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ਪੰਜਾਬ ਪ੍ਰਦੂਸ਼ਣ ਕੰਟਰੋਲ ਬੋਰਡ
PUNJAB POLLUTION CONTROL BOARD

No. SEE(HQ-2)/F.no.63/2026/.....7249

THRU E-MAIL

Dated.13/4/26

To

The Environmental Engineer,
Punjab Pollution Control Board,
Regional Office, Patiala/Ludhiana- 1/2/3/4/Batala/
Sangrur/Jalandhar-1/2/Amritsar/Hoshiarpur/
SAS-Nagar/ Roopnagar/ Bathinda/Fatehgarh Sahib/
Moga/ Faridkot/ Mukatsar Sahib/ Tarn-Taran Sahib.

Subject: Notifications regarding Punjab Industrial & Business Development Policy-2026, Sectoral Policies and Detailed Schemes & Operational Guidelines 2026.


Please find enclosed herewith the notifications issued by Department of Industries & Commerce, Govt. of Punjab for information and necessary action:

1. Industrial and Business Development Policy 2026 notified vide no. PIU/Industrial & Business Development Policy- 2026/898 dated 08.03.2026.
2. Sectoral Policies notified vide no. PIU/IBDP-2026/Sectoral Policies/907 dated 08.03.2026.
3. Detailed Schemes & Operational guidelines 2026 notified vide no. PIU/IBDP-2026/DSOG-2026/916 dated 08.03.2026.
4. Notification no. Inc/APRs/IBDP-2017/1030 dated 27.03.2026 regarding relaxing the timelines for filing Annual Production Reports required under clause 6.4(viii) of Chapter - 6 of Detailed Schemes & Operational Guidelines, 2018 under Industrial & Business Development Policy, 2017.

DA/ as above

Endst. No. SEE(HQ-2)/2026/.....7250

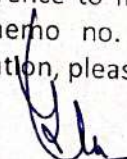
A copy of the above is forwarded to the Secretary to Government of Punjab, Department of Science, Technology & Environment, Chandigarh with reference to memo no. STE-STE010/117/2026-STE1/1347414/1-7 dated 18.03.2026 and memo no. STE-STE010/204/2026-STE BRANCH/ 1360331/1-7 dated 06.04.2026 for information, please.


Member Secretary
Dated....13/4/26

Endst. No. SEE(HQ-2)/2026/.....7251-54

A copy of above is forwarded to the following for information and necessary action:

1. The Chief Environmental Engineer, Punjab Pollution Control Board, Patiala/ Ludhiana/ Jalandhar/ Bathinda/ HQ/ PBIP.
2. The Senior Environmental Engineer, Punjab Pollution Control Board, HQ-I/II/III, Zonal Office, Patiala-I/II, Ludhiana-I/II, Jalandhar, Amritsar and Bathinda.


Member Secretary
Dated....13/4/26

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3. The Senior Law Officer/ Administrative Officer/ Deputy Controller (F&A), Punjab Pollution Control Board, Head Office, Patiala.
 4. The Environmental Engineer (Computer), Punjab Pollution Control Board, Patiala for uploading on website of the Board.
- DA/ as above


% Member Secretary

Government of Punjab
Department of Industries & Commerce
(Policy Implementation Unit)

Notification

No. Inc/APRs/IBDP-2017/ 1030

Dated: 27-03-2026

The Governor of Punjab is pleased to relax the timelines for filing Annual Production Reports (APRs) required under Clause 6.4 (viii) of Chapter 6 of Detailed Schemes & Operational Guidelines, 2018 (Notification No. PIU/IBDP-2017/2018/4010, dated 07.08.2018) for availing Fiscal Incentives under the Industrial & Business Development Policy, 2017. Units are hereby allowed to file any pending APRs on or before 16.08.2026. This relaxation shall extend to all APRs till F.Y. 2024-25, All such APRs shall be submitted only through the Fast Track Punjab Portal in online mode and no offline submissions shall be entertained.

No further extension shall be granted in this regard.

Dated: 25/03/2026

Gurkirat Kirpal Singh, IAS
Administrative Secretary to Govt. of Punjab,
Department of Industries & Commerce.

Endst No. Inc/APRs/IBDP-2017/ 1031- 1036

Dated: 27-03-2026

A copy of the above is forwarded to following for information please: -

1. All the Special Chief Secretaries, Additional Chief Secretaries, Principal Secretaries, Financial Commissioners and Administrative Secretaries in the State of Punjab.
2. Chief Executive Officer, Punjab Bureau of Investment Promotion, Punjab.
3. Director Industries & Commerce Punjab.
4. All Deputy Commissioners in the State of Punjab.
5. All General Managers, District Industries Centre in the State of Punjab, with a request to ensure dissemination of information in this regard.
6. NIC, Punjab for updating the aforesaid amendment on the Fast Track Punjab Portal.


Under Secretary

Department of Industries & Commerce, Punjab

Endst No. Inc/APRs/IBDP-2017/ 1037

Dated: 27-03-2026

A copy of the above is forwarded to Nodal Officer (e-Gazette-Printing and Stationery) O/o Department of Industries and Commerce Punjab for uploading the same on the website of Printing and Stationery Department Punjab for publishing the same in the extra-ordinary gazette. After publishing the same, 100 copies may please be sent to this Department.


Under Secretary

Department of Industries & Commerce, Punjab

GOVERNMENT OF PUNJAB
DEPARTMENT OF INDUSTRIES & COMMERCE
NOTIFICATION

The 8th March, 2026

No. PIU/IBDP-2026/DSOG-2026/916 In pursuance of the approval of the Council of Ministers, Government of Punjab granted in its meeting held on 07/03/2026, the Governor of Punjab is pleased to notify 'Detailed Schemes & Operational Guidelines, 2026', as per Annexure -A.

