

Fiscal Incentives under Invest Punjab

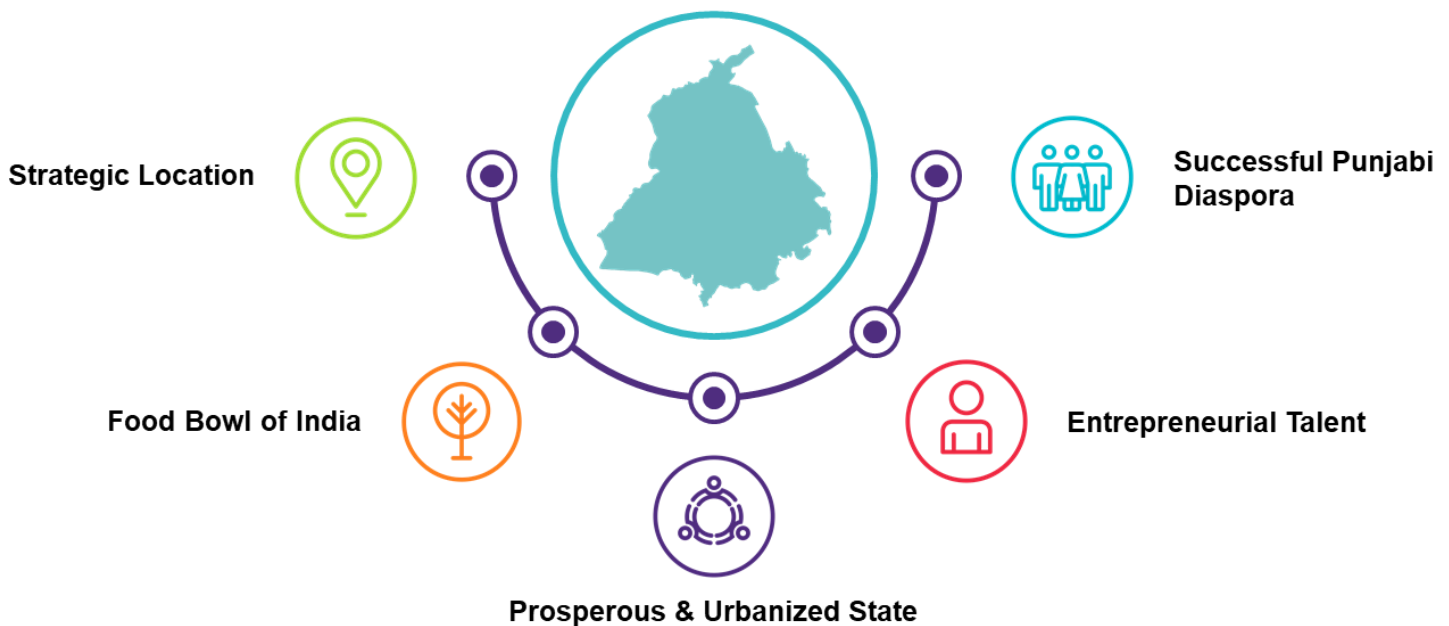
Punjab Industrial and Business Development Policy 2023

#GTBharat
SHAPING A VIBRANT INDIA



Introduction

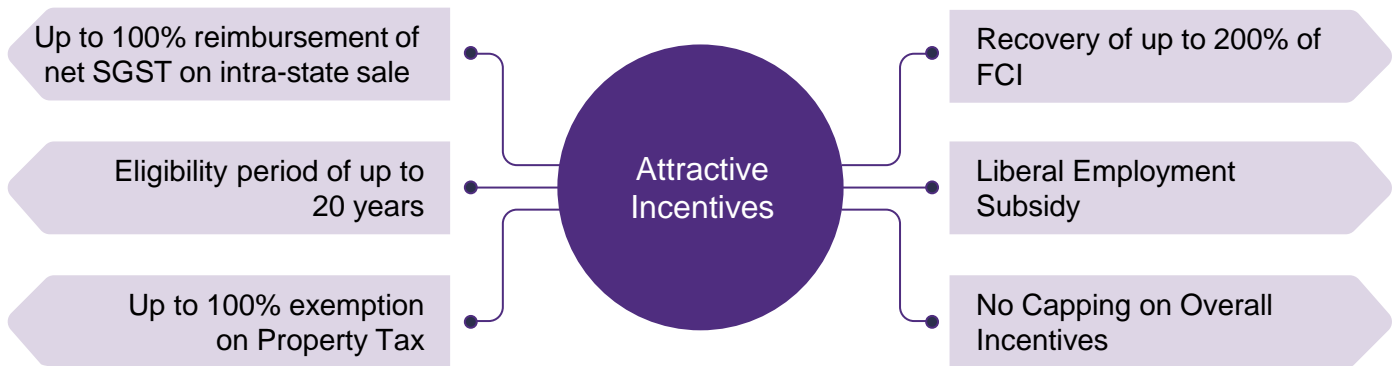
The State of Punjab is known for the enterprising spirit of its people which brought about the 'green revolution' and made Punjab a hub of small and medium enterprise. The State is now on a threshold of transition to a new culture of innovation and technology driven enterprise. Top-notch infrastructure, excellent connectivity, premium educational institutes and conductive government policy add to the strength of the State.



