

Draft Punjab Industrial and Business Development Policy 2022



Department of Industries and Commerce
Government of Punjab

List of Acronyms

AKIC	Amritsar Kolkata Industrial Corridor
AVGC	Animation, Visual Effects, Gaming & Comics
CAP	Corrective Action Plan
CETP	Common Effluent Treatment Plant
CFC	Common Facility Centre
CFS	Container Freight Station
CGST	Central Goods and Services Tax
CGTMSE	Credit Guarantee Trust for Micro and Small Enterprises
CIIDS	Critical Industrial Infrastructure Development Scheme
CLCSS	Credit Linked Capital Subsidy Scheme
CLU	Change of Land Use
CNC	Computerized Numerical Control
CST	Central Sales Tax
DEITY	Department of Electronics & Information Technology
DPIIT	Department for Promotion of Industry and Internal Trade
BZ	Border Zone
ECS	Equated Car Space
EDC	External Development Charges
EDFC	Eastern Dedicated Freight Corridor
EOU	Export Oriented Unit
ESDM	Electronic System Design and Manufacturing
FAR	Floor Area Ratio
FCI	Fixed Capital Investment
FDDI	Footwear Design & Development Institute
FIIP(R)	Fiscal Incentives for Industrial Promotion (Revised) 2013
GIS	Geographic Information System
GOI	Government of India
GPS	Global Positioning System
GSDP	Gross state Domestic Product
HR	Human Resources
IBFSN	Integrated business facilitation services network
IDC	Industrial Development Centre
ICD	Inland Container Depot
IGST	Integrated Goods and Services Tax
IIDS	Industrial Infrastructure Development Scheme

IIT	Indian Institute of Technology
ILDPA	Integrated Leather Development Programme
IPBFP	Invest Punjab Business First Portal
IPDS	Integrated Processing Development Scheme
IPR	Intellectual Property Rights
ISB	Indian School of Business
IISER	Indian Institute of Science Education and Research
IT	Information Technology
ITES	Information Technology Enabled Services
KVAH	Kilo Volt Ampere Hours
MEITY	Ministry of Electronics and Information Technology
MOFPI	Ministry of Food Processing Industries
MRO	Maintenance, Repair and Overhaul
MSECDP	Micro and Small Enterprises Cluster Development Program
MSME	Micro, Small and Medium Enterprise
MSDC	Multi Skill Development Centres
NABI	National Agri-Food Biotechnology Institute
NIIFT	Northern India Institute of Fashion Technology
NIPER	National Institute of Pharmaceutical Education and Research
NOC	No Objection Certificate
NRSE	New and Renewable Sources of Energy
NSE	National Stock Exchange
OTS	One Time Settlement
PAPRA	Punjab Apartment and Property Regulation Act (PAPRA) 1995
PBIP	Punjab Bureau of Investment Promotion
PBTI	Punjab Biotechnology Incubator
PFC	Punjab Financial Corporation
PIU	Policy Implementation Unit
PMA	Preferential Market Access
PPCB	Punjab Pollution Control Board
PPP	Public Private Partnership
PSU	Public Sector Undertaking
PICTC	Punjab Information and Communication Technology Corporation Ltd.
PSAMB	Punjab State Agricultural Marketing Board
PSIDC	Punjab State Industrial Development Corporation Ltd
PSIEC	Punjab Small Industries and Export Corporation
PSPCL	Punjab State Power Corporation Limited

PIBDB	Punjab Industrial and Business Development Board
QMC	Quality Marking Centre
QMS&QT	Quality Management Standards and Quality Technology Tools
RCF	Rail Coach Factory
R&D	Research and Development
RG	Recreation Ground area
RTS	Right to Service Act
SAC	Site Appraisal Committee
SEBI	Securities and Exchange Board of India
SC	Scheduled Caste
SGST	State Goods & Service Tax
SIDBI	Small Industrial Development Bank of India
SME	Small & Medium Enterprise
SPV	Special Purpose Vehicle
STPI	Software Technology Parks of India
TC	Technology Center
T&CPD	Town and Country Planning Department
TEQUP	Technology and Quality Upgradation Scheme
VAT	Value Added Tax
VMC	Vertical Machining Centres
VCF	Venture Capital Fund
ZED	Zero Effect Zero Defect

Chapter 1: Introduction

1.1. Punjab – The Land of Opportunities

- Punjab, a state in the northwest region of India, is an economic powerhouse - **with 1.5% of India's land area, Punjab contributes 2.5 % to India's GDP.**
- Punjab is one of the leading States in the country in providing **Ease of Doing Business** with Government of India (DPIIT) recognizing it as a '**Top Achiever**' based on the assessment of Business Reforms Action Plan (BRAP) 2020.
- The State is known for its spirit of enterprise, which is bolstered by the warm and welcoming people of Punjab. It is this **spirit of dynamism** that has allowed Punjab to become the landing place for investors coming to India with many international companies making Punjab as their second home. Punjab is amongst the **top 10 states in attracting FDI**. Punjab is also the preferred investment destination for international companies looking to launch in India or exploring options to expand their footprint in the country. Many of these projects have come from **foreign investors** and MNCs from **13 countries** including USA, UK, Japan, South Korea, Italy, Germany, France, Denmark, Netherlands, Spain, UAE, Singapore, and New Zealand.
- Punjab is ranked **3rd in Ease of Logistics** in the country (2021) as per the Govt. of India Logistics Ease across Different States Report. It will be connected to both the Eastern & Western Dedicated Freight Corridors. In addition, there are 10 ICDs, 6 Private Freight Terminals & 2 Container Freight Stations in Punjab along with a land and rail port in Amritsar and 3 multi-modal logistics parks in Ludhiana.
- Punjab is also ranked as leader category in the Startup Ranking Framework in the year 2022, Also, ranked 8th in the overall export Preparedness Index and 4th in the land locked export Preparedness Index. Also, ranked top performing Investment Promotion agency with 100% implementation score. This has enabled the State to have best ecosystem for attracting investment, creating employment opportunities and adding value to the state GDP.
- Some of the key attributes of Advantage Punjab include:
 - Robust Infrastructure:
 - Home to **2 international airports** (Mohali and Amritsar) and 4 domestic airports (Bathinda, Ludhiana, Pathankot, and Jalandhar).
 - A new international airport coming up in Ludhiana at Halwara shortly.
 - **Twice the average rail density** in the country
 - 100% road connectivity to all towns and villages
 - Peaceful Labour:
 - No labour unrest faced by any industrial units over 3 decades.
 - 24 Hours shifts across genders.

- Punjab is a Peaceful State with one of the lowest rates of cognizable crime amongst major industrial States in India.
- Punjab also offers other cutting-edge advantages such as a peaceful workforce that is also highly skilled. It is also home to prestigious educational institutions such as IIT, IIM, ISB, NIPER, IISER, NABI, PAU etc.
- The State has a business-centric approach which has resulted in policy initiatives such as the **Punjab Anti-Red Tape Act 2021** (reduces the burden of compliance on citizens & businesses by at least 50% while also mandating the availability of all G2B & G2C services online), **Deemed Approvals** (online automatic clearances will be issued on the expiry of stipulated time-period, based on self-certification by industry unit), **Auto-Renewals** etc.
- The state has enacted Punjab Right to Business Act 2020 to provide ease of doing business for New and existing Micro, Small and Medium Enterprises through an enabling eco system for self-declaration, exemptions, speedier approvals and inspections to establish and operate in the state.
- The state has robust Telecom Policy to provide time bound approvals for installing Telecom Towers through Invest Punjab Business First Portal for Roof Top Towers, Underground telecom cables, laying of optical fibre cable including aerial fibre with towers and 5G Microcells.
- All of these have **statutory backing** in order to provide **stability and predictability** to businesses operating in the State.
- The State of Punjab is planning to undertake significant reforms in the coming times which include simplifying processes and implementing technology-based solutions. These reforms will support businesses throughout key stages in their business lifecycle.
- Punjab Government is ready to extend its full support to industries in their endeavours.

1.2. Punjab Industrial and Business Development Policy 2022

- 1.2.1. The Punjab Industrial and Business Development Policy 2022 envisage transforming Punjab into a major industrial and export hub. The Policy also envisions developing the thrust sectors of Punjab into world leaders in their respective fields by 2027.
- 1.2.2. The Punjab Industrial and Business Development Policy 2022 aims to facilitate manufacturing & services sector by creating an investor-friendly environment in Punjab. It focuses on the development of sustainable business models that can withstand competition from other businesses within India and the world.
- 1.2.3. The policy envisages setting up of a Policy Implementation Unit to ensure necessary support for the implementation of various aspects of the policy.

1.3. Applicability of the Policy

The policy will be applicable for 5 years from the date of notification and can be extended further by the State. The policy may be amended and modified in the course of implementation; however, all such amendments and modifications shall be applied prospectively and shall not curtail any benefit or concession already granted under the policy.

The reference to the State in the Policy is reference to the State Government and its relevant departments and agencies as specified in this Policy.

Chapter 2: Vision, Mission and Goals

2.1 Vision

Fostering a Progressive, Innovative and Sustainable Industrial & Business Ecosystem in Punjab by transforming it as the first choice for doing business.

2.2. Mission

- (i) Promoting Punjab as the preferred Investment Destination by accelerating industrial growth and job creation
- (ii) To accelerate growth of Startups and promoting entrepreneurship by nurturing innovation, improving competitiveness and enhancing capability
- (iii) To accelerate growth of MSMEs.
- (iv) To develop world class infrastructure for the industry including quality and affordable power
- (v) To facilitate availability of skilled manpower to the Industry
- (vi) To create opportunities for moving up the Global Value Chain
- (vii) To bring synergy between State programs and Central schemes
- (viii) Achieving Global scale, Standards and competitiveness in Products and services
- (ix) To have a Circular and sustainable economy

2.3. Goals

2.3.1. To accelerate industrial growth and job creation

- (i) To attract Rs. 5 lakh Crore of investment in 5 years
- (ii) To increase the Share of Secondary sector in GSDP to 30% and Tertiary sector to 62%
- (iii) To enable Job Creation – To increase the employability of the youth through skilling and increase employment opportunities in the State.

2.3.2. To develop world class infrastructure and bring anchor units

- (i) To facilitate the development of at least 15 Industrial Parks in the State.
- (ii) To attract at least one anchor unit in various Manufacturing and Service Industry Sectors

2.3.3. To provide quality and affordable power to the Industry

- (i) To provide power at affordable and fixed tariff for 5 years to the Industry
- (ii) To upgrade power supply infrastructure to all the industrial areas to provide quality and uninterrupted power

2.3.4. To accelerate growth of MSMEs

- (i) To carryout in depth study of 10 clusters every year for specific interventions to increase their competitiveness
- (ii) To upgrade and set up common facility centres in 5 clusters every year
- (iii) To upgrade and set up 10 Technology centres in the State

2.3.5. To focus on startup and entrepreneurship

- (i) To facilitate 1000 start-ups in 5 years
- (ii) To facilitate setting up of 10 incubation centres/ accelerators in the State particularly focusing on Digital manufacturing, Lifesciences (Biotechnology), Agro & Food Processing and Information Technology
- (iii) To build strong linkages with all the major educational institutions
- (iv) To facilitate setting up of 50 Entrepreneurship Development Centres in colleges

2.3.6. To facilitate availability of skilled manpower for the industry

- (i) To set up one Skill University in the State
- (ii) To set up one Skill centre for each identified industrial cluster
- (iii) To set up advance skilling centre on hi-tech manufacturing, design and IT skills for 5 identified sectors

2.3.7. To improve the ease of doing business in the State

- (i) To scale up Invest Punjab Business First portal for a single unified interface to the Industry and Businesses for all regulatory and fiscal services throughout their lifecycle and its Integration with National Single Window System.
- (ii) To re-engineer the processes of 7 core departments on priority namely Industry, Power, Pollution Control, Labour, Housing & Urban Development, Local Department and Taxation to make them extremely simple, industry friendly and completely digital

- (iii) To rationalise document/checklist of various regulatory services at all levels of processing.

2.3.8. To build institutional capacity and enhance institutional linkages

- (i) To restructure existing entities and empower them through statutory powers to translate the vision and mission into reality
- (ii) To set up a Policy Implementation Unit to support the implementation of various aspects of the policy and monitor the progress
- (iii) To set up effective mechanism for talent acquisition for specialized projects, organizations and other initiatives
- (iv) To set up effective mechanism for partnering with various national and international agencies and develop effective PPP model for infrastructure, technology support, skills and other requirements of the Industry

2.3.9. To bring synergy between state programs and central schemes

- (i) To strengthen the liaison at Delhi, a strong team to liaison across the Central Ministries and Agencies ensuring the State draws benefits from all the relevant Central Schemes
- (ii) To ensure optimum utilization of central schemes by respective departments and agencies of the State with support from Policy Implementation Unit

Chapter 3: Key Strategic Focus Areas

3.1. **Ten Core Strategic Focus Areas**

In order to provide a holistic support for the growth of existing industries as well as attracting new manufacturing and service industries, the State would focus on the right set of drivers and enablers to create a business friendly environment. The State has identified eight core strategic pillars for the growth and promotion of industries in the State

3.2. **Infrastructure**

The State would develop quality industrial infrastructure with robust policies for its maintenance. The Industrial Parks and Industrial Estates would be brought under one agency and all the necessary amenities and common facilities will be provided in these estates. All the estate management policies will be simplified. The infrastructure development agency will be given statutory powers and suitably strengthened.

3.3. **Power**

The State recognizes that power is one of the most crucial input for the industry. The State will accordingly make provision for quality, reliable and cost-effective power to give a great boost to the Industry. The State is power surplus today. The State will provide power to the Industry at affordable and fixed tariff for 5 years. This would benefit industries across a broad spectrum and will bring much needed respite to the industry. The State would utilise this period of five years to build a strong support system to enhance the productivity, efficiency and competitiveness of the Industry in the State.

3.4. **Micro, Small and Medium Enterprises**

The State has a strong base of MSME units. MSMEs play a crucial role in providing large employment opportunities at comparatively lower capital cost. MSMEs also help in industrialization of rural & backward areas, thereby, reducing regional imbalances. The MSMEs in the State are facing a myriad of challenges. The State would build suitable capacity to focus on the development of MSMEs to make it a highly vibrant and dynamic sector.

3.5. **Startup and Entrepreneurship**

Innovation and Entrepreneurship are crucial for future growth of State's economy. The State would support cluster specific bottom up approach to build and strengthen Startup and Entrepreneurship ecosystem in the State. The State would follow an entrepreneur centric approach fostering connections and learning. The State will facilitate networking between entrepreneurs and entrepreneurship support organizations by bringing entrepreneurs together in an environment that catalyzes learning. The State would set up a dedicated organization for spearheading its strategy and action plan for promotion of Startup and Entrepreneurship.

3.6. **Skill Development**

The State has already set up a State Skill Development Mission, which would be further strengthened. The State would ensure convergence of various skill training schemes to bring scale and synergy. The State is conscious of the dire need for the Industry to adopt next generation manufacturing to become globally competitive. Given high dependence on low skill labour, re-skilling or up-skilling of existing workforce will be required to make them ready for the new requirements. The State would set up cluster specific skill centres for various manufacturing sectors to ensure skilled workforce for the Industry. The State would also focus on employment generating service industry and train its youth for service industry. The State would strengthen industry institute interaction to enhance the employability of youth and ensuring the supply of skilled youth to the Industry.

3.7. **Ease of Doing Business**

The State recognizes the utmost need for providing conducive environment to the industry and businesses in the State. The State would strengthen “Invest Punjab Business First” portal to provide all regulatory services and fiscal incentives to the businesses through one common integrated platform and business friendly service delivery network. Each business will be given a unique identification. This will avoid supplying information to multiple web portals and creating multiple credentials. The State would set up District Bureau of Industry and Investment Promotion in all districts to provide a wide range of services to the industry. The State would reengineer the processes of seven core departments connected with Industrial development and growth so as to make them extremely simple and easy to follow.

3.8. **Fiscal and Non-Fiscal Incentives**

The State would provide a variety of fiscal and non-fiscal incentives to support the growth of existing industries and to attract new investments. The policy provides strong support to MSMEs to enhance their access to Finance, Technology, Market, Infrastructure and other needs. The State has identified certain thrust sectors for growth and they have been provided higher incentives. Keeping in view the significance of Anchor investors, they have been offered special incentives in the policy. It has also given a package of incentives for revival of sick industries. Extreme Border Zone has also been given special incentives. The policy provides a host of non-fiscal incentives to promote industrial growth.

3.9. **Export Promotion**

State Export Action Plan shall be Implemented in next five years with an aim to double the export in next five Areas. Dedicated Help Desk shall be set up in each DICs to hand hold the export of Potential Product including ODOP.

3.10. **Logistic**

The State recognizes the enormous potential in the sector and will provide necessary modern infrastructure, technology and ecosystem which will facilitate the State of Punjab

in becoming favourite destination for warehousing and logistic sector in country. A separate State Logistic Policy shall be notified in line with the PM Gati Shakti Programme.

3.11. Stakeholder Engagement

Industrial growth and development requires engagement with very diverse set of stakeholders. The Stakeholder Engagement will be a key essential for the success of the Policy. The policy aims to identify key stakeholders from the State and Central government, Key Industry leaders and Industry Associations, private sector, academic institutions, civil society, as well as development agencies and foreign governments that would require continuous engagement. The policy suggests approaches on how to effectively engage them throughout the implementation of the Policy.

3.12. Grievance Redressal

The state would set up a Grievance Redressal Mechanism at District and State Level to resolve issues of Industry and Business Enterprises. It will have participation of members from Industry.

Chapter 4 - General Definitions

4.1. **Approved Industrial Park**

Approved Industrial Park means an Industrial area, Focal Point, Industrial Estate, Mixed-use Industrial Park, SEZ, Textile Park, Biotech Park, IT Park, Industrial Township, Growth Centre, Food-Processing Park, Logistic Park or any other similar project approved by the Competent Authority of the State Government or the Central Government as the case may be.

4.2. **Approved Project Cost**

Approved Project Cost means the cost of the project on different components as approved by the term loan lending institution or in case of joint financing, by the lead term loan lending institution. In respect of self-financed projects, the Approved Project Cost will be as approved by the Punjab State Industrial Development Corporation / SIDBI/State empanelled agencies/ CAG empanelled CA

4.3. **Aided unit**

The unit availing term loan from Scheduled Commercial Banks/ Financial Institutions recognized by Reserve Bank of India for setting up the unit is treated as Aided unit.

4.4. **Border District**

Border district means a district with an international boundary.

4.5. **Border Zone**

Border Zone is the area within 30 Km of international boundary as certified by the concerned revenue authority.

4.6. **Date of Commencement of Commercial Production (DCP)**

- (i) The date on which commercial production has started, as indicated in the UAM/Part B in respect of Micro, Small & Medium Enterprises and IEM/IL in case of Large Industries, as the case may be.
- (ii) DCP will be determined on the basis of the documentary evidence i.e. first sale invoice, to be provided by the investor. Other documents such as VAT/SGST returns, power bills, bills of purchase of machinery etc. may be considered, if required by the Scrutiny Committee.
- (iii) In case of Phased production/Expansion/Diversification/Modernization, the date of production, as declared by the promoter after capitalization of complete investment in the books of accounts for relevant phase/ Expansion/ Diversification/ Modernisation shall be reckoned as date of commercial production of particular case of Phased production/ Expansion/ Diversification/ Modernization.
- (iv) In case of any dispute on DCP between the Unit and the Department, State Level Committee (SLC) will review and its decision shall be final.

4.7. Detailed Project Report (DPR)

Detailed Project Report means a document, depicting physical and financial projections relating to the unit, duly appraised and approved by a financial institution or a scheduled bank while sanctioning term loan and /or working capital limit. In case of units which had neither availed term loan nor working capital, such document shall be appraised and approved by Punjab State Industrial Development Corporation/SIDBI/State empanelled agencies/CAG empanelled CA's.

4.8. Department

Department means the Department of Industries & Commerce, Punjab.

4.9. Effective date

Effective date means the date of Notification of this Policy.

4.10. Electricity Duty

Electricity duty is the duty levied and paid to the State Government on the electricity supplied by PSPCL or any licensee or electricity trader or generating company to a consumer, as the State Government may notify from time to time, with the proviso that any contributions made out of the Electricity Duty levied, such as those deposited in the social security fund etc., shall not be exempted.

4.11. Enterprise Value

Enterprise value means a price which acquirer pay for another firm. In financial terms it is arrived by adding Market capitalization+ Market value of Preferred equity + Market Value of debt+ minority Interest- Cash and Cash equivalent

4.12. Export oriented Unit

Export oriented Unit mean an industrial unit exporting at least 25% of its manufactured Products in markets outside India with minimum value addition of 33% against direct receipt of Foreign exchange or through Merchant Exporters including PSIEC or any other trading house and registered as such with the Department of Industries & Commerce, Punjab.

4.13. GST

Goods and Services Tax.

4.14. Kandi Area

Area notified by Government of Punjab vide letter no. 1462-SMAC-1(AC)-73/33147 dated 31/10/1973 as amended from time to time.

4.15. Policy

Policy shall mean Industrial and Business Development Policy 2022 as amended from time to time.

4.16. Property Tax

Property tax is the local tax as levied by urban/rural local self-government/authority of the area.

4.17. Self-Financed Unit

The Unit set up with own funds/ unsecured loans without any involvement from Commercial Banks / Financial Institutions etc. is treated as Self-Financed Unit.

4.18. Stamp Duty

Stamp Duty is duty payable as levied in schedule 1-A of Indian Stamp Act on transfer of property. It shall not include any other charges such as registration fee, infrastructure development cess, social security fee/cess etc. levied under Schedule 1-B and Schedule 1-C of the Act.

4.19. State Government

Any reference to the State Government in this policy shall mean Government of Punjab in the Department of Industries and Commerce.

4.20. State Level Committee

State Level Committee (SLC) means the Committee under the Administrative Secretary, Department of Industries and Commerce, Punjab set up under this Policy for sanction of incentives.

4.21. District Level Committee

District Level Committee (DLC) means the Committee under Deputy Commissioner of the district set up under this Policy for sanction of incentives.

4.22. Unit

Unit is a project set up by an industrial or service enterprise in the State of Punjab, to manufacture a product(s) or provide a service(s).

4.23. Unit under SC Category

A Unit with 100% SC entrepreneur/s as proprietor/partner/directors, as the case may be, belonging to SC category as notified by the Government of Punjab from time to time.

4.24. Unit under Women Category

A unit with 100%-woman entrepreneur/s as proprietor /partner/directors, as the case may be.

4.25. Value Added Tax (VAT)

VAT is a tax as levied under The Punjab VAT Act 2005, as amended from time to time.

Chapter 5 – Industry Specific Definitions

5.1. Manufacturing Industry

5.1.1 General

All Manufacturing products classified under National Industrial Classification (NIC) 2008 are eligible under the Policy except those specified in the negative list in the Policy at annexure-1. In addition, following definitions of specific sectors will be followed for the Policy.

5.1.2. Electronic System Design and Manufacturing

The entire value chain of all electronic verticals/products covered under the National Policy on Electronics and related notifications issued by the Department of Electronics & Information Technology (Deity), Ministry of Communication & Information Technology, Government of India from time to time.

5.1.3. Aerospace & Defence Manufacturing

- (i) Aerospace Industry shall include the units in the aerospace value chain from raw material to finished products which add value to aerospace products/ intermediates/ residues both hardware and software. It shall include inter alia civil & military aircrafts, rotorcrafts, helicopters, business jets. This also includes design, research, development and prototyping. Further, it will also include guided missile component, UAVs and related components, propulsion units, overhaul machinery, rebuilding, manufacturing components etc.
- (ii) Defence Manufacturing enterprise means manufacturing enterprises which are supplying to Ministry of Defence, Government of India or their equivalent in foreign countries at least 50% of value of their finished goods as average of last three years OR should have secured defence order worth at least INR 10 Crore as average of last three years, from Ministry of Defence, Government of India or their equivalent in foreign countries. However, in case of a new unit, a bank guarantee equivalent to the amount of CLU/EDC for a period of 2 years after commercial Production shall be obtained. The new unit shall also file their annual production return by 30th June of every year reporting the defence order worth Rs 10 crores as an average for the next three years.
- (iii) The definition shall cover those units also which are supplying component of worth at least 50% of value of their finished goods to the units who in turn is supplier (as per terms laid down in above para) to Ministry of Defence, Govt. of India or their equivalent in foreign countries

5.1.4. Energy Storage Devices

Energy Storage Devices shall mean storage batteries like Lithium-ion, Lithium Polymer, Nickel Cadmium, Nickel Metal Hydride (NiMH) used for Mobile Phones, Laptops, IPad, and other such electronic devices. It will also include batteries for E- vehicles.

5.1.5. Technical Textiles

Technical Textiles are defined as textile materials and products used primarily for their technical performance and functional properties rather than their aesthetic or decorative characteristics. Depending on the product characteristics, functional requirements and end –use, applications, the highly diversified range of technical textiles have been grouped into 13 sectors, Application-wise.

