the incentives, the following conditions must be fulfilled:
 - (a) Manufacturing industries must be incorporated under Companies Act of Bhutan 2016;
 - (b) Manufacturing industries must export at least 80% of their

finished products and earn either convertible currency or Indian rupees;

- (c) Manufacturing industries must employ at least 80% Bhutanese nationals throughout the income year;
- (d) The number of employees should be duly certified by MoLHR;
- (e) Manufacturing industries that do not meet the conditions shall pay the existing customs duty;
- (f) It shall be subject to all the conditions and provisions of clause 32 (2) of this Rules;
- (g) Manufacturing industries shall be subject to post audit, if required.

ST & CD exemption for Point of Sale (PoS) machines and ATMS

38. ST & CD exemption on Point of Sale (PoS) machines, and ATMs for financial institutions (Section 30)

- (1) It shall be granted until 31st December 2020;
- (2) To avail the incentives, the following conditions must be fulfilled:
 - (a) The importer must be a licensed business entity registered with DRC.
 - (b) The business must be operational at the time of application.
- (3) Exemption on PoS machines shall be available to all the business entities including authorized dealers of PoS machines.

ST & CD exemption on electronic cash register

39. ST & CD exemption on electronic cash register for business entity (Section 31)

- (1) It shall be granted until 31st December 2020;
- (2) It shall be available to all the business entities including authorized dealers of cash register;
- (3) To avail the incentive, the following condition must be fulfilled:
 - (a) The imported must be a licensed business entity registered with DRC.
 - (b) The business must be operational at the time of application.

ST & CD exemption on R&D equipment

40. ST & CD exemption on R&D equipment for government recommended R&D proposal (Section 32)
- (1) It shall be granted until the date of completion of R&D project or 31st December 2020, whichever is earlier;
 - (2) To avail the incentives, the following conditions must be fulfilled:
 - (a) It should be supported by R&D proposal duly recommended by relevant government agencies;
 - (b) The equipment should be directly related to the R&D activities specified in the R&D proposal;
 - (3) Category of goods for civil, electrical and plumbing works, and other materials used for installation or housing the equipment, including support structures, platforms, railings, spares, accessories, electronic goods, cold storage, home appliances, consumables, tools, kits, office equipment, furniture, vehicles, irrespective of the nature the R&D project, shall not be eligible for ST & CD exemption.

ST & CD exemption for promotion of games & sports

41. ST & CD exemption on games & sports equipment (Section 33)
- (1) It shall be granted until 31st December 2020;
 - (2) It shall be applicable to games and sports equipment imported by:
 - (a) BOC and its federations;
 - (b) Government agencies; and
 - (c) Licensed business entity providing games and sports services;
 - (3) Games and sports equipment shall be limited to those equipment that are essentially and directly needed to undertake or perform a game or sports;
 - (4) Games and sports equipment meant for resale/trading purpose shall not be eligible for ST and CD exemption.

CHAPTER 5 SECTOR SPECIFIC INCENTIVES

Energy Sector (Section 34)

42. ST & CD exemption to hydroelectric projects [Section 34(a)]
 - (1) ST & CD exemption to hydroelectric projects undertaken through Inter-Governmental mode including the Associated Transmission Systems shall be governed by the tax exemption provisions of the Bilateral Agreement signed regarding respective hydroelectric projects;
 - (2) ST & CD exemption to hydroelectric projects undertaken through other than Inter-Governmental mode including the Associated Transmission Systems shall be limited to plant and machinery, construction materials and equipment imported for direct use in the construction of project;
 - (3) Unless otherwise specified, the exemption for hydroelectric projects above shall cease upon the commercial operation of the project;
 - (4) To avail the incentives, the following conditions must be fulfilled:
 - (a) The concerned project authority/developer through the DHPS, MoEA shall apply to DRC,HQ for tax guidelines prior to finalization of the contract documents;
 - (b) A copy of the project documents, license and other relevant documents should be submitted along with the application for tax guidelines.

43. ST & CD exemption on specific materials for hydroelectric projects service centers [Section 34 (b)]
 - (1) It shall be granted until 31st December 2020;
 - (2) It shall be applicable to welding wires/electrodes and hard coating powder used by service centers and other items reviewed and approved by MoF from time to time;
 - (3) To avail the incentives, the following conditions must be fulfilled:
 - (a) The service center must be a licensed business entity;
 - (b) The business entity must be registered with DRC.

44. ST & CD exemption on plant & machinery for solar, wind, biogas and other renewal energy [Section34(c)]
- (1) It shall be granted until 31st December 2020;
 - (2) It shall be subject to all the conditions and provisions of clause 31(3) of this Rules.

Cottage and Small Industries (CSI) and Co-operatives Sector (Section 35)

45. ST & CD exemption on plant and machinery, permissible raw materials and primary packaging materials. [Section35 (a)]
- (1) It shall be granted until 31st December 2020;
 - (2) Co-operatives must be those established as per the Co-operatives Act of Bhutan (Amendment) 2009;
 - (3) CSI and Co-operatives must be registered with DRC;
 - (4) It shall be subject to all the conditions and provisions of clause 31(3) and 32(2) of this Rules;
 - (5) Notwithstanding clause 34(2)(a) of this Rules, CD exemption shall be provided to the CSIs for purchase of raw materials/primary packaging materials, without having to comply with the convertible currency earnings requirements, for import value up to USD 50,000 per annum per CSI subject to recommendation of the MoEA.
46. ST & CD exemption on raw materials, equipment and tools for artisans and craftsmen in the rural areas [Section35 (b)]
- (1) It shall be granted until 31st December 2020;
 - (2) It shall be applicable to those raw materials, equipment and tools that promote indigenous skills;
 - (3) There should be a recommendation from MoEA.

Mining Sector (Section 36)

47. ST & CD exemption on equipment & machineries for mining industry [Section 36 (a)]
- (1) It shall be granted until 31st December 2020;
 - (2) The list of mining equipment and machineries shall be recommended

- by DGM and reviewed and approved by MoF from time to time;
- (3) To avail the incentives, the following conditions must be fulfilled:
 - (a) The mining unit must be licensed business entity registered with DGM;
 - (b) The mining equipment and machineries should be directly related to the activity specification provided in the license;
 - (4) Spares and accessories shall be taxable.