Dated: 8-3-2026
Place: Chandigarh

Gurkirat Kirpal Singh, IAS
Administrative Secretary to Government of Punjab
Department of Industries & Commerce

Endst. No. PIU/IBDP-2026/DSOG-2026/917-918

Dated: 08/03/2026

A copy of the above is forwarded to the following for information please.

- (i) The Chief Secretary, Punjab
- (ii) The Principal Secretary to Chief Minister, Punjab


Under Secretary

Department of Industries and Commerce

Endst. No. PIU/IBDP-2026/DSOG-2026/919-923

Dated: 08/03/2026

A copy of the above is forwarded to the following for information please.

- (i) All the Special Chief Secretaries, Additional Chief Secretaries, Principal Secretaries, Financial Commissioners and Administrative Secretaries in the State of Punjab.
- (ii) Chief Executive Officer, Punjab Bureau of Investment Promotion, Punjab.
- (iii) Director Industries & Commerce, Punjab.
- (iv) All Deputy Commissioners in the State of Punjab.
- (v) All General Managers, District Industries Centre in the State of Punjab.


Under Secretary

Department of Industries and Commerce

Endst. No. PIU/IBDP-2026/DSOG-2026/924

Dated: 08/03/2026

A copy is forwarded to the following for uploading the same on the website of Printing & Stationery Department, Punjab for publishing the same in the extra ordinary gazette. After publishing the same, 100 copies may please be sent to this department.

- (i) The Nodal Officer (e-gazette-printing & stationery) o/o Department of Industries & Commerce, Punjab.


Under Secretary

Department of Industries and Commerce

DETAILED SCHEMES AND OPERATIONAL GUIDELINES 2026



FOR AVAILING FISCAL INCENTIVES UNDER- PUNJAB INDUSTRIAL AND BUSINESS DEVELOPMENT POLICY 2026

**Department of Industries & Commerce,
Government of Punjab**

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INTRODUCTION

- To promote Punjab as an attractive and competitive destination for industrial investments, the State Government has notified Punjab Industrial and Business Development Policy 2026, offering various incentives to the eligible industrial units in the State.
- Detailed Schemes and Operational Guidelines have been formulated under Clause 4.1.9 of the Policy for smooth implementation of the policy and to ensure that incentives are made available to the entrepreneurs in an objective, transparent and hassle free manner.
- The Detailed Schemes and Operational Guidelines have to be read with the provisions of the Policy.
- The operational guidelines shall commence from the date of notification of the policy and shall be coterminous with the policy. The guidelines may be amended and modified in the course of implementation. The entrepreneurs shall check the website of the Department for latest guidelines.

1. MIGRATION OF UNITS FROM IBDP 2022

1.1. MIGRATING UNIT:

The New Units and Existing Units undertaking Expansion that have submitted Common Application Form (CAF) under the Industrial and Business Development Policy 2022 (IBDP 2022) and have **not availed/ been disbursed any post-production incentives** as on date of notification of this policy, shall have an option to avail the fiscal incentives under this policy, provided they are otherwise eligible under this Policy and come into commercial production within five (5) years from the date of acceptance of the original CAF.

Those Units for which the ICAF or any Incentive Application under IBDP-2022 have already been rejected shall not be eligible to migrate under IBDP-2026.

However, those units wherein ICAF/Incentive Applications has not yet been verified and/or pending as on date of notification of this policy, the ICAF/incentive application shall be decided within 3 months from the date of application of Form-MU. If such application does not fulfill the criteria for sanction of incentive under IBDP 2022 as on date of notification of this policy, the unit shall not be eligible for migration to the IBDP 2026.

Provided further, the Industrial Units which have migrated from IBDP 2017 to IBDP 2022 shall not be eligible for exercising the option of migration to IBDP 2026.

1.2. TIME LIMIT TO EXERCISE THE OPTION OF MIGRATION:

The unit intending to exercise the option of migration as per its eligibility, as prescribed above, shall submit the application through Online Portal in the prescribed Form – MU within 90 days from the date of notification of this policy.

1.3. SOP FOR PROCESSING THE APPLICATION FOR MIGRATION:

- (i). On submission of application in the prescribed Form MU by the Migrating Unit after due scrutiny, the application shall be considered by the District Scrutiny Committee (DSC).
- (ii). The DSC, after due examination shall finalize its recommendation to be placed before the State Level Committee (SLC) for final decision on the application of migration.
- (iii). Pursuant to the approval granted by the SLC, the Migrating Unit which is already in production on the date of approval of Form MU, shall submit its Incentive Common Application Form (I-CAF) under IBDP-2026 within 45 days from the date of approval of Form – MU on the Online Portal.

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- (iv). In case of units who have gone into commercial production and have not availed or been disbursed any **post-production** incentive under IBDP-2022, the Eligibility Period of fiscal incentives under this policy shall commence from the date of notification of this policy.

1.4. OTHER CONDITIONS:

- (i). Any Pre-production incentive availed by the Migrating Unit under IBDP 2022 shall be deducted from the total amount of incentive eligible under this policy in accordance with clause 5.1.1 of Chapter –5 of IBDP-2026.
- (ii). The option of Migration is a one-time option, once the application of migration is approved, the Migrating Unit shall not be allowed to revert to the Previous Policy.
- (iii). In case of rejection of the migration application by the SLC, the unit can avail the benefit under IBDP-2022, if eligible, subject to other prescribed terms & conditions.
- (iv). The Migrated Units wherein ICAF and/or Production detail form has been verified under IBDP-2022, shall have to submit the ICAF under IBDP-2026 as per the procedure prescribed as per clause 6.2 of these guidelines.

2. INDUSTRY CATEGORIZATION & CLASSIFICATION

2.1. INDUSTRY CATEGORIZATION: MSME / LARGE / MEGA

MSME Units: The definition and classification of all manufacturing and service industry MSME units shall be as per the prevailing Government of India notifications issued under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006), as amended from time to time.