- i. Agrotech (Agriculture, Horticulture and Forestry)
- ii. Buildtech (Building and Construction)
- iii. Clothtech (Technical components of shoes and clothing)
- iv. Geotech (Geo-textiles and Civil Engineering)
- v. Hometech (Components of furniture, household textiles and floor overrings)
- vi. Indus tech (Filtration, cleaning and other industrial usage)
- vii. Meditech (Hygiene and Medical)
- viii. Mobiltech (Automobiles, Shipping, Railways and Aerospace)
- ix. Ouko tech (Environmental Protection)
- x. Packtech (Packaging)
- xi. Protech (Personal and Property Protection)
- xii. Sporttech (Sport and Leisure)
- xiii. Defecates (Textile for defence use)
- xiv. Any other product as notified by Ministry of Textiles, Government of India, time to time

5.1.6. Industry 4.0

- i. Industry 4.0 is driven by an amalgamation of disruptions in different domains such as 3D-printing, broadband connectivity, big data, high computational power, Internet of Things (IoT), cloud computing, business analytics, augmented reality, artificial intelligence, simulation, advanced robotics and cyber-physical systems.
- ii. Industry 4.0 would, therefore, mean the convergence of real and virtual worlds in manufacturing which would make it possible to rapidly produce from “art to part” items that are unique, excellent in quality and at cost that is equal to that of mass-produced goods.
- iii. Manufacturing enterprises utilizing the above technologies for production shall be eligible as Industry 4.0.

- iv. A special Committee has been notified vide notification no. 5238 dated 31.10.2018 to examine the proposal for Industry 4.0 and the decision of the Committee shall be final.

5.1.7. IT and ITES

IT and ITES industry comprises of IT Software and ITES companies, AVGC (Animation, Visual Effects, Gaming and Comics) Units, BPO, Call centres, Internet and E-mail Service Providers, E-commerce and EDI Services, Electronic Data Centre Services, Knowledge based industries and any professional services that are provided or delivered using the resources of ICT.

5.1.8. Life Sciences

It shall mean units carrying out Research & Development activities including Contract research & Clinical research in the field of Pharmaceuticals, Biotechnology, biology, genomics, proteomics, bioinformatics, and biomedical.

5.1.9. Skill Development Centres, Incubation Centres, Accelerators

(i) Skill Development Centre

A unit set up to impart skill Training under National Skill Qualification Framework with an aim of providing gainful employment to the youth or setting up of self-employment ventures.

(ii) Incubation Centres

An incubator is an enterprise that is set up to provide office space, equipment and mentoring assistance and other such support services for Startups.

(iii). Accelerators

It shall include incubation centres, which provide a short duration very focussed support to Start-ups to help them scale up.

5.1.10. Healthcare

Healthcare unit for the purpose of fiscal incentives shall mean hospital (including Hospital attached with the Medical College and Medical Research Institute), Poly-clinic, Diagnostic Centre etc. with investment above Rs. 10 lakh in machinery & equipment.

5.1.11. Tourism & Hospitality

Tourism and Hospitality unit for the purposes of fiscal incentives shall mean Hotel, Eco-Tourism Units, Heritage Hotel, Units for MICE and Green Hotels as defined below:

(i) Eco-Tourism Units

Eco Tourism Units means those Units, which have been approved under the Punjab Eco Tourism Policy 2009 (as amended from time to time), issued by the Department of Tourism, Government of Punjab

(ii) Green Hotel

Green Hotels are Hotels certified by Punjab Energy Development Agency (PEDA), which have obtained a green building certificate as per the approved standards.

(iii) Heritage Hotel

Heritage Hotel is a Unit as defined under 'Guidelines for Classification of Heritage Hotels' of Ministry of Tourism, Government of India. Heritage status will be assigned to the Units built before 1950 and having Heritage Architecture. Heritage status will be certified by a Committee constituted by the Department of Tourism, Punjab.

(iv) Hotel

Any premises or part of a premise having eight or more rooms, which are commercially let out, and provide lodging, with or without board, or serving any kind of eatables or beverages or other services, by way of business, for a monetary consideration.

Premises excluded from the definition of hotel for the purposes of this policy:

- a) Any premises operated by a charitable, religious organization or an educational institution or a government institution.
- b) Any premises operated by a society, a non-proprietary club, institution or other organization and used exclusively by and for the benefit of members of that society, club, institution or other organization.
- c) Any premises or other type of accommodation unit which has less than eight rooms for renting/leasing

(v) Units for Meetings, Incentives, Conferences and Exhibitions (MICE)

A MICE unit is a hotel with facilities for a large group to hold Meetings, incentives, Conferences and Exhibitions and includes at least one Convention Hall or Exhibition Hall as described below:

- a) Convention Hall should have audio-visual conferencing and high-fidelity recording equipment, etc. and skilled man power to operate and manage the facilities. The seating capacity of the hall should be minimum 300 persons. (size of 500 sq. m)
- b) Exhibition Hall should accommodate at least 40 booths of 3 meters' x 3 meters' size excluding passages in between and around the booths. (size of 500 sq. m).

- c) The Unit should include a restaurant with minimum 40 covers, parking facility for not less than 50 cars and 5 coaches and residential accommodation for at least 50 delegates/ participants as per the guidelines of Government of India for Star Category Hotels.

5.1.12. Media and Entertainment

Media and Entertainment for the purposes of fiscal incentives under the Policy shall mean Units specially created for tourists like amusement parks, adventure parks, tourism parks, any special theme parks, or infrastructure related to the promotion of cinematic tourism (like a film institute, a film city, film studios, theatres, Multiplex having atleast three cinema halls with total minimum seating capacity of 1000 seats).

5.1.13. Logistics

Logistics for the purposes of fiscal incentives under the Policy shall mean Units meeting the following criteria:

- (i). Providing warehousing services i.e. warehousing facilities (having a minimum of 3000 sq. ft. of storage area at the ground level), material handling, packaging facilities and transport facilities.

Provided only specialized transportation facilities e.g. specialized vehicles such as refrigerated transport vehicles, specialized construction sector vehicles, specialized chemical transportation vehicles, cryogenic vehicles will be counted for the purposes of FCI. It shall exclude normal transport vehicles, goods carriers, cargos, containers etc.

- (ii). The facility shall not be for self-consumption.
- (iii). The fiscal incentives will also include the incentives in the proposed Logistics policy as and when approved and notified by the Government

5.1.14. Maintenance, Repair and Overhaul (MRO) for Aviation and Defence Sector

It shall mean all Units engaged in Maintenance, Repair and Overhaul (MRO) for Aviation and Defence Sector.

5.1.15. Industrial R&D labs, Industrial Testing Labs

It shall mean Industrial R&D and testing labs with a minimum investment of Rs. 10 lakh in machinery, equipment & service related specialised software. The facility shall not be for self-consumption.

5.1.16. Engineering and Design Services

It shall mean units providing Engineering & Design Services with a minimum investment of Rs. 10 lakh in machinery, equipment & service related specialised software. The facility shall not be for self-consumption.

5.1.17. Equipment Rental and Leasing (construction and industry related)

It shall mean units providing Equipment and Leasing (construction and industry related) with minimum investment of Rs. 10 lakh in specialised machinery / equipment related to construction & industry. The same shall not be used for self-consumption.

5.1.18. Equipment Maintenance and Repair

It shall mean units providing Equipment Maintenance and Repair (Industry related) services with minimum investment of Rs. 10 lakh in machinery, equipment & related specialised software used for equipment maintenance & repair. The same shall not be used for self-consumption.

5.1.19. Environment services (Sewage/ refuse disposal)

It shall mean units providing Environment services such as solid waste disposal, sewage disposal etc. with minimum investment of Rs. 10 lakh in machinery & equipment. It shall include Common STPs & ETPs. The same shall not be used for self-consumption.

5.1.20. Common Utility services like Steam, Air, Water & STP

It shall mean units providing Utility services such as steam, air, water & STP with minimum investment of Rs. 10 lakh in machinery & equipment. The same shall not be used for self-consumption.

5.1.21. Printing presses, offset printing press, Flexi/Vinyl Printing, Flexo printing

It shall mean a unit for printing press, offset printing press, flexi/vinyl printing, flexo printing. The unit shall have minimum investment of Rs. 10 lakh in machinery, equipment & related specialised software used for printing presses. This shall not be used for self-consumption.

5.1.22. Readymade Garment Units

It shall mean Readymade Garment Units such as design studios for apparel and made ups with investment more than 10 lakhs on Machinery and equipment.

5.1.23. Auto servicing and / or repairing units

It shall mean Auto servicing and/ or repairing units with investment more than 10 lacs on machinery and equipment. This shall not be used for self-consumption.

5.1.24. Packaging Units

It shall mean Packaging Units with investment more than 10 lacs on machinery and equipment. This shall not be used for self-consumption.

Chapter 6: Infrastructure

6.1. Industrial Infrastructure – Key to the Growth of Industries

Industrial Infrastructure is one of the key mainstays in the long term development of the Industry. The Government aims to develop robust infrastructure including core and supporting infrastructure which shall provide long term benefits to the industry and set the State on the path of planned industrial growth. It is also the endeavour of the Government to simplify laws and rules for infrastructure development, management and maintenance through a single Industrial Infrastructure Development Agency in the State. All the infrastructural projects shall be dovetailed with the Programmes included under PM Gati Shakti Program.

6.2. Strengthening of PSIEC

- 6.2.1. In order to streamline all the activities pertaining to Industrial Infrastructure development, maintenance and management, Punjab Small Industries and Export Corporation (PSIEC) needs to be strengthened and the State would Strengthen PSIEC to spearhead industrial development including industrial infrastructure in the State.
- 6.2.2. All Industrial estates, industrial parks, industrial focal points, industrial growth centres etc. (to be referred as Industrial Parks hereafter) developed by the Directorate of Industries (Punjab), Punjab Small Industries & Export Corporation (PSIEC), Punjab Infotech (PICTC) and Punjab Agro Industries Corporation and other such agencies shall be transferred to the PSIEC for development, management and maintenance.
- 6.2.3. The PSIEC shall be declared local authority for the purposes of maintaining various Industrial Parks and shall also be vested with the powers of Special Urban Planning and Development Authority and other powers under Punjab Regional and Town Planning and Development Act, 1995 for ensuring planned development of various designated industrial areas under the Master Plan of respective cities.

6.3. Development of New Industrial Parks and Industrial Land Banks

- 6.3.1. In order to provide impetus to rapid industrial growth, the State would develop new Industrial Parks, which shall have the best-in-class infrastructure. The State through the PSIEC and HUD will develop 15 Industrial Parks covering general and sector specific requirements of various industrial sectors. The State would help identify and transfer various vacant lands and unutilized government lands for being developed as Industrial Parks. In addition, the PSIEC will also keep a ready shelf of land bank, earmarked after their due feasibility is established, which can be offered to the Industries.
- 6.3.2. In order to reduce the upfront investment from the State in assembling and developing various land pockets, making projects viable and greater benefits to the stakeholders, the State would take following steps:
 - (i) The State will frame appropriate land pooling scheme for acquisition of land for industrial parks.

- (ii) The State will frame appropriate scheme to develop Industrial Parks in partnership with land owners, where land is contributed by the land owners and the authority will bring expertise for development and marketing of the Park.
- (iii) In case of unutilized government lands, the same may be made available free of cost to the PSIEC for developing industrial parks.
- (iv) The land value in the area appreciates considerably due to setting up of industrial park at any location, the State would devise a scheme to share part of the increased stamp duty with the PSIEC.
- (v) In order to reduce the development cost, the State would avail the financial assistance and Government of India grants available for development of Mega Food Parks, ESDM Parks, Amritsar Kolkata Industrial Corridor development, Integrated Leather Park, MSME infrastructure upgradation and other schemes for infrastructure development.

6.4. Development of Integrated Industrial Townships

6.4.1. Integrated development – Live, Work and Play

Industrialization and urbanization are related phenomenon and therefore the State would have an integrated approach to face the challenges arising from the same. The State would develop integrated townships with provision of residential, industrial, commercial and other needs rather than developing industrial areas and residential areas separately. These industrial townships should follow a philosophy of Live, Work and Play to ensure high degree of quality of life and liveability.

- 6.4.2. Land to the Industry at reasonable price – A large scale mixed land use project would be able to provide land to the industry at reasonable price reaping benefits from other components of the project.
- 6.4.3. Attracting talent – A township based on live, work and play will be able to provide necessary support for various needs of the professionals and as a result will help in attracting talent for the industry.
- 6.4.4. Inclusive growth - The needs of urban poor and industrial labour are often not met adequately and they are forced to live in the slums. Various schemes for housing for poor could not be effectively implemented due to lack of availability of land. The new townships will provide land for social housing to cater to the needs of weaker sections of the society particular the industrial workers who would need housing and other facilities.
- 6.4.5. Decongestion of cities – The State will also enable the industries located in the congested areas of the city or non-conforming zones (where Master Plan stipulates their shifting after certain time period) to the new areas being developed and allow the inner areas for more value added city use.

6.5. Development along Industrial Urban Corridors

6.5.1. Amritsar Kolkata Industrial Corridor (AKIC)

The State will develop area falling in AKIC along the Eastern Dedicated Freight Corridor (EDFC) as major industrial hub. It will cover important towns of Rajpura, Sirhind, Doraha, Sahnewal and Ludhiana. The State has already identified various land parcels for the purpose of setting up Industrial Estates along AKIC.

6.5.2. Chandigarh-Amritsar Industrial Corridor

Chandigarh-Amritsar is an important urban industrial corridor. The State will strengthen the existing industrial clusters on this corridor. The State would further carry out the feasibility of various identified land pockets on this corridor and develop new Industrial Parks and Industrial Townships along this corridor.

6.5.3. Chandigarh-Hoshiarpur-Gurdaspur Industrial Corridor

Development of Chandigarh-Hoshiarpur-Gurdaspur Industrial corridor will give a fillip to Kandi Area and Border Area. The State would further carry out the feasibility of various identified land pockets on this corridor and develop new Industrial Parks and Industrial Townships along this corridor.

6.5.4. Chandigarh-Patiala-Sangrur-Bathinda Corridor

Development of Chandigarh-Patiala-Sangrur-Bathinda corridor will ensure development of industrial infrastructure in Malwa region of the State and provide employment opportunities to youth in this region.

6.5.5. Development of Economic Corridors along major rivers

The State will explore canalization of major rivers namely Ravi, Beas and Sutlej and construct high speed economic corridors along these rivers to attract industry and investment, which will develop these areas and provide jobs and growth opportunities to local people.

6.6. Core, Support and Social Infrastructure to be provided in Industrial Estates

6.6.1. Though the actual infrastructure facilities will depend on the nature, size and resources available for an industrial Parks, the State would endeavour to provide the following core, support and social infrastructure in all the existing and future industrial Parks in a time bound manner:

Core Infrastructure

- (i) Developed Industrial Plots
- (ii) Roads, Storm Water Drainage and Street Light
- (iii) Water Supply
- (iv) Power Supply Network

- (v) Solid Waste Disposal
- (vi) Environment Conservation Initiatives – Green Spaces, Parks and Gardens
- (vii) Telecommunication,
- (viii) Gas

Support Infrastructure

- (i) Skill Development Centre
- (ii) Technology Centre
- (iii) Common Facility Centre
- (iv) Common Effluent Treatment Plant
- (v) Recycling of Waste
- (vi) Exhibition and Convention Centre
- (vii) Cargo Logistics Centre/ Custom bonded warehousing
- (viii) Petrol and Service Station
- (ix) Fire Station
- (x) Space for public amenities – Post office/Banks/Insurance, other Institutions

Social Infrastructure

- (i) Industrial Labour Housing
- (ii) Healthcare and medical attendance services
- (iii) ESI Dispensary/ Hospital
- (iv) Schooling & Crèches
- (v) Organized transport linkages

6.6.2. Provision for MSME units in the Industrial Estates

The State would earmark adequate land for MSME units including land for development of flatted factories, industrial sheds, Labour housing and other measures to support MSME units. Further, the State would allow the plots to be used for duly identified service enterprises.

6.6.3. ESI Hospitals and Dispensaries

In many industrial estates, plots have been reserved but no ESI hospital or dispensary has been set up. The State would take up with ESI department either to develop the facilities in a time bound manner otherwise the State would arrange for alternate model for delivering Medical services in such Industrial Estates.

6.6.4. Affordable Housing for the workforce and provision of crèches

- (i) In order to ensure availability of labour, development of affordable housing including dormitories and hostels will be done in or around industrial estates.

- (ii) The State would make suitable land available for developing affordable housing under various State and GOI schemes and devising suitable PPP model.
- (iii) The State will allow conversion of industrial plots lying vacant for affordable housing for labours keeping in view the demand of such facilities in respective industrial estates.
- (iv) The State will also facilitate setting up of crèche facilities in the industrial areas.

6.6.5. Exhibition and Convention Centres

Exhibition centers play a key role in enabling the Industry to showcase and market their range of products. The State will set up Exhibition and Convention centers with the latest infrastructure and facilities including spacious conference halls, display areas, proper parking, etc. in Mohali, Ludhiana, Jalandhar and Amritsar in first phase.

6.6.6. Warehousing Facility

All the new Industrial Parks shall have the provision of warehousing facilities, which could be developed in PPP mode providing good facilities and latest infrastructure. Further, provisions shall be made to develop/promote Warehousing facilities near existing clusters, in case such demand exists.

6.7. Common Environment Infrastructure

- 6.7.1. The State firmly believes that Industrial development has to be environmentally sustainable. Common Environment Infrastructure is the need of the hour for industries not capable of putting up their own Environment Management System due to technical, financial or land related constraints. This is particularly required to support MSME units in various industrial clusters.
- 6.7.2. The State in partnership with Industry Associations will facilitate setting up of common environment infrastructure such as Common Effluent Treatment Plants, Common Hazardous Waste Treatment Facilities, E-Waste Collection and Disposal facilities and other such facilities to protect the environment and promote sustainable development.
- 6.7.3. The State shall utilize various GOI schemes such as MSME-CDP scheme of Ministry of MSME, Integrated Processing Development Scheme (IPDS) of Ministry of Textiles to avail funding for setting up of CETPs. Apart from facilitating assistance under various Central and State Schemes, the State will also facilitate setting up of common facilities on PPP Mode with the following measures.
 - (i) Provide land for CETPs on lease
 - (ii) Exemption of Electricity duty on the operations of the CETP
 - (iii) Expedite release of any existing or future State shares in setting up of CETPs

6.7.4. Natural Gas

The State will facilitate supply of Natural gas to the Industrial Parks through proper connectivity.

6.7.5. Availability of water for industrial use

The State Ground Water Authority will frame appropriate and sustainable policies for use of water. The State would also work towards greater use of surface water for industrial purpose and suitable schemes will be framed.

6.7.6. E-waste facility

Keeping in view the amount of e-Waste being generated, the State would set up adequate facilities for e-Waste collection and recycling.

6.8. Maintenance of Industrial Parks

6.8.1. Nodal Agency for maintenance

The PSIEC shall be the nodal agency responsible for maintenance of all the Industrial Parks in the State. It will have the status of local authority. The PSIEC will collect and retain the charges accrued from the industrial estates, focal points, etc. transferred to the PSIEC in the form of property tax, water, sewerage, solid waste and utilize the same for development, upgradation, maintenance and management of the industrial areas.

6.8.2. Levy of maintenance service charge

The PSIEC would levy maintenance service charges on industrial units located in the Industrial Parks to meet the gap, if any, in the income and expenditure on maintenance.

6.8.3. Up gradation of Industrial Parks on PPP

Keeping in view that the industrial Parks are currently in poor shape, huge resources would be required to upgrade the existing infrastructure and then maintain the same as per global standards. Immediate improvement in infrastructure and their maintenance is essential. In order to ensure global standards and attract investment and management from the private sector in the maintenance of various industrial parks, the PSIEC will work out suitable model for upgradation and maintenance of industrial parks in PPP mode.

6.8.4. Amendment in Common Infrastructure (Regulation and Maintenance) Act 2012

Wherever SPVs for maintenance have been formed and have come forward for maintenance of industrial estates, the Authority will involve them in the maintenance of Industrial Areas. The State will further suitably amend the existing Common Infrastructure (Regulation and Maintenance) Act, 2012 regarding maintenance of Industrial Parks in line with the Policy.

6.9. Estate Management

6.9.1. Uniform Estate Management Procedure

- (i) The PSIEC will be responsible for all estate management services of all the industrial estates, focal points and other areas transferred to it by all agencies.
- (ii) The PSIEC will simplify and revise existing estate management practices of different agencies keeping in view the changing economic environment, aspirations of the Industry and ensuring ease of doing business for existing and prospective allottees. The guidelines and processes pertaining to allotment, reservation, transfer of plots, grant of NOCs, land use changes and other aspects of Estate Management will be simplified and revised.
- (iii) The PSIEC will notify and publish a standard Estate Management Procedure for all the industrial estates, industrial focal points, industrial growth areas etc. developed or transferred to the Authority.
- (iv) The PSIEC will develop and streamline online system for all the estate management services in a time bound manner.

6.9.2. Unlocking the potential of land – Liberalizing zoning regulations

- (i) Many of the old focal points and industrial areas have come inside the city. Further, there is need to provide various support services and infrastructure to the industrial units in the focal point. In fact, in case of MSMEs, a number of services have also been included in the definition of enterprise. It is accordingly required that duly identified activities are permitted in the zoning regulations of industrial parks and estates.
- (ii) PICTC Sector in SAS Nagar was setup long back and keeping in view the present needs, the permissible usage needs to be reviewed and liberalized.
- (iii) The department of housing and urban development has already notified a scheme for conversion of industrial plots to other usage under certain terms and conditions, the same would be reviewed to make it more effective.
- (iv) The State would also provide an effective mechanism for resuming the vacant plots so that they can be given to deserving entrepreneurs.
- (v) Zoning regulations will be liberalized to provide for flatted factories. Further, keeping in view the paucity of land, the State and the PSIEC would go for vertical growth and grant of higher FAR would be liberalized.

6.9.2.1.1. Unlocking the potential of land – Liberalising the lease and other terms and conditions of old allotments

- (i) Some of the terms and conditions of allotment and lease deeds executed by the State and various agencies have emerged as a bottleneck towards utilization of idle land with the Industry. PSIEC has liberalised many of the lease terms and conditions over a period of time as per the demand of the Industry for their

growth. PICTC is still following different policies. Uniform Estate Management Policy will be notified.

- (ii) Provisions regarding unearned profit clause and other such restrictive clauses in the terms and conditions of sale or lease will be reviewed.
- (iii) Provision of mortgaging of land to raise finances and sub-leasing will be reviewed with a view to make them more liberal.

6.9.3. E-auction of plots

All the industrial plots will be allotted by way of E-auction as per existing policy notified on 31.01.2019, however SPV shall be allotted plots at current reserve price in accordance with clause no 3 of notification no. US/CC/PSIEC/Allotment Policy/1860 dated 31.10.2013.

Chapter 7: Power

7.1. Punjab – Robust Power Infrastructure

Power is one of the basic factors of production for Industry. Punjab is a power surplus state and has adequate power supply to meet the demand. The state has excellent distribution network which includes 66 KVA sub-stations at every 10 km. It has the country's first ever 400 KVA ring main system covering the entire state. The state has a cumulative installed renewable energy capacity of 1852 MW which includes 733 MW of Biomass power and over 1119 MW of solar power. The state thus has an advantage of surplus power and a robust power infrastructure.

7.2. Uninterrupted and Quality Power

Punjab is the only state in North India which has been able to control the theft of power and has achieved reduction of aggregate technical and commercial losses below 15%. The Government is committed to supply uninterrupted electricity at affordable rates so as to attract industrial investments in the state.

7.3. Power at affordable and fixed tariff for 5 years

Power represents a major recurring expenditure. In order to enhance the cost competitiveness, the State will provide power at affordable tariff for 5 years. This would not only benefit the new industry in Punjab, but also help in reviving the existing industry of Punjab, which has always been the State's pillar of strength.

7.4. Up-gradation of power infrastructure to industrial areas

The State will through the concerned department and agency get the audit of the power distribution networks to the Industry conducted and any gaps such as lack of dedicated feeders, lack of proper feeder capacity, faults in distribution etc. will be appropriately addressed.

7.5. Business Friendly Policies by PSPCL

PSPCL will review its policies to make them more business friendly for release of new connection, enhancement of load, splitting of connection, import of bulk power, rationalization of various electricity rates and other service charges, peak load charges, procurement from state MSME's and OTS policy etc.

7.6. Open Access of Power

Industry shall be allowed to buy power from the exchange as per charges fixed by regulator.

7.7. Captive DG Set

It shall be taken up with GOI to include Own DG set under definition of Captive power plant for continuous process industry. This will help the Industry in the hour of temporary

crisis to procure LSD from Oil Corporations without taxes for that period thereby reducing costs.