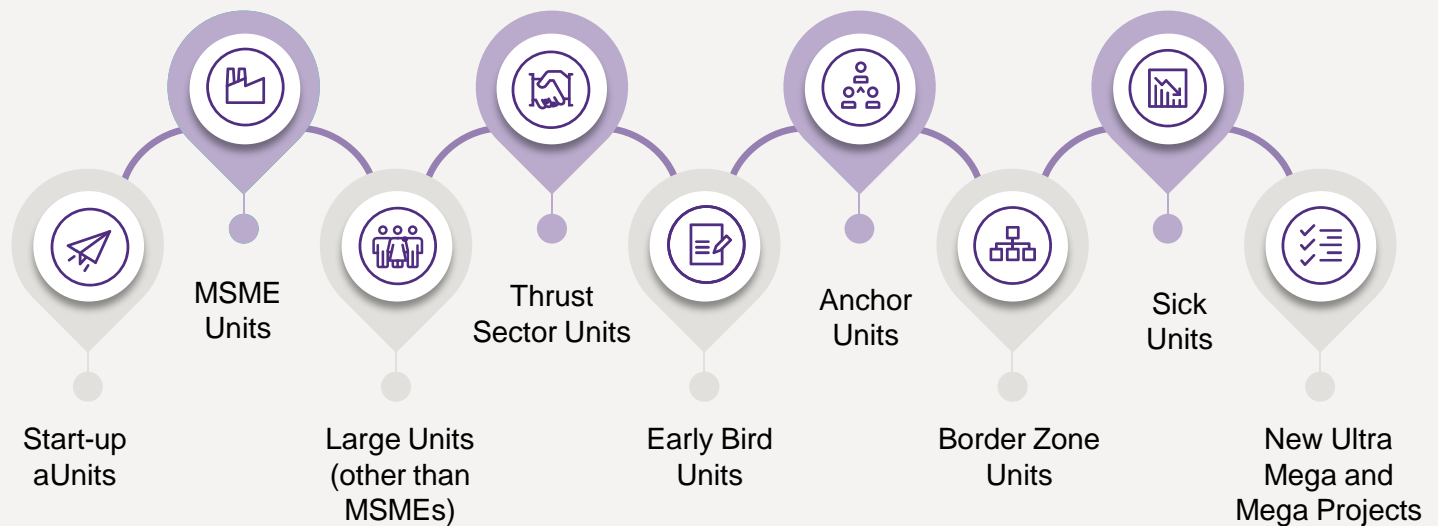
Punjab Provides:

- Subsidised Power
- Peaceful labour relations
- One Stop Clearance System
- Attractive Incentives
- Robust Infrastructure
- Skilled Human Capital

Introduction



Coverage



*A detailed list of fiscal incentives has been provided in Annexure-A of this flyer

Punjab leads in the following areas and provides businesses unlimited potential to setup Punjab as their base:

Cycle & Cycle Component Manufacturing

Tractor & Agriculture Machinery

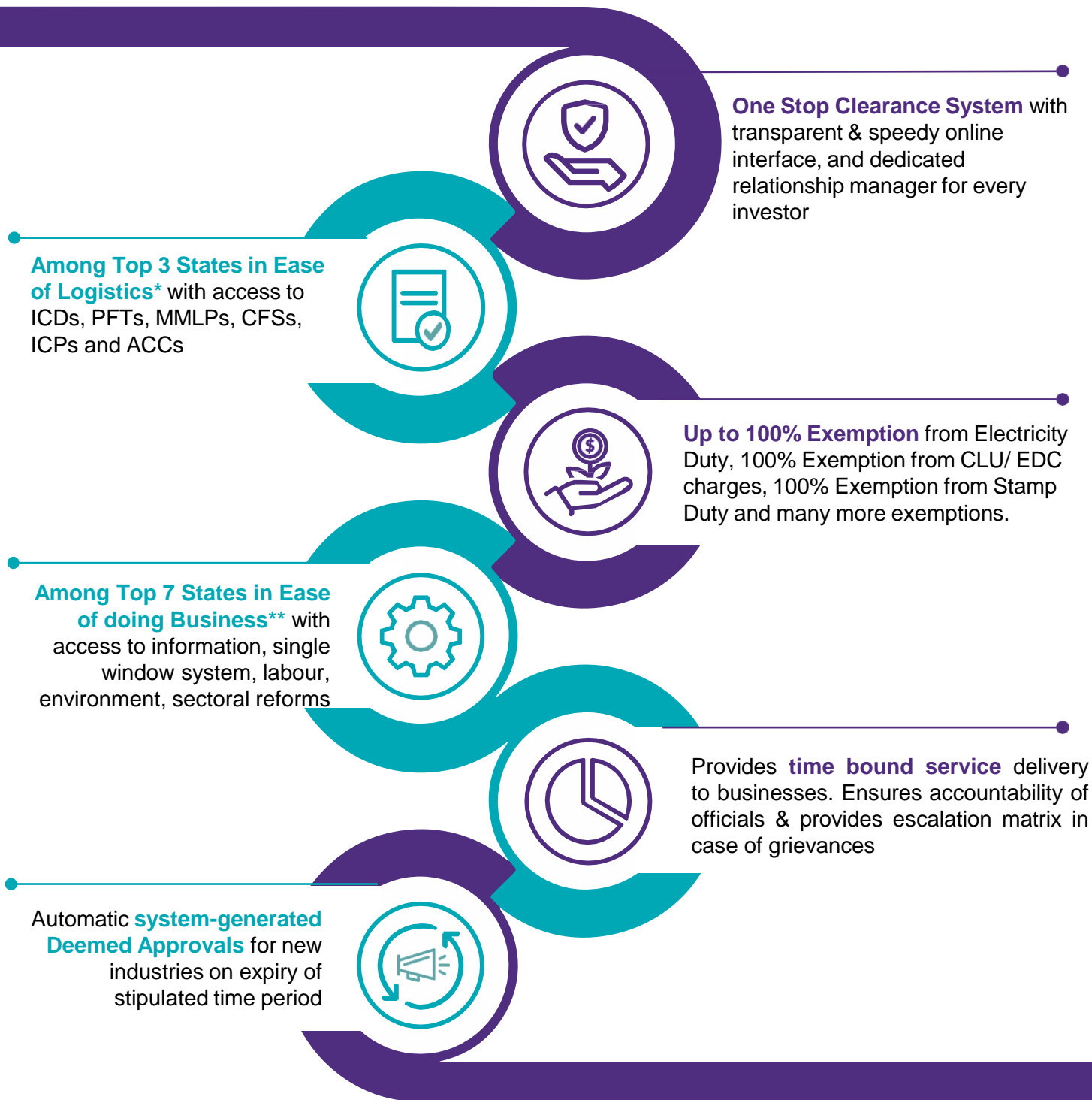
Cotton & Blended Yarn

Hand Tools Manufacturing

Production of Rice Including Basmati Rice

Per Capital Milk Consumption

Key highlights



*Logistics Ease Across Different States (LEADS) Report 2021

**Business Reforms Action Plan (BRAP) 2020 report

Abbreviations

ICD	Inland Container Depot
PFT	Private Freight Terminal
MMLP	Multi Modal Logistics Parks
CFS	Container Freight Station

How can we help?