For the purpose of availing incentives under this policy, the status of MSME units will be reckoned only on the basis of investment in Plant and Machinery, as on Date of Commercial Production, verified by the SLC/DLC, as the case maybe and such verified investment in Plant & Machinery shall be taken for the Unit (not for the enterprise) to be eligible under MSME category.

Large Units: All Eligible Units which are not classified as MSME Unit will be categorized as large units.

Mega Units: All Large Units having a Fixed Capital Investment (FCI) exceeding INR 500 crore, shall be classified as Mega Units under this policy. For IT/ITES, FCI exceeding INR 250 crore and for first three GCCs with employment exceeding 1000 no's shall be classified as Mega Units.

3. FIXED CAPITAL INVESTMENT (FCI):

3.1. FIXED CAPITAL INVESTMENT

For the purpose of availing fiscal incentive under this policy, FCI refers to the investment incurred on the following components as per the Approved Project Cost:

1. Land as prescribed under clause 3.3 of DSOG.
2. Building as prescribed under clause 3.4 of DSOG.
3. Plant, Machinery & Equipment as prescribed under clause 3.5 of DSOG.

FCI shall include cost of land, building, plant, machinery, and equipment as per the approved project cost. The eligible costs and the manner of assessment have been described below.

3.2. ORIGINAL FIXED CAPITAL INVESTMENT IN CASE OF EXPANSION UNIT:

Original Fixed Capital Investment shall mean the investment made on fixed capital assets (Land, Building, Plant, Machinery and Equipment), as per the Audited Balance Sheet of the last financial year from start of expansion. While computing Original Fixed Capital Investment, neither depreciation nor revaluation shall be considered.

3.3. LAND

The actual cost of land required for the setting up of New Unit or Expansion Unit will be considered towards the Land Component of FCI subject to the following conditions: -

- (i). The land cost shall be restricted upto 10% of the FCI both for New Unit and Expansion Unit as illustrated in Annexure – I
- (ii). The cost of site levelling and infrastructure preparation (viz. clearance and internal roads), the cost of leased land, and stamp duty/ transfer duty shall not be counted.
- (iii). The Land Cost on account of Optimum Land Area required for setting up the unit as per Approved Project Cost shall be considered.
- (iv). In case of land allotted on 99 years lease basis by the State Agencies, the allotment price of the land shall be considered.
- (v). The value of land which has been purchased up to 5 years prior to the Date of Commercial Production and optimally utilized, by the same entity, shall be considered subject to sub-clause (iii).
- (vi). The land should be in the name of the Sole-Proprietor in case of Proprietorship Firm Or in the name of the Enterprise/Unit through Sale Deed or Registered Lease Deed along with

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requisite entry in the revenue record (minimum tenure for 15 years for registered lease deed).

3.4. BUILDING

- (i) The value of construction of factory building will be limited to the Approved Project Cost for the Building Component of FCI. However, the items of civil works which are permitted for computation towards eligible cost are illustrated in Annexure – II
- (ii) The total value of items at (xi) to (xviii) of Annexure - II and similar items shall not exceed 10% of the total value of civil works. Total value of the civil works mean items (i) to (x) only within the Approved Project Cost.
- (iii) The value of building on lease will not be considered.
- (iv) Total Land cost and the cost of construction of worker housing, may be considered upto 15% of total FCI, subject to the condition that the considered land cost shall not exceed more than 10% of the total FCI. However, the cost of construction of worker housing can exceed more than 5% maximum up to 15% of the total FCI, in case the considered land cost is less than 10% of the total FCI.
- (v) In case of land and building purchased from existing industry that has already received incentives from the State, the cost will not be considered as part of FCI. In all other cases, land cost (limited to 10% of FCI) and the depreciated value of the building will be included, along with any new assets created through fresh investment. The building's depreciated value, quality, and remaining life must be certified by a civil engineer.

3.5. PLANT, MACHINERY AND EQUIPMENT (P&M)

- (i). In case of General Unit, the value of plant, machinery, and essential production equipment (other than consumables) including tools, jigs, dies, moulds, pollution-control systems, transformers, gen-sets, electrical equipment, and lab equipment, machinery Foundation and Structural Support - any specialized foundation or structural work necessary for the production line will be counted as eligible Fixed Capital Investment (FCI).
- (ii). The value on account of Leased machinery or equipment will not be considered.
- (iii). Total Freight charges shall be capped at 3% of the total value of Plant & Machinery.
- (iv). In case of IT/ITeS/GCC Unit and Tourism & Hospitality Unit: The cost of Plant & Machinery or Equipment shall be allowed as prescribed under respective sectoral policy.
- (v). **Second hand machinery:** In case of second-hand machinery purchased by the unit, the value of second-hand machinery will not be computed towards eligible Fixed Capital Investment for fiscal incentives.

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- (vi). The value of self-fabricated machinery as certified by a Chartered Engineer or Engineer of the Term Loan lending institution shall be considered for computing the eligible component of P&M Fixed Capital Investment.
- (vii). In case of purchase of Foreign Machinery, the base value of the Machinery subject to the actual payment made by the Industrial Unit as duly capitalized in the Books of Account.
- (viii). In case of establishment of R&D Facilities, following shall be considered as eligible expenditure under FCI:
 - a. Expenditure incurred on new test and measuring instruments, prototypes used for testing, purchase of design tools, expenditure on technology, IPR (including patents, and copyrights etc.) for R&D.
 - b. Expenditure related to Transfer of Technology (ToT) Agreements shall include the cost of technology and initial technology purchase that are related to manufacturing.
 - c. For New Unit and Expansion Unit, the expenditure on R&D shall be limited to 15% of FCI.
 - d. In case of the standalone R&D facility, the eligible expenditure would be 100% of the FCI.