7.8. Rationalization of Electric Load

State will Rationalize the electric load for SP- is upto 20KW and MS-is upto 100 KW.

7.9. Time Bound Incentive of ED

In case of the incentives for Electricity Duty Exemption, after the issuance of Eligibility Certificate by the competent authority, subsequent notification for each case shall be issued by Department of Power within next 30 days through Invest Punjab Business First portal only

7.10. Special advisory Cell

To Promote Solar Power, a special cell be set up in PSPCL to facilitate and advise the Industry to install solar Power to augment the solar power generation in the state. Following measures shall be taken to Promote use of solar Power by Industry: -

- (a) Net Meter shall be installed within 15 days of application.
- (b) There will be no capping on the Maximum installed capacity of Solar Plant.
- (c) Any unit installing solar power of more than 10% of their usage (in thrust/anchor) should be levied fixed charges on 70% of contract demand and not 80%. Installation of more than 30% of solar power should further be levied fixed charges on 50% of contract demand.

Chapter 8: MSME Development

8.1. MSME Sector – Engine for socio economic growth and employment generation

- 8.1.1. MSME sector plays a crucial role in providing large employment opportunities at comparatively lower capital cost. MSMEs also help in industrialization of rural & backward areas, thereby, reducing regional imbalances. MSME sector has emerged as an engine for socio economic growth.
- 8.1.2. The Micro Small Medium Enterprises Development (MSMED) Act 2006 enacted by Central Government seeks to facilitate the development of these enterprises, enhance their competitiveness and provides a legal framework for recognition of both manufacturing and services entities.
- 8.1.3. Khadi and Village Industries Development which is being looked after by Khadi and Village Industries Board would also be supported as part of the MSME sector.

8.2. State's approach to MSME sector development

- 8.2.1. The State recognizes that different stages of MSMEs have different needs. MSME growth can be broadly classified into five stages – Ideating a Business, Starting a Business, Growing a Business, Reviving a Business and Exiting a Business. The policy will address various needs that emerge in these stages.
- 8.2.2. The Policy is not merely subsidization of factors of production but growth and performance oriented. The policy will strengthen the state institutions to support a smart MSME Ecosystem driven by efficiency and innovation.

8.3. Re-structuring of Controller Store as 'MSME Punjab'

- 8.3.1. Punjab has a strong base of close to 3.5 lakh MSME units truly reflecting the enterprising spirit of the State. In order to address a myriad of challenges being faced by the MSMEs in the State and to make it a highly vibrant and dynamic sector, the State would re-organize Controller Stores as '**MSME Punjab**', as a dedicated wing of Department of Industries & Commerce, Punjab for the focused development of MSMEs.
- 8.3.2. '**MSME Punjab**' will address the following key functions pertaining to MSME sector in the State:
 - (i) Enhance the competitiveness of MSMEs in the changed economic scenario.
 - (ii) Adequate flow of credit from financial institutions/banks
 - (iii) Support for technology upgradation and modernization
 - (iv) Modern testing facilities and quality certification
 - (v) Access to modern management practices
 - (vi) Support for product development, design intervention and packaging

- (vii) Assistance for better access to domestic and export markets
- (viii) Entrepreneurship development and skill up gradation through appropriate training facilities
- (ix) Cluster-wise measures to promote capacity-building and empowerment of the units and their collectives.

8.3.3. MSME Punjab will have dedicated divisions and requisite competencies to provide necessary assistance to MSME units in Access to Finance/Credit, Access to Technology, Access to Market, Access to Skills and other needs of the Sector. The organization will be assisted by professional agencies in delivering various services to its stakeholders.

8.4. Setting up of District Level Single Window System for MSME units

8.4.1. In order to strengthen support to the industry particularly MSME sector at the District Level, the State had set up a strong and effective Single Window System at the District level which will be further strengthened.

8.4.2. The District Level Single Window System will provide following services to MSME Units:

- (i) One stop clearances for all regulatory services
- (ii) One stop clearances for all fiscal incentives
- (iii) Facilitate access to Infrastructure
- (iv) Facilitate access to Finance/ Credit
- (v) Facilitate access to Technology
- (vi) Facilitate access to Mentoring
- (vii) Facilitate other support measures to MSME sector
- (viii) Facilitate support to Self-Employment, Startup and Entrepreneurship Development

8.5. MSME Cluster Identification

8.5.1. The State would clearly identify and delineate various industry clusters based on their presence in various geographic locations. The same would be marked on GIS for their visibility and providing necessary linkages.

8.5.2. The State would particularly prioritise following clusters for development in phase 1:

- (i) Cycle and Cycle Parts
- (ii) Automobiles and Auto components
- (iii) Light Engineering

- (iv) Machine Tools
- (v) Leather and Sports Goods
- (vi) Petro-Chemicals
- (vii) Secondary Steel
- (viii) NRSE Equipments
- (ix) Textile and Apparel
- (x) Agri and Food Processing
- (xi) Electronics
- (xii) IT/ITES
- (xiii) Life Sciences and Pharmaceuticals

8.6. MSME Cluster Development Programs

The State will follow cluster approach for development of MSME Sector. The State will focus on optimal utilization of Central Government schemes for developing and upgrading various MSME clusters. Common facilities will be set up in partnership with SPV's of respective clusters. Apart from the Schemes of Central Government for cluster development, the State would also formulate its own scheme for cluster development based on the felt needs of the State and gaps in the Central Scheme.

8.7. Access to Technology for MSMEs

8.7.1. Setting up of Technology Centres

The State will set up one Technology Centre for each major industrial cluster. Technology Centre shall act as a hub of research and demonstration of latest tools and technological know-how, innovation & design services, prototyping, testing & calibration, incubation and training. These Technology Centres will partner with Punjab Technical University, Council for Science and Technology and other research and technical organizations at national and international level.

8.7.2. Setting up of Common Facility Centres

The State will aim to set up one Common Facility Centre (CFC) in each major industrial cluster. CFCs shall have testing labs, marketing centers and other supportive capacity as per the needs of the concerned cluster. The State and the Authority may provide land at Current reserve price on lease basis for setting up of CFCs by SPVs under Ministry of MSME's Cluster Development Programme or other schemes.

8.7.3. Upgradation of QMCs and IDCs as Technology Centres, Common Facility Centres and Skill Centres

The land of the existing Quality Marking Centres (QMC's) and IDCs as technology centres and common facility shall be utilized effectively for supporting the MSME sector.

8.7.4. Adoption of Central Schemes

The State would ensure adoption of technology upgradation and modernization schemes for MSMEs such as Credit Linked Capital Subsidy Scheme (CLCSS), Technology and Quality Upgradation Scheme (TEQUP), Lean Manufacturing, Quality Management Standards and Quality Technology Tools (QMS & QTT) and ZED (Zero Effect Zero Defect). The State would also make its own scheme to promote these concepts.

8.7.5. Water, Energy and Safety Audit

The State will incentivize audit of water, energy and safety to promote technology adoption by MSME units.

8.8. Access to Markets for MSMEs

The State would take a number of measures to extend export and marketing support to MSMEs:

- (i) The State would encourage various E-commerce portals for online trading and marketing of MSME products.
- (ii) The State would make MSME units aware and encourage them to register on Government E-Market Place to avail of opportunities in the Government procurement.
- (iii) The State will collect marketing intelligence for tracking and forecasting trends in demand and linkages with raw materials and technology. The information should be disseminated to MSME units.
- (iv) The State will facilitate ancillary units and supply clusters around the anchor units such as Rail Coach Factory, Kapurthala, DMW, Patiala and other such anchor Industries.
- (v) Annual buyer & Seller Meets and Vendor Development Programmes in respect of large industry, CPSU and major State PSUs will be organized by the State in collaboration with MSME-DI
- (vi) The state shall provide financial assistance to MSME for showcasing their products at local, national and international event.
- (vii) Greater thrust will be given on income generating economic activities by women and a system will be developed for marketing of their home made traditional

articles such as “durries, khes, embroidery work, Phulkaries, hosiery etc.” on a regular basis.

8.9. Access to Infrastructure for MSMEs

The State will provide developed sheds, flatted factories and plug and play infrastructure for MSMEs across the districts.

8.10. Access to Finance for MSMEs

8.10.1. The State will facilitate MSME units in seeking credit from financial institutions by providing them required information and handholding in documentation.

8.10.2. The State shall facilitate raising funds through National Stock Exchange(NSE) dedicated platform for SME's, called 'Emerge' where small companies can list and raise productive capital. The State will provide necessary incentives to make the SMEs available on the exchange platform.

8.11. Growth Accelerator Services for MSMEs

8.11.1. The State will provide Growth Accelerator services for MSMEs. It shall involve designing a bespoke intervention for each MSME sector targeting their challenges and encompass a blend of coaching, training and handholding. The State would partner with globally established agencies to appoint and train Growth managers to coach MSMEs to achieve higher growth. Sustainability of these growth managers as service providers shall be pursued.

8.11.2. Further, there are large number of GOI schemes which offer unit level incentives to specific industries e.g. Food processing, electronics, leather, textiles. The State will partner with suitable agencies to facilitate benefits to greater number of MSMEs in the state. It shall support MSMEs in preparing applications and obtaining approvals under respective schemes.

8.12. Common Environment Infrastructure in MSME clusters

The State will facilitate setting up of common environment infrastructure such as CETPs in various MSME clusters. Apart from utilizing assistance available under various schemes, the State will facilitate setting up of common environment infrastructure on PPP. The State will provide land and other concessions for setting up of CETP and Private Partner will make the requisite investment and will recover from industry in the form of user charges.

8.13. Revival and Rehabilitation of Sick MSME units

The State will closely monitor implementation of RBI's framework for identification, nursing and providing rehabilitation package to potentially viable sick units of the State. The State shall identify and prepare district wise list of sick units. The identified viable sick MSMEs shall be provided relief measures by the State for their rehabilitation and revival.

8.14. MSE facilitation councils at district level

8.14.1. The state has already notified MSE facilitation council in all the districts under IBDP-2017. A panel of arbitrators shall be appointed to expedite the disposal of cases.

8.15. Raising and Accelerating MSME Performance(RAMP)

The state would implement world bank Assisted GOI Scheme i.e. RAMP to provide support to MSMEs in market access, capabilities and access to finance to boost productivity of MSMEs by utilizing the full grants available under the scheme.

Chapter 9: Nurturing innovation and Startup & Entrepreneurship

9.1.State’s approach to Innovation and Entrepreneurship

- 9.1.1. The State is known for the enterprising spirit of its people, which brought green revolution and also made Punjab a hub of small and medium enterprises. The State now has to transition to knowledge and technology driven enterprises. It has to develop a new culture of innovation. The State recognizes that innovation and entrepreneurship are crucial for future growth of State’s economy.
- 9.1.2. The State would support cluster specific bottom up approach to build and strengthen Innovation and Entrepreneurship ecosystem in the State. The State would follow an entrepreneur centric approach fostering connections and learning. The State will facilitate networking between entrepreneurs and entrepreneurship support organizations by bringing entrepreneurs together in an environment that catalyzes learning.

9.2.Startup Punjab - Building a Strong Eco-system for Startups

- 9.2.1. The State will strengthen “Startup Punjab” to build a strong eco-system for nurturing innovation and Startup. The State will ensure necessary convergence and synergy in various Central and State programs promoting innovation, entrepreneurship and Startup. It will promote networking of various reputed academic institutions carrying out research and innovation and other organizations running incubators and accelerators.
- 9.2.2. The State has a large number of reputed national level research and academic institutions particularly around the State capital such as Indian School of Business (ISB), Indian Institute of Technology (IIT), National Institute of Pharmaceutical Education and Research (NIPER), Indian Institute of Science Education and Research (IISER) and National Agri-biotech Institute apart from various State Universities for Technical Education and Higher Education and other institutions of excellence.
- 9.2.3. The State will connect these leading institutions and leverage their expertise and research capabilities for promoting innovation, entrepreneurship and Startups in the State. The State will connect them with entrepreneurs and global network of venture capital, angel funds and mentors. It will accelerate the state’s handholding in not only technology sector but also other fields like manufacturing, healthcare, agriculture, tourism etc.

9.3.University and College Incubators

The State will promote setting up of Incubation Centres in Universities and other Academic Institutions. These incubation centres play an important role in promoting entrepreneurial culture in students. It inculcates the concept of entrepreneurship in the mind of students in place of finding the jobs after completing their study. Besides the principles and practices of good business ownership which incubator programs provide, the student business owners also enjoy a creative, innovative, and engaging environment. The State will also put in the efforts to build strong academia industry linkages and networking through these incubation centres. The incubation facilities could also be made available to

non-residents or non-students to bring greater benefits and learnings for all stakeholders. The students will be provided information and support regarding available State & Central schemes, incentives and grants.

9.4. Punjab Innovation Mission

The State would support and Facilitate Punjab based startup in raising venture fund from Punjab Innovation Mission set up with an outlay of 150 Cr .

9.5. Incubation Centres by other Government Organizations

There are a number of Incubation Centres set up by various Central and State Government organizations such as Biotech Incubator, STPI Incubation Centre. These incubation centres need to be promoted effectively and necessary linkages with the State Government programs and industry shall be provided. State will also make a network of these incubators for sharing ideas of mutual benefit for growth.

9.6. Private Incubators and Accelerators

The State would also encourage private sector lead Incubation Centres and Accelerators and provide them necessary support. The State would frame a scheme to provide various fiscal and non-fiscal incentives to promote development of Incubation Centres in private sector.

9.7. Setting up of sector specific incubators

In order to provide impetus to entrepreneurship in the focus sectors for development, the State would encourage setting up of sector specific incubators such as Digital manufacturing, Lifesciences & Biotechnology, Agro & Food Processing and Information Technology. These incubators will be set up in and around the existing and envisaged industry clusters in the State.

9.8. Creation of common infrastructure and co-working spaces

The State would facilitate creation of adequate support infrastructure for boosting innovation ecosystem. Such infrastructure would be created across different sectors in all districts in Punjab and would comprise of components such as:

- (i) Ready-to-use office spaces
- (ii) R&D and testing labs
- (iii) Software and hardware solutions
- (iv) Services such as legal, accounting, HR, IPR, etc.
- (v) Facilities such as internet connectivity, electricity, water, security, etc.

9.9. Special Focus on Women Entrepreneurship

- 9.9.1. Women entrepreneurs constitute a small percentage of overall entrepreneurs. Women entrepreneurs need to be encouraged for significant social and economic development and inclusive growth. The State would identify specific challenges women entrepreneurs face in formal and informal sectors of economy including rural and urban areas and create facilitative environment for women entrepreneurs to contribute to economic development.
- 9.9.2. The State would encourage women entrepreneurs, create awareness among women entrepreneurs on various State & Centrally sponsored schemes. The State would also handhold women who have business ideas and are interested to start their business ventures. The State will provide specific schemes to promote Women entrepreneurship.

9.10. Special Focus on SC Entrepreneurship

- 9.10.1. For growth and prosperity to be truly inclusive, all sections of the society need to partake in this prosperity. Besides wage employment and education, the marginalized sections of the society also need to envision, create and scale-up ventures to be a major participant in this growth story. There is a need to substantially increase SC entrepreneurs and number of SC owned enterprises to enable the socio-economic empowerment of the SC communities.
- 9.10.2. The state would encourage SC entrepreneurs, create awareness among SC entrepreneurs on various State & Centrally sponsored schemes and provide handholding support to them. The state will dovetail Standup India program with State specific schemes to promote entrepreneurship amongst SC youth.

Chapter 10: Skill Development

10.1. Punjab Skill Development Mission – Nodal agency for Skill Development

Skilled workforce is essential for growth and competitiveness of Industries. The State has already set up Punjab Skill Development Mission, a nodal agency to spearhead skill development activities in the State. The Mission would further be strengthened and integrated with the Industry requirements.

10.2. Identifying the Skill Gap in various clusters

The State would work out specific skill development needs including advance skilling for various sectors. The State would identify skill gaps in all the major industrial clusters.

10.3. Convergence of various skill development schemes

The State would ensure convergence of various skill training schemes to bring scale and synergy. Various skill training schemes being run by different departments would be transferred to the Mission. At the district level, District Bureau of Employment and Enterprises will be coordinating the implementation of various skill development schemes.

10.4. Setting up of University of Skills and Vocational Education

The State will set up a University of Skills and Vocational Education in Punjab. The University will help upgrade the standard of skills and vocational training in the State by devising Industry relevant curriculum, offering skill based certificate, diploma and degree programs relevant for Industry and Employers. The University will co-ordinate with the Department of Technical Education, Department of Higher Education and Department of Industries and other relevant Departments and Organizations of the State and Central Government and Industry bodies to enhance employability of students.

10.5. Setting up of new Multi Skill Development Centres

In order to ensure quality training and make skill training aspirational, the State has already set up state of the art multi skill development centres at Ludhiana, Jalandhar, Amritsar, Hoshiarpur and Bathinda. The State will further set up new MSDC in the remaining districts in PPP mode.

10.6. Setting up of cluster specific Skill Development Centres

The State would work out specific skill development needs including advance skilling for various sectors. The State would identify skill gaps in all the major industrial clusters. The State will set up cluster specific Skill Development Centres, which shall allow skilling of new entrants as well as skill upgradation of existing workers in the clusters. The State will also set up Advanced Skill Development Centres for providing latest know-how and courses to meet high end skill requirement of the Industry. These may be part of the Technology Centres being set up in the State.

10.7. Skill Training by large employers

The State would work with large employers in various industry sectors to create skill training facilities in partnership with such employers.

10.8. Skill Registry

In order to help both the skilled candidate and employers, the State would maintain a registry of all the skilled candidates passing out from different institutions and under various skill training schemes. The State may utilise the Labour Information Management System developed by Central Government.

Chapter 11: Ease of Doing Business

11.1. Invest Punjab

The State accords highest priority to enhance the ease of doing business in the State. Improving the business environment is key to spur growth and generate employment. The State has set up 'Invest Punjab', a unified regulator vested with the powers to grant regulatory clearances across 23 departments. Building on the success of Invest Punjab, to strengthen facilitation support to the industry at the district level, the State would set up a similar mechanism at all Districts levels to provide one stop clearance for all regulatory services and one stop disbursement of all fiscal incentives apart from providing host of other services to MSME units and other industrial units as may be notified by the State.

11.2. International Desk

To attract foreign investments in various manufacturing and service industry sectors and to enable an investor friendly experience for the foreign investors, the State would be setting up more International Desks as part of Invest Punjab for focus countries to facilitate such prospective global investors.

11.3. Business First

11.3.1. Facilitation to existing as well as new Industry

The State realizes unequivocally that a conducive business environment and facilitation is pre-requisite for growth, innovation and employment generation in the State. Business First means putting the welfare and growth of businesses as foremost priority of the State. The State would ensure business facilitation services of the highest order. Business First will be supported by an integrated business facilitation services network (IBFSN).

11.3.2. Invest Punjab Business First Portal – A unified electronic portal for online services to the Businesses

11.3.3. Invest Punjab Business First will continue to provide a common platform driven by robust IT infrastructure and services for all regulatory services and fiscal and non-fiscal incentives being delivered to the businesses throughout their lifecycle. The Invest Punjab Business First Portal will be integrated with National Single Window System.

11.3.4. Currently, 23 Departments are integrated with this portal providing more than 125+ services. More services would be made available through the Invest Punjab Business First Portal like permission for

- i. Changes in the approvals given under various regulatory clearances & services
- ii. Digging of basement after approval of Building Plan from Mining Department
- iii. Extraction of ground water from Punjab State Ground Water Authority

11.3.5. The approvals/ NOCs required by Investors to obtain various clearances/ incentives shall also be made online and concerned department shall fetch the relevant approval/NoC automatically from the Invest Punjab Business First Portal like land use classification, CRO Report, Report from SDM regarding distance, certificate from Tehsildar, DTP for availing fiscal incentives, etc.

11.4. Online Single Window System for laying of City Gas Pipeline

11.4.1. The State has already notified the single window system for approval of laying of gas pipeline network in the state. The process of online approvals will be developed under Invest Punjab Business First Portal to fast track the approvals

11.5. Reforms in the processes of core departments providing services to Industries

Apart from setting up Business First portal to provide hassle free services to the industries, the State would reform and reengineer various processes of following departments/agencies based on the national and international best practices on priority:

- (x) Punjab Pollution Control Board/ Department of Science, Technology and Environment
- (xi) Punjab State Power Corporation Limited/ Department of Power
- (xii) Punjab Small Industries and Exports Corporation/ Department of Industries and Commerce
- (xiii) Department of Taxation
- (xiv) Department of Labour
- (xv) Department of Housing and Urban Development
- (xvi) Department of Local Government
- (xvii) Department of Revenue

11.6. Deemed Approval for various Regulatory Clearances

A statutory mechanism has been provided for deemed approval for various regulatory clearances at all levels. The entrepreneur will be at liberty to proceed further for execution of the project beyond the prescribed time limit subject to his certifying that all the provisions of regulations will be complied with. The State would strive to add more clearances for which deemed approval would be provided.

11.7. Reforms in Registration of Property

11.7.1. The State shall ensure seamless integration of all land/property related records of ownership and encumbrances on one single online portal between Departments of

Revenue, Housing & Urban Development, Local Government, Water Supply & Sanitation and PSIEC & PSPCL, etc.

11.7.2. The State will Implement a system to trigger the mutation/name change as soon as the property is registered at sub registrar office for the following processes:

- i. Mutation at land records office
- ii. Name change at Municipal Corporation for property tax
- iii. Name change in Electricity and Water bills

11.7.3. Online availability of master plans & CLUs

The State would ensure that duly notified master plans for all the planning areas are widely available and published on Invest Punjab Business First portal. Khasra number and GPS coordinates (if available) would also be superimposed on various plans and made available online. The Change of Land Use service will be made available online.

11.7.4. Single Agency for approval of Building Plan

11.7.5. The Director factories shall be declared as competent Authority under section 2(m) and Section 180 of PTPD Act,1995 read with Punjab Urban Planning and Development Building Rules ,2021 to Approval Building Plan in accordance with Building Rules framed under PTPD Act,1995. **Road Cutting Permissions**

The State would ensure grant of road cutting permissions by PWD and other agencies through Invest Punjab Business First portal.

11.8. Reforms in Labour Regulations

11.8.1. The State would allow third party certification from the competent person for approval of plan and permission to construct/extend/or take into use any building as a factory under the Factories Act, 1948.

11.8.2. The State would Introduce self-certification for registration of principal employer's establishment under the Contracts Labour (Regulation and Abolition) Act, 1970 and registration under the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996

11.8.3. The State would further simplify the self-certification scheme for industries and employers under various Central and State laws regarding labour, factories and industries. The requirement of performance bank guarantee will be removed. The random inspections will be limited to not more than 5% of the units.

11.8.4. The State will undertake comprehensive labour law reforms creating employment opportunities through greater investments and easing the conduct of business in the state. More investments will open-up new avenues for labour. The reforms will be aimed to create

better opportunities in the organised labour sector, which is essential for quality employment.

11.8.5. Combined registers under various labour laws for ease of compliance

The State has provisioned maintenance of online / digital registers and records under all labour acts (applicable to all industries). As a step forward the State will allow combined registers in place of separate registers prescribed under various State Rules framed under Industrial and Labour laws. This will facilitate ease of compliance, maintenance and inspection.

11.9. Central Inspection System

11.9.1. The State has institutionalized a Central Inspection System for synchronised compliance inspections by the Department of Labour, Directorate of Boilers, Department of Legal Metrology and Punjab Pollution Control Board to minimize multiple visits of inspectors.

11.10. The State would strengthen the computerized system developed for identifying Units that needs to be inspected based on risk assessment. Compliance inspections carried out by other departments would be added in the Central Inspection System. Strengthening of Third-Party Certification

11.10.1. Wherever a technical expertise is required for inspection and certification, the State would notify a panel of technically competent agencies along with their terms and conditions, which can carry out third party inspection and certification on behalf of the State. The State has already provided for third party certification under certain laws, for which the scheme would be strengthened and additional services under the remaining laws will be taken up for third party certification.

11.11. Rationalizing NOCs

11.11.1 The State has frozen the number of NOCs required for setting up of business in Punjab. The process of obtaining these NOCs will be made online by rationalising the document checklist for the NOCs

11.11.2 The validity of Fire NOC will be increased to 3 years from 1 year. Provision of Third-party certification shall be introduced.

11.11.3 NOCs required from NHAI, PWD & Forest Department shall be integrated with Invest Punjab Business First Portal.

11.11.4 The process of simplification in forest clearance shall be taken up with Government of India and the clearance shall be integrated with Invest Punjab Business First Portal

11.12 Additional services under The Punjab Transparency and Accountability in Delivery of Public Service Act, 2018

The State will notify remaining services to the Industries under The Punjab Transparency and Accountability in Delivery of Public Service Act, 2018. The State will also rationalize the timelines for all services pertaining to Industries under The Punjab Transparency and Accountability in Delivery of Public Service Act, 2018 and simplify the Performa and work flow for delivery of services to ensure timely execution and delivery.