Tourism Sector (Section 37)

48. ST& CD exemption on buses for tour operators [Section 37(a)]
 - (1) It shall be granted until 31st December 2020;
 - (2) The number of buses permitted shall be one for unincorporated business and two for incorporated companies;
 - (3) For the purpose of this rules “buses” shall mean buses of at least 10-seater capacity and above approved by MoF from time to time. The type of buses approved is attached as **Annexure 2** of this Rules.
 - (4) To avail the incentives, the following conditions must be fulfilled:
 - (a) The number of buses imported under Fiscal Incentives 2010 are at least seven years old and have not exceeded the maximum ceiling prescribed herein;
 - (b) The tour operator has handled at least 100 international dollar paying tourists in total during the last two operating income year preceding the date of application for exemption.
 - (c) The tour operator must be registered with TCB;
 - (d) All applications must be duly verified and recommended by TCB;
 - (e) The tour operator is registered as taxpayer with DRC and should be operational at the time of application;
 - (f) The name of the business entity should be displayed on the vehicles;
 - (g) If the vehicle is sold/disposed off or transferred within five years from the date of registration, the business entity shall be liable for all the taxes and duties;
 - (h) The tour operator shall sign and submit an undertaking/

agreement as per the terms and conditions provided by DRC/TCB;

- (i) All application for exemption must be submitted online as per the website tax.tashel.gov.bt.

49. ST & CD exemption on camping, trekking, rafting, kayaking, boating and other outdoor or adventure recreation equipment for tour operators [Section 37(b)]

- (1) It shall be granted until 31st December 2020;
- (2) It shall be applicable to the list of items approved by MoF in consultation with TCB from time to time. The list of items and their shelf life is attached as **Annexure 2** of this Rules.
- (3) To avail the incentives, the following conditions must be fulfilled:
 - (a) The tour operator must be a licensed business entity registered with TCB;
 - (b) The tour operator is registered as taxpayer with DRC and should be operational at the time of application;
 - (c) The tour operator has handled at least 100 international dollar paying tourists in total during the last two operating income year preceding the date of application for exemption.
 - (d) All applications must be duly verified and recommended by TCB;
 - (e) The tour operator shall sign and submit an undertaking/agreement as per the terms and conditions provided by DRC/TCB;
 - (f) All application for exemption must be submitted online as per the website tax.tashel.gov.bt.

50. ST& CD exemption for tourist standard hotels [Section37(c)]

- (1) It shall be granted until 31st December 2020;
- (2) It shall be applicable to the list of items approved by MoF in consultation with TCB from time to time. The list of items and their quantity restriction is attached as **Annexure 3** of this Rules.
- (3) To avail the incentives, the following conditions must be fulfilled:
 - (a) The hotel must be a licensed business entity registered with TCB

as tourist standard accommodation whether new or existing or upgrading or renovating;

- (b) All applications must be duly verified and recommended by TCB;
- (c) The hotel must be registered as sale tax collecting agent with DRC;
- (d) The hotel shall use computerized billing system to avail these incentives;
- (e) The hotel concerned shall sign and submit an undertaking/ agreement as per the terms and conditions provided by DRC/ TCB;
- (f) All applications for exemptions must be submitted online as per the website tax.tashel.gov.bt.

Agriculture& RNR Sector (Section 38)

51. ST & CD exemption to Agriculture and RNR sectors [Section 38 (a)]

- (1) It shall be granted until 31st December 2020;
- (2) It shall be applicable to the list of items approved by MoF in consultation with MoAF from time to time. The list of items and their target beneficiaries is attached as **Annexure 4** of this Rules.
- (3) All application for exemption must be recommended by the concerned Agriculture and RNR sector;
- (4) The business entity engaged in resale/trading of agriculture and RNR goods shall be taxable.

Construction Sector (Section 39)

52. ST & CD exemption on earth-moving, heavy lifting and drilling equipment for construction and hiring business entity [Section39(a)]

- (1) It shall be granted until 31st December 2020;
- (2) To avail the incentives, the following conditions must be fulfilled:
 - (a) The importer must be a licensed business entity registered with DRC;
 - (b) The construction unit must be registered with CDB;
- (3) Spares and accessories shall be taxable.

53. ST & CD exemption on green building materials for construction industry [Section 39 (b)]
- (1) It shall be granted until 31st December 2020;
 - (2) To avail the incentives, the following conditions must be fulfilled:
 - (a) The importer must be a licensed construction entity registered with CDB;
 - (b) There must be a recommendation letter issued by NECS.

Education Sector (Section 40)

54. ST & CD exemption on school buses for educational and vocational institutes [Section 40 (a)]
- (1) It shall be granted until 31st December 2020;
 - (2) The actual number of buses, up to a maximum of 5, will be based on one bus for every 100 students enrolled;
 - (3) For the purpose of this rules “ buses” means buses of at least 20-seater capacity and above;
 - (4) To avail the incentives, the following conditions must be fulfilled:
 - (a) The educational institute must be either a licensed business entity or government colleges/schools/vocational institutes;
 - (b) A copy of import authorization issued by MoF must be submitted for buses imported by government colleges/schools/vocational institutes;
 - (c) The number of buses imported under Fiscal Incentives 2010 are at least seven years old and have not exceeded the maximum ceiling prescribed herein;
 - (d) The number of students enrolled should be certified by MoE/ MoLHR, where applicable;
 - (e) Buses shall bear the name of the school upon import.
55. ST & CD exemption on specialized furniture mounted with equipment on it for laboratory use, laboratory equipment, musical instrument, games & sports equipment and teaching aid materials for educational and vocational institutes [Section 40(b)]
- (1) It shall be granted until 31st December 2020;

- (2) Consumables such as test tubes, chemicals, litmus paper, etc meant for laboratory use shall be taxable;
- (3) To avail the incentives, the following conditions must be fulfilled:
 - (a) The educational institute must be either a licensed business entity or government colleges/schools/vocational institutes;
 - (b) There should be a recommendation from MoE/MoLHR, where applicable.

Health Sector (Section 41)

56. ST & CD exemption on medicines and medical supplies, equipment used for medical diagnostic, curative, rehabilitative and palliative services [Section 41 (a)]
 - (1) It shall be granted until 31st December 2020;
 - (2) It shall be applicable to the imports made by :
 - (a) Government agencies and hospitals;
 - (b) Selective health service; and
 - (c) Entities for indigenous & traditional medicines.
 - (3) To avail the incentives, the following conditions must be fulfilled:
 - (a) Selective health service must be approved by MoH;
 - (b) There should be a recommendation letter from MoH.
 - (4) Goods for civil, electrical and plumbing works, office equipment, furniture and vehicles shall be taxable;
 - (5) Private pharmaceutical shops and clinics involved in trading business and any other trading businesses shall not be eligible for ST and CD exemptions.

Information and Communication Technology Sector (Section 42)

57. ST & CD exemption on computers and related hardware and software for IT-enabled service providers [Section 42(a)]
 - (1) It shall be granted until 31st December 2020;
 - (2) It shall be applicable to IT service provider such as software development entities, BPO and any other IT service providers.

- (3) To avail the incentives, the following conditions must be fulfilled:
 - (a) The ITES provider must be a licensed business entity recommended by MoIC;
 - (b) The business entity must be registered with DRC;
 - (c) The items should be directly related to the business activity specification provided in the license;
 - (d) It shall be declared like any other normal goods with DRC;
- (4) IT service provider engaged in resale/trading of goods including any other trading business unit shall be taxable;
- (5) Spares and accessories shall be taxable.