3.6. ITEMS NOT TO BE INCLUDED TOWARDS FCI

- (i) Working capital, Raw material, stores, and all consumables including spare tools, etc.
- (ii) Value of the Motor Vehicles except specialized vehicles like Refrigerated vans, Fire fighting vehicles, Ambulances and other Industry specific vehicles including commercial vehicles owned by the units for transportation of its staff & workers (provided they have been purchased and capitalized before DoCP). The movable vehicles shall not be disposed off within 5 years of DoCP.
- (iii) Pre-operative expenses and value of the Plant & Machinery sold (as per original cost i.e. non-depreciated value) during the investment period.
- (iv) Taxes paid for Fixed Capital Investment i.e. Taxes paid for Building, Plant & Machinery.
- (v) Advances and expenditure not capitalized in the books of accounts and not certified/audited by CA supported by payment of bills wherever necessary.
- (vi) Investment which has been more than the Appraised and Approved Project Cost and is not covered by the approved project would not be considered towards Fixed Capital Investment. However, submission of revised Appraised and Approved Project report shall be allowed before the units attains commercial Production and commercial production of first phase in case of phase investment. And such investment shall be financed and/or

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justified by the financial institution (i.e. the institution which has Appraised & Approved the DPR).

- (vii) In case of expansion, the fixed capital Investment made by the unit on Building and machinery 6 month prior to acceptance of CAF on Online Portal shall not be considered.

3.7. FOR NEW UNITS- FCI IN PHASED MANNER OR AFTER THE COMMENCEMENT OF COMMERCIAL PRODUCTION

- (i) **For New Units with FCI up to INR 125 crore:** For New Units with FCI up to INR 125 crore, with phases duly incorporated in the DPR, the investment made after the first date of production and up to 18 months, shall be considered for the incentives of new unit. Only one (1) revised eligibility certificate will be allowed after first date of production.
- (ii) **For New Units with FCI above INR 125 crore:** For New Units with FCI above INR 125 crore, with phases 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 one (1) revised eligibility certificates may be allowed after first date of production.
- (iii) For the purpose of above categorization, FCI verified by SLC/DLC, as the case may be, shall be considered.
- (iv) Any additional investment made after the period specified above shall be considered as expansion and the relevant guidelines shall apply.
- (v) The eligibility period of incentives against investment made in a subsequent phase shall remain same i.e. from the date of commencement of commercial production of the first phase.
- (vi) Also the revised Annual Ceiling for the eligibility period post DoCP of subsequent phase shall be calculated as:

Total FCI verified for complete investment in both phases **Total Eligibility Period**

Illustration:

*A unit with a total proposed Fixed Capital Investment (FCI) of **INR 300 crore** and an incentive eligibility period of **10 years** achieves **Date of Commercial Production (DoCP)** of its **first phase on 30.04.2026**, with an investment of **INR 100 crore**.*

*Accordingly, the eligibility period for incentives shall be from **30.04.2026 to 29.04.2036**, and the **annual incentive cap shall be fixed at INR 10 crore**.*

*Subsequently, if the unit achieves DoCP of its **second phase on 30.04.2028**, with an additional investment of **INR 200 crore**, then for the **remaining 8 years of the original eligibility period***

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(30.04.2028 to 29.04.2036), the annual incentive cap shall stand enhanced to INR 30 crore, commensurate with the total cumulative investment of INR 300 crore.

However, the annual cap applicable for the first two years (i.e., 30.04.2026 to 29.04.2028) at INR 10 crore per annum shall remain unchanged and shall not be revised retrospectively.

4. GENERAL CONDITION

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

1. The unit shall be registered with the Department of Industries & Commerce and shall submit the Common Application Form (CAF) or Incentive Common Application Form (I-CAF) through the online Portal.
2. The MSME should have obtained Udyam Registration.
3. The Large units should have filed and obtained IEM Part-B with DPIIT, Government of India.
4. The Unit shall not be manufacturing any item placed in the negative list, as notified under the Policy and amended from time to time. It is clarified that any Composite Units which manufactures any items falling under Negative List shall not be eligible for any incentive under the policy.
5. The effective date for incentive disbursement shall be the date of commencement of commercial production / operations by the unit and in case of the phased investment shall be first DoCP read with clause 3.7 of DSOG.
6. All the entrepreneurs should have Permanent Account Number (PAN) and should regularly file the Income Tax Returns.
7. 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/CLU/EDC.
8. All Eligible Industrial Units set up on rented premises should furnish a registered lease deed along with entry in revenue record for a period equal to 15 years.
9. **Provision regarding filing of the APR:** The eligible unit shall file the Annual Production Return for a particular financial year, through Online Portal, within 12 months of the closure of the that financial year.
10. The eligible unit shall file the respective incentive application within the prescribed time frame under this policy, failing which respective incentive application for that particular financial year shall not be allowed.
11. The amount of sale of Scrap/Traded goods or any Ineligible Items (i.e. not part of Eligibility Certificate) made by the eligible unit shall be deducted from the total sale incentive of Investment Subsidy by way of Reimbursement of Net SGST based upon the HSN Code. Further, the sale between Principal and Agent situated in different States would be considered for the purpose of Investment Subsidy by way of Reimbursement of Net SGST.

4.1. CONDITIONS FOR CHANGES IN THE UNIT AFTER SANCTION OF FISCAL INCENTIVES

A unit, which has been granted fiscal incentives, will apply online to the SLC in case of any of the following changes. A revised eligibility certificate will be issued, if required.

- i. **Change of constitution/ management/ name or style of unit:** The unit shall inform the State Level Committee by applying on the portal and will submit a Certificate of incorporation from Registrar of Companies (ROC)/Registrar of Firms as the case may be. In case of partnership firms/Private Ltd. firm, if the majority shareholding and legal entity does not change i.e. there is only minority change in the partners or directors respectively, such change would not be considered as change of management/constitution.
- ii. **Lease/Sell-out cases of unit:** The unit shall inform the State Level Committee before lease out/ sell-out to another legal entity 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 prior approval of State Level Committee for continuation of incentives. 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:** If a Unit starts manufacturing new eligible items, without any additional machinery or equipment, with the same plant & machinery already verified at the time of ICAF approval, or if units wants to change activity after obtaining Pre production incentive of exemption from stamp duty, Unit shall apply online to the State Level Committee and after approval such items shall be allowed for availing reimbursement of SGST or other incentives being availed under this policy. In case of addition of item under Negative List, all future incentives under this policy shall cease immediately.