Evaluate eligibility

Evaluation of criteria based on:

- Minimum investment
- Product manufactured/ services rendered
- Area in which the unit is set up



Prepare application

Review and collate requisite documents/information to prepare application



File application

Assist in filing application before the appropriate authority



Reply to queries raised by the government/nodal agency

- Preparation of additional replies and queries
- Representation before the government/nodal agency



Follow-up with government authorities and nodal agency

- Follow-up post filing of application
- Conduct meetings



Periodic review

- Assist in review of eligibility conditions under the scheme after filing the application



Fund disbursement

Assist in obtaining the claim on the best effort basis



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Krishan Arora

Partner, Tax
E: krishan.arora@in.gt.com
M: +91 98183 41530



Praveen Kashyap

Executive Director, Tax
E: praveen.kashyap@in.gt.com
M: +91 99888 80343



Upasana Gupta

Manager, Tax
E: upasana.gupta@in.gt.com
M: +91 99159 87300

Annexure-A: Eligibility criteria and Fiscal Incentives available

Type of enterprise	Definition	Fiscal Incentives available
Start-up Units	<p>As defined by DIPP, GoI, Startup is an entity incorporated or registered in India:</p> <ul style="list-style-type: none"> As a Private Limited Company or Partnership Firm or Limited Liability Partnership Not prior to 10 years With annual turnover not exceeding INR 100 crore in any preceding financial year, 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. <p>Such entity is should not be formed by splitting up, or reconstruction, of a business already in existence.</p> <p>Startup must be incubated or have operation in the state of Punjab.</p>	<p>Startups</p> <ul style="list-style-type: none"> Interest subsidy of 8% p.a. on loans up to INR 5 lakh p.a. for 5 years Reimbursement of 25% of lease rental up to Rs 3 lakh p.a. for 1 year Seed grant up to Rs 3 Lakh per start up routed through Nodal Agency Facilitation of Venture Capital to Punjab based startups by connecting them to Punjab Innovation Fund to be set up with dedicated fund of Rs 150 Cr 100% reimbursement from Stamp Duty on registration of MoA/AoA to Start-ups registered with Startup Punjab All the incentives of MSMEs <p>Incubators</p> <ul style="list-style-type: none"> Capital grant of 100% of FCI up to Rs 1 Cr for government incubator & 50% of FCI up to Rs 50 lakh for private incubator Operational Subsidy assistance and Mentoring Assistance support each up to INR 3 lakh per year for a period of 5 years Rs 5 lakh per start up competition fest to eminent educational institutes.
MSME Units	<p>All manufacturing and service industry units as defined by Ministry of MSME, Government of India from time to time.</p> <p>Micro units- Investment in Plant and Machinery or Equipment not more than INR 1 Cr and Annual Turnover not more than INR 5 Cr.</p> <p>Small units- Investment in Plant and Machinery or Equipment not more than INR 10 Cr and Annual Turnover not more than INR 50 Cr.</p> <p>Medium units- Investment in Plant and Machinery or Equipment not more than INR 50 Cr and Annual Turnover not more than INR 250 Cr.</p>	<ul style="list-style-type: none"> Reimbursement of 100% of net SGST for 7 years from the date of commercial production with a cap of 100% of FCI. 5% p.a. Interest Subsidy in Border Districts and Kandi Area and SC/Women Entrepreneurs up to 5 Lakh/ year for 5 years 5% p.a. Interest Subsidy to units eligible under CLSS scheme up to 5 Lakh/year for 5 years 100% exemption in Electricity Duty for 7 years up to 100% of FCI 100% exemption/ reimbursement from Stamp Duty Reimbursement of 50% of expenses up to Rs 5 lakh under ZED scheme of GOI Assistance for Finance, Technology, Infrastructure, Marketing & Exports

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Type of enterprise	Definition	Fiscal Incentives available
Large Units	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.	<ul style="list-style-type: none"> • 75% of net SGST Incentive for 7 years up to 100% of FCI • 100% Exemption from ED for 10 years up to 100% of FCI • 100% Exemption / reimbursement from Stamp Duty • 50% Exemption from Property Tax for 7 years
Thrust Sector Units	All units falling under the thrust sectors identified in the policy keeping in view the potential for their future growth and employment generation.	<ul style="list-style-type: none"> • 100% of net SGST incentive for 10 years up to 125% FCI • 100% Exemption from ED for 10 years • 100% exemption/ reimbursement from Stamp Duty • 100% exemption from CLU/ EDC • 100% exemption from Property Tax for 10 years • Other Incentives provided to MSMEs <p>Special Sectoral Incentives for Thrust Sector Units-</p> <p>Agri & Food Processing- 100% exemption of all taxes & fees paid for purchase of raw material up to 10 years</p> <p>Textile- 5% interest subsidy for MSMEs for 5 years up to Rs. 10 lakh p.a.</p> <p>Electronics- 50% top up of Capex support provided by MEITY, GOI to first 10 ESDM units up to Rs. 10 Cr. Per unit</p> <p>IT & ITES- 50% of FCI subject to ceiling of Rs. 2.5 Cr. per unit</p>