58. ST & CD exemption to IT park developer [Section 42(b)]

- (1) It shall be granted until 31st December 2020;
- (2) It shall be applicable to the following:
 - (a) Plant and machineries required for the development of the IT Park/infrastructure;
 - (b) Construction materials forming direct inputs for the IT park development; and
 - (c) Capital goods forming direct inputs for the IT/ITES companies in the IT park such as air conditioner, firefighting equipment etc.
- (3) To avail the incentives, the following conditions must be fulfilled:
 - (a) All application for exemption must be recommended by MoIC;
 - (b) A copy of bill of quantities (BOQs) and other relevant information of the IT Park shall be submitted to DRC, if required.

59. ST & CD exemption on specific professional equipment required by media service providers viz. print media, broadcasting, film production entities and animation film industry [Section 42(c)]

- (1) It shall be granted until 31st December 2020;
- (2) To avail the incentives, the following conditions must be fulfilled:
 - (a) The media service provider must be a licensed business entity registered with DRC;

- (b) There should be a recommendation from BICMA;
 - (c) The equipment should be directly related to the business activity specification provided in the license;
- (3) Category of goods for civil, electrical and plumbing works, and other materials used for installation or housing the equipment, including support structures, platforms, railings, laboratory and testing equipment, TV sets, home appliances, spares, accessories, consumables, tools, kits, office equipment, furniture, vehicles, irrespective of the nature of the business shall be taxable.

60. Exemption of 30% Sales Tax on Bhutanese cinema [Section 42(d)]

- (1) It shall be granted until 31st December 2020;
- (2) It shall be subject to fulfillment of the following conditions that the business unit:
 - (a) is a licensed entity registered with DRC;
 - (b) submit an application for exemptions of 30% Sales Tax to concerned RRCO (prior to screening) along with tentative date and location of screening;
 - (c) issue printed and serially numbered tickets;
 - (d) maintain and submit proper books of accounts as per the requirements of the Income Tax Act & Rules and amendments thereof for tax purpose.

Transport Sector (Section 43)

61. ST & CD exemption for buses and trucks used by passenger transport entities [Section 43 (a)]

- (1) It shall be granted until 31st December 2020;
- (2) It shall be applicable to buses and trucks used by passenger transport entities;
- (3) For the purpose of this rules “ buses” means buses of at least 20-seater capacity and above;
- (4) To avail the incentives, the following conditions must be fulfilled:
 - (a) The unit must be a licensed business entity registered with DRC;

- (b) There should be a recommendation from RSTA;
- (5) Spares and accessories shall be taxable.

Waste Management and Recycling Industry (Section 44)

- 62. ST & CD exemption on plant and machinery for waste management/ recycling industry [Section 44(a)]
 - (1) It shall be granted until 31st December 2020;
 - (2) To avail the incentives, the following conditions must be fulfilled:
 - (a) It shall be subject to all the conditions and provisions of clause 31(3) of this Rule;
 - (b) Plant and machinery must be directly related to the waste management and recycling activities specified in the license;
 - (c) There should be a recommendation from NECS.

CHAPTER 6 GENERAL CONDITIONS

General Conditions

- 63. To avail the incentives, the following conditions shall apply in addition to the specific conditions provided under this Rules:
 - (1) Unless otherwise specified in this Rules, all the provisions of Income Tax Act, 2001, Sales Tax, Customs and Excise Act, 2000, Sales Tax, Customs & Excise (Amendment) Act 2012 and the Rules thereof shall apply;
 - (2) Unless otherwise specified in this Rules, entities availing tax holiday under the Fiscal Incentives 2010 shall continue to benefit for the remaining period of the tax holiday;
 - (3) When a business entity is sold or transferred to the new owner along with all the assets and liabilities, the new entity shall be eligible to claim the remaining period of the tax holiday;
 - (4) Tax holiday shall not be eligible for units formed by splitting up or reconstruction of a business already in existence, or by transfer of machinery or plant previously used for any purpose;
 - (5) Notwithstanding Clause 2.8, Part I of the Income Tax Rules, entities eligible for tax holiday as per this Rules shall not be allowed to carry

forward losses to subsequent income years after the expiry of the tax holiday;

- (6) Tax Clearance Certificate shall be issued to entities availing tax holiday only upon submission of annual accounts and settlement of tax dues. Entities under tax holiday are required to deduct and deposit TDS from the suppliers and employees as per the TDS rate prescribed in the Income Tax Act and Rules;
- (7) Goods exempted from ST/CD shall not be sold, transferred or re-exported;
- (8) Businesses who availed tax holiday under the Fiscal Incentives 2010 are not eligible for another tax holiday under this incentives;
- (9) Business entities are required to:
 - (a) submit the application for incentives within 31st December 2020 to avail ST and CD exemption;
 - (b) Submit application for tax holiday within 31st December, 2020. However, in case an application for tax holiday has been submitted after 31st December, 2020, tax holiday shall be provided for the remaining years only (total period eligible for tax holiday MINUS the date of receipt of application for tax holiday);
 - (c) register with the RRCO concerned within 90 days from the date of obtaining a license from the authorized government agency, if they are newly established;
 - (d) register as Sales Tax Collecting Agent, if applicable;
 - (e) settle outstanding taxes and duties against their name or their sister concern(s);
 - (f) apply for incentives to DRC in the prescribed format;
 - (g) maintain proper books of accounts as per the Income Tax Rules irrespective of the size of the business;
 - (h) submit annual tax returns and monthly TDS returns either online or manually before the due date;
 - (i) submit monthly sales tax return either online or manually before the due date. Where sales tax return has not been submitted by the due date, the business entity shall not be eligible for any fiscal incentives under this rules until the tax returns are submitted;

- (j) Maintain stock register of exempted goods and other books of accounts for verification/post clearance audit/assessment/reassessment purpose;
 - (k) Submit separate accounts for the period outside tax holiday and within tax holiday for the same income year. i.e. if the tax holiday starts from 8th May 2017, annual tax returns for the period 1st January 2017 to 7th May 2017 and 8th May 2017 to 31st December 2017 must be submitted separately.
- (10) Misuse of exemption facilities and non-compliance with the provisions of the Income Tax Act, 2001, Sales Tax, Customs and Excise Act, 2000, Sales Tax, Customs and Excise (Amendment) Act 2012 and rules thereof, and the Rules and Regulations on the revised fiscal incentives prescribed herein, shall result in withdrawal of exemptions/incentives and imposition of penalties as per the laws in force (Section 47)

CHAPTER 7

GENERAL PROCEDURES FOR APPLYING ST & CD EXEMPTION

64. Unless otherwise specified in this Rules, all eligible applicants must submit the following documents to DRC, HQ for ST and CD exemption:
- (1) Application form as per the prescribed format;
 - (2) A letter of undertaking as per the prescribed format, affixed with legal stamp;
 - (3) A copy of pro-forma invoice/bills for the goods to be imported;
 - (4) Import license/permit/technical clearance/import authorization/ license issued by authorized agency, where applicable;
 - (5) Project documents, agreements, justification in terms of usage of items, etc where applicable;
 - (6) Any other relevant documents, if required.