Chapter 12: Fiscal Incentives

12.1. General Provision

- (i) The state would frame additional guidelines/schemes in addition to provisions included in the Chapter – 13, 14, 15 and 16 of this policy, wherever required. To ensure clarity and unambiguity in the policy/instruction/guidelines all the departments will consult the Department of Industries and Commerce before issuance of notifications for the purpose of Implantation of provisions of this Policy.
- (ii) The State would like to encourage adoption of modern quality practices and the incentives may be linked to achievement of performance ratings, ZED ratings etc.
- (iii) All the incentives to individual units will be disbursed through online portal. The applications will be submitted in the system, using the forms designed for the same. The system will enable online scrutiny of applications and online generation of responses to the applicant. The applicants will be able to view the response in the system.

12.2. Incentives to Existing Units for Expansion, Diversification and Modernisation

Existing manufacturing units undertaking Expansion, Diversification or Modernisation as per the prescribed standards shall be eligible for all the incentives at par with new units. In case of service industry units, only the new units shall be entitled to incentives under the policy.

12.2.1 A Unit which undertakes expansion, diversification or modernization in a project other than those listed in negative list. It must satisfy the following conditions:

- (i). There shall be a minimum increase of 25% in the FCI along with 25% increase in the installed capacity recorded in the Udyam Registration/Industrial License/IEM.

Modernisation shall mean

- a. Purchase and Installation of CMC/VMC/Robotic machines
- b. Purchase and Installation of machinery items leading to increase in quality, productivity, lower consumption of energy, lower cost of production, improved compliance with environmental requirements.
- c. Setting up of in-house testing lab/Research and Development for self-consumption only.

Diversification shall mean

Manufacturing of one or more additional products in the same premises except items in negative list, However, replacement of an item with another item shall not be considered as diversification.

2. New Unit

- (i) A New Unit will ordinarily be set up at a new site.
- (ii) An existing enterprise which sets up a New Unit in the same premises shall be considered for incentives provided the New Unit is located in a distinct building/structure.
- (iii) If any existing Industrial Enterprise sets up a new unit for the same end product/new product at different location in the same name it will be treated as new Unit for the purpose of sanction of various incentives, provided the new unit has separate VAT/SGST Registration number.
- (iv) If an existing units undertake expansion at different location then it shall be treated as expansion case if it has same GST number, the locations are separated by a canal/ Road or are adjoining each other and manufacturing process at both the location is interlinked. In case of any other specific case the matter shall be decided by committee constituted under the chairman ship of Director of Industries and commerce, Punjab.

12.2.3 In case of expansion/ diversification modernization, the Incentives shall be available up to 100% of FCI made during expansion as under: -

(a) Investment Subsidy by way of net SGST reimbursement shall be available on the Incremental increase in the turnover over the average turnover of preceding 3 years or average turnover of preceding 12 month from the date of start of expansion of eligible Product/activity whichever is higher (as certified by concerned AETC) up to 100% of FCI made during expansion/ diversification/ modernization.

(b) The Incentive of Exemption of Electricity Duty shall be available on the incremental increase in the power consumption over the average power consumption of preceding 3 years or average power consumption of preceding 12 month from the date of start of expansion of eligible Product/activity whichever is higher (as certified by the concerned SE (PSPCL)) up to 100% of FCI made during expansion/ diversification/ modernization.

(c) The Incentive of Property Tax shall be available on the additional covered Area above the existing covered of the unit (as certified by concerned MC) upto 100% of FCI.

(d) The Incentive of Exemption from Mandi Fees/ RDF/other taxes shall on incremental increase in the purchase of quantity of raw material over and above the average Purchase of quantity of raw material for Preceding 3 years years or average purchase of quantity of raw material of preceding 12 month from the date of start of expansion of eligible Product/activity whichever is higher (as certified by the concerned District Mandi Officer) upto 100% of FCI.

12.3. Freezing of Power Tariff for five years

- (i) The State has introduced two-part electricity tariff i.e. fixed and variable tariff and shall provide power at a variable tariff of Rs. 5.50 /- per KV for five years with an annual increase of 3%.
- (ii) There shall be no increase in the existing fixed electricity tariff.
- (iii) The variable electricity tariff will be further reduced during non-peak night hours.
- (iv) This variable tariff is exclusive of any duties or cess that may exist or may be imposed.
- (v) This tariff shall be applicable to all manufacturing industries in the State and IT & ITES industries in the Approved Industrial Parks.

12.4. Framework for Fiscal Incentives and other support measures

The State has devised following framework for providing various fiscal incentives and other support measures to the manufacturing and service industries:

- (xviii) Categorization of units as Startup, MSME, Large and Anchor units
- (xix) Identification of thrust sectors
- (xx) Fiscal incentives as per categorization of units and thrust sectors
- (xxi) Special incentives for early bird units in the new industrial parks approved by the State or Central Government
- (xxii) Support for Infrastructure Schemes
- (xxiii) Special incentives for Boarder Zone

12.5. Categorization of units in Startup, MSME and Large units

The State has categorised manufacturing and service industries into various categories to provide different level of support. Various categories have been defined in the following table:

SN	Category	Definition
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1	Startup Units	<p>All units as per the definition of DPIIT, Government of India as amended from time to time. As per the current definition,</p> <ul style="list-style-type: none"> • An entity incorporated or registered in India and must be Private Limited Company (as defined in the Company Act, 2013) or a Partnership Firm (registered under Section 59 of the Partnership Act, 1932) or a Limited Liability Partnership (under the Limited Liability Partnership Act, 2008). • Registered/incorporated not prior to Ten years. • With annual turnover not exceeding INR 100 crore in any preceding financial year, and working towards innovation, development or improvement of products or processes or services, or if it is a scalable business model with a high potential of employment generation or wealth creation; provided that such entity is not formed by splitting up, or reconstruction, of a business already in existence. • Startup must be located in the state of Punjab.
2	MSME Units	<p>All manufacturing and service industry units as defined by Ministry of MSME, Government of India from time to time. However, for the purposes of fiscal incentives, the service enterprises shall be limited to the list given below at serial no. (4).</p>
3	Large	<p>All manufacturing and service industry units not falling within the definition of MSME as defined by Ministry of MSME, Government of India from time to time. However, for the purposes of fiscal incentives, the service enterprises shall be limited to the list given below at serial no. (4).</p>

4	Service Enterprises under MSME or Large category eligible for Fiscal Incentives	<ul style="list-style-type: none"> i. IT and ITES ii. Life Sciences iii. Skill Development Centres, Incubation Centres, Accelerators iv. Healthcare v. Tourism & Hospitality vi. Media and Entertainment vii. Logistics including Bulk Courier Service viii. Maintenance, Repair and overhaul (MRO) in the Aviation & Defence Sector ix. Industrial R&D labs, Industrial Testing Labs x. Engineering and Design Services, xi. Equipment Rental and Leasing (construction and industry related) xii. Equipment Maintenance and Repair xiii. Environment services (Sewage/ refuse disposal) xiv. Common Utility services like steam, air, water & STP xv. Printing presses offset printing press, Flexi/Vinyl Printing, Flexo printing xvi. Readymade Garment units with investment more than 10 lakh on Machinery& Equipment xvii. Auto servicing and /or repairing units with investment more than 10lakhon Machinery & Equipment xviii. Packaging activity with investment more than 10 lakh on Machinery & Equipment xix. Activities included/notified under Circular Economy in this policy xx. Any other service enterprises notified by the State Government for inclusion in the list from time to time.
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12.6. Thrust Sectors of the State

(i) The State has identified following sectors as thrust sectors keeping in view the potential for their future growth in the state and employment generation:

Manufacturing Industry

(i) E-vehicle, NRSE Equipment, Energy Storage Devices, Industry 4.0 based manufacturing enterprises

- (ii) Textiles covered under Division No. 13 of NIC 2008 including Apparel and Made-ups, Technical Textiles
- (iii) Agri & Food Processing Industries
- (iv) Electronics
- (v) Aerospace and Defence
- (vi) Biotechnology, Pharmaceutical
- (vii) Processing of Agro waste(Biomass) into Energy, Bio-Energy, manure or any other usable Form
- (viii) Bicycle and Bicycle components/parts
- (ix) Alloy Steel
- (x) Oxygen Production units except oxygen refilling units, with minimum oxygen production capacity of 5MT per day, Oxygen Cylinder Manufacturers/fabricators and Oxygen concentrator manufacturing units.
- (xi) Auto and Auto Components and Electrical Vehicles
- (xii) Sport Goods including fitness equipment
- (xiii) Hand tools
- (xiv) Agricultural Machinery and Equipment
- (xv) Capital Goods including Machine Tools
- (xvi) Paper Based Packaging units

Service Industry

- i. IT and ITES
- ii. Life Sciences
- iii. Skill Development Centres, Incubation Centres, Accelerators
- iv. Healthcare
- v. Tourism & Hospitality
- vi. Media and Entertainment
- vii. Logistics

- viii. Maintenance, Repair and overhaul (MRO) for Aviation & Defence Sector

Circular Economy

- i. Shredding units engaged in the shredding of auto vehicles & auto parts and providing its finished products in the steel making units
- ii. Manufacturing of Bio diesel
- iii. Processing of Plastic waste into any usable Products
- iv. Waste management units leading to some usable product

Any other activity Notified by the Central Govt or state Govt adding value in the economy. A special committee shall be notified to approve such units falling under Circular Economy for the purpose of Incentive under the Policy

One District One Product

The products identified and notified by the State Government/ GoI under ODOP Scheme shall be treated in the category of Thrust sector in their respective Districts in the State of Punjab.

12.7. Fiscal incentives for Startup Units

- (i) All incentives, which are available for MSME units will also be available to Startup Units.
- (ii) In addition, following fiscal benefits will be available to Incubators and Startup units:

SN	Nature of Incentive	Extent of Incentive
A	Incubators	
1	Capital Subsidy	i) Govt. Host Institutes shall be provided capital grant of 100% of FCI subject to max INR 1 Cr for setting up of Incubator ii) Private Host Institutes & Stand-alone Incubators shall be provided capital grant of 50% of FCI subject to max INR 50 lakh for setting up Incubator
2	Recurring Expense Reimbursement	All approved Incubators shall get the support for recurring expenses as Operational Subsidy assistance up to the limit of INR 3 lakh per year for a period of 5 years
3	Mentoring & Training	In order to provide mentoring for priority issues such as fundraising, scaling, recruitment and product interface, Incubators shall be provided Mentoring Assistance support up to a limit of INR 3 lakh per year for a period of 5 years

4	Startup Competition Assistance:	To encourage entrepreneurship culture in colleges, Eligible Institutes of National Importance, State Universities & Central Universities based in the State, established Incubators in these institution's premises shall be supported by state government to organize such startup competition fest annually in which state shall provide assistance up to the limit of INR 5 lakh per event.
B	Startup Units	
1	Interest Subsidy	Eligible Startups shall be provided interest subsidy of 8% per annum for a period of 5 years on the rate of interest paid on loans obtained from scheduled banks/financial institutions subject to the maximum limit of INR 5 lakh per annum
2	Lease rental subsidy	Reimbursement of 25% of lease rental subsidy to eligible Startup units established in the State, operating from Incubators/IT Parks/Industrial Clusters or any other notified location shall be eligible for a period of 1 year subject to the ceiling of INR 3 lakh per annum.
3	Seed Funding	A Seed Grant up to INR 3 Lakh per start-up shall be provided for validation of idea, prototype development, assistance towards travelling costs and carrying out field/market research/ skill training/ marketing and initial activities to setup a Startup etc. Seed funding to Startups would be routed through State/Centre recognized Incubators.
4	Scale up Funding	The Government shall provide Venture Capital to Punjab based startups Registered with State of GOI through Punjab Innovation Mission set up by the govt. with dedicated fund of Rs 150 CR with 10% govt. equity.
5	Reimbursement from Stamp Duty	100% reimbursement from Stamp Duty on registration of MoA/AoA to the Punjab Based Start-ups.

12.8. Fiscal incentives for MSME units

The State will provide following incentives to MSME units:

SN	Nature of Incentive	Extent of Incentive
A.	Access to Finance	
1	Investment subsidy by way of reimbursement of net SGST on intra-State sale	Reimbursement of 100% of net SGST for 7 years from the date of commercial production with a cap of 100% of FCI.
2	Capital subsidy to Micro and Small manufacturing enterprises in Thrust Sector, Export Oriented Units and Micro and Small service Enterprises engaged in providing Research and Development activities.	50% of Fixed Capital Investment subject to ceiling of INR 50 Lakh per unit. Capital Subsidy availed by the units under any GOI/State scheme shall be excluded from the incentive.
3	Interest Subsidy on term loan to Micro and small Enterprises	Interest subsidy @ 5% pa subject to maximum of Rs. 5 lakh per year for 5 years
4	Additional State Support of interest subsidy under Credit Linked Capital Subsidy Scheme (CLCSS) of Ministry of MSME, GOI	Interest subsidy of 5% subject to maximum of 5 lakh per year for a period of 5 years to such units eligible under CLCSS scheme. The companies, which have already availed the CLCSS scheme and exhausted its limit are also eligible under the same terms for taking the additional benefits given by the State under the said scheme.
5	Additional State Support of reimbursement of guarantee fee charged under Collateral Free Credit Guarantee Trust for Micro and Small enterprises (CGTMSE) Scheme	100% of guarantee fee to be reimbursed to micro and small enterprises subject to maximum of Rs. 2 lac per year for 5 years.
6	Financial assistance to MSMEs for 'Emerge' exchange platform set up by NSE	25% of the cost of Public Issue expenses, subject to maximum of Rs.10 lakh for registration of National Stock Exchange.
B.	Access to Infrastructure	
7	Exemption from Electricity Duty	100% exemption for 7 years up to 100% of FCI

8	Exemption/Reimbursement from Stamp Duty	100% exemption/reimbursement from stamp duty for purchase or lease of land and building
C.	Access to Technology	
9	Assistance to Purchase ERP Software	75% of the cost subject to maximum of Rs 5 lakh per unit to First 5000 units during the validity Period of Policy
10	Assistance for Technology Acquisition	50% of the cost subject to maximum of Rs. 25 lakh for adopting technology from a recognized National Institute
11	Additional support to ZED scheme of GOI.	Reimbursement of 50% of expenses subject to maximum of Rs. 5 lakh incurred on plant and machinery/testing equipment for obtaining at least bronze category status under ZED scheme to First 100000 units during the validity Period of Policy.
12	Reimbursement of expenses incurred for Energy Audit/ Water Audit/ Safety Audit/Environment audit/steam Audit	75% subject to maximum of Rs. 1.5 lakh each for energy/environment/steam audit /water audit and Safety Audit once during the validity period of the Policy.
13	Assistance for Environmental Compliance	50% financial support subject to max of Rs. 25 lakh on capital cost for setting up of effluent treatment plant, installation of Air Pollution Control Devices, rain harvesting, reducing water consumption and installing zero liquid discharge technology.
14	Exemption from Ground extraction charges	(a) 50% Exemption from Ground Water Charges provided water is being used for domestic purpose only (drinking, toilets etc) for 7 years. (b) 50% Exemption from Ground Water Charges provided) if 90% water is recycled by the unit in the Processing for 7 years.
D.	Access to Market	
15	Reimbursement of expenses incurred for patent registration	75% of the expenses subject to 10 lakh for domestic patent and 20 lakh for international patent

16	Additional Support for Performance and Credit Rating Scheme of Ministry of MSME	Reimbursement of 25% of the fee subject to maximum of 10 thousands
17	Reimbursement of expenses incurred on quality certifications	100% subject to maximum of Rs.10 lakh on all quality certifications including ZED certification.
18	Design Clinic Scheme	Reimbursement of the contribution of industries of Rs. 1 lac per program for design awareness program by National Institute of Design, Ahmedabad
19	Vendor Development Program	Assistance of INR 5 Cr to MSME Punjab for assisting the Industry in organizing Vendor Development Programmes, Buyer – Seller meets, Reverse Buyer-Seller meets.
20	Marketing Support	Assistance to MSME for showcasing their products at local, national and international event: (a). @50% of total rent limiting to ₹5 lakhs for participation in International Trade Fairs abroad (b). @25% of total rent limiting to ₹3 lakhs for Domestic Trade Fairs and Exhibitions. (c). Nil for Pavilion at Progressive Punjab Events and Conferences
21	Design and Brand Promotion facility	State would allow setting up of Design and Brand Promotion facility by the new manufacturing units at separate location w.r.t. manufacturing facility within the state subject to maximum FCI cap of 20% of Total Project cost which shall be added in the eligible FCI of manufacturing unit. No Separate Incentive shall be available for this Design and Brand Promotion Facility.
22	Digital marketing support	Reimbursement of 50% of the cost of on boarding on e-commerce Platform, developed by NSIC, or other similar Platform approved by State Govt/GOI, subject to maximum INR 25,000 per unit to first 10000

		units during the validity period of Policy.
23	Freight Assistance to Export Oriented Units	1% of FOB value or actual freight paid from the place of Manufacture to the place of shipment, whichever is less subject to maximum of Rs 20 Lac per annum for 5 years
24	Annual State Awards to MSME, SC, Women and Exporters	Annual award of Rs. 1 lakh per unit for excellence in productivity, quality, export for each category of enterprise.

12.9. Fiscal incentives for Large Units

The State will provide following incentives to Large Units

SN	Nature of Incentive	Extent of incentive
1	Investment subsidy by way of reimbursement of net SGST on intra-state sales	75% of net SGST for 7 years with a cap of 100% of FCI.
2	Exemption from Electricity Duty	100% Exemption for 10 years for all Eligible units up to 100% of FCI
3	Exemption/ reimbursement from Stamp Duty	100% exemption/ reimbursement from Stamp Duty for purchase or lease of land and building.
4	Exemption from Property Tax	50% exemption for 7 years.

12.10. Fiscal incentives for Units in Thrust Sectors

12.10.1. The State will provide the following incentives to MSME and Large units in Thrust Sectors:

SN	Nature of Incentive	Extent of incentive for units in thrust sectors

1	Investment subsidy by way of reimbursement of net SGST on intra-state sales	100% of net SGST for 10 years with a cap of 125% of FCI.
2	Exemption from Electricity Duty	100% exemption for 10 years up to 100% of FCI.
3	Exemption/ reimbursement from Stamp Duty	100% exemption/ reimbursement from Stamp Duty on purchase or lease of land and building
4	Exemption/ <u>Reimbursement</u> from CLU/EDC	100% exemption/ <u>Reimbursement</u> from CLU/EDC
5	Exemption from Property Tax	100% exemption for 10 years

12.10.2. The other incentives provided to MSME units in general will also be available to MSME units in Thrust Sectors.

12.10.3. In addition, following sector specific special incentives for units in Thrust Sectors will be given:

SN	Nature	Extent of Incentive
A.	Food Processing Industries	
1	Exemption of Market Fee, Rural Development Fee and other State taxes and fees on raw material for food processing industries	100% exemption of all taxes and fees paid for purchase of raw material for food processing units up to 10 years or upto 100% of their Fixed Capital Investment whichever is earlier, for new units and Fixed Capital Investment made in expansion for already operational units.
B.	Electronic System and Design Manufacturing	
2	Additional support to units under SPECS scheme, MEITY	<ul style="list-style-type: none"> • 50% top up of Capex support approved and provided by MEITY, GoI to units under SPECS scheme of GoI. The support shall be provided to first 10 ESDM units limited to maximum INR 10 Cr. per unit. • The benefit shall be available to the unit making Minimum Investment prescribed under SPECS scheme by MEITY from time

		to time.
C	Apparel and Made ups and Technical Textiles	
3	Additional support to units under Amended technology upgradation fund (A-TUF) scheme of GOI	5% interest subsidy for MSMEs for new/expansion/ diversification in addition to benefits under ATUF for apparel and made ups and technical textiles for 5 years subject to a maximum of 10 lakh per year
D	IT/ITES	
4	Capital Subsidy to IT/ITES units	50% of Fixed Capital Investment subject to ceiling of INR 2.5 Crores per unit

12.11. Fiscal Incentives for Anchor Units

12.11.1. The State realizes the importance of Anchor units in creation of jobs and growth of a sector. Therefore, a customized package of incentives shall be offered to the Anchor investors in different sectors to suit particular investment requirements based on gestation period, pioneering nature, locational aspects, technology, potential to develop ancillary enterprises, project's importance to the State's industrial growth and its ability to generate employment.

12.11.2. The units meeting the following criteria will be treated as Anchor units

Sectors	Minimum FCI (Rs in Crore)	OR Minimum Direct employment
IT/ITES Apparel & Made ups Footwear & Accessories Electronics Food Processing Industries	50	500

Any other Manufacturing Sector or Service Sector (as defined for large Industries) except the units in negative list	200	1000
All the manufacturing units except the units in negative list with Funding by NRI/Person of Indian Origin having minimum NRI investment of 49% in the Total FCI subject To FDI norms.	50	500

12.11.2.1 Unit seeking Fiscal incentives of Anchor Category, on the basis of criteria of employment will have to maintain threshold limit of direct employees on monthly basis. (Man Months) for e.g for a threshold limit of 500 employees, the minimum annual man month required will be $500 \times 12 = 6000$ nos.

12.11.2.2 The monthly return in form 22 of DSOG shall be prepared and dully verified by concerned labour inspector.

12.11.2.3 In accordance with clause 6.4(viii), the unit shall submit annual return with employment data by 30th April of next year along with copy of PF returns, Form-22 (verified by labour officer and CA certificate during the production/incentive period.

12.11.2.4 In case a unit fails to achieve the threshold limit in a particular month than Anchor status will stands revoked automatically from that month and future incentives of anchor category will be stopped and unit shall be entitled for the incentive of its respective category MSME or large or thrust as the case may be. The excess incentive availed by the units w.r.t. Anchor category shall be recovered @ 12% PA Compound rate of Interest.

12.11.2.5 After submission of ICAF including relevant incentive forms and claiming status of Anchor unit on the basis of employment, the case shall be placed before DLC/SLC as the case may, as per the recommendation of scrutiny committee. After Approval by DLC/SLC, as the case may be, an eligibility certificate may be issued to the unit for all the applicable incentives. The conditions at S No. 12.11.2.1 to 12.11.2.4 above will be incorporated in addition to the other conditions as applicable under this Policy.

12.11.3. In case of expansion, the unit will be categorised as MSME or Large after taking into account the proposed expansion in plant & machinery. However, anchor category will require additional investment of minimum FCI or employment indicated above in clause 12.11.2

12.11.4. Fiscal incentives granted to MSME units shall continue, even if in future, there is change in category of either of these units due to change in definition by GOI.

12.11.5. The State will give following special incentives to the Anchor Units apart from other fiscal and non-fiscal incentives, which the unit may be entitled to. **The units falling both in MSME/ LARGE/, Early Bird Units / Boarder Zone/ Thrust category and Anchor Category shall be eligible for higher Incentive of One category only.**

SN	Nature of incentive	Extent of incentive
1	Investment subsidy by way of reimbursement of net SGST	100% reimbursement of net SGST for a period of 15 years subject to 200% of FCI in place of investment subsidy specified above for different categories of units.
2	Exemption/ Reimbursement from CLU/EDC	100% exemption/ Reimbursement from CLU/EDC charges
3	Employment Generation subsidy	Employment Generation subsidy @ Rs 36,000 per employee per year for a maximum period of 5 years and @ Rs. 48,000 per employee per year for a maximum period of 5 years for women and SC/BC/OBC employee provided only Directly recruited employee (domicile of Punjab only) shall be considered for the incentive
4	Exemption from Electricity Duty	100% Exemption for 15 years for all eligible units up to 100 % of FCI
5	Exemption from the condition of the license issued by PAMB from payment of 2% over and above the MSP, for permission given under Direct Purchase	Exemption from the condition of the license issued by PAMB from payment of 2% over and above the MSP, for permission given under Direct Purchase.

12.12. Special incentives for 10 Early Bird Units in the new Industrial Parks approved by the State

In order to encourage units to start production as early as possible, the State would provide following incentives in the new Industrial Parks approved by the State.

SN	Nature of Incentive	Extent of incentive
1	Investment subsidy by way of reimbursement of net SGST to the 5 Early Bird MSME units and 5 large units, which come into production in the new industrial parks approved by the State	100% reimbursement of net SGST for a period of 12 years subject to 125% of FCI in place of investment subsidy specified above for different categories of units.

12.13. Support for Infrastructure Related Schemes

SN	Scheme	Extent of Support
1	Additional State Support for Cluster Development Program (MSE-CDP)	The State will provide 15% share for each cluster and SPV will contribute 5% for CFC with Total Project cost Rs 5 Cr to 10 CR and 15% for CFC with Total Project cost Rs 10 Cr to 30 CR
2	State Mini Cluster Development Scheme	The State would provide 70% support with 30% by SPV for setting up Common Facility Centre (CFC) for project cost upto Rs. 5 Crore
3	Critical Industrial Infrastructure Development Scheme (CIIDS)	The State would provide 80% support with 20% by SPV on the cost of projects of Rs. 2.00 crore to provide adequate width of road connectivity with nearest State/National Highway, water and independent power feeder upto the periphery of New Govt /Private industrial estates/industrial areas/ and identified projects The projects eligible for financial assistance under PM Gati Shakti Programme of GOI shall be recommended to GOI
4	Upgradation and maintenance of Industrial Estates	The State shall provide for a dedicated revenue stream of 3% of Electricity Duty collected from the Industrial Estates to meet the upgradation and maintenance costs.