4.2. PENAL ACTION:

In case that any incentive disbursed to a Unit is found to exceed the actual eligible amount, the Unit shall refund the excess amount to the Department along with **simple interest at the rate of SBI's latest Prime Lending Rate (PLR) plus 3% per annum**, calculated from the date of disbursement till the date of refund.

In case, where such excess disbursement has occurred on account of submission of incorrect, false, misleading, or suppressed facts by the applicant, the Unit shall, refund the excess amount to the Department along with **interest at the rate of SBI's Prime Lending Rate (PLR) plus 7% compounded monthly**, calculated from the date of disbursement till the date of refund.

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Further, in such cases involving misrepresentation or suppression of facts, the Unit shall also be liable for appropriate legal action under applicable laws and shall be **debarred from availing any incentive or assistance from the State Government**, as may be decided by the competent authority.

5. OVERALL CAPPING & ELIGIBILITY PERIOD

5.1. OVERALL CAPPING

- (i) **Cumulative** benefits of all fiscal incentives are capped at 100% of FCI for General industry units.
- (ii) Cumulative benefits are capped at 125% of FCI for units in Border districts, Kandi areas, and Priority sectors as per clause 1.5 of Chapter – 1 of the guidelines.
- (iii) The annual sanction/disbursement amount for incentives will be capped to ensure equal annual disbursement based on the chosen time-period.

Illustration:

If a unit has chosen incentives period of 10 years the maximum incentives that it can avail annually will be 10% (of Overall Ceiling as per clause 5.1.1).

- (iv) For incentives to Existing MSMEs as defined under clause 5.3 of the policy and which are not linked to new investments/expansion, the Cumulative benefits are capped at 100% of Depreciated value of Original FCI as on date of filing of CAF under this policy.
- (v) The total incentives shall be capped at a maximum of INR 500 crore for eligible units during the eligibility period.

5.2. ELIGIBILITY PERIOD

Period of Incentives disbursement for all Eligible Units will be 10-15 years. The Units will have one-time option to choose period of incentives from 10 to 15 years. This option shall be exercised at the time of filing of I-CAF for incentives and will be submitted through online portal. Once I-CAF is approved, the option cannot be changed/modified.

5.3. PROCESS FOR DISBURSEMENT OF INCENTIVES

The fiscal incentives to an Eligible Unit shall be processed in the following manner: -

- (i) At the time of approval of ICAF, the Sanction Letter for the grant of Stamp Duty Reimbursement, if any, shall be issued and thereafter Annual Ceiling shall be calculated as per clause 5.1.3 above.
- (ii) The Eligibility Certificate for the grant of Electricity Duty (ED) Exemption as well as Market Fees, Rural Development Fee and other state taxes or Property Tax Exemption, as applicable, shall be issued prescribing the Ceiling for the respective Financial Years. The Ceiling for Market Fee for respective financial year shall be issued based on the self-assessment submitted by the unit
- (iii) At the end of each financial year, Eligibility Certificates of subsequent years for Electricity Duty Exemption, Market Fees, Rural Development Fee and other state taxes exemption and Property Tax Exemption shall be reviewed on annual basis by the DSC.

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- (iv) The unit shall avail the sum total of incentives for a particular financial year within the Annual Ceiling as calculated as per clause 5.1.3 of IBDP-2026. If the sum total of incentives availed for a particular financial year exceeds the Annual Ceiling, the excess amount availed shall be adjusted/recovered along with interest at the rate of (SBI PLR+7)% interest compounded monthly in the subsequent years, first from the Market Fee and if required, thereafter from the ED exemption to be availed.
- (v) Thereafter, after the end of each financial year, the claims for all other incentives including yearly capital subsidy (other than that of Electricity Duty Exemption, Stamp Duty/CLU/EDC, Market Fees) shall be processed, along with audited balance sheet, APR & other requisite documents, through online portal within 12 months from the end of that financial year, subject to the available Annual Ceiling after deducting the various Exemption granted under this policy for that respective financial year with yearly Capital Subsidy as the last incentive to be processed.
- (vi) Capital Subsidy incentive for a particular financial year will be processed, if any unutilized quantum of annual ceiling as per clause 5.2.2 (A) of IBDP-2026 is available.

Any residual quantum of the annual ceiling which could not be utilized/claimed by the unit, shall not be carried forward to the next financial year's Annual Ceiling.

6. PROCEDURE FOR AVAILING FISCAL INCENTIVES

6.1. PRE-PRODUCTION INCENTIVES

A. PROCEDURE FOR AVAILING THE INCENTIVE OF STAMP DUTY BY WAY OF EXEMPTION/ REIMBURSEMENT

(i) Time-limit to submit the claim application:

- a. An Eligible Unit availing the benefit of Stamp Duty by way of Exemption shall submit its application on the prescribed Form – SD(E) through the Online Portal. The unit need not to submit ICAF for availing the incentive of Stamp Duty by way of Exemption.
- b. An Eligible Unit availing the benefit of Stamp Duty by way of Reimbursement shall submit its application on the prescribed Form – SD(R) through the Online Portal along with the I-CAF only.