CHAPTER 8 MISCELLANEOUS PROVISIONS

Administrative Responsibility

65. The MoF in collaboration with MoEA shall ensure periodic monitoring, review and implementation of the Fiscal Incentives 2017 (Section 46);
66. The MoF shall frame and revise the rules and regulations for effective implementation of the provisions of the Fiscal Incentives 2017, including updating the sector specific list of items from time to time. (Section 45).

Definition

67. In this Rules, unless the context otherwise requires:

“Commercial operation” means sale of goods and services including goods and services sold during trial production for a consideration in money or money’s worth.

“Convertible Currency” means foreign currency defined by Royal Monetary Authority per the Foreign Exchange Regulations 2013.

“Initial Public Offering (IPO)” means first sale of securities by an issuer company to the general public.

“Plant and machinery” means Plant and machinery means such plant and machinery that are peculiar to and directly related to the manufacture of the unit’s product.

“Primary packaging materials” means primary packaging materials are those materials that are required for packing, bottling and labeling without which the product cannot assume its final identity with its brand name or without which the product cannot be sold.

“Public broadcasting” means broadcasting through TV and radio

Raw materials: Raw materials are those items that are used as direct inputs in the manufacturing process and forming part of the finished product.

“Reinvestment Allowance (RA)” means an allowance available to a business as deductible expenditure for additional capital expenditure incurred.

“Rural area” means places located outside the Thromde boundaries of

Thimphu, Phuentsholing, Gelephu and S/Jongkhar for micro businesses holding Registration Certificate and places outside the boundaries of four major Thromdes and Dzongkhag Headquarter towns for small businesses.

“Selective private health service” means selective private health service identified and approved by the Government.

“Tax holiday” means a temporary elimination or reduction of annual income tax liability.

“Tax rebate” means an amount of tax allowed to be adjusted against the total income tax liability of a business.

“Tourist standard hotel” means a tourist standard accommodation certified by and registered with Tourism Council of Bhutan.

ANNEXURE 1
LIST OF AGRICULTURE AND RNR ACTIVITIES

- i. Organic farming
- ii. Agro-processing
- iii. Biotechnology
- iv. Poultry
- v. Fisheries
- vi. Floriculture
- vii. Health food
- viii. Animal feed
- ix. Apiculture
- x. Horticulture
- xi. Dairy

ANNEXURE 2
LIST OF EXEMPTED ITEMS FOR TOUR OPERATORS

SL#	Particulars	BTC code	Life Span	Remarks
1	BUSES:			
a)	Coaster bus (of at least 20- seater capacity and above)	8702.10.00		
b)	H1 Hyundai bus			
c)	Toyota Hiace bus			
Hiking & Trekkiing				
2	Sleeping tent	6306.22.00	4 years	
3	Dining tent	6306.22.00	4 years	
4	Kitchen tent	6306.22.00	4 years	
5	Toilet tent	6306.22.00	4 years	
6	Folding mats	4016.91.00	3 years	
7	Sleeping bags	9404.30.00	3 years	
8	Folding chairs	9404.89.00	4 years	
9	Folding tables	9404.89.00	3 years	
10	Altimeters	9026.80.00	7 years	An instrument used to measure the altitude of an object above a fixed level
11	Shower tents	6306.22.00	4 years	
12	Air Mattress	4016.91.00	3 years	
13	Rescue Bags	8708.95.00	4 years	
14	Duffle Bags for trekking	4202.29.00	2 years	
15	Foam Mattress for trekking	9404.21.00	3 years	
16	Satellite Phones	8525.60.00	7-8years	For Safety
17	Shower pumps/shower bags	8413.81.00	3 years	
18	Toilet Seat(portable trekking gear)	3922.10.00	1-2 Season	

19	Carabiners	8302.49.00	3 years	A metal loop with a sprung or screwed gate that is used to quickly and reversibly connect components in safety-critical systems.
20	Climbing rope/hooks	5607.90.00	3 years	
21	Oxygen Cylinder with Mask (Assembly)Blank	7311.00.00	3 years	For Safety
22	Pedometers	9029.10.00	5 years	A device, usually portable and electronic or electromechanical, that counts each step a person takes by detecting the motion of the person's hips.
23	Compass	9014.10.00	5 years	
24	Cots	9404.29.00	3 years	of Beds
25	Gamow Bags (pressure bags)	9426.20.00	7 years	A Gamow bag (pronounced Gam-Off) is an inflatable pressure bag large enough to accommodate a person inside. By inflating the bag with a foot pump, the effective altitude can be decreased as much as 1500 meters (5,000 feet). It is primarily used for treating severe cases of altitude sickness.
26	Global positioning system (GPS)	8525.60.00	7 years	A space-based global navigation satellite system (GNSS) that provides location and time information in all weather, anywhere on or near the Earth, where there is an unobstructed line of sight to four or more GPS satellites. It is maintained by the United States government and is freely accessible by anyone with a GPS receiver.
Kayaking & Rafting				
27	Rafts	8907.10.10	5 years	A raft is any flat structure for support or transportation over water.

28	Kayaks	8907.90.00	5 years	A small human-powered boat that traditionally has a covered deck, and one or more cockpits, each seating one paddler who strokes a double-bladed paddle
29	Boats	8903.99.00	5 years	
30	Life jackets	6307.20.00	5 years	
31	Rafts pump (manual & electric)	8413.19.00	5 years	
32	Inflatable kayaks	8907.90.00	5 years	
33	Catarrafts	8907.10.00	5 years	of H-Shaped Raft
34	River board	9506.21.00	5 years	Of kayaking using hand by lying flat on the boat
35	SUP board	9506.29.00	5 years	Of Kayaking using a long rower instead of hands
36	River Tubes	4013.90.90	5 years	Of comforts/used in place of conventional tyre tubes
Mountain Biking				
37	Mountain biking(cycles only)	8712.00.00	5 years	
38	Helmets	6506.10.00	7 years	
39	Bike Rack	9403.89.00	5 years	
Bird Watching				
40	Demo(Birding audio Players and associated equipment)	8519.89.00	7 years	
41	Scope and Binoculars	9005.10.00	7 years	