5	Setting up of Common Environment Infrastructure on PPP	The State may provide land for CETPs on lease and exemption from Electricity Duty on operations of the CETP.
6	Setting up of Land Acquisition Fund	The State would set up a land acquisition fund, which will act as a revolving fund to be utilized for acquiring land and would be replenished from the disposal of land.
6	Sector Specific Skill Development Centre	The State shall provide capital subsidy to the tune of 50% maximum of Rs. 5 Crores per Cluster towards cost of the Building and Machinery & other training equipment for setting up Cluster specific skill centres in the identified MSME cluster by the Industrial Associations/SPVs. The grant availed under any other Scheme of state/GOI shall be excluded from The incentive.

12.14. Reduction in Stamp Duty for industrial units on Registered Mortgage

The State would reduce Stamp Duty with a maximum cap of Rs 10000 per instrument of Registered Mortgage at par with Equitable mortgage lien for industrial units availing Loan from financial institutions.

12.15. Special Relief package for Sick MSME Units

12.15.1 RBI has laid down a comprehensive framework for revival and rehabilitation of Micro, Small & Medium Enterprises (MSME), which provides for restructuring of loan and other financial assistances availed by MSME units from the Banks. It provides for rescheduling of payments, grant of additional assistance, if required, allow sale of non-core assets of the business for the revival of the MSME units.

12.15.2 The State will take following action in this regard:

12.15.3 As per the provisions of this framework, a representative of the State Govt. is also required to be associated. General Manager of the District Industries Centre of the concerned district will be nominated as member of this Committee for preparation of Corrective Action Plan (CAP).

12.15.4 In addition to the restructuring, being provided by the banks, the following relief & concessions will also be considered in the Corrective Action Plan for rehabilitation/revival of the MSME units:

12.15.5 Deferment of recovery of arrears of Electricity Duty, Power Bills, House Tax and Water Charges for a period up to five years. The deferred dues will be repayable within a period of five years thereafter with interest at a specified rate.

12.15.6 Exemption from payment of electricity duty by the unit in respect of energy consumed for a period of two years from the date of sanction of Rehabilitation Package.

12.15.7 Exemption from power cuts to such units, to the extent possible, will be ensured.

12.15.8 Prompt permission of State Government to the sick units for the sale of surplus land.

12.15.9 Minimum charges for electricity connection would be exempted during the closure period.

12.16. One Time Special Relief Package for Sick Large Units

12.16.1 In order to revive the sick large units, the State will provide one-time relief package National Company Law Tribunal approved Sick Units/ The eligible sick units will submit their revival and rehabilitation plan taking into consideration the concessions and particularly highlighting the number of existing jobs and number of additional jobs likely to be created. The plan will be considered for approval by the State.

12.16.2 The one-time relief package to Sick Large Units will consist of the following:

12.16.3 Deferment of recovery of arrears of Electricity Duty, Power Bills, House Tax and Water Charges for a period up to five years. The deferred dues will be repayable within a period of five years thereafter with interest at a specified rate.

12.16.4 Exemption of payment of electricity duty by the unit in respect of energy consumed for a period of three years from the date of sanction of Rehabilitation Package.

12.16.5 Reimbursement of 75% of net VAT/ net SGST for a period of 5 years for Border Districts and 50% of net VAT/net SGST for a period of 5 years for other districts

12.16.6 Exemption from power cuts to such units, to the extent possible, will be ensured.

12.16.7 Prompt permission of State Government to the sick units for the sale of surplus land.

12.16.8 Minimum charges for electricity connection would be exempted during the closure period.

12.16.9 Fiscal incentive for acquisition of sick units and revival thereof

A unit with proven track record, which acquires a sick unit shall be entitled to one-time special relief package for sick large unit subject to:

- (i) Minimum enterprise value of sick unit shall be Rs. 50 Crore

(ii) the sick unit shall fulfil the following criteria:

Existed for at least 5 years

and

{Incurred accumulated losses equal to, or exceeding its entire net worth at the end of last financial year

or

categorized as NPA in last 8 quarters consecutively}

Acquiring unit will be entitled to one time special relief package for sick large unit with period for exemption from ED and reimbursement of net SGST increased from three years to seven years..

12.18. Special Incentives for Border Zones

12.18.1. The State would offer following special incentives for development of Border Zone (BZ) of area falling within 30 Kms of International Border Districts abutting International Boarder to the first new unit in each sector of manufacturing and service industry with minimum FCI of Rs 100 Crore which commences Fixed Capital Investment and goes into production during the operative period of this policy. The incentive shall be for new units only and not for expansion of existing units: -

12.18.2. The following special incentives will be available for new units being set up in BZ:

(i). No CLU will be required in this Border Zone to set up Industry

(ii). 100% exemption from EDC charges

(iii). 75% exemptions of all the State duties, taxes and fees such as Rural Development Fee, Market Development Fee, State Excise Duty etc. to the first unit, which comes into operations in BZ for each sector of manufacturing and service industry. If there are higher incentives available under any other section of the policy, then the same would also be available to these units.

(iv). In addition to (iii) above, the first unit being set up will also be entitled to 40% additional FCI in the maximum limit prescribed for reimbursement of net SGST.

12.19. Incentive for products not covered under GST regime

The Products which are out of the purview of SGST/IGST/CGST in the GST regime and are still governed by VAT regime shall be provided investment subsidy by way of reimbursement of net VAT paid for a period in place of net SGST. All other conditions such as maximum limit and time period etc. would be the same as laid down in this policy.

12.20. Fiscal Incentives to Industrial Parks

12.20.1. Industrial Parks set up by Private Developers with minimum area of 25 Acres having Industrial Component of 80%, 10% of Residential component and 10% of Commercial

Component will be 100% exempted from payment of CLU/EDC on Industrial and Residential component of Industrial Parks

12.20.2. Industrial Parks with minimum area of 25 Acres set up by SPV of Industry shall be provided additional benefit of Capital Subsidy @25% of Cost incurred on creation of common Infrastructure like Roads, STP, Power grid, Power transmission lines, water, drainage, Sewerage, parking Space, Subject to, maximum of 25 Crore. The Procedure of sanction/ Disbursement of capital subsidy shall be notified separately.

12.21. Fiscal Incentives for new Ultra Mega and Mega Projects

0.1. New industrial unit meeting following criteria will be considered for the incentives under Mega and Ultra Mega Projects:

Category	Minimum Fixed Capital Investment (Rs. Cr)	And Minimum Contract Demand (MVA)
1. Mega Projects	1500 to 2500	20 MVA
2. Ultra Mega Projects	Above 2500	30. MVA

12.22.2 All the benefits of Anchor units shall be available to the new Mega /Ultra Mega project unit. However, in respect of "variable power tariff" and "Net GST reimbursement" the following special incentives will be available in place of the respective incentives available under this Policy.

Incentive\Category		Mega Project	Ultra Mega Project
1	Variable Power Tariff at Rs.5 per unit	Special power tariff* will be available for 4 years from the date of release of permanent power connection.	Special power tariff* will be available for 5 years from the date of release of permanent power connection.
*In case, the State Utility provides variable power tariff lower than Rs.5 per unit, the lower variable power tariff will be applicable to the unit.			
2	Net GST reimbursement	100% of net GST for 17 years with a cap of 200% of FCI.	100% of net GST for 20 years with a cap of 200% of FCI.

12.22.3. The following conditions shall be applicable for incentives to new Ultra Mega and Mega Projects:

- (i) Date of Production (DoP) should be attained within 3 years (Mega Project) / 4 years (Ultra Mega Project) from date of submission of complete CAF. However, in

special cases, for reasons to be recorded in writing, delay in attaining the date of production maximum up to 6 months may be condoned with the approval of Chairman of Punjab Industrial & Business Development Board

The aforesaid special package of incentive shall be applicable to the new units who will file Common Application Form (CAF) on Invest Punjab Business First Portal from the date of notification of this Policy

12.23. Negative List of Industries

No financial incentives under this policy shall be available for following industries:

- (i) Manufacturing/packing of all alcoholic products shall be treated in the negative list, except standalone units that are manufacturing alcoholic products not included in Division no. 11 - "Manufacture of Beverages" of NIC Code 2008, provided only those standalone Bio-ethanol units will become eligible for incentive which shall install paddy straw fuel based boilers; however, quantum of incentives would be reduced to 50% in case such industries install boilers based upon fuel other than paddy straw.
- (ii) Manufacturing of Tobacco products including Cigars, Cigarettes and Gutka
- (iii). Brick/ Tile Kilns except Fly Ash based bricks/tiles and other concrete products manufactured by Machinery/Equipment other than Kiln.
- (iv). Vanaspati Ghee Mills
- (v). Rice Shellers
- (vi). For Border districts and Kandi Area, only (i), (ii), (iii) above and Rice Shellers except Basmati Shellers shall be treated as negative list of industry. Further, for Border Zone within 30 Kms of international border, only (ii) above shall be treated as negative list of industry.

12.24. Sun Set Clause and Transition from IBDP 2017

12.24.1. No New Application under IBDP 2017 or any Earlier Policy

No new application will be entertained under IBDP 2017 or any other previous industrial policy after the notification of this policy.

12.24.2. Migration of Units from IBDP 2017

12.24.2.1. Unit which have filed CAF at IPBFP under IBDP 2017 and have not gone into commercial Production by 16.10.2022 shall have option to Migrate to this Policy provided they exercise their option within 90 days from the notification of this policy. In case unit has availed any incentive under IBDP 2017, same shall be refunded before migration.

12.24.2.2. Units which have submitted CAF/ICAF on Invest Punjab Business First Portal but have not availed any benefit of IBDP 2017 and have not come into commercial production before the notification of this policy, shall have option to avail the incentive of IBDP 2017

provided they exercise this option within 90 days of notification of this Policy provided following effective steps have been taken before the notification of this Policy: -

- (a) Complete Land for the Project has been purchased/taken on lease after making Full Payment of the land price/lease rent and
- (b) Unit has obtained statutory licenses where ever applicable and
- (c) 10% of The expenditure w.r.t. Building and Machinery has been incurred and capitalised in the books of Account.
- (d) The Unit should commence commercial Production within three year from the notification of this Policy.

12.24.2.3. Units which have already obtained partial incentives under IBDP 2017 but have not come into commercial production before the effective date of new policy, shall have the option to be considered under this policy within 90 days from the notification of this Policy provided they are otherwise eligible under this policy. The benefits already availed by such units under IBDP 2017 will be refunded along with simple interest @12% per annum to the State within 90 days from the acceptance of their option by the State.

12.25. Exclusions in the exemption from Electricity Duty and Stamp Duty

12.25.1. Electricity duty is the duty levied and paid to the State Government on the electricity supplied by PSPCL or any licensee or electricity trader or generating company to a consumer, as the State Government may notify from time to time, with the proviso that any contributions made out of the Electricity Duty levied, such as those deposited in the social security fund etc., shall not be exempted.

12.25.2. Exemption/ reimbursement from Stamp Duty shall be available for payment of Stamp Duty as levied under Schedule 1-A of Indian Stamp Act. However, any other charges such as registration fee, infrastructure development cess, social security fee/cess etc. levied under Schedule 1-B and Schedule 1-C of the Act shall not be exempted.

12.26. Net SGST Formula

The Net SGST Formula for the purpose of Fiscal Incentives under the policy shall be as per annexure A

12.27. Overlapping period of incentives

12.27.1 Under previous industrial policies with regard to Industrial & Business Development Policy-2022

In cases involving overlapping period of incentives under previous industrial policies with regard to Industrial & Business Development Policy, 2022, a one-time option shall be given to the industry to choose all the incentive under any one of the Industrial Policies to be adopted for the overlapping period.

Provided, the industry opting for incentives under the policy shall have to forego all the incentive availed/to be availed under the policy which it had chosen to forego.

This one-time option shall be submitted by the unit while submitting the application for fiscal incentives under Industrial & Business Development Policy, 2017.

The option once accepted by the competent authority shall be final and no further option shall be provided to switchover the policies.

12.27.2 Period of incentives within same policy

In EMD cases involving overlapping period of incentives within this policy, the unutilized amount of FCI towards the fiscal incentives already sanctioned to the unit in the earlier expansion under this policy shall be carried forward to the FCI of instant expansion under this policy.

12.28. Special fiscal incentives to existing industries to switch over to Paddy Straw fuel based boilers

The existing industries (which are not eligible for incentives as Expansion Category as per clause 12.2 under this policy), and which are not in the negative list under clause 12.23, switching over to paddy straw fuel based boilers, shall be eligible for the following incentives:

- (i) Reimbursement of 100% net SGST for 7 years, with a cap of 75% of total investment for installation of paddy straw fuel based boiler.
- (ii) 100% exemption/reimbursement from stamp duty on purchase or lease of land and building to be exclusively used for storage of paddy straw.

Chapter 13 - Fixed Capital Investment (FCI) for the purposes of Fiscal Incentives

13.1. Fixed Capital Investment (FCI)

Fixed Capital Investment (FCI) for grant of fiscal incentives under the Policy means investment on the following:

- (i) Land,
- (ii) Building,
- (iii) Plant, Machinery & Equipment

The eligible costs and the manner of assessment has been described below.

13.2. Original Fixed Capital Investment

Investments made on fixed capital assets prior to Expansion will be treated as Original Fixed Capital Investment. While computing this Original Fixed Capital Investment, neither depreciation nor revaluation will be taken into account. Fixed Capital Investment include cost of land, building, plant, machinery and equipment as per the approved project cost.

13.3. Land

Actual cost of land required for the setting up of new units or expansion/modernisation/diversification of the existing unit will be considered towards FCI subject to the following:

- (i) The cost of site levelling, clearance, laying of roads, etc. will not be considered for FCI.
- (ii) The cost of land on lease will not be considered for FCI.
- (iii) Stamp duty and Transfer duty component will not be considered for FCI.
- (iv) Optimum Land Area required for the project appraised by concerned Financial Institutions or State Agency, as the case may be.
- (v) In case of land allotted on 99 years lease basis by the state agencies, the allotment price of the land shall be considered as part of FCI.

13.4. Building

13.4.1. In case of new building

The value of construction of factory building will be limited to the approved project cost. Value of leased building will not be taken into account. The items of civil works which are permitted for computation towards eligible cost are:

- i. Main Factory Shed

- ii. Raw Material and finished products go down
- iii. Office room and Lab room
- iv. Cooling water ponds
- v. Boiler shed and generator room
- vi. Effluent treatment ponds, etc.
- vii. Overhead Tank, bore-wells, and pump house and sump
- viii. Fencing and Gate
- ix. Architect fee and supervision charges
- x. R&D laboratory/Center
- xi. Compound wall
- xii. Canteen
- xiii. Workers' rest room
- xiv. Time Office
- xv. Cycle / Vehicle Stand
- xvi. Security Shed and
- xvii. Toilet room and sanitary fittings
- xviii. Workers' hostel constructed in the same factory premises
- xix. Unit's own retail outlet on the same factory premises

The total value of items at (xi) to (xix) and similar items shall not exceed 10% of the total value of civil works. Total value of the civil works means items (i) to (x) only within the approved project cost.

13.4.2 In case of land and building purchased from existing industry

In case of land and building purchased from existing Industry which has availed incentives, granted by state govt, the land and building cost will not be considered as part of FCI otherwise the cost of land and depreciated value of building will be considered for FCI. Any new assets created with fresh investment will also be considered for FCI. The depreciated value of building and quality & life of the building will have to be certified by a Civil Engineer.

13.5. Plant and Machinery

Following Costs will be taken towards the cost of plant and machinery subject to the conditions specified below:

13.5.1. In case of General Unit

Value of plant, machinery and equipment installed and the value of tools (other than consumables) Jigs, Dies, Moulds, pollution equipment, lab equipment etc. necessary for production of approved line of activities will be taken into account Leased plant and equipment is not eligible for incentives. The value of Solar Equipment installed in the unit for domestic and commercial production within the project cost will be taken into account as eligible Fixed Capital Investment.

13.5.2. In case of Tourism Unit

The cost of Plant & Machinery or equipment and others to a Tourism Sector Enterprise shall be allowed on the purchase of items given below:

- i.** Air-conditioning. A.C. plants, fans & exhaust fans, coolers
- ii.** Electrical installations/electronic fittings.
- iii.** Filtration plant for swimming pool
- iv.** Water softening Plant
- v.** Fume extraction and ventilation plant
- vi.** Non-CFC equipment for refrigeration & air-conditions and other eco- friendly measures and initiatives.
- vii.** Cold storage equipment
- viii.** Bakery equipment
- ix.** Kitchen equipment, cooking range, dish washer, working table
- x.** Telephone equipment & exchange/PBX
- xi.** House-keeping machines and Equipments
- xii.** Hot water boilers, solar heaters and solar plants/geysers/ cold & hot running water machines.
- xiii.** Furniture, interior & fittings
- xiv.** Lifts & elevators
- xv.** Spa and fitness equipment
- xvi.** Metal detectors (door frame or hand held)

- xvii.** CCTV, screens, projectors and other equipment for conference hall(fixed) O.G. Sets, goods carrier.
- xviii.** Lighting equipment
- xix.** X-ray machines
- xx.** Under belly scanners to screen vehicles
- xxi.** Smoke detectors
- xxii.** Safe keeping/in room safe
- xxiii.** Minibar/fridge
- xxiv.** TVs
- xxv.** Fire-fighting equipment (fixed)
- xxvi.** Dry-cleaning/laundry related equipment
- xxvii.** Tea/coffee making machines, equipments etc.
- xxviii.** Tents for camping
- xxix.** Tubewells along with pumping set lines within the campus
- xxx.** Pollution control machines for air, water, light and sound/STP.
- xxxi.** Adventure and water parks, water sports equipment.

For adventure and leisure sports, amusement/entertainment parks, cable car ropeways, the entire cost of items and components (excluding land) essential for commissioning the project.

(xxxii). Crockery and Cutlery

Note:

- (i) Goods mentioned above shall be allowed one time for initial set up.
- (ii) The goods mentioned at Sr. No. xxii to xxv and telephone equipment shall be allowed one set per room.
- (iii) For Tourism Projects in PPP (Public Private Partnership) executed under Punjab Infrastructure (Development and Regulations) Act-2002 or similar Central Government Laws/Regulations, the Investment made only by the private partners in Land, Building and Plant & machinery will be counted as FCI.

13.5.3. Second Hand Machinery

- i. In case of indigenous second-hand machinery purchased by the unit, such value should not exceed 25% of the total value of plant and machinery. The value of indigenous second-hand machinery will not be computed towards eligible Fixed Capital Investment for fiscal incentives.
- ii. To decide the percentage of second hand machinery, market value as certified by chartered engineer will be taken into account, subject to such machinery having a minimum of further six (6) years life for MSEs and twelve (12) years for Medium Enterprise and Large Industries certified by a Licensed Engineer/ Chartered Accountant.
- iii. However, in case of imported machinery, value of 100% imported second hand plant, machinery and equipment will be considered as new indigenous machinery, if it is imported directly by the unit.

13.5.3.1 Freight and installation charges on New/Second hand Imported machinery

In case of imported machinery, value of plant and machinery will include custom duty and insurance paid, freight charges from the port of arrival till destination and installation charges in addition to the CIF value of such plant & machinery provided that the freight and installation of charges would be limited to 10% of the basic price.

13.5.4. Expenditure on Technical Consultancy / Feasibility study including turn-key charges

Such expenditure will be considered towards the Fixed Capital Investment, provided they are part of the approved project cost, capitalized and certified by a C.A/ Financial Institution/ Commercial Bank, but limited to 10% of the total cost of plant machinery and equipment installed.

13.5.5. Value of self-fabricated machinery by the new unit

The value of self-fabricated machinery will have to be certified by a Chartered Engineer or Engineer of the term lending institution concerned for computing the eligible Fixed Capital Investment.

13.5.6. Installation of paddy straw fuel-based boiler

- (i) For new units in the following categories of industries, the expenditure incurred on installation of boiler will count towards FCI only if it is a paddy straw fuel-based boiler:
 - a. Sugar Mills,
 - b. Pulp and Paper Manufacturing Industries,
 - c. Any industry having boiler installation with steam generating capacity more than 25 TPH.

Those units will be treated as new units which are yet to obtain CTE w.e.f. 26.08.2021 from Punjab Pollution Control Board.

- (ii) Same conditions will be applicable on the existing units of these categories going in for expansion in accordance with clause 12.2 of Chapter – 12 of this policy.
- (iii) PPCB shall certify the completion/commissioning of paddy straw based Boiler.
- (iv) The use of paddy straw in the boiler shall be monitored by PPCB and in case of failing to comply with the guidelines of PPCB, future disbursement of above fiscal incentive will be stopped.

13.5.7. Items Not to be included towards Fixed Capital Investment

- i. Working capital, raw material, stores and all consumables including spare tools, etc.
- ii. Value of the Motor Vehicles except specialised vehicles like Refrigerated vans, Fire fighting vehicles, Ambulances and other Industry specific vehicles.
- iii. Pre-operative expenses, advances, expenditure not capitalized in the books of accounts and not certified/audited by CA supported by payment of bills wherever necessary.
- iv. Investment which has been in excess of the approved project cost and is not covered by the approved project would not be considered towards Fixed Capital Investment. However, if such investment is financed and justified by the financial institution, it may be considered towards Fixed Capital Investment.

13.6. Fixed Capital Investment in Phased Manner

i. For units with FCI up to Rs.100 Cr

For units with FCI up to Rs.100 Cr, duly incorporated in the DPR, the investment made after the first date of production and up to one year, shall be considered for the incentives of eligible unit. Only one additional eligibility certificate will be allowed after first date of production.

ii. For Units with FCI above Rs.100 Cr and up to Rs.500 Cr

For Units with FCI above Rs.100 Cr. and up to Rs.500 Cr, duly incorporated in the DPR, the investment made after the first date of production and up to three years, shall be considered for the incentives of eligible unit. Only two additional eligibility certificate may be allowed after first date of production.

iii. For Units with FCI above Rs. 500 Cr

For Units with FCI above Rs.500 Cr, duly incorporated in the DPR, the investment made after the first date of production and up to five years, shall be considered for the incentives of eligible unit. Only five additional eligibility certificate may be allowed after first date of production.

- iv. Any additional investment made after the period specified above shall be considered as expansion and the relevant guidelines shall apply.

Chapter 14 - General Eligibility Conditions for Availing Fiscal Incentives & Penalty

14.1. General Conditions for Sanction of Fiscal Incentives

Following general conditions shall apply in all cases of grant of fiscal incentives to eligible units apart from other specific eligibility criteria, terms and conditions stated for a particular scheme elsewhere in this Policy or guidelines made under this Policy.

- v. The unit must be registered with the Department of Industries online.
- vi. The MSME should have obtained Udyam Registrarion.
- vii. The Large units should have filed IEM with DPIIT, Government of India.
- viii. The Unit shall not be manufacturing item placed in the negative list as notified under the Policy and amended from time to time.
- ix. Composite Units set up for manufacture/ service of an eligible item along with an ineligible item are not eligible for incentives except when the proportion of ineligible items in the total production is less than 10% in value of the total turnover during each financial year as per annual return as mentioned in 6.4(viii).
- x. All the entrepreneurs should have Permanent Account Number (PAN) and should regularly file the Income Tax Returns.
- xi. The unit should be in regular production at the time of disbursement of incentive except those incentives which are in pre-production stage such as Stamp Duty.
- xii. Unit shall submit annual return in the prescribed format during the production/ incentive period by 30th June of next year.
- xiii. MSME units should file information at www.msmedatabank.gov.in every year.
- xiv. All eligible Units set up on rented premises should furnish a registered lease deed for a period equal to more than the period of incentives.
- xv. MSME units shall register themselves under the ZED scheme of GOI and achieve maturity level at least up to Bronze category within 3 years from the date of production/expansion production. In case of failing to achieve Bronze Category level certification, future disbursement of fiscal incentives including exemption of electricity Duty, Mandi Fees, Property tax, SGST Incentive etc will be stopped, however no recovery shall be made in respect of incentive already availed under the Policy.
- xvi. For availing benefits of schemes under Sr. No. 6, 9, 10, 11, 12,14, 15, 16, 17,20, and 22 under Clause 12.8, the Unit must have bronze level ZED certification.

- xvii. In case of benefits under S No 13 Clause 12.8 reimbursement will be done only after the Unit is assessed for bronze level ZED certification.