Annexure-A: Eligibility criteria and Fiscal Incentives available

Type of enterprise	Definition	Fiscal Incentives available
Anchor Units	<p>IT, ITes, Apparel & Made ups, Electronics, Food Processing, Footwear & Accessories and IT & ITES with minimum FCI INR 75 Cr or minimum Direct Employment generation of 500.</p> <p>Any other Manufacturing Sector or Service Sector (<i>as defined for large industries</i>) with minimum FCI INR 250 Cr or minimum Direct Employment generation of 1000.</p> <p>All the manufacturing units except the units in negative list with Funding by NRI/Person of Indian Origin/Foreign Investors as per RBI guidelines, having minimum NRI/Foreign investment of 49% in the Total FCI subject to FDI norms, minimum FCI of INR 100 Cr or minimum Direct Employment generation of 500</p>	<ul style="list-style-type: none"> • 100% Reimbursement of net SGST Incentive for 15 years up to 200% of FCI • 100% Exemption/ reimbursement from CLU/EDC charges • Employment Generation subsidy @ Rs. 36,000/ employee/ year for men and Rs. 48,000/ employee/ year for women and SC/BC/OBC up to 5 years • 100% Exemption from ED for 15 years • 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. • 100% exemption/ reimbursement from Stamp Duty on purchase or lease of land and building
Border Zone Units	All units falling under the Border Zone, which is the area 30 kms of international boundary, as certified by concerned Revenue Authority	<ul style="list-style-type: none"> • 100% exemption from CLU, EDC charges • 75% exemption on all state taxes & duties for the First unit • First unit will also be entitled to 40% additional FCI in the maximum limit prescribed for reimbursement of Net SGST Incentive

Annexure-A: Eligibility criteria and Fiscal Incentives available

Type of enterprise	Definition	Fiscal Incentives available
Sick Units	<ul style="list-style-type: none"> MSME units fulfilling RBI criteria laid down in the comprehensive framework for revival & rehabilitation of MSMEs (Accounts remain NPA for 3 months or more or erosion in net worth to the extent of 50%) Large units registered / declared sick by the BIFR. Units acquiring large sick units <ul style="list-style-type: none"> Minimum enterprise value of sick unit shall be Rs. 50 Crore 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} 	<p><u>MSME Units-</u></p> <ul style="list-style-type: none"> Deferment of recovery of Electricity Duty, Power Bills, House Tax and Water Charges for 5 years Exemption from fixed charges for electric connection Exemption from electricity duty for 2 years <p><u>Large Units-</u></p> <ul style="list-style-type: none"> Reimbursement up to 75% of Net VAT/SGST Incentive for a period of 5 years Deferment of recovery of various arrears for a period of 5 years Exemption from fixed charges for electric connection Exemption from electricity duty for 3 years <p><u>Acquisition of Sick Units & Revival Thereof-</u></p> <ul style="list-style-type: none"> Exemption from ED and reimbursement of incentive account of Net SGST Incentive for 7 years
New Ultra Mega and Mega Projects	<ul style="list-style-type: none"> New industrial unit with minimum FCI between INR 1500 to 2500 Cr. and Minimum Contract Demand of 20 MVA shall be considered as Mega Projects New industrial unit with minimum FCI above 2500 Cr. and Minimum Contract Demand of 30 MVA shall be considered as Ultra Mega Projects 	<ul style="list-style-type: none"> All the benefits of Anchor units shall be available to the new Mega /Ultra Mega project unit. Net SGST reimbursement of up to 100% for 17 years with a cap of 200% of FCI for Mega Projects Net SGST reimbursement of 100% for 20 years from the date of commercial Production with a cap of 200% of FCI for Ultra Mega Projects

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