ANNEXURE 3
LIST OF EXEMPTED ITEMS FOR TOURIST STANDARD HOTELS

Sl#	Item Description	BTC Code	Quantity Restrictions
COMMUNICATION SYSTEM (one time for all hotels)			
1	PABX	8517.62.00	1 number
2	Table phones (No mobile phones)	8517.11.00	Based on number of rooms and service areas
CONFERENCE EQUIPMENT (one time for all hotels)			
3	Overhead Projector	9007.20.00	1 number
4	Projector Screen	9010.60.00	
5	Public address system:		
	a) Controllers	8518.50.00	1 number
	b) Speakers	8518.29.00	Reasonable Quantities
	c) Microphones	8518.10.00	
	d) Amplifiers	8518.40.00	
6	Sliding partitions/movable partitions	9403.60.90	Reasonable quantities
CURTLETRY & CROCKERY (one time for all hotels)			
7	Bar Spoon	8215.99.00	Actual requirements with 10% extra for breakages.
8	Desert Fork	8215.99.00	
9	Desert Plate	6912.00.00	
10	Desert Spoon	8215.99.00	
11	Fish Fork	8215.99.00	
12	Fish Knife	8211.91.00	
13	Serving Bowl	6912.00.00	
14	Soup Bowl	6912.00.00	
15	Soup Cup	6912.00.00	
16	Soup Spoon	8215.99.00	
17	Starter bowl	6912.00.00	
18	Steak Knife	8211.91.00	
19	Table Fork	8215.99.00	
20	Table Knife	8211.91.00	
21	Table Spoon	8215.99.00	

22	Tea/Coffee Cups	6912.00.00	Actual requirements with 10% extra for breakages.
23	Tea/Coffee Pots	6912.00.00	
24	Tea Spoon	8215.99.00	
25	Glasses	7013.37.00	
26	Plates	6912.00.00	
27	Water jug (glass/plastic)	7013.37.00/ 3923.30.00	Actual requirements with 10% extra for breakages.
28	Milk pot	6912.00.00	
29	Sugar cup	6912.00.00	
30	Sugar thongs	8215.99.00	
31	Salt/Pepper shakers	6912.00.00	
32	Juice dispenser	8438.80.00	
33	Cereal dispenser	8438.80.00	
ELECTRICAL FITTINGS excluding wires (one time for all hotels)			
34	Energy saving bulbs	9405.40.00	Based on number of rooms and service centres
35	Fancy lights(Chandeliers)	9405.10.00	
36	All kind of bulbs including fittings/ includes mounted wall lights	9405.40.00	Based on BOQs and Drawings, if required
37	Switch plates	8536.50.00	
38	Sockets	8536.69.00	
39	Distribution boards	8536.90.00	
40	Control panels	8537.10.00	
41	Automatic main failure (AMF)	8536.20.00	
42	MCBS	8536.20.00	
43	Table Lamps with shades	9405.20.00	Based on number of rooms
ENVIRONMENT FRIENDLY EQUIPMENTS (one time for all hotels)			
44	Electric Buggy Car	8711.90.10	Reasonable Quantities
45	Solar Heater	8419.19.00	
46	Solar Light	9405.50.00	
47	Water Treatment Plant(WTP)	8421.21.00	1 number
48	Sewerage Treatment Plant(STP)	8421.21.00	1 number

EXHAUST SYSTEM (one time for all hotels)			
49	Exhaust fans	8414.59.00	Based on BOQs and Drawings, if required
50	Kitchen exhaust hoods	8414.60.00	
51	Exhaust duct with fresh air units	8414.80.00	Based on BOQs and Drawings, if required
FIRE ALARM SYSTEM (one time for all hotels)			
52	Fire alarm control set	8531.10.00	Based on BOQs and Drawings, if required
53	Smoke/Heat detector	8531.10.00	
54	Fire Extinguisher	8424.10.00	Reasonable Quantities
55	Fire sprinkler	8424.20.00	Based on BOQs and Drawings, if required
56	Fire Hydrant systems with pumps	8424.20.00	
57	Fire hose cabinets	4009.12.00	
FURNITURE & FIXTURES (one time for all hotels)-no exemptions for furniture made of plastics			
RESTAURANT FURNITURE(one time for all hotels)-no exemptions for furniture made of plastics			
58	Tables for dining (indoor)	9403.30.00	Based on the size of Restaurant
59	Chairs for dining (indoor)	9403.30.00	
GUEST ROOM FURNITURE(one time for all hotels)-no exemptions for furniture made of plastics			
60	Bed	9403.50.00	Based on number of guest rooms
61	Luggage rack	9403.20.00	
62	Cubboard/wardrobe	9403.50.00	
63	Bed side table	9403.50.00	
64	Sofa	9403.60.90	
65	Coffee chair	9403.30.00	
66	Study desk	9403.30.00	
67	Study chair	9403.30.00	
LOBBY/RECEPTION FURNITURE(one time for all hotels)-no exemptions for furniture made of plastics			
68	Sofa for lobby	9403.60.90	Maximum of 3 sets depending on size of lobby

69	Valet/Coat Rack	9403.60.90	Reasonable quantities
70	Umbrella Rack	9403.60.90	
71	Coffee Table	9403.30.00	
72	Coffee Chair	9403.30.00	
73	Lounge Table	9403.50.00	
74	Check-in-counter	9403.60.90	1 number
75	Staff chair for check-in-counter	9403.60.90	2 numbers
76	Bell desk	9403.60.90	1 number
RESTAURANT FURNITURE(one time for all hotels)-no exemptions for furniture made of plastics			
77	Maitre d desk	9403.60.90	Maximum of 2 numbers
BAR FURNITURE(one time for all hotels)-no exemptions for furniture made of plastics			
78	Bar stool	9403.60.90	Based on the size of Bar
79	Bar table	9403.60.90	
80	Coffee table	9403.30.00	Based on the size of Bar
81	Coffee Chair	9403.30.00	
82	Lounge table		
83	Sofa	9403.60.90	1 or 2 set depending on the size of Bar
BANQUET FURNITURE(one time for all hotels)-no exemptions for furniture made of plastics			
84	Banquet table	9403.30.00	Based on the size of banquet room
85	Banquet chair	9403.30.00	
BOARDROOM/BUSINESS CENTER FURNITURE(one time for all hotels)-no exemptions for furniture made of plastics			
86	Board room table	9403.30.00	Based on the size of board room
87	Board room chair	9403.30.00	
SPA FURNITURE(one time for all hotels)-no exemptions for furniture made of plastics			
88	Massage Table	9403.60.90	Reasonable Quantities
89	Massage Stool	9403.60.90	

90	Cupboard	9403.60.90	1 number
91	SPA reception desk	9403.60.90	
92	Coffee Table	9403.30.00	
93	Coffee Chair	9403.30.00	
GYM FURNITURE(one time for all hotels)-no exemptions for furniture made of plastics			
94	Reception desk	9403.60.90	1 number
SWIMMING POOL FURNITURE(one time for all hotels)-no exemptions for furniture made of plastics			
95	Pool lounge	9403.60.90	Reasonable Quantities
96	Side table for pool lounge	9403.60.90	One side table for every pool lounge
KITCHEN FURNITURE(one time for all hotels)-no exemptions for furniture made of plastics			
97	Work table with sink and undershelf	9403.40.00	Reasonable Quantities
98	Work table with sink and no under-shelf	9403.40.00	
99	Work table with no sink and under-shelf	9403.40.00	
100	work table with no sink and no undershelf	9403.40.00	
101	Pot wash/dishwash sink table	9403.40.00	
102	Slotted racks	9403.20.00	
103	Pot/dish/tray rack	9403.20.00	
104	Mobile racks	9403.20.00	
105	Cold room racks	9403.20.00	
106	SS hand wash sink	7324.10.00	
107	Plate rail	9403.20.00	
108	Wall shelf	9403.40.00	
109	Drain box	9403.20.00	
110	Pallet (portable platform for moving goods)	4415.10.00	