14.2. Conditions for Changes in the Unit After Sanction of Fiscal Incentives

A unit, which has been granted fiscal incentives, will require the approval of the Competent Authority in case of any of the following changes. A revised eligibility certificate will be issued after approval.

i. Change of constitution/ management/ name or style of unit

The unit shall take prior approval of the State Level Committee by applying on the portal and Certificate of incorporation from Registrar of Companies (ROC)/Registrar of Firms as the case may be.

ii. Lease/Sell-out cases of unit

The unit shall take prior approval of the State Level Committee before lease out/sell-out to another management within incentive period by applying on the portal.

iii. Change of Location of unit

The Change of location shall be allowed only in special circumstances with the approval of State Level Committee. Shifting of Unit outside the State is not allowed.

iv. Merger/ Amalgamation of Units

The approval of the State Level Committee will be required for any merger/amalgamation of units. The application shall be submitted online along with necessary legal orders and other documents.

v. Change of line of activity/inclusion of additional line of activities

The approval of the State Level Committee will be required If a Unit starts manufacturing new eligible items without any additional machinery or equipment, with the same plant & machinery, or if units wants to change activity after obtaining Pre production incentive of exemption from stamp duty/ CLU EDC. After Approval such items shall be allowed for availing reimbursement of SGST or other incentives being availed under this policy with intimation on the portal in the prescribed manner.

- (vi) The units availing benefit of Electricity Duty exemption may continue to avail the benefit even if there is increase in the connected load during the Eligibility Period.

14.3. Penal Action

In case, it is found at any stage that a unit has claimed any fiscal incentive on the basis of wrong facts then the applicant shall besides refunding the amount of incentive from the date of disbursement with compound rate of interest @ 12% per annum and facing legal action, will be debarred from grant of any incentive/assistance from the State Government.

Chapter 15 – General Procedure and Authorities for Sanction of Fiscal Incentives/ Subsidies

15.1 General Procedure for Availing Fiscal Incentives

15.1.1 Registration on the Portal

Any entrepreneur, who wants to set up a new unit or expand an existing unit or desirous of availing any regulatory clearance or fiscal incentive for his existing unit under the policy shall mandatorily register on Invest Punjab Business First portal by filing Common Application Form and other Relevant Incentive Forms in accordance with this Policy.

15.1.2 Progress of Project

The Department through District Industries Centre/ Directorate/ PBIP will provide necessary handholding to the unit.

15.1.3 Regulatory Clearances

A registered unit will be able to avail regulatory clearances through Invest Punjab Business First Portal. Regulatory clearances to MSME units will be monitored by District Industries Centre and the District Level Single Window under Deputy Commissioner and other units will be provided regulatory clearances by PBIP at the State level.

15.1.4 Pre-Production Incentives

The registered unit may apply for pre-production fiscal incentives on Invest Punjab Business First portal and Eligibility Certificate or sanction Letter as the case may be will be provided online by Convener District Level Single Window for MSMEs and convener State Level committee for other units after approval by respective District and State level Committees.

15.1.5 Post-production incentives

After commencement of commercial production, the unit can apply for post-production fiscal incentives on portal by respective departments.

15.1.6 Incentives for existing units

A number of incentives have been provided to the existing MSMEs (in commercial production before or after the notification of this policy) not linked with new investment or expansion of project as prescribed at Sr. No. 6,9,10,11,12,13,14,15,16,17,20 and 22 in clause 12.8 of the policy. An eligible unit can apply for these incentives after registration on the portal provided it has implemented the relevant incentive scheme under clause 12.8 after the notification of this policy.

15.1.7 Rejection of incomplete or deficient cases

- (i) In case, the deficiencies pointed out during the processing are not removed within prescribed period, the claim shall be filed by the Competent Authority.
- (ii) The claim application so filed may be reopened with the orders of Administrative Secretary, Industries & Commerce provided request for the same is received within a period of 30 days from the date of rejection of the claim on the portal.

15.1.8 Report by Scrutiny Committee

After completion of case i.e. CAF-I and relevant scheme form have been submitted by the entrepreneur along with supporting documents, a report shall be made by the Scrutiny Committee to the Competent Authority for ascertaining new investment & eligibility under relevant schemes, within 60 days of submission of complete documents. Ordinarily, the documentary claim including the audit report / certification / recommendations given by the empanelled CAs shall form the basis of the report of the Scrutiny Committee. However, the Committee or any of its members may, for reasons to be recorded in writing, carry out an inspection and/or seek additional information.

15.1.9 Approval by District Level Committee and State Level Committee

- (i) The claims of MSMEs shall be placed before the District Level Committee for sanction. The claims of other units shall be recommended to State Level Committee.
- (ii) After approval by the competent authority of District Level Committee/ State level Committee, Eligibility Certificate or sanction letter as the case may be shall be issued by the convener of District Level Committee or State Level Committee as the case may be.

15.1.10 Disbursement of sanctioned cases

The disbursement shall be made on the basis of inter districts state level seniority to be maintained online. The seniority of the sanctioned cases for the purpose of disbursement of fiscal incentives shall be reckoned from the date of commercial production and not from the date of sanction.

15.2 Scrutiny Committee

15.2.1 Apart from online processing and scrutiny of the documents, following Scrutiny Committee will verify the date of commercial production of the unit and also scrutinize the case for fixed capital investment made by the unit.

- | | | |
|-------|--|----------|
| (i) | GM, DIC | Chairman |
| (ii) | Lead District Manager | Member |
| (iii) | Concerned Financial Institution | Member |
| (iv) | Representative of Department of Taxation | Member |

- | | | |
|--------|--|----------|
| (v) | Representative of PSPCL | Member |
| (vi) | Two representatives from Industry Associations | Member |
| (vii) | Representative of ULB for sites in purview of MC | Member |
| (viii) | Rep. of T & C Planning for sites outside purview of MC | Member |
| (ix) | Representative of Department of Labour | Member |
| (x) | FM / PM, DIC | Convener |

15.2.2. The recommendations of the Scrutiny Committee will be placed before the District level or State level committee as may be the case. The Department has empanelled district wise CAs to assist the Scrutiny Committee under IBDP 2017. Same Process shall be adopted in processing of Incentive cases under this Policy. The Fees for verification of FCI shall be paid by the units as under: -

S No	Projects	Where Building is included in FCI for Claim of Incentive	Where Building is not included in FCI for Claim of Incentive
01	With FCI up to 10 CR	Rs 40000 + (6% service Charges & 18% GST) = Rs 50,032.00	Rs 25000 + (6% service Charges & 18% GST) = Rs 30,270.00
02	With FCI above 10 CR	Rs 75000 + (6% service Charges & 18% GST) = Rs 93810.00	Rs 60000 + (6% service Charges & 18% GST) = Rs 75048.00

The Administrative Secretary Industries and commerce will be competent to Increase / decrease the fees as deem fit.

15.3 Competent Authority for Sanction

15.3.1 State Level Committee

The State Level Committee shall be competent authority for approval and sanction of fiscal incentives to large and anchor units. The composition of state Level committee shall be as under:

- | | | |
|----|---|----------|
| 1. | Administrative Secretary, Industries & Commerce | Chairman |
|----|---|----------|

2.	Director of Industries & Commerce	Member
3.	Chief Executive Officer, PBIP	Member
4.	Representative of Department of Taxation	Member
5.	Representative of Department of Power	Member
6.	Representative of Department of Local Govt.	Member
7.	Representative of Department of Housing & Urban Development.	Member
8.	Representative of Department of Labour	Member
9.	Joint Controller of Finance & Accounts	Member
10.	Concerned Financial Institution	Member
11.	Two Members from the Industry Associations	Member
12.	Addl. Dir/Joint Dir/Deputy Director	Member Secretary

15.3.2 District level Single window committee/ District Level committee

District Level single window Committee notified vide notification no 5232 dated 31.10.2018 under IBDP 1017 having following composition shall continue to District Level committee as competent authority for approval and sanction of fiscal incentives for Micro, Small & Medium Enterprises under this Policy.

i.	Deputy Commissioner	Chairman
ii.	General Manager, District Industries Centre	Member-Secretary
(iii)	Department of Finance	Member
(iv)	Department of Town and Country Planning	Member
iii.	(v) Department of Labour	Member
	Department of Local Government	Member
iv.	Department of Public Works	Member
v.	Department of Forests	Member
vi.	Department of Taxation	Member
vii.	Department of Factories	Member
viii.	Punjab Pollution Control Board	Member

ix.	Chief Engineer (Electrical), PSPCL	Member
x.	Lead District Manager	Member
xi.	Concerned Financial Institution	Member
xii.	Two members from Industry Associations	Member

District level single window already notified will stand amended to above extent.

15.3.3 Time Limit

A unit shall file its claim for Incentive with in stipulated time lines for each Scheme prescribed under this Policy. Director Industries will be competent to condone delay up to 6 months in submission of incentive applications and Administrative Secretary Industries and Commerce will be competent to condone delay beyond six month.

15.4 Interpretation of Policy, Guidelines and additional instructions

Administrative Secretary Industries & Commerce, Punjab shall be competent to make interpretation of provisions of the Policy, Scheme and guidelines and can issue additional instructions.

15.5 Changes in the Forms and Standard Operating Procedures and Online Portal

Administrative Secretary, Industries and Commerce, Punjab shall be competent to prescribe and amend relevant forms and standard operating procedures. He shall also be competent to approve the necessary workflows, validations and other changes as may be required for Online Portal. Any changes in guidelines, procedures and other modalities will be made on the portal and no separate intimation would be required. The applicant is required to check the status of his application on the portal and the Department will update the status on portal only.

15.6 Appeals & Review

Appeal against orders passed by the District Committee shall lie with the State Level Committee.

Further, State Level Committee will be competent to review its orders on review petition filed by concerned applicant unit. The appeal / review shall be filed within 30 days from the date of communication of the order passed by District / State Level Committee.

15.7 Online Portal for Fiscal Incentives

15.7.1 The Invest Punjab Business First Portal (www.pbindustries.gov.in) shall continue for sanction and disbursement of fiscal incentives to the eligible units. The Portal has the following salient features:

- (i) Standardization of procedures and timelines for incentives

(ii) Providing all incentives through online Portal of the State

(iii) Combined Application Form for Incentive (I-CAF-)

(iv) The incentive applications are processed online by the concerned officers / departments and status of the application is updated at each step

(v) The status of all incentive applications is available online

(vi) User manual for availing Incentive is available on the Portal.

15.7.2 Department shall launch mobile app for tracking and monitoring Applications for Regulatory Clearances/ Services and Fiscal incentives.

15.7.3 The Department will levy a processing fee to be fixed from time to time for the regulatory and fiscal services provided to the industry.

15.7.4 In case of portal not being in operation due to any technical, functional or any other reason, the Administrative Secretary, Industries and Commerce may allow offline processing of cases for a period by passing an order in writing.

Chapter 16 Procedure for Availing Fiscal Incentives

16.1 Scheme for Exemption from payment of Stamp Duty or Reimbursement thereof

16.1.1 Exemption from Stamp Duty

- i All the eligible units shall apply on web portal in the prescribed application form - SD along with attachments for seeking exemption from Stamp Duty on purchase/lease of land and building.

16.1.2 Reimbursement of Stamp Duty

- i All the eligible industrial units shall apply on web portal of the department in the prescribed application form - SD along with attachments within three months from the date of approval of ICAF or commencement of commercial production whichever is later to seek refund.
- ii After approval of reimbursement claim by the competent authority of District Level Committee (DLC) / State Level Committee (SLC) as the case may be the sanction letter shall be issued by the convener of DLC/SLC. Disbursement of the sanctioned claim shall be made by the Department of Industries & Commerce out of the Budgetary Provision as per seniority in accordance with the Clause 15.1.10.

16.1.3 Other Conditions

- i In the case of Stamp Duty exemption, the applicant needs to submit a Bank Guarantee equivalent to the sum of stamp duty applicable, valid up to the date of commercial production/ operation, provided, the units already in production need not submit a Bank Guarantee.
- ii Reimbursement of stamp duty shall be allowed for land or building which has been purchased/leased up to 3 years prior to the date of submission of ICAF, by the same entity. The refund will be given only after the unit commences commercial production.

16.2 Scheme for Exemption/Reimbursement from payment of CLU/EDC

16.2.1 Procedure for Exemption from CLU/EDC

A Unit shall apply on web portal of the department in the prescribed application form – CLU/EDC along with attachments for seeking exemption from CLU/EDC charges.

16.2.2 Procedure for Reimbursement of CLU/EDC

(i) All the eligible industrial units shall apply on web portal of the department in the prescribed application form – CLU/EDC along with attachments within three months from the date of approval of ICAF or commencement of commercial production whichever is later to seek refund.

(ii) The amount of reimbursement of CLU/EDC shall be adjusted by the Competent Authority against the statutory fees payable against approval of Building Plan and excess amount if any reimbursed to the eligible unit by the Competent Authority approving the building plans.

iii. Other Conditions

For availing the incentive of CLU/EDC, in case of Anchor Unit availing incentive in phase wise investment in accordance with clause 13.6, the applicant needs to submit a bank guarantee equivalent to sum of CLU applicable, valid up to the date till the unit achieve the status of Anchor Unit on the basis of FCI or maintain the status of Anchor Unit on the basis of Direct Employment.

16.3 Scheme for Grant of Exemption from payment of Electricity Duty

Application on prescribed Form – ED for the grant of electricity duty Exemption, along with listed documents would be submitted on the web portal within three months from the date of commencement of commercial production

16.4 Scheme for Grant of Exemption from payment of Property Tax

Application on prescribed Form-PT for the grant of Property tax exemption, along with listed documents would be submitted on the web portal

16.5 Scheme for Investment Subsidy by Way of Reimbursement of VAT/SGST

16.5.1 The Unit shall obtain the details of the net VAT /CST/SGST paid during the year for which the claim is being made duly certified by the prescribed authorities in the form prescribed form – SGST-1 for original/expansion/diversification Unit separately as the case may be.

16.5.2 Application on prescribed Form - SGST for the grant of Investment subsidy along with listed documents would be submitted to the competent authority, declared by the

department of Excise & Taxation from time to time, on web portal of the department within twelve months of closing of the financial year.

16.5.3 Disbursement of Investment subsidy by way of reimbursement of net SGST/VAT

- i** After the approval by DLC/SLC as the case may be eligibility certificate shall be issued by the convener of concerned DLC/SLC.
- ii** After approval of incentive claim by the competent authority of DLC/SLC as the case may be the sanction letter shall be issued by the convener of DLC/SLC.
- iii** Disbursement of the sanctioned claim shall be made by the Department of Industries & Commerce out of the Budgetary Provision as per seniority in accordance with the clause 15.1.10.

16.6 Interest Subsidy Scheme for MSMEs, Start-ups

The unit must be registered with the portal and submit application for approval of the project. Only after the approval of the competent authority, the unit shall proceed. Thereafter application on prescribed Form – IS for the grant of interest subsidy on the term loan, along with listed documents would be submitted on the portal of the department, within three months from the date of approval of ICAF or within three months of closing of financial year whichever is later for which incentive is being claimed.

16.7 Additional State Support under CLCSS for Technology Upgradation for MSMEs

The unit must be registered with the portal and submit application for approval of the project. Only after the approval of the competent authority, the unit shall proceed. Thereafter application on prescribed Form (Annexure-CL) for the grant of Credit Linked Interest subsidy along with listed documents would be submitted to the competent Authority on the web portal of the department.

16.8 Additional State Support under CGTMSE scheme for MSEs

The unit must be registered with the portal and submit application for approval of the project. Only after the approval of the project, the unit shall proceed. Thereafter application on prescribed Form - CGTMSE for the grant of additional State financial support under Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) of scheme of government

of India along with listed documents would be submitted on the web portal of the department.

16.9 Financial Assistance for Emerge Exchange platform set up by NSE to SMEs

The unit must be registered with the portal and submit application for approval. The unit shall proceed for public issue after approval of the application by the competent authority. Application on prescribed Form - EX for the grant of financial assistance on the expenses on registration with NSE, along with listed documents would be submitted on the web portal. The unit shall claim assistance within three months from the date of approval of ICAF or within 3 months of date of full and final subscription of public issue whichever is later.

16.10 Assistance for Technology Acquisition for MSME

The unit must be registered with the portal and submit application for approval. The unit shall proceed for procurement after approval of the application by the competent authority. Application on prescribed Form-TA for the reimbursement of cost in technology acquisition along with listed documents would be submitted to the competent Authority, on the web portal. The unit shall claim assistance within three months from the date of approval of ICAF or within 3 month of acquiring technology and before the expiry of period of policy whichever is later.

16.11 Additional support to Zero Effect Zero Defect (ZED) scheme of GOI for MSMEs

The unit shall apply on the portal for approval of the competent authority. After approval of the competent authority, the Unit shall proceed for procurement of machinery, equipment and testing equipment. After obtaining bronze certification from QCI, application in Form-ZED for reimbursement of expenses incurred for the installation of Machinery, equipment & testing equipment along with listed documents would be submitted on the web portal of the Department.

16.12 Reimbursement of expenses incurred on Energy Audit to MSMEs

The unit shall apply on the portal for approval of the competent authority. After approval of the competent authority, the Unit shall proceed for Energy Audit in accordance with the terms of approval. Application on prescribed Form - EA for the reimbursement of expenses incurred in conducting energy audit with listed documents would be submitted on the portal

of the department within three months from the date of approval of ICAF or within three months from the date of completion of energy audit whichever is later.

16.13 Reimbursement of expenses incurred on Water Audit for MSMEs

The unit shall apply on the portal for approval of the competent authority. After approval of the competent authority, the Unit shall proceed for water Audit in accordance with the terms of approval. Application on prescribed Form - WA for the reimbursement of expenses incurred in conducting water audit along with listed documents would be submitted to the competent authority, on the web portal of the department within three months from the date of approval of ICAF or within three months from the date of completion of water audit whichever is later.

16.14 Reimbursement of expenses incurred on Safety Audit for MSMEs

The unit shall apply on the portal for approval of the competent authority. After approval of the competent authority, the Unit shall proceed for Safety Audit in accordance with the terms of approval. Application on prescribed Form - SA for the reimbursement of expenses incurred in conducting safety audit for safety measures along with listed documents would be submitted to the competent authority, on the web portal of the department within 3 months from the date of approval of ICAF or within 3 months of date of installation whichever is later.

16.15 Assistance for Environment Compliance for MSEs

The unit shall register under ZED scheme and get assessed. In line with the recommendations of QCI for new Effluent Treatment Plant, Air Pollution Control Devices and other pollution control devices, the unit will apply on the portal for approval of the competent authority. After approval of the competent authority, the Unit shall proceed for installation of ETP/air pollution control devices and equipment in accordance with the terms of approval. Thereafter unit will get assessed to minimum bronze level under ZED certification. Thereafter application on prescribed Form - EC for reimbursement of assistance on the purchase and installation of ETP/air pollution control devices and equipment, along with listed documents would be submitted to the competent Authority, on the web portal of the department within 3 months from the date of approval of ICAF or within 3 months of date of installation whichever is later.

16.16 Reimbursement of expenses incurred on Patent Registration

The unit shall apply on the portal for approval by the competent authority. After the approval of competent authority, unit shall proceed for patent in accordance with the terms of approval. Application on prescribed Form-PR for the reimbursement of expenses incurred in acquiring patent registration along with listed documents would be submitted, on the web portal of the Department within 3 months from the date of approval of ICAF or within 3 months of the acquiring patent whichever is later.

16.17 Additional Support for Performance and Credit Rating Scheme of Ministry of MSME

The unit shall apply on the portal for approval by the competent authority. After the approval of competent authority, unit shall proceed for credit rating in accordance with the terms of approval. Application on prescribed Form-PCR for the grant of Credit Rating Assistance along with listed documents would be submitted to the competent authority, on the web portal of the department within 3 months from the date of approval of ICAF or within 3 months of the issue of letter of rating by the credit rating agency whichever is later.

16.18 Reimbursement of expenses incurred on Quality Certification

The unit shall apply on the portal for approval of the competent authority. After approval of the competent authority, the Unit shall proceed for Quality Certification in accordance with the terms of approval. Application on prescribed Form QC for reimbursement of the expenses incurred in acquiring ZED Certification along with listed documents would be submitted on the web portal of the department within 3 months from the date of approval of ICAF or within 3 months of acquiring quality certificates whichever is later.

16.19 Design Clinic Scheme

The Applicant shall apply on the portal for approval of the competent authority. After approval of the competent authority, the Unit shall proceed for Design workshop in accordance with the terms of approval Application on prescribed Form – DC for refund of contribution of industries under Design Clinic Scheme along with listed documents shall be submitted to the competent authority on the web portal of the department within 3 months from the date of approval of ICAF or within 3 months of conducting Awareness Programme whichever is later.

16.20 Marketing Support for MSMEs

The unit shall apply on the portal for approval of the competent authority. After approval of the competent authority, the Unit shall proceed for Participating in exhibition in accordance with the terms of approval. Application on prescribed Form-MDA for the grant of Market Development Assistance for the participation in exhibition along with listed documents would be submitted to the competent authority on the web portal of the department before three months of the event and shall submit the Claim in form MDA 1. within three months from the date of approval of ICAF or within 3 months of the closing date of the exhibition participate whichever is later.

16.21 Freight Assistance Scheme for Exports from MSMEs

The unit has to get registered on the portal. It should submit the necessary information as required on the portal. Application in Form-FS for the grant of freight assistance on export undertaken along with document mentioned therein will be submitted on the web portal of the department within 3 months of date of approval of ICAF or within 3 months from the date of closing of the financial year in which, the products were shipped for exports whichever is later.

16.22 Scheme for providing Fiscal Incentives to Incubators in Public & Private sector

16.22.1 Eligibility

- i** Eligible Incubator for the purposes of this policy means an organisation registered as an incubator in the State of Punjab, engaged in accelerating the growth of start-ups through host of support services and resources such as space, funding support, mentoring, market linkages and business management services, which incubates minimum 10 incubates at a time.
- ii** Preference will be given to the incubators in the field of Digital manufacturing, life sciences and bio technology, agro & food processing and information technology to be set up in and around the existing/envisaged industry cluster in the state.
- iii** An incubator must be a registered entity falling under one of the following categories:
 - 1** Society (under The Societies Registration Act, 1860)
 - 2** Section 8 Company (under The Companies Act, 2013)
 - 3** Private Limited Company (under The Companies Act, 2013)

4 Public Company (under The Companies Act, 2013)

5 Limited Liability Partnership (under The Limited Liability Partnership Act, 2008)

16.22.2 Procedure for Making Application and Approval of Assistance:

The following procedure is prescribed for seeking assistance

i Application for availing assistance

A legal entity or eligible incubator intending to avail of assistance under this scheme shall intimate the Competent Authority in Government for registration by an Expression of Interest as per Form-IN1 to this scheme on the web portal.

ii Evaluation of applications

The applications shall be got evaluated by Punjab Start-up Coordination Committee.

iii In-principle Approval

1 The competent authority, on receipt of the evaluation report, shall convey to the applicant its decision granting in-principle approval, its registration number along with the indicative list of eligible assistance or alternatively convey the rejection and causes in brief thereof; the conditions, time lines that the applicant has to comply for availing assistance, the obligations of the applicant as well as of the competent authority in relation to disbursement of the assistance and the likely disbursement schedule. The in-principle approval by the competent authority shall be conveyed in a format as per Form-IN2, within one month from the receipt of application.

2 Communication of in-principle approval doesn't confer any entitlement to the applicant. Entitlement and actual disbursement of the assistance will be an outcome pursuant to formal application in format as in para 16.22.2(v), and in accordance with decision of the competent authority subject to fulfilment of conditions specified therein.

iv Validity of In-principle Approval:

The in-principle approval shall be valid for a period of one year. However, subject to fulfilment of conditions a and b as indicated in para 5 of Annexure-IN2 to this scheme and

subject to satisfactory reasons for non-fulfilment of conditions c, d and e as indicated in para 4 of Form -IN2 to this scheme within one year, in-principle approval can be extended by the competent authority for a period of, at the most one year. After the said period of validity, in-principle approval shall lapse and eligible applicant will have no claim for any incentive or benefit against the Government. However, the intending applicant will be free to reinitiate process by filing a fresh Application for availing assistance under the scheme, which will then be treated as a separate and a new application.

v Filing of Formal Application by an Incubator

- 1** An eligible incubator will begin application process from this stage. The applicant for availing assistance for setting up incubator shall apply in the application form specified as per Form-IN3 on the web portal within three months from the date of approval of ICAF or within 3 months of in principal Approval whichever is later. The entitlement of the applicant for evaluation of his claim for the assistance under the Scheme will arise only after filing of this application form along with the prescribed Annexures. The assistance will be eligible only if the formal application, as under this para, is made during the operative period of this Policy.
- 2** After scrutiny the proposal shall be placed before the state level Committee for a decision on total assistance eligible to the applicant.
- 3** The applicant may be called for a presentation or any clarification in relation to either eligible activity or the cost marked against the Eligible activity, or any of its components.
- 4** The decision as to approval of assistance will be recorded in a Format as placed at Form -IN4.

vi Methodology for Disbursement

Based on the decision of State Level Committee, the applicant will be conveyed the final decision on the eligibility of the applicant for the assistance under the Scheme, the schedule of disbursement and the contingent progress milestones in format as per Annexure - IN4.

vii Schedule of Disbursement

The disbursement of Capital Assistance will be in three tranches as per following schedule:

- 1** Advance release of 25% of eligible assistance subject to availability of whole area of Incubator and approval of site layout plan/building plan.
- 2** Second tranche of 50% of eligible assistance will be disbursed after the applicant has already incurred expenditure of 60% of the eligible project cost in setting up incubator.
- 3** The third and final tranche of the assistance amounting to 25% of eligible assistance will be paid when the applicant has incurred expenditure of 100% of the eligible project cost.