(ii) SOP for the processing of the claim application:

- a. On submission of application in the prescribed Form SD(E)/Form SD(R) by the Eligible Unit after due scrutiny, the application shall be placed before the District Scrutiny Committee (DSC).
- b. The DSC, after due examination shall finalize its recommendation to be placed before the Competent Authority for approval. After the approval by DLC/SLC as the case may be, the Eligibility Certificate in case of Exemption and, Sanction Letter in case of Reimbursement shall be issued by the Convenor of DLC or Additional Director/Joint Director/Deputy Director in case of SLC.
- c. In the case of Stamp Duty exemption, a first charge equivalent to SD incentive amount valid up to the date of commercial production/ operation shall be created in the favor of the Department of industries & Commerce, Government of Punjab at the time of execution of sale deed and lien be got marked in the revenue record by the unit within 45 days of the execution of sale deed and copy of the same be submitted to the office of the concerned GM DIC along with uploading the same on online portal.

In case 100% of first charge is not possible, the applicant needs to submit a Bank Guarantee equivalent to the sum of stamp duty applicable, valid up to the date of verification of I-CAF. The bank guarantee shall be returned after the verification of I-CAF.

- d. In case of Reimbursement, the stamp duty shall be allowed for land or building which has been purchased up to 5 years prior to the DoCP and optimally utilized, by the same entity. The refund will be given only after the unit commences commercial production.

(iii) Other Conditions:

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- a. The land for which the incentive is being claimed, should be in the name of the Sole-Proprietor, in case of Proprietorship Firm Or in the name of the Enterprise or Unit through Sale Deed or Registered Lease Deed along with requisite entry in the revenue record.
- b. The value of stamp duty exemption/reimbursement shall be adjusted from the overall ceiling at the time of verification of I-CAF.

B. PROCEDURE FOR AVAILING CLU EXEMPTION/EDC EXEMPTION IN CASE OF NEW UNIT FOR THE SECTORS MENTIONED BELOW:

CLU Exemption:

- i. Hospital & Medical College
- ii. Higher Education
- iii. Logistics & Warehousing

CLU/EDC Exemption:

- i. Tourism Sector for Units covered under MICE category only

I. Time-limit to submit the claim application:

- a. An Eligible Unit seeking the benefit of CLU/EDC by way of Exemption, as the case may be, shall submit its application on the prescribed Form – CLU(E)/EDC) through the Online Portal. The unit need not to submit ICAF for availing the incentive of CLU/EDC by way of Exemption.

II. SOP for the processing of the claim application:

- a. On submission of application in the prescribed Form CLU(E)/EDC(E) by the Eligible Unit, after due scrutiny, the application shall be placed before the District Scrutiny Committee (DSC).
- b. The DSC, after due examination shall finalize its recommendation to be placed before the Competent Authority for approval. After the approval by DLC/SLC as the case may be, the Eligibility Certificate in case of Exemption shall be issued by the Convenor of the DLC or Additional Director/Joint Director/Deputy Director in case of SLC.
- c. In the case of CLU exemption, a first charge equivalent to CLU incentive amount valid up to the date of commercial production/ operation shall be created in the favor of the Department of industries & Commerce, Government of Punjab at the time of availing the incentive and lien be got marked in the revenue record by the unit within 45 days of the availing of incentive and copy of the same be submitted to the office of the concerned GM DIC along with uploading the same on online portal.

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In case 100% of first charge is not possible, the applicant needs to submit a Bank Guarantee equivalent to the sum of CLU exemption sought, valid up to the date of verification of I-CAF. The bank guarantee shall be returned after the verification of I-CAF.

III. Other Conditions:

- a. The land for which the incentive is being claimed, should be in the name of the Sole-Proprietor, in case of Proprietorship Firm or in the name of the Enterprise or Unit through Sale Deed or Registered Lease Deed along with requisite entry in the revenue record.

The value of CLU exemption shall be adjusted from the overall ceiling at the time of verification of I-CAF.

6.2. PROCEDURE FOR THE VERIFICATION OF FCI AND DATE OF COMMERCIAL PRODUCTION (APPROVAL OF I-CAF) AND ELECTRICITY DUTY EXEMPTION

I. Time-limit to submit the application:

- a. An Eligible Unit shall submit its ICAF along with the prescribed documents and Form ED through Online Portal, not later than three (03) months from the date of closing of financial year in which the unit has commenced commercial production.

For illustration: If the unit has commenced its production on 15/04/2026, the cut-off date to submit the ICAF will be 30/06/2027 i.e. not later three (03) months from 31/03/2027.

II. SOP for the processing of the claim application:

- a. The unit shall submit the I-CAF along with the required documents and choose the tenure of incentives. The I-CAF must be submitted through Online Portal along with all prescribed attachments.
- b. The GM, DIC will scrutinize the I-CAF and raise the applicable fee for assigning the case to an Empanelled Chartered Accountant (ECA).
- c. The unit shall make the online payment of the scrutiny/verification fee. Upon payment, the I-CAF will return to GM, DIC.
- d. The GM, DIC shall assign the I-CAF to an Empanelled Chartered Accountant (ECA) through Online Portal for verification (in the prescribed format) of the Fixed Capital Investment (FCI), Date of Commercial Production (DoCP), Category of the Unit and Eligible manufactured/ service Products/Items along with HSN Codes. The ECA shall be given a period of 2 working days for uploading the Valid CAG Empanelment Certificate. If the CAG Empanelment Certificate is not uploaded within the stipulated period, the case shall be re-assigned automatically to the next Empanelled CA. On

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receiving the valid certificate; GMDIC will authorize the Empanelled CA for the verification of FCI.