GENERATORS (one time for all hotels)			
111	Generator	8501.31.00	1 number
GYM EQUIPMENT (one time for all hotels)			
112	All GYM equipment with exception of TV, books & training materials and furniture.	9506.91.00	Reasonable Quantities
HVAC SYSTEM ITEMS (one time for all hotels)			
113	Heating & cooling equipments(split aircon/central system)	8415.10.00	Based on BOQs and Drawings, if required
114	Ventilation fans with motors	8414.51.00	
115	Celling Fan	8414.51.00	Based on number of rooms and service areas
116	Electrical panel heaters	8516.29.00	
HOUSEKEEPING ITEM (one time for all hotels)			
117	All kinds of Service Trolleys	8716.39.00	Reasonable Quantities
JACUZZI SYSTEM (one time for all hotels)			
118	Filteration systems	8543.70.00	Based on BOQs and Drawings, if required
119	Heat pumps or heating system	8413.19.00	
120	Jacuzzi tub & accessories	8543.90.00	
KITCHEN & LAUNDRY EQUIPMENT (one time for all hotels)			
KITCHEN EQUIPMENT(one time for all hotels):			
121	Freezer (Heavy Duty)	8418.40.00	2 numbers
122	Refrigerator (Heavy Duty)	8418.29.00	
123	Cooking range	7321.19.00	
124	Electric tank fryer	8438.80.00	
125	Gas stoves/Burners	7321.11.00	
126	Microwave ovens	8516.50.00	
127	Plate warmers	7321.11.00	
128	Coffee/teamakers	8516.71.00	2 numbers
129	Roasters/Grillers	8516.60.00	
130	Toaster	8516.72.00	

131	Dish washer(peculiar to hotel industry)	8422.11.00	1 number
132	Glass washer(peculiar to hotel industry)	8422.19.00	
133	Bakery equipment: Planetary mixer, Dough kneading machine, Baking oven with/without proofer, Dough sheeter, Weighing scale, sawing machine and Cream maker	8438.10.00	1 set to be installed inside the hotel
134	Induction plates	7321.11.00	1 number
135	Mixers and Grinders	8516.79.00	1 number
136	Chaffing dishes for buffet system	7323.93.00	Reasonable Quantities
137	Room service carts with food warmers	7321.11.00	
138	Hot food holding cabinets	7321.11.00	
139	Towel warmers	7321.11.00	
140	Sanitized knife boxes	4421.90.90	
141	Walk in Freezer (Freezing compartment)	8418.69.00	1 number
142	Walk in Refrigerator (Cooling compartment)	8418.69.00	1 number
143	Mini Bars(refrigerators)	8418.29.00	Based on number of rooms
LAUNDRY EQUIPMENT (one time for all hotels)			
144	Washing machine 20 kgs & above	8450.20.00	1 number
145	Industrial dryers 20 kgs & above	8451.29.00	
146	Washing machine 20 kgs & below	8450.11.00	1 number
147	Dryers 20 kgs & below	8451.21.00	
148	Flat work ironers	8451.30.00	
149	Laundry press		
150	Finishing table	9403.60.90	
151	Ironing boards & Irons for hotel rooms	8451.30.00	one for every 5 rooms
152	Steamers	8451.80.00	A maximum of 2 Nos
153	Stain removing machines	8451.40.00	1 number

MANAGEMENT OFFICE (one time for all hotels)			
154	Net working equipments	8517.69.00	Based on BOQs and Drawing, if required
155	Hotel Management system/software	8523.80.90	1 number
MATRESSES & LINENS (one time for all hotels)			
156	Pillows	9404.90.10	Actual requirements with 10% extra as spares.
157	Quilts	9404.90.20	
158	Bath towels	6304.92.00	
159	Bed sheets	6304.19.00	
160	Blankets	6301.20.00	
161	Duvet covers	6304.92.00	
162	Duvets	6307.90.00	
163	Face towels	6304.92.00	Actual requirements with 10% extra as spares.
164	Hand towels	6304.92.00	
165	Main curtains	6303.99.00	
166	Mattresses	9404.29.00	
167	Mattress protectors/toppers	9404.10.00	
168	Pillow covers	6304.92.00	
169	Curtains	6303.99.00	
170	Blinds (curtains)	6303.99.00	Actual requirements with 10% extra as spares.
171	Bath mats	6304.92.00	
172	Bed runners/covers	6304.92.00	
173	Tables Cloths	6302.40.00	
174	Cloth napkins	6302.99.00	
175	Bath robe	6302.99.00	
OTHERS (one time for all hotels)			
176	Elevators	8428.20.00	Based on BOQs and Drawings, if required
177	Safe Deposit Box	8303.00.00	1 number
178	Guest room safes	8303.00.00	Based on number of rooms

SANITARY WARES (one time for all hotels)			
179	Bath tub	6910.10.00	Based on BOQs and Drawing if required
180	Toilet pot	6910.10.00	
181	Wash basin	6910.10.00	
182	Shower heads	7324.90.00	Based on BOQs and Drawing if required
183	Cisterns	6910.10.00	
184	Urinal pot	6910.10.00	
185	Bidet	6910.10.00	
186	Shower cubicles	6910.90.00	
187	Hand dryers	8516.31.00	
188	Shower mixers	7324.90.00	
189	Shower arms	7324.90.00	
190	Basin mixers	7324.90.00	
191	Douche sprays	7324.90.00	
192	Faucets	7324.90.00	
193	Grab bars	7324.90.00	
194	Toilet paper holders	7324.90.00	
195	Floor traps	7324.90.00	
196	Bottle and P-straps	7324.90.00	
SECURITY DEVICE (one time for all hotels)			
197	Auto door	8302.60.00	Based on BOQs and Drawing if required
198	CCTV	8525.80.00	Based on actual requirements in hotel
199	Metal dectector	8543.70.00	2 numbers
200	Digital lock and key for doors (Card system lock & key/electronically operated)	8301.40.00	Based on BOQ and number of rooms
201	Door knobs/handles	8301.50.00	Based on BOQ and number of rooms
202	Security Chain	7315.89.00	
203	Eye hole		