16.23 Scheme for providing incentives to Start-ups

16.23.1 Eligibility Criteria for Start-ups

- i** The definition of the Start-up has been given in Chapter 12.
- ii** The Start-up must be located in the State of Punjab.
- iii** Provided further that in order to obtain benefits of this policy, a start-up unit shall be required to be registered under Policy and to obtain a certificate of Punjab Start-up Coordination Committee.
- iv** Entity means a private limited company (as defined in the Companies Act, 2013), or a registered partnership firm (registered under section 59 of the Partnership Act, 1932) or a limited liability partnership (under the Limited Liability Partnership Act,2002).
- v** An entity is considered to be working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property if it aims to develop and commercialize:
 - 1** A new product or service or process, or
 - 2** A significantly improved existing product or service or process that will create or add value for customers or workflow.
 - 3** Provided it shall not be mere act of developing:

- a Products or services or processes which do not have potential for commercialization, or
- b Undifferentiated products or services or processes, or
- c Products or services or processes with no or limited incremental value for customers or workflow

16.23.2 Procedure for Processing of Application for Recognition

- i The start-up entity will have to submit its application form ST-A online in the Start-up Registration Form on the web portal.
- ii After initial scrutiny of the ST-A form, on line Provisional Registration certificate will be issued.

16.23.3 Combined Procedure for Registration and availing Financial Assistance

- i The start-up entity will submit its application form ST-B for Registration and SF-Seed Funding financial assistance form, if the start-up opts for availing seed funding financial assistance, otherwise case will be processed only for Registration. Other financial assistance forms like IS-Interest Subsidy and Start-Lease Rental Subsidy, which are payable annually subject to the limit as defined in this Policy, can be filled as and when accrued at the end of the year as per procedure defined under 16.23.4.
- ii After initial scrutiny of all the application forms and requisite documents by the start-up cell, it will be forwarded to concerned nodal agency. Meanwhile Provisional Registration certificate will be issued.
- iii The Nodal agency will review the application forms and assistance forms of the startup entity and will forward its recommendations both for Registration as well as financial assistance (if applied for by the Start-up) within next 2 weeks of receipt of such application to the Start-up Coordination Committee. Nodal agency may schedule a call or a meeting with the startup entity, if it deems necessary.
- iv The recommendations of the nodal agency will be put up before the Start-up Coordination Committee.

- v The Start-up Coordination Committee may call the applicant for a presentation or any clarification in relation to either eligible activity or the cost marked against the eligible activity, or any of its components.
- vi After the approval of the Start-up Coordination Committee w.r.t Registration of the start-up, Registration certificate will be issued by the Start-up Cell.
- vii Start-up Coordination Committee will also record its recommendations concerning financial assistance to the start-up, if applied for, by the Start-up.
- viii The recommendations of Start-up Coordination Committee concerning financial assistance to the start-up will be put up to the State Level Committee for considering sanction of fiscal incentives to the Registered startups.
- ix Financial sanction with regard to the concerned financial assistance (seed funding in this case) will be issued after the approval by the State Level Committee for the fiscal incentives to the registered startups.
- x All the financial assistance approved by the State level committee shall be disbursed according to the procedure defined in this policy.

16.23.4 Procedure for availing assistance by Registered start-ups

- i The applicant, once registered, will select the required financial assistance forms, i.e. IS-Interest Subsidy, Start- Lease Rental Subsidy, SF-Seed Funding, for availing financial assistance on the web portal in respective forms. Financial assistance forms like IS-Interest Subsidy and Start- Lease Rental Subsidy, which are payable annually subject to the limit as defined in this Policy, can be filled as and when accrued at the end of the year.
- ii After due diligence of the application and requisite documents, it will be forwarded to concerned nodal agency.
- iii The Nodal agency will review the application of the startup entity and will share its recommendations within next 2 weeks of receipt of such application. Nodal agency may schedule a call or a meeting with the startup entity, if it deems necessary.
- iv The recommendations of the nodal agency will be put up before the State Start-up Coordination Committee for a decision on total assistance eligible to the applicant.

- v The State Start-up Coordination Committee may call the applicant for a presentation or any clarification in relation to either eligible activity or the cost marked against the Eligible activity, or any of its components.
- vi The State Start-up Coordination Committee will record its recommendations.
- vii The recommendations of State Start-up Coordination Committee will be put up to the State Level Committee for sanction of fiscal incentives.
- viii Financial sanction with regard to the concerned financial assistance will be issued after the approval by the State Level Committee for the fiscal incentives to the registered start-ups.
- ix All the financial assistance approved by the State Level committee shall be disbursed according to the procedure defined in this Policy.

16.23.5 Schedule of Disbursement for Start-up: The disbursement of incentives will be as under:

Sr. No	Assistance Type	Disbursement Schedule	Remarks
1	Interest Subsidy	Yearly basis	As per procedure mentioned at clause 16.6
2	Lease Rental Subsidy	Yearly on submission of proof of payment	Reimbursement on actuals subject to ceiling
3	Seed Funding	In a single installment after the approval by state level committee.	Seed Funding would be routed through State/ Center recognized incubators/ nodal agencies

16.23.6 Nodal Agencies

i Introduction

- 1 Nodal Agencies are reputed institutions / organizations, which shall evaluate applications of Start-ups for recognition under policy and for availing monetary incentives once recognised. Besides evaluation, Nodal agencies shall play a crucial role in development of entrepreneurial ecosystem by acting as mentors to Start-ups and providing feedback where necessary.
- 2 In order to avail the benefits announced in the policy, an entity would be required to be recognised as a Start-up. To this effect, it would be required to submit an application

online along with a note on innovation. All such registering entities application's need to be carefully reviewed by an expert committee hosted under the Nodal Agency. Nodal Agency shall mean reputed Government as well as other institutions/ organizations as approved by the Start-up Coordination Committee as Nodal Agencies for certifying Start-ups.

ii Objective

To review

- 1 Applications of Start-ups for their recognition and
- 2 The merit of the Start-up applications for monetary grants.

iii Fee

Nodal Agency may be paid fee or may be on pro bono basis for review of registration, incentives& all other assistance

iv Selection of Nodal Agency

Selection of Nodal Agency may be on invitation basis only with the approval of Start-up Coordination Committee. The selected Nodal Agency may however have to fill up simple details.

v List of Nodal Agencies/ Institutions

Following institutions are recognized as Nodal agencies/ Institutions in the State of Punjab subject to further amendments in the list from time to time by Start-up Coordination Committee:

- 1 Indian Institute of Technology (IIT), Ropar
- 2 National Institute of Technology (NIT), Jalandhar
- 3 Software Technology Park of India (STPI), Mohali
- 4 ISB, Mohali
- 5 IISER, Mohali

- 6 Punjab Biotechnology Incubator, Mohali
- 7 Thapar University, Patiala
- 8 Punjab Technical University
- 9 Institute of Nano Science and Technology (INST), Mohali
- 10 National Agri-biotech Institute
- 11 National Institute of Pharmaceutical Education and Research (NIPER)

16.23.7 Startup Coordination Committee

i In order to engage with various stakeholder and take their guidance and feedback on design and implementation of various startup initiatives, a Startup Coordination Committee is constituted as follows:

1	Administrative Secretary, Industries and Commerce	Chairman
2	Director Industries and Commerce	Member
3	MD, PICTC	Member
4	CEO, Punjab Innovation Mission	Member
5	Officer-in-charge, STPI	Member
6	GM, SIDBI, Regional Office, Chandigarh	Member
7	President, TiE, Chandigarh Chapter	Member
8	Representative of VC, PTU not below the rank of Dean, PTU	Member
9	Representatives of Nodal Agencies/ Institutions	Member
10	Startup Experts from the Region as may be nominated by the Chairman	Member
11	Nodal Officer of Punjab Startup Cell	Convener

ii The Startup Coordination Committee will issue necessary recognition, certification to the Startup units based on evaluation by Nodal Agencies for various fiscal incentives under the Policy.

16.23.8 Startup Punjab Cell

A cell under Department of Industries and Commerce headed by Director Industries and Commerce shall provide necessary Secretarial and Technical Support to the Startup Coordination Committee. The cell shall also act as a single point of contact with Government departments where the Startup needs to implement their projects. The role of this cell would be to highlight, amalgamate and disseminate the resources, funding mechanisms, investments, incentives available at a single portal for Startups in Punjab or Startups looking to relocate to Punjab.

16.24 Scheme for exemption of various taxes on Food Processing industries

Application on prescribed Form FP for 100% exemption of the Market Fee, Rural Development Fee and other State taxes paid for purchase of raw material along with listed documents would be submitted on the web portal of the department.

16.25 Scheme for Additional Support of Capital Subsidy to ESDM units

All the eligible industrial units shall apply to the competent authority on the web portal of the department in the prescribed application form SPECS.

16.26 Scheme for Capital subsidy to IT/ITES, Micro and Small Manufacturing Units in Thrust Sector and Export Oriented Units and, Micro and Small Service Enterprises engaged in providing Research and Development activities

All the eligible industrial units shall apply on the web portal of the department in the prescribed application form IT

16.26.1 The unit shall remain in production for 5 years from the date of commercial production and shall submit annual production return.

16.26.2 In case of closure of the unit before the stipulated period of five years the entire amount of disbursed subsidy shall be recovered along with penal interest of 12 % as arrear of land revenue.

16.27 Scheme for Employment Generation Subsidy to Anchor Units

16.27.1 Application on prescribed Form-EGS for the grant of Employment Generation Subsidy in respect of persons provided direct employment along with listed documents would be submitted to the competent authority on the web portal of the department within three months from the date of approval of ICAF or within 03 months from the date of closing of

the financial year whichever is later. The applicant would have to apply for the claims of subsequent years on the same pattern.

16.27.2 Other Conditions

- i The evidence for employment would be related statutory returns under EPFO/ESIC etc.
- ii The Employment Generation Subsidy for each direct employee shall be calculated proportionately as per duration of employee in the relevant financial year.

16.28 Scheme for Early Bird Units

Industrial unit satisfying the eligibility criteria shall file application in the prescribed form appended to this operational guideline at form -EF' along with copies of all relevant documents on web the portal.

16.28.1 After the inspection by Scrutiny Committee, the case will be placed to the State Level Committee for approval.

16.28.2 After issue of certificate to first five MSMEs and five large units in each new approved industrial park, no further proposal to be entertained.

16.29 Scheme for first unit in Border Zone (BZ)

16.29.1 Procedure

Industrial unit satisfying the eligibility criteria shall file application in the prescribed form appended to this operational guideline at Form -BZ on the web portal along with copies of all relevant documents.

- i After the inspection by Scrutiny Committee, the case will then be placed before the State level sanctioning committee for sanction.
- ii After issue of certificate to first unit in each manufacturing sector, defined service sector in Border zone, no further proposal to be entertained.

16.30 Scheme for Migration by Industrial Unit to new Policy 2022

16.30.1 Industrial unit satisfying the definition shall file application at the Invest Punjab Business First portal in the prescribed Form -'MU' along with relevant documents.

16.30.2 After the inspection by Scrutiny Committee, the case will then be placed before the State level committee for approval.

16.30.3 Conditions

If, more than one industrial unit in each sector of manufacturing or services go into production on a single date during the operative period of the policy, the unit(s) with higher FCI shall be considered for grant of status of first unit in Border zone.

16.31 Critical Industrial Infrastructure Development Scheme (CIIDS)

16.31.1 Eligibility Conditions

- i** Grant can be availed by PSIEC or any other state Agencies.
- ii** The location selected should be approved by the department of Environment.
- iii** The infrastructure created shall not involve public inconvenience and shall have necessary permissions from competent authority.
- iv** There shall be an unambiguous revenue generation plan that shall ensure maintenance of critical infrastructure in a self-sustaining manner.
- v** The requisite land for creating infrastructure shall have to be arranged by the agency from their own resources. However, in case of availability of public land, due permissions from the relevant authorities are essential.

16.31.2 Procedure of availing grant-in-aid:

- i** The State Agency shall submit the Preliminary proposal along with DPR dully approved by administrative secretary of the State Agency, on the prescribed form-CIDA on Invest Punjab Business First portal of the department.
- ii** The project with a cost higher than Rs 2.00 crore can also be considered. However, the State grant will be calculated with project cost ceiling of Rs 2.00 crore.

16.31.3 Project Approval

The project shall be sanctioned and implemented under the guidance of State Level Steering Committee. The members of the Committee shall be as under:

1	Administrative Secretary Industries & Commerce	Chairman
2	Director Industries & Commerce	Member
3	Representative of Finance Department	Member
4	Representative of Punjab National Bank (Lead Bank of the State)	Member
5	Director MSME DI Ludhiana	Member
6	Industrial Advisor	Member-Secretary

NOTE: The Chairman of the State Level Steering Committee can co-opt any other member at his discretion.

16.31.4 Disbursement of grant-in-aid:

- i For disbursement of grant-in-aid for creation/up-gradation of infrastructure, the Agency shall have to raise its contribution upfront.
- ii The 1st instalment of grant-in-aid shall be released with the approval of the project.
- iii 2nd and final instalment of grant-in-aid shall be released after submission of Utilization Certificate (UC) of the 1st instalment of grant-in-aid by the agency.
- iv Pending utilization of State Government grant, the funds will be parked in a separate dedicated account created for this purpose. Interest accrued, if any, on unutilized fund shall be adjusted against future disbursement under the scheme.

16.31.5 Monitoring and Evaluation

- i The State Level Steering Committee (SLSC) will be the apex body for co-coordinating and overseeing the progress of the projects.
- ii The project shall be completed by the Agency within 18 months of the receipt of the Sanction Letter, or such extended time as the SLSC may, on its satisfaction as to the reasons of delay, grant.

16.32 Scheme for availing assistance under the State Mini Cluster Development

16.32.1 Eligibility

A group of minimum 10 Micro and Small functional industrial units of similar activity in an identified area, which have filed Udyam Registration may apply. The CFC shall be functional within two years from the date of final approval, unless extended with the approval of Steering Committee.

16.32.2 Diagnostic Study

The DSR shall be prepared by SPV at its own cost which shall be dully validated by concerned GM DIC.

16.32.3 Quantum of Assistance

The SPV shall undertake soft interventions and implement hard interventions as per the guidelines prescribed for MSE-CDP of MSME GOI. The quantum of assistance will be as under: -

- i Soft Interventions:** Maximum Limit 10 lakh. SPV contribution 30 % and State Assistance shall be limited to 70%.
- ii Hard interventions:** 70% of the project cost subject to Maximum of 5.0 crore/per project. Total state assistance on soft & hard intervention shall not exceed Rs 5.0 crore.

16.32.4 Other conditions

- i** The entire cost of land shall be borne by the SPV. In case of existing land and building is provided by stakeholder, the cost of land and building will be decided on the basis of valuation report prepared by an approved agency of the State Government. The cost of land and building shall be taken towards the contribution of the SPV in the project. CFC can also be set up on leased premises, however, irrevocable lease shall be not less than a period of 10 years.
- ii** It is necessary to form an SPV prior to setting up of and running the proposed CFC. The SPV shall consist of members who fall under the definition of Micro and Small enterprises? The member units should have filed UAM with the concerned DIC. The SPV should have a character of inclusiveness wherein provision for enrolling new members to enable prospective entrepreneurs in the cluster to utilize the facility should be provided. In addition to the contributing members of the SPV, the organizers should obtain written commitments from users of the proposed facilities so that its benefits can be further

enlarged. The bye-laws of SPV should have provisions for one State Govt. officer as member of the SPV.

- iii The CFC may be utilized by the SPV members and as also others in the cluster.
- iv Escalation in the cost of project above the sanctioned amount, due to any reason, will be borne by the SPV.
- v User charges for services of CFC shall be close to prevailing market prices, as decided by the Governing Council of the SPV. The SPV members may be given reasonable preference in user charges and capacity utilization.
- vi The CFC with cost higher than Rs 5.00 crore can also be considered. However, the State grant will be calculated with project cost ceiling of Rs 5.00 crore.
- vii An Agreement between State Government and the SPV shall be signed for CFC projects in the format prescribed by GOI for MSE-CDP.
- viii In case of any conflict in the implementation then the guidelines framed by MSME GOI for the MSE-CDP programme shall prevail.

16.32.5 How to apply

The beneficiaries of mini cluster scheme shall submit application on the web portal for consideration of grant in prescribed form CD with a copy to the concerned General Manager, District Industries Centre.

16.32.6 Project Approval

The project shall be sanctioned and implemented under the guidance of State Level Steering Committee. The members of the Committee shall be as under:

1.	Administrative Secretary Industries & Commerce	Chairman
2.	Director Industries & Commerce	Member
3.	Representative of Finance Department	Member
4.	Director, MSMEs Development Institute of Golat Ludhiana	Member

5.	General Manager/DGM,PSIDC (project appraising body)	Member
6.	Representative of Punjab National Bank (Lead Bank of the State)	Member
7.	Addl Director/Joint director/Deputy Director Director	Member-Secretary

NOTE: The Chairman of the State Level Steering Committee can co-opt any other member at his discretion and the proposal shall be sanctioned by the committee within 30 days from the date of completion of the documentation.

- i** DPR shall be got appraised through PSIDC or any other scheduled bank, at the cost of SPV.
- ii** The meeting shall be convened once in two months. Meeting can however, be called at any other time at the discretion of the Chairman of the State Level Steering Committee.
- iii** These preliminary applications along with a Diagnostic Study Report (DSR) shall be put up to the office of Director Industries & Commerce for acceptance. On acceptance, the case shall be put up to the State Level Steering Committee meeting for approval for conducting Detailed Project Report (DPR).
- iv** The DPR shall be prepared by the Special Purpose Vehicle (SPV) through empanelled Consultant, who is competent to prepare such document and having sufficient experience of conducting similar studies in the past. The DPR shall also be got validated by the members of the SPV and the concerned GM DIC. The SPV may apply for grant-in-aid amounting to Rs. 3.00 lacs to conduct the DPR. Director Industries & Commerce shall be competent to sanction cost of Rs.3.00 lakh as DPR charges to be paid to the Consultant. The cost of DPR shall be adjusted in the total eligible grant of Rs. 5.0 crores.
- v** The project implementation shall be done by a committee constituted by the SPV under the supervision of the concerned GM DIC.
- vi** Purchase Committee: The Purchase Committee shall consist of the following members.
- vii** This Purchase Committee will ensure the transparency in the process of preparation of RFP/floating of tenders and its finalization as per the GFR.

16.32.7 Disbursement of Grant-in-aid

16.32.8 For disbursement of grant-in-aid for hard interventions, the SPV shall have to raise its contribution upfront. The grant-in-aid shall be disbursed in two Instalment:

i 1st Instalment of grant-in-aid shall be released after compliance of the following formalities:

- 1** Land should be registered in the name of the Special Purpose Vehicle (SPV)
- 2** The SPV has opened the bank account dedicated for the purpose of deposit of contribution of the SPV and State Government grant.
- 3** Documentary proof of margin money contribution for working capital.
- 4** After execution of the agreement by SPV with the State Government.
- 5** 50% (1st instalment) amount of grant-in-aid shall be released only after Purchase Committee constituted for this purpose has recommended the grant-in-aid after ensuring that the transparent tendering process for construction of building and procurement of machinery has been finalized.

ii 2nd and final instalment of grant-in-aid shall be released after compliance of the following formalities:

- 1** Submission of Utilization Certificate (UC) of the 1st instalment of grant-in-aid duly verified by concerned GM of District Industries Centre.
- 2** Physical Inspection Report of the status of CFC by the concerned GM of District Industries Centre.
- 3** Recommendations of the Purchase Committee (Minutes) for release of 2nd Instalment of grant-in-aid with the details of plant & machinery finalized.

iii Pending utilization of State Government grant, the funds will be parked in a separate dedicated account created for this purpose. Interest accrued, if any, on unutilized fund shall be adjusted against future disbursement under the scheme.

iv The capping limit of grant-in-aid including soft interventions, cost of DPR etc., shall be Rs. 1.80 crores.

16.32.9 Monitoring and Evaluation

- i** The State Level Steering Committee (SLSC) will be the apex body for coordinating and overseeing the progress of the projects.
- ii** SLSC will also facilitate the SPV members for obtaining State Government approvals from the other department.
- iii** The project implementation period shall be 2 years from the date of approval by SLSC. This period can be extended by the SLSC, keeping in view the justification of the delay.
- iv** The SPV will run the Common Facility Centre (CFC) for a period of 10 years from the date of going into operation. In case of its closure and violation of the terms & conditions of the sanction letter by the SPV, the possession of the CFC shall be taken over by the State Government.
- v** The SPV shall, at its own cost, insure and keep insured all the plant, machinery, fixtures and equipment of the CFC for a minimum period of 10 years. In case of loss of damage to such plant, machinery, fixtures and equipment, etc., the insurance claim shall be payable to the State Government.
- vi** All plant, machinery, fixtures and equipment procured for the purpose of the CFC with the support of the State Government grant shall be the exclusive property of the Government.
- vii** The establishment of the CFC, including civil works, if any, shall be completed by the SPV within 18 months of the receipt of the Sanction Letter, or such extended time as the State Government may, on its satisfaction as to the reasons of delay, grant.
- viii** Books of Accounts of the expenses incurred for the purchase of fixed assets for the purpose of setting up of CFC shall be maintained by the Implementing Agency. The accounts books shall be open for inspection by the statutory auditors/auditors of the State Government.
- ix** SPV will submit a copy of audited balance sheet at the close of each financial year in the office of concerned GM, DIC before September.

16.33 Scheme for grant of Special Relief Package for Sick MSME & Large Units

16.33.1 Eligibility

- i All MSME units fulfilling the criteria of RBI laid down in the comprehensive framework for revival and rehabilitation of Micro, Small & Medium Enterprises (MSME), which provides for restructuring of loan and other financial assistance availed by MSME units from the Banks.
- ii All Large units registered / declared sick by the BIFR.
- iii Units acquiring large sick units subject to following conditions: -
 - 1 Minimum enterprise value of sick unit shall be Rs. 50 Crore
 - 2 the sick unit shall fulfil the following criteria:
 - Existed for atleast 5 years
 - And
 - {Incurred accumulated losses equal to, or exceeding its entire net worth at the end of last financial year
 - Or
 - categorized as NPA in last 8 quarters consecutively}

16.33.2 Procedure

The following state level Forum shall consider the applications on merit:

- | | | |
|------|--|----------|
| i. | Administrative Secretary Industries & Commerce | Chairman |
| ii. | Administrative Secretary, Taxation | Member |
| iii. | Administrative Secretary, Power | Member |
| iv. | Chairman, PSPCL | Member |
| v. | Administrative Secretary, Local Government | Member |
| vi. | Managing Director, PSIDC | Member |
| vii. | Managing Director, PFC | Member |

viii.	Representative of concerned Banks	Member
ix.	Regional Head, RBI	Member
x.	Director, Industries & Commerce	Member
xi.	Addl. Dir./Jt. Dir. / Dy. Dir. Industries & Commerce Secretary	Member

The Forum will meet once in a month or earlier, if required.

16.33.3 Application for Registration

- i** Financial Institutions or banks desirous of reviving a sick unit financed by them may apply on the web portal in the Form S(a) for availing of reliefs and concessions.
- ii** Any viable sick non-BIFR/SSI unit can also apply on the web portal directly by in Form S(b)
- iii** Such applications should be accompanied by a proposed Revival Scheme giving the causes of sickness, Revival measures as per guidelines of Forum and promoters contribution and also audited Balance Sheet for last five years.

16.33.4 Preliminary Scrutiny

16.33.5 A Cell in the Department of Industries & Commerce will carry out a preliminary scrutiny mainly on the following aspects:

- i** Is the applicant unit eligible for grant of reliefs under this Scheme in terms of Clause-16.33.1 herein?
- ii** Is the applicant unit actually sick as defined by RBI/BIFR.
- iii** Is the applicant unit actually sick as per clause 16.33.1(iii).
- iv** Is the application accompanied by a proposed Revival Scheme?
- v** Is the application accompanied by the unit's audited accounts for preceding three years?
- vi** Are the auditor's remarks dealt and complied with fully and satisfactorily?

- vii If the answers to the above questions are in the affirmative, the cell will register the application and give a registration number, which will be conveyed to the applicant in Form S(c).