- e. The Empanelled Chartered Accountant (ECA) shall conduct the verification and submit the verification report to the GM, DIC. A period of 15 working days will be allowed to the ECA to complete the verification (in the prescribed format) of Fixed Capital Investment (FCI), Date of Commercial Production (DoCP), Category of the Unit and Eligible manufactured/ service Products/Items along with HSN Codes. For cases involving FCI above INR 125 crore, the time period for submission of the verification report shall be 30 working days.
- f. In case any ECA has certain observations or requirement of additional documents, same shall be conveyed to the Investor through GM, DIC within a period of 2 working days from the date of allocation of the case to him. The total time period for ECA to verify the case is 15/30 days.
- g. The Convener DSC will place the ECA report before the District Scrutiny Committee (DSC) for examination and recommendations.
- h. After the District Scrutiny Committee's recommendations, the convenor DLC/SLC will place the case before the DLC/SLC (as applicable) for final decision.
- i. At the time of approval from the DLC/SLC, the Overall Ceiling as per the category of the industry shall be calculated. Further, based upon the Eligibility Period chosen by eligible unit, the Annual Ceiling shall be calculated. The amount of Stamp Duty Exemption or Reimbursement/CLU/EDC Exemption, as the case may be, availed by the unit, shall be adjusted against the Annual Capping of the first year. If such adjustment exceeds the annual ceiling than the excess amount shall be adjusted in the annual ceiling of the subsequent year. An Eligibility Certificate depicting the verified FCI, DoCP, Eligibility Period, Eligible Products along with HSN Codes, Category of the unit, Relevant Sector, Overall Ceiling, Annual Ceiling, etc. as per the specimen prescribed form.
- j. The sanction letter as per the specimen prescribed in EC-SDR shall be issued for the reimbursement of stamp duty amount by the Convenor DLC or Additional Director/Joint Director/Deputy Director in case of SLC.
- k. Eligibility Certificate as per the specimen prescribed in Form – EC-ED shall be issued for the incentive of Electricity Duty Exemption by the Convenor DLC or Additional Director/Joint Director/Deputy Director in case of SLC.

6.3. PROCEDURE FOR AVAILING OTHER INCENTIVES

I. Time-limit to submit the claim application:

- a. Upon completion of a financial year for which incentives are to be claimed, an Eligible Unit shall submit its applications in the prescribed Forms – INC along with Capital

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Subsidy claim (if sought) and the prescribed documents through Online Portal, within 12 months of the closing of the financial year.

- b. Such claims shall be processed as per eligibility subject to Annual Ceiling of the respective financial year after adjusting the ED Exemption availed in that financial year.
- c. Subsequently, after processing of the claims submitted above, any unutilized quantum of annual ceiling shall be utilized for the sanction of capital subsidy subject to the annualized quantum of the capital subsidy as per clause 5.2.2 (A) of IBDP-2026.

II. SOP for the processing of the claim application:

- a. On submission of application in the prescribed Form INC by the Eligible Unit after due scrutiny, the application shall be placed before the District Scrutiny Committee (DSC).
- b. The DSC, after due examination shall finalize its recommendation to be placed before the Competent Authority for approval.
- c. After the approval by DLC/SLC as the case may be, the Eligibility Certificate shall be issued by the Convenor DLC or Additional Director/Joint Director/Deputy Director in case of SLC.

III. Other Conditions:

- a. The first year for annual sanction/ exemption shall be the financial year of DoCP. Where an industrial unit becomes eligible or commences commercial operations during a financial year, the incentive for the first year and last financial year of the eligibility period shall be admissible only on a pro-rata basis.
- b. The Products which are out of the purview GST regime and are still governed by VAT regime shall be provided investment subsidy by way of reimbursement of net VAT paid on intra-state sale 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.

6.4. PROCEDURE FOR SUBMISSION OF I-CAF FOR EXISTING INDUSTRY

I. Time-limit to submit the application:

- a. An existing unit not linked with new investment or expansion shall file the ICAF one-time during the policy period, for the verification of the Depreciated FCI as on date of filing of CAF, not later than three months from the date of closing of the financial year of which the incentives are being claimed.

For illustration: if the unit will seek incentives for financial year 2026-27, the cut-off date to submit the ICAF will be 30/06/2027.

II. SOP for the processing of the claim application:

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- a. The unit shall submit the I-CAF along with the required documents. The I-CAF must be submitted through Online Portal along with all prescribed attachments.
- b. The GM, DIC will scrutinize the I-CAF and raise the applicable fee for assigning the case to an Empanelled Chartered Accountant (ECA).
- c. The unit shall make the online payment of the scrutiny/verification fee. Upon payment, the I-CAF will return to GM, DIC.
- d. The GM, DIC shall assign the I-CAF to an Empanelled Chartered Accountant (ECA) through Online Portal for verification (in the prescribed format) of the Depreciated FCI as on date of filing of CAF, Date of Commercial Production, Category of the Unit and Eligible manufactured/ service Products/Items along with HSN Codes. The ECA shall be given a period of 2 working days for uploading the Valid CAG Empanelment Certificate. If the CAG Empanelment Certificate is not uploaded within the stipulated period, the case shall be re-assigned automatically to the next Empanelled CA. On receiving the valid certificate; GMDIC will authorize the Empanelled CA for the verification of FCI.
- e. The Empanelled Chartered Accountant (ECA) shall conduct the verification and submit the verification report to the GM, DIC. A period of 15 working days will be allowed to the ECA to complete the verification of Depreciated FCI as on date of filing of CAF, Date of Commercial Production, Category of the Unit and Eligible manufactured/ service Products/Items along with HSN Codes. For cases involving FCI above ₹100 crore, the time period for submission of the verification report shall be 30 working days.
- f. In case any ECA has certain observations or requirement of additional documents, same shall be conveyed to the Investor through GM, DIC within a period of 2 working days from the date of allocation of the case to him. The total time period for ECA to verify the case is 15/30 days.
- g. The Convener DSC will place the ECA report before the District Scrutiny Committee (DSC) for examination and recommendations.
- h. After the District Scrutiny Committee's recommendations, the convenor DLC/SLC will place the case before the DLC/SLC (as applicable) for final decision.
- i. At the time of approval from the DLC/SLC, the Overall Ceiling as per the category of the Industry shall be calculated. An Eligibility Certificate depicting the verified FCI, DoCP, Eligible Products along with HSN Codes, Category of the unit, Relevant Sector, Overall Ceiling. as per the specimen prescribed form.