SPA EQUIPMENT(one time for all hotels)			
204	Shampoo bed	9403.50.00	Based on BOQs and Drawings, if required
205	Saloon Chair	9402.10.00	
206	Sterilizer	8419.20.00	
207	Facial machine	8516.29.00	
208	Basalt stone heater	8516.29.00	
209	Sauna equipment	8419.89.00	one piece equipment
210	Steam equipment	8419.50.00	one piece equipment
SWIMMING POOL SYSTEM (one time for all hotels)			
211	Control Panel for Pool Heating	8537.20.00	Based on BOQs and Drawings, if required
212	UPVC fittings for pools	3926.90.00	
213	Filters	8421.29.90	
214	Water pumps	8413.19.00	
215	Multi Port Valve	3926.90.00	
216	Pool drains	3926.90.00	
217	Suction inlet	3926.90.00	
218	Floor inlet	3926.90.00	
219	Air blower	3926.90.00	
220	Air blower Nozzle	3926.90.00	
221	Jet Nozzle	3926.90.00	
222	Air Volume controller	3926.90.00	
223	Overflow Grating	4016.91.00	
224	Ladder	7616.99.00	
WATER HEATERS & SERVICES (one time for all hotels)			
225	Geyser	8419.11.00	Based on BOQs and Drawings, if required
226	Water boiler unit	8419.19.00	
227	Water pumps, pressure tanks and accessories	8413.19.00	
228	Hydropneumatic pumps	8413.19.00	Based on BOQs and drawing if required.

ANNEXURE 4
LIST OF EXEMPTED ITEMS FOR AGRICULTURE & RNR SECTORS

A. AGRICULTURE SECTOR

Sl. No.	Key investment area	List of items	Target beneficiaries
1	Vegetable production	<p>Greenhouse set:</p> <ol style="list-style-type: none"> 1. Galvanized tubular frame 2. UV stabilised plastic film 3. Nylon belt 4. Channels for holding the plastic film 5. Iron poles of 22 mm diameter 6. Screw and nuts 7. Arch pole 8. Oblique pole 9. U type clip 10. Trough 11. Vertical pole 12. Front pole 13. Reed 14. Single cross piece 15. Steel wire clip 16. Connection sheet 17. Fixer of pole trough 18. Fixer of clamp 19. Helix peg 20. Press sheet card 21. Sheath of vertical pole 22. Press sheet line <p>Ventilation/screen net and its accessories</p> <ol style="list-style-type: none"> 23. Ventilation net 24. Vertical pole 25. Trough 26. Pulley 27. Rolled film mixed pole <p>Shade net</p> <ol style="list-style-type: none"> 28. Green/black/white coloured 29. Different shade % 	Farmers

		Drip irrigation set 30. Drip kit adaptor 31. Reducer 32. Single union valve 33. Super flow filter 34. Elbow 35. Tube OD 36. Rain port Tee 37. Tool for drip kit 38. Lateral end stop “8” shaped 39. Teflon tape 40. Tube hold “c” clip 41. Rubber washer 42. Take off plug 43. Line joiner 44. Tape loc joiner 45. Rain port joiner 46. Ventury	
2	Seeds and Seedling	47. Seeds import (cereals, vegetables, potatoes, oilseeds, pulses, fruits plants, Medicinal and aromatic plants etc.)	Farmers
3	Farm mechanization	48. Agriculture machinery and equipment imported by FMCL excluding spare parts	Farmers

B. LIVESTOCK SECTOR

Sl. No.	Key investment area	List of items	Target beneficiaries
1	Dairy Sector Development	49. Breeding or parent stock or cows or buffalo 50. Artificial Insemination (AI) and AI equipment import 51. Embryo transfer equipment	Farmers/ Enterprise/ Individual/ Institution
2	Poultry Sector development	52. Breeding or Parent stock import 53. Farm Equipment for farm automation (Feeders, silo bin heaters or brooders, incubator, chick box, hatcher, setter, water pots or drinkers, ventilation fan, egg washer, egg scale, poultry plucker rubber finger, cages & coops, dressing machine)	Farmers/ Enterprise/ Individual/ Institution
3	Piggery Sector Development	54. Breeding Stocks/piglets	Farmers/ Enterprise/ Individual/ Institution
4	Warm water Fishery Sector Development	55. Farm equipment & automation (Nipple drinker, Feeders, piglets brooder, ventilation fan, silo bins)	
5	Cold Water Fishery Sector Development	56. Brood stock and fingerlings import 57. High protein Feed	Farmers/ Enterprise/ Individual/ Institution
6	Goat production	58. Breeding stock and kids 59. Goat cheese processing equipment	Farmers/ Enterprise/ Individual/ Institutions

7	Honey production	<p>60. Queen bees import</p> <p>61. Bee equipment (hive frames, protective clothing like bee suit, veils and gloves, smoker, hive tool and stand, queen excluder, feeder)</p> <p>62. Honey Processing and value addition equipment (tools, uncapping, spinner, tray and clarifier, extractor, pump, filter, bottling, wax melter and candling)</p>	Farmers/ Enterprise/ Individual/ Institutions
8	Turkey production	<p>63. Breeding Stocks</p> <p>64. Farm equipment & automation (Feeders, heaters or brooders, incubator, chick box, hatcher, setter, water pots or drinkers, ventilation fan, egg washer, egg scale, poultry plucker rubber finger, cages & coops, dressing machine)</p>	Farmers/ Enterprise/ Individual/ Institution
9	Shrimp farm establishment	<p>65. Shrimp seedling</p> <p>66. Processing facilities- scalar, chillers tank, packaging machine, SS tubs</p> <p>67. High protein feed</p> <p>68. Cold Storage</p> <p>69. Ice plant</p>	Farmers/ Enterprise/ Individual/ Institutions
10	Feed and Fodder development	<p>70. Seed</p> <p>71. Feed mill equipment</p> <p>72. Trace minerals for feed</p> <p>73. Pre-mix (Essential Amino Acids, enzymes, immune stimulant, anti oxidant, flavouring agents)</p>	Enterprise/ Individual/ Institution

C. PRODUCTION, PACKAGING & VALUE ADDITION

Sl. No.	Key investment area	List of items	Target beneficiaries
1	Processing and diversification & Cold storage equipment	74. Ice Making machine, meat Chopper, Meat Grinder, Smoke Machine, Sausage bundling, stuffers, cooking kettles, bowl choppers, smoke house, ice makers, chopping stainless tables, Roasters, meat slicers, vacuum packing machine, packaging materials, sanitary wash basin and biosecurity equipment	Farmers Group/ Cooperatives/Enterprise/ Individual
2	Dairy Product processing and packaging	75. Bulk cooler, Cream Separator, and Cheese Vats	Farmers group/ Cooperative/ Enterprise/ Individual
3	Modern Abattoirs establishment	76. Cold storage Equipment 77. Coolers, & compressor 78. Ice making machine 79. Abattoirs rails 80. Meat ban saw 81. Shackles 82. Hot water Boiler Tank 83. De-feathering machines 84. Chillers 85. Bleeding cons 86. Fork lifts 87. Randerling machine	Farmers Group/ Cooperative/Enterprise/ Individual