16.33.6 Reference to Consultants

The scheme shall then be referred by the Forum to an independent consultant from a panel of consultants approved by the Forum to:

- i Indicate whether there has been mismanagement or willful siphoning off funds.
- ii Study if the unit in question is a 'viable sick unit'
- iii If yes, prepare a draft revival scheme for the unit under the broad parameters of the scheme. The package will incorporate the reliefs and concessions to be granted by the various agencies and sacrifices to be borne by each of them, which will also be quantified. The consultant will complete the study and submit its report to the Special Cell. The cost of the study will be borne by the applicant.

16.33.7 Circulation amongst the Members of Forum

The Cell would examine the draft scheme of the consultant and place before the Forum. The Forum may give 'in principle' approval of the scheme as it is, or modify if, or refer it back to the consultant for fresh appraisal, or reject it.

16.33.8 Sanctions by the Concerned Agencies

- i After the 'in principle' approval of the Forum, the case shall be placed before the Punjab Industrial and Business Development Board for consideration.
- ii After the approval of board, the scheme will be referred to the concerned agencies, for the reliefs and concessions / sacrifices as envisaged, within a period of 30 days. In case they are not in a position to grant their consent within this time period, they will advise the Forum in writing accordingly, giving cogent reasons for non-grant of the reliefs and concessions as envisaged within the given time. In case the financing bank and / or financial institution are not agreeable to sanction rehabilitation assistance to the unit, they shall have to state cogent reasons for the consideration of the Forum.

- iii Decision of Punjab Industrial and Business Development Board constituted under the policy, would be binding on all the Departments of the State Government.
- iv The unit shall apply for the benefit of Electricity Duty & Reimbursement of SGST within 3 months of issue of approval letter, as per procedure prescribed in Chapter 16 respectively.

16.33.9 Time frame for issuance of orders

The respective Departments of the State Government or its agencies participating in the revival programme of sick unit shall sanction the reliefs as decided by the Board under the provisions of the respective Act/Rules, policy or provisions. They shall issue final orders sanctioning Reliefs/concessions to the unit within 30 days of the receipt of the minutes of the meeting of the Board wherein the decision to grant relief & concessions to the concerned sick unit has been taken, failing which these shall be deemed to have been given. Similarly banks / financial institutions shall also sanction the reliefs envisaged in the scheme within 30 days of the receipt of orders of the Forum.

16.33.10 Other Conditions

- i Forum will carry out periodical reviews, apart from annual review of the performance of the unit under revival. During the period of revival, the unit shall arrange of auditing of its accounts by a firm of chartered accountants as approved by the Forum.
- ii The unit which avails of reliefs under this Scheme shall neither declare dividend nor pay interest on the deposits put up by the promoters during the currency of the revival package.
- iii The industrial unit availing of the incentives under this Scheme shall install and effectively operate and maintain pollution control measures as per standards prescribed and approved by the competent authority in this regard.
- iv The industrial unit shall have to remain in production continuously, at least, till the expiry of the revival period granted by the Board.
- v The industrial unit shall furnish details regarding production, employment or any other information, which the State Government and Forum may require from time to time.

16.34 Procedure for availing Special fiscal incentives to existing industries to switch over to Paddy Straw fuel based boilers

SNo.	Quantum of Incentive	Procedure
(a)	Reimbursement of 100% net SGST for 7 years, with a cap of 75% of total investment for installation of paddy straw fired boiler.	The unit shall apply on the web portal in accordance with the procedure mentioned in Chapter – 16.
(b)	100% exemption/reimbursement from stamp duty on purchase or lease of land and building to be exclusively used for storage of paddy straw.	The unit shall apply on the web portal in accordance with the procedure mentioned in Chapter – 8 within 3 months from the date of issuance of certificate by PPCB as per clause 16.34.1(i) or within 3 months from the date of approval of ICAF whichever is later.

16.34.1 Other Conditions

- i PPCB shall certify the completion/commissioning of Boiler after switching over to paddy straw fuel.
- ii The use of paddy straw in the boiler shall be monitored by PPCB and in case of failing to comply with the guidelines of PPCB, future disbursement of above fiscal incentive will be stopped.
- iii These incentives shall be available on first-come, first serve basis to 50 first such industries, subject to maximum cumulative reimbursement of aforesaid incentives upto Rs. 25 crores, whichever is arrived earlier. The units applying under this category will have to install paddy straw fuel-based boiler within 9 months of submission of CAF on IPBF portal.

16.35 Scheme for State Award to MSMEs

16.35.1 Quantum and categories of awards:

- i State awards of amount Rs. 1.00 Lakh each and a Certificate shall be given to Micro, Small and Medium Enterprises operating in the sectors of Agro& Food processing, Automobiles

& Auto parts, Textiles, Engineering, Pharmaceuticals, IT & Electronics, Sports, Hand tools and Leather Industry as per the following:

SNo.	Sector	Category 1: Micro & Small	Category 2: Medium	Total
1.	Agro& Food Processing	1 Award	1 Award	2 Awards
2.	Automobiles & Auto Parts	1 Award	1 Award	2 Awards
3.	Textiles	1 Award	1 Award	2 Awards
4.	Engineering	1 Award	1 Award	2 Awards
5.	Pharmaceuticals	1 Award	1 Award	2 Awards
6.	IT & Electronics	1 Award	1 Award	2 Awards
7.	Sports	1 Award	1 Award	2 Awards
8.	Hand Tools	1 Award	1 Award	2 Awards
9.	Leather Industry	1 Award	1 Award	2 Awards

ii Criteria

The criteria for evaluation for Award has been notified vide No.: PIU/IBDP-2017/Criteria/MSME Awards/3942 dated 09-10-2019.

16.35.2 Composition of District Level Scrutiny Committee

The District Level Scrutiny Committee will consist of following:

Sr.No.	Description	Status
1.	GM, District Industries Centre of the respective District	Chairman
2.	STO, Quality Marking Centre	Member
3.	Assistant Director, MSME-DI, Ludhiana	Member
4.	FM/PM DIC	Convener

It will scrutinize the applications received and would award the marks on various parameters.

16.35.3 Composition of State Level Scrutiny Committee

The State Level Scrutiny Committee will consist of following:

Sr.No.	Description	Status
1.	The Director, Industries & Commerce, Punjab	Chairman
2.	Representative of Managing Director, PSIEC, not below the rank of DGM	Member
3.	Deputy Director, BIS, Sector-34, Chandigarh	Member
4.	Deputy Director, MSME-DI, Ludhiana	Member

5.	Industrial Advisor	Member-Secretary
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16.35.4 Composition of State Award Selection Committee (SASC)

The State Level Selection Committee will consist of following:

Sr.No.	Description	Status
1.	The Administrative Secretary, Industries & Commerce Department, Punjab	Chairman
2.	Director of Industries & Commerce Punjab	Member
3.	Director, MSME-DI, Ludhiana	Member
4.	Director, National institute of Technology, Jalandhar	Member
5.	Managing Director, PSIEC, Chandigarh	Member
6.	Director, BIS, Sector-34, Chandigarh	Member
7.	Representatives of one State Level MSME Associations	Member
8.	Industrial Advisor	Member-Secretary

16.35.5 Procedure

- i The unit shall apply in the proscribed format Y on the web portal along with required documents. The State Level Scrutiny Committee after proper screening is to select eligible MSME in order of merit for the consideration of the State Award Selection Committee.
- ii The certification under ZED scheme shall be given a significant weightage in the evaluation criteria.
- iii The Awardees should not be considered for the same Award in the subsequent 5 year(s).
- iv State Award Selection Committee before approving the names for State Awards would institute such inquiries as may be necessary that the entrepreneur has been abiding by all statutory requirements in vogue, is maintaining the proper documentation and is also not involved in any economic/other offence for which enquiry/legal action is pending. The MSE status of the enterprise for the Award year be specifically verified and certified keeping in view the investment limit permissible in Plant & Machinery as also other norms in vogue and in accordance with the provisions contained in the Micro, Small and Medium Enterprises Development (MSMED) Act. 2006.
- v A Committee consisting of the GM, DIC and In-charge of the Quality marking centre in the respective district shall visit the MSE to verify the information furnished in the application

form including details of technology, performance, quality, MSE status, growth rate/trend etc. and prepare a report for consideration of SASC.

- vi** SASC will select the awardees on the basis of merit and its decision will be final.

17.1. General Provision

The State would issue separate notifications in line with the provisions of the policy regarding various non-fiscal incentives. The notification would inter-alia lay down in detail, eligibility criteria, terms and conditions, amongst other relevant modalities for availing the incentives. In case of any conflict or contradiction in the provisions contained in the policy and notification issued in this regard, the provisions of notification shall prevail for all intent and purposes.

17.2. Department of Housing and Urban Development

17.2.1. Exemption from the Provisions of PAPRA

All Industrial Parks including Textile, Food, IT, Electronics etc. approved by the State or Central Government exempted under the IBDP 2017 shall continue to be exempted from the provisions of Punjab Apartment and Property Regulation Act (PAPRA) 1995, in accordance with the powers vested with the State Government under Section 44 of the Act subject to condition the conditions that Section 5(11) and Section 32 shall remain applicable.

17.2.2. Logistic Park in sector 102 SAS Nagar

Proposed Transport Nagar in SAS Nagar shall be developed as state of the Art Logistic Park.

17.2.3. Relaxation in Building Bye Laws will be provided as under: -

S.No.	Parameters	Vertical Industry (Garments, Sports, Footwear & I.T. Industry)	Horizontal Industry (Other Industry)
1.	Ground Coverage	65 %	75 %
2.	Floor Area Ratio (F.A.R.)	1:3.00	1:2.50
3.	Height	21 meters	16 meters
4.	Equivalent Car Space (ECS)	1 ECS per 100 sq. meters for I.T. Industry and 1 ECS per 200 sq. meters for Garment, Sports & Footwear industry.	1 ECS per 200 sq. meters

17.2.4 IT/ITES/Knowledge Parks

17.2.4.1 Minimum area required for plotted Park will be 5 Acres for the Parks being setup within Municipal limits and 10 Acres outside Municipal limits subject to provisions of the relevant Master

Plan. The Park will be allowed maximum of 10% commercial, 20% residential component and remaining 70% for IT/ITES/Knowledge Industry.

17.2.4.2 In case of built-up Park, the minimum area required will be 1.5 Acre and minimum investment required in case of such Parks should be Rs 10 Crores. The built up park will be allowed maximum 30% mixed use area and minimum 70% area for IT/ITES/Knowledge units.

17.2.5 Tourism Sector

17.2.5.1 Heritage hotels situated on narrow roads in urban areas which arrange for a dedicated alternative parking on a 40/60 feet wide road and provide for the park and ride system from hotel to parking place, shall be permitted to operate. Similarly, heritage hotels situated on narrow roads in Rural and Panchayat/Rural Areas will be permitted to operate. The same shall be applicable for existing heritage buildings proposed to be used as Heritage hotels

17.2.5.2 The State will declare Old City area in prominent cities like Amritsar, Ludhiana, Jalandhar, Patiala etc. where area is not available for parking vehicles. Hotel constructions which are of 20 years or above shall be exempted from parking places. The State will provide dedicated alternative parking and park and ride system from hotel to parking place and a congestion charge can be levied on all such hotels.

17.2.6 Retail Service Industry

The State will review norms for infrastructure development for Retail and work towards providing following:

17.2.6.1 The retail projects will be allowed FAR of 1:3 in the state.

17.2.6.2 The retail projects will be allowed higher ground coverage up to 70%.

17.2.6.3 The retail project will be allowed to set up the Recreation Ground (RG) area for the customers.

17.2.6.4 The retail project will be allowed larger number of car parks in retail development without FAR implications.

17.2.6.5 The restriction on building heights will be relaxed subject to air safety norms.

17.2.7 Shifting of Industries from residential areas or other non-conforming zones

A large number of industrial units are currently operating in the areas earmarked for residential usage or other non-conforming zones as per approved Master Plan and they were required to shift their units within stipulated time limit from such areas. The State will encourage these units to move to the approved industrial zones/industrial estates by providing following:

17.2.7.1 The existing site will be allowed for permissible usage as per master plan without any CLU charges

17.2.7.2 Shifting of electricity connection without any additional charges.

17.2.7.3 Shifting of municipal services without any additional charges.

17.2.7.4 No CLU, EDC or License Fee on the new industrial site

After shifting to new location, type of such industry may change

17.2.8 Infrastructure in Industrial zone under the Master Plans

17.2.9 50% of the EDC Collection from Industry set up in Industrial Zone shall be utilized for development of Infrastructure like Roads, Power lines/Transformers, water, sewerage etc. A Committee under the chairman ship of PSIC shall monitor the Utilisation of EDC in these Industrial zones.

17.3 Department of Labour

17.3.1 The State will allow women employees to work in night shifts subject to the employer providing the necessary security and other requisite arrangements for its women employees.

17.3.2 The State would allow permission to the companies to have 24*7 operations to run in three shifts, subject to approved precautionary measures taken to ensure the safety of employees, particularly women.

17.3.3 In order to promote the retail industry in Punjab, and generate employment opportunities for local youth, the State will provide following relaxation:

17.3.3.1 Retail enterprises shall be allowed to stay open 365 days a year provided employees are given compulsory weekly offs without any deduction of benefits

17.3.3.2 Retail enterprises and warehouses shall be allowed to stay open 24*7 in 3 shifts

17.3.3.3 Women employees shall be allowed to work in night shifts till 11 pm provided the employer provides necessary security and arranges to ensure women employees reach home safe.

17.4 Department of Science and Technology/Punjab Pollution Control Board

17.4.1 Punjab Pollution Control Board will give exemption from Grant of Consent to Establish/Consent to Operate for Green Category Industries.

17.5 Department of Transport

The State would grant exemption from motor vehicle tax on buses plied by the Industry for its employees.

17.6 Department of Food and Civil Supplies

In order to promote retail service industry in the State, the following will be provided:

17.6.1 Food and Grocery business retail (only perishable goods) operating in Punjab shall be included under "Essential Services".

17.6.2 Stocking limits for essential commodities under Essential Commodities Act will be reviewed for retail enterprises.

17.7 Department of Industries & Commerce/Punjab Small Industries & Export Corporation

17.7.1 The services given by PSIEC to the allottees shall be made online with notified timelines for each service including verification of Commercial Production through GM, DIC.

17.7.2 The powers shall be delegated to GM, DICs for estate related work wherever feasible.

Chapter 18: Stakeholder Engagement and Policy Implementation Unit

18.1. Stakeholder Engagement

18.1.1. Industrial growth and development requires engagement with a very diverse set of stakeholders. The Stakeholder engagement will be a key essential for the success of the Policy. Following are the key Stakeholders in the implementation of the Policy:

- (i) Various State Government Departments
- (ii) Various Central Government Departments
- (iii) Key Industry leaders from the State and outside
- (iv) Industry Associations at National, State and District level
- (v) Private Sector Players in Infrastructure, Skills, Research, Technology etc.
- (vi) Reputed Government or other Institutions in any area of Industrial Development
- (vii) Academic Institutions
- (viii) Development Agencies
- (ix) Civil Society

18.1.2. The State will involve various stakeholders in the roll out and implementation of the policy in the following manner:

- (i) Updating all the stakeholders about the policy provisions, operational guidelines and amendments from time to time
- (ii) Updating all the stakeholders about the progress on implementation
- (iii) Involve key stakeholders in the apex review and monitoring mechanism
- (iv) Involve key stakeholders at the district in the district level review and monitoring mechanism
- (v) Specific Partnerships on various initiatives and events
- (vi) Specific Partnerships on projects

18.1.3 The State will prepare a detailed Stakeholder engagement plan identifying the key stakeholders and their involvement in achieving the objectives of the policy.

18.2 Strategic Plan and Performance Indicators

The State has prepared a strategic plan and performance indicators in line with the vision, mission and goals of the Policy. The Plan and performance indicators will be finalized within three months of notification of the policy and will be duly notified. The plan will create a baseline for measurement of performance for the implementation of the Policy.

18.3 Policy Implementation Unit

The State realizes the importance of effective implementation of this policy, and therefore, has setup a Policy Implementation Unit (PIU) vide Notification no. 1503 dated 13.11.2017 cutting across all the strategic pillars and sector specific activities. The key activities of PIU shall be:

- xxiv. To create awareness about the policy amongst the stakeholders
- xxv. To prepare a detailed policy implementation plan with clearly defined timelines and responsibilities for each of the strategic pillar:
 - a. Infrastructure
 - b. Power
 - c. MSME
 - d. Startup and Entrepreneurship
 - e. Skill Development
 - f. Ease of Doing Business
 - g. Fiscal and Non-Fiscal Incentives
 - h. Stakeholder Engagement
- xxvi. To prepare a detailed policy implementation plan with clearly defined timelines and responsibilities for sector specific strategies for various manufacturing and service industry sectors.
- xxvii. To prepare a detailed policy implementation plan with clearly defined timelines and responsibilities for availing assistance under various Central Government schemes for infrastructure as well unit level assistance from various Ministries such as MSME, DIPP, MEITY, MoFPI etc.
- xxviii. To assist the State in restructuring institutional support for the implementation of the policy and build capacity of the institutions for investment promotion and industrial development.
- xxix. To prepare concept note, pre-feasibility and other relevant reports for implementation of the policy.

- xxx. To assist the State in selection of various project specific agencies for implementation, wherever required.
- xxxi. To assist in weekly, monthly, quarterly and yearly review of the implementation of the policy as per the governance mechanism
- xxxii. Develop a comprehensive dashboard to track policy implementation
- xxxiii. To assist in review of various policy areas in view of the best practices at national and international level.
- xxxiv. To carry out impact analysis of the Policy on economic growth, job creation and other important economic indicators in order to maximise results of public investments of Govt. of Punjab for industrial and business development in the State and make forecasts for resources required.

18.3.2 The PIU will be established under the aegis of the Department of Industries and Commerce and will be located in Udyog Bhawan. PIU will be supported by Knowledge Partners, Experts and Professional Consultants as may be required for smooth implementation of the Policy.

18.4 Governance Mechanism for Implementation of the Policy

18.4.1 Punjab Industrial and Business Development Board

- i The State has constituted vide notification no. 1483 dated 13.11.2017, the Punjab Industrial and Business Development Board under the Chairmanship of Chief Minister and comprising of other Ministers, Chief Secretary and Administrative Secretaries of relevant departments under IBDP 2017 and same shall continue for this Policy too.
- ii The Board has been empowered to take all the necessary decisions for the smooth implementation of the policy including but not limited
 - a To interpret and relax any provision of the Policy
 - b To frame, amend, relax, interpret any guidelines or schemes under the Policy
 - c To review the progress of initiatives under various strategic pillars of the Policy namely Infrastructure, Power, MSME, Startup, Skill Development, Ease of Doing Business, Fiscal and non-Fiscal incentives by different departments and agencies and give suitable directions towards achieving the vision, mission, goals and objectives envisaged in the policy.
 - d To review various measures for enhancing ease of doing business in the State and particularly ensure setting up of Business First portal for providing online services to the businesses in the State and issue necessary directions to the departments and agencies.

- e To review the performance of departments and agencies in availing and utilising grants from Central Government under various schemes and programs and resolve difficulties, if any.
 - f Approval and sanction, on behalf of the Government, of any fiscal incentives or other benefits to an investment proposal or project, falling outside the policies of the Government of Punjab by way of amendment of, addition to, exception to such policy; including relaxation of rules and regulations and provisions of legal, institutional and financial dispensation, as may be the case.
 - g No formal examination of proposals put up to the Board will be necessary either in the Administrative Department or in the Finance Department and decisions of the Board would be conveyed to the concerned department.
 - h All decisions taken by the Board shall be considered directives of the government.
 - i Without prejudice to the above, to generally take up any other issue related with industrial development and economic growth of the State and issue necessary guidelines and directions.
- iii The Board will further have a committee on “Revival of Industry and Fiscal Incentives” under the Chairman of the Board and comprising of such other members as may be notified in this regard to consider and approve proposals for revival of industry and fiscal incentives as may be required to be approved by the Board.

18.4.2 Executive Committee

- i The State has constituted vide notification no. 1498 dated 13.11.2017, an Executive Committee under the Chairmanship of Chief Secretary and comprising of relevant Administrative Secretaries under IBDP 2017 and same shall continue for this Policy too.
- ii The Executive Committee discharge the following functions:
 - a To review the progress of implementation of the policy and follow up on the decisions taken by the Board
 - b To review and resolve the inter-departmental issues
 - c To review the progress of various initiatives for Ease of Doing Business
 - d To review the progress of issues pending with Central Government and utilization of funds under various schemes of Central Government and resolving issues if any.
 - e To discharge any other function or power, which may be assigned by the Board

18.4.3 Sectoral Committees

- i Sectoral Committees under Administrative Secretary, Industries & Commerce and comprising of concerned HODs/Heads of relevant implementing/Executing agencies have been notified vide no. 1493 dated 13.11.2017 under IBDP-2017 and same shall continue for this policy.
- ii The Sectoral Committees will review and follow up on the decisions of Implementation Council and Steering Committee and resolve operational problems in the implementation of the Policy:
 - a Infrastructure & Power
 - b MSMEs, Startup & Skills
 - c Ease of Doing Business, Fiscal and non-Fiscal incentives
 - d Sectoral roadmaps for manufacturing and service sector

18.4.4 The PIU will support these committees in proper review, issue resolution and expeditious implementation of the policy.

The Net GST formula in accordance with Clause No. 12.26

a) Definition:

Net SGST to be considered for Reimbursement means that the eligible unit will be entitled to get reimbursement of SGST amount paid through cash ledger against the output liability of SGST on sale of eligible products. The eligible unit shall first have to utilize all the eligible ITC available in its Credit Ledger maintained on the common portal, including eligible ITC of IGST as provided under Section 49 of the Punjab Goods & Services Tax Act, 2017 as may be amended from time to time, before adjusting the SGST amount through Cash Ledger.

b) Terms and Conditions:

- (i) Separate registration by eligible unit under GST: Eligible unit shall have to obtain a separate registration under GST Act for manufacturing of eligible products only. The eligible unit shall not carry out any trading activity or any services not relating to eligible products from its place of business. The eligible unit shall have to obtain a separate registration, if the unit carries out trading activity or any services not relating to eligible products.
- (ii) Incentives shall be allowed only for eligible goods manufactured in the eligible unit and not on the resale of goods.
- (iii) (a) The Net SGST reimbursement shall be available to the eligible unit only on the eligible goods sold for consumption in Punjab only;

(b) While claiming the incentives, the eligible unit shall give an undertaking that, to the best of its knowledge & record, the goods on which incentives have been claimed, were finally sold in the State of Punjab only;

(c) The eligible unit shall distinguish between the goods for sale in Punjab and goods for sale outside Punjab;

(d) The eligible unit shall make a mechanism to gather market intelligence from time-to-time to get alert about possible diversion of eligible goods for inter-state consumption and take steps commensurate with such diversion in consultation with the State Government;

(e) The eligible unit shall act with sufficient alacrity if the State Government provides any evidence of material diversion of any incentivized goods for inter-State consumption;

(f) The eligible unit shall take such other steps as are consistent for the purpose of enforcing the spirit of the provision that the eligible goods are not diverted in any material quantity outside the State;

(g) The eligible unit shall devise appropriate mechanism so that its distributors or buyers of eligible goods are sufficiently deterred from indulging in any unscrupulous practice for the diversion of intra-state supplies for inter-state supplies;

(h) The eligible unit shall also undertake that, If subsequently, it comes to the knowledge of the eligible unit or of the department that the goods on which incentives have been claimed were sold in violation of sub clauses (a) & (b) of the clause (iii), the corresponding amount of incentives along with simple interest @18% from the date of disbursement upto the date of payment shall be refunded to the State-exchequer by the unit. This shall be in addition to any

other action taken/liable to be taken by any other competent authority under any law in force;

- (iv) If the industrial undertaking is already manufacturing the same product in one or more existing industrial units in Punjab owned by it or by its subsidiary, then the total statewide turnover from all such units including the new unit(s) of the same product for five consecutive years commencing from the year in which the industrial undertaking avails incentive under this notification shall not be lower than the statewide average turnover of the same product in the immediately preceding three financial years from the year in which the industrial undertaking avails incentive under this notification. If the total turnover in any of the five consecutive years is lower than the average turnover of the immediately preceding three years from the year in which the industrial undertaking avails incentive under this notification, the incentive under the Head of Net SGST reimbursement shall be revoked for that financial year.
- (v) The competent person authorized by Administrative Secretary, Department of Excise & Taxation shall certify Net SGST deposited by the eligible unit during the financial year for which claim has been filed, in prescribed format SGST-1 under this policy.
- (vi) The eligible unit shall also submit the details of amount of reimbursement claimed in the prescribed preforms duly certified by a Chartered Accountant. The Performa shall include a declaration by the eligible unit stating that it has not shown its inter-state sales as intra-state sales through any intermediary controlled by it in order to get higher incentives.
- (vii) All other conditions as mentioned in this policy shall be applicable.