6.5. PROCEDURE FOR AVAILING INCENTIVES FOR EXISTING UNIT NOT LINKED WITH NEW INVESTMENT OR EXPANSION

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I. Time-limit to submit the claim application:

- a. **Freight Subsidy:** The unit must be registered with the Online Portal and submit application on prescribed Form – FS for the grant of incentive, along with the listed documents on the portal of the department within three months of the closing of financial year for which the incentive is being claimed.
- b. **Market Development Assistance:** Application on prescribed Form-MDA for the grant of Market Development Assistance for the participation in exhibition along with listed documents would be submitted, as an intimation, to the GMDIC on the online portal of department before six months of the event.

After participation in the event, the unit shall submit the Claim in form MDA 1 for Market Development Assistance within 6 months of the closing of the financial year of the event.

Other Conditions: Marketing assistance shall be provided to the units subject to the condition that they have not availed any marketing assistance incentives for the same event from Government of India or the Government of Punjab. The assistance shall be sanctioned based on actual bills for the expenses incurred.

c. Reimbursement of CGTMSE guarantee fee for Micro and Small Enterprise:

The unit must be registered with the Online Portal and submit application on prescribed Form – CGTMSE for the grant of incentive, along with the listed documents on the portal of the department within six months of the closing of financial year for which the incentive is being claimed.

d. Financial Assistance to MSMEs for NSE Emerge Platform and Technology Adoption:

The unit must be registered with the Online Portal and submit application on prescribed Form – EX for the grant of incentive, along with the listed documents on the portal of the department within six months of the closing of financial year for which the incentive is being claimed.

e. Additional State Support under the ZED scheme of GOI:

The Unit shall apply for the Additional support to Zero Effect Zero Defect (ZED) scheme of GOI on the online portal within three (03) months from the date of certification and shall submit the requisite documents along with silver or gold ZED certification. The Unit which has availed the ZED certification during the policy period only shall be eligible for this incentive. The competent authority to sanction the incentive under this scheme would be DLC/SLC, as the case may be.

f. Reimbursement of Audit Expenses for Energy/Water/Environment /Steam/Safety

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The Unit shall submit application on prescribed Form - EA for the reimbursement of expenses incurred in conducting the audit with listed documents would be submitted on the portal of the department within three months of the closing of financial year for which the incentive is being claimed.

Other Conditions: Such enterprises shall be provided financial assistance only if the energy audit has been done by an Energy Auditor certified by the Bureau of Energy Efficiency (BEE) empaneled by the Department of Industries & Commerce or PEDDA. The detailed scope of energy audit shall also be prescribed. The eligible units must also comply with the following conditions:

- (a) The assistance will be provided only if, there has been at least 15% reduction in average monthly energy (electrical as well as thermal) consumption compared with average of previous 12 months before conducting of audit.

g. Reimbursement of Expenses for Patent Registration

The Unit shall submit 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 three months of the closing of financial year for which the incentive is being claimed.

h. Reimbursement of Expenses for Quality, Management System and Environment Certification

The Unit shall submit 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 three months of the closing of financial year for which the incentive is being claimed.

i. Digital Marketing Support

The Unit shall submit application on prescribed Form-DMS for the reimbursement of expenses incurred for on boarding on e-commerce platforms, including cataloging and related expenses, on platforms developed by NSIC, ONDC, or other recognized similar platforms along with listed documents, on the web portal of the Department within three months of the closing of financial year for which the incentive is being claimed.

II. SOP for the processing of the claim application:

- a. On submission of application in the prescribed Form - XX by the Eligible Unit after due scrutiny, the application shall be placed before the District Scrutiny Committee (DSC). Such claims considered by the DSC shall only pertain to the validity of IBDP-2026.
- b. The DSC, after due examination shall finalize its recommendation to be placed before the Competent Authority for approval.

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- c. After the approval by DLC/SLC as the case may be, the Eligibility Certificate shall be issued by the Convenor DLC or Additional Director/Joint Director/Deputy Director in case of SLC.
- d. The Eligibility Certificate shall be issued after adjusting the incentive amount from the residual Eligible Overall Ceiling during the policy period.

6.6. SCHEME FOR STATE AWARD TO MSMES

I. Quantum and categories of awards:

Annual State Awards for MSMEs with SC entrepreneurs, Women entrepreneurs, Export Oriented Units, and ODOP units to recognize excellence in productivity, quality improvement, and export performance. Under this initiative, an award amount of ₹2 lakh per unit shall be granted in each eligible category. In the case of ODOP manufacturing units, the award amount shall be ₹3 lakh per unit.

The awards shall be conferred once every year during the validity period of the Policy.

The criteria for evaluation for Award, Procedure and Other necessary conditions shall be notified separately.

6.7. PROCEDURE FOR THE GRANT OF CAPITAL SUBSIDY TO THE EXISTING UNITS

(A) Units/Clusters setting up R&D/Testing Facilities

(B) Units/Clusters setting up Paddy Straw Fuel Based Boiler

(C) Units/Clusters setting up ZLD or Up-grading ETP to ZLD

I. Time-limit to submit the application:

- a. An Eligible Unit shall submit its ICAF along with the prescribed documents through Online Portal, not later than three (03) months from the date of closing of financial year in which the unit has commenced commercial production.

For illustration: if the unit has commenced its production on 15/04/2026, the cut-off date to submit the ICAF will be 30/06/2027 i.e. not later three (03) months from 31/03/2027.

II. SOP for the processing of the claim application:

- a. The unit shall submit the I-CAF along with the required documents. The I-CAF must be submitted through Online Portal along with all prescribed attachments.
- b. The GM, DIC will scrutinize the I-CAF and raise the applicable fee for assigning the case to an Empanelled Chartered Accountant (ECA).

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- c. The unit shall make the online payment of the scrutiny/verification fee. Upon