D. AGRO-BASED INDUSTRIES AND ENTERPRISE

Sl. No	Key Investment Area	List of items	Target beneficiaries
1	Logging industries	Major machines 88. Sky cable cranes 89. Harvester/processor 90. Debarkers 91. Delimber 92. Skidder	Licensed business enterprises, youths and interested business enterprises
2	Forest Nursery	Major equipment 93. Green house and its components 94. Drip irrigation materials 95. Tree spade 96. Barbed wire 97. Green net 98. Dyna digger 99. Poly bags 100. Root trainer 101. Super root air pot	Licensed business enterprises, youths and interested business enterprises
3	Up-gradation of sawmills	102. Sawmill itself for start up Major components 103. Band and circular saw 104. Saw blade	Licensed sawmills, new business enterprises
4	Promotion of briquette and wood pellet manufacturing industries	105. Plant itself for start up Major components 106. Fly wheel 107. Screw conveyor 108. Electric motor 109. Main motor 110. Briquetting press	Licensed business enterprises, youths and interested business enterprises
5	Promotion of glulam industries	111. Plant itself for start up Major components 112. Band saw 113. Band saw blade 114. Drills of all kinds 115. Finger jointer 116. Cross cut saw machine	Licensed business enterprises, youths and interested business enterprises

6	Promotion of Joinery Industries	117. Plant itself for start up Major components 118. Circular saw 119. Saw blade 120. Grinding, sanding and polishing machine 121. Bending and assembling machine 122. Splitting and slicing machines	Licensed business enterprises, youths and interested business enterprises
7	Electric fencing	Major components 123. Energizer 124. Solar panel 125. Solar cable 126. Battery 127. Insulator HDPE pipe 32mm 128. Tool set 129. Battery operated drill machine 130. Digital multi-meter 131. Claw hammer 132. Secateurs 133. Electric fence pulse volt meter 134. Saw 135. GI wire (14SWg and 16SWG) 136. Extension cord with surge protection 137. Nails 138. Female wall socket 139. Copper wire and, 140. Solar charge controller	Farmer or farmers group

E. LIST OF EXEMPTED SPARE PARTS FOR POWER TILLER

Sl#	Machine	ItemName	Part Number
1	Mitsubishi Power Tiller with Rotary Tiller	BRAKE ASSY	13331701000
2	Mitsubishi Power Tiller with Rotary Tiller	BRAKE DRUM	13331703000
3	Mitsubishi Power Tiller with Rotary Tiller	BRAKE SHOE	13331704000
4	Mitsubishi Power Tiller with Rotary Tiller	CHAIN	SA932543G00
5	Mitsubishi Power Tiller with Rotary Tiller	Con Rod Assy	11EDC-0307A1
6	Mitsubishi Power Tiller with Rotary Tiller	CUP, FUEL FILTER	095-K050200-0

7	Mitsubishi Power Tiller with Rotary Tiller	Cylinder Liner	11EDC-0104
8	Mitsubishi Power Tiller with Rotary Tiller	FILTER, FUEL TANK	095-L070000-0
9	Mitsubishi Power Tiller with Rotary Tiller	FUEL FILTER	095-K050300-0
10	Mitsubishi Power Tiller with Rotary Tiller	FUEL FILTER ASSY	095-K050000-0
11	Mitsubishi Power Tiller with Rotary Tiller	GASKET, CYL HEAD	095-E020000-0
12	Mitsubishi Power Tiller with Rotary Tiller	Gasket, Rear	11EDT-0123
13	Mitsubishi Power Tiller with Rotary Tiller	Gasket, Rocker	11EDT-0207
14	Mitsubishi Power Tiller with Rotary Tiller	GUAGE, OIL PRES- SURE	095-001000-0
15	Mitsubishi Power Tiller with Rotary Tiller	HANDLE	095-L410000-0
16	Mitsubishi Power Tiller with Rotary Tiller	O Ring Liner	12EDT-0105
17	Mitsubishi Power Tiller with Rotary Tiller	PISTON	095-D010300-0
18	Mitsubishi Power Tiller with Rotary Tiller	PISTON RING	095-D010400-0
19	Mitsubishi Power Tiller with Rotary Tiller	PLUNGER	095-F040300-0
20	Power Tiller	Assy breather	14971-05012
21	Power Tiller	ASSY BREATHER, valve	1021-050112
22	Power Tiller	Assy Clutch Main	63164-13500
23	Power Tiller	Assy Filler Fuel	1T251-43010
24	Power Tiller	Assy frame rotary	63891-34100
25	Power Tiller	Assy Head Cylinder	14931-0304
26	Power Tiller	Assy Lamp	11151-69020
27	Power Tiller	Assy lamp Head(orange)	1T081-690210
28	Power Tiller	Assy Piston Ring	1T060-98511
29	Power Tiller	Assy plunger	14371-51050
30	Power Tiller	Assy Pulley Tension	63891-52200
31	Power Tiller	Assy Release Engine	63891-66010
32	Power Tiller	Assy Ring Piston	11171-21050
33	Power Tiller	Blade 208 LH	93181-11050
34	Power Tiller	Blade 208 RH	93181-11060
35	Power Tiller	Blade 216 LH	93181-11010
36	Power Tiller	Blade 216 RH	93181-11020
37	Power Tiller	Blade 216ch	93181-11010
38	Power Tiller	Blade 217 LH	93183-11030
39	Power Tiller	BLADE 217 RH	93183-11040

40	Power Tiller	BLADE K216 LH	93181-11016
41	Power Tiller	BLADE K216 RH	93181-11026
42	Power Tiller	Com Crank Shaft	11171-23010
43	Power Tiller	Com, Crank case	11171-01013
44	Power Tiller	Comp Cyl. Head	11271-03043
45	Power Tiller	Comp Reflector	11151-69600
46	Power Tiller	Gasket Cylinder Head NA	11171-03310
47	Power Tiller	HANDLE,AUXILIARY	63891-41290
48	Power Tiller	HANDLE,HAND SIDE LH	63164-41240
49	Power Tiller	HANDLE,HAND SIDE RH	63164-41250
50	Power Tiller	HANDLE,START	19104-61112
51	Power Tiller	Head Gasket	14921-03310
52	Power Tiller	Metal Clank Pin	14921-22310
53	Power Tiller	Piece Nozzle	11171-53610
54	Power Tiller	Rear Cover	63763-11330
55	Power Tiller	support fuel tank	11151-41132
56	Power Tiller	Support Ten Pully	19104-74412
57	Power Tiller	Switch light	14261-69650
58	Power Tiller	V Belt 37	61321-62210
59	Power Tiller	Wire Main Clutch	63164-42310
60	Power Tiller	Wire Release	63763-63150
61	Power Tiller	Wire Throttle	61321-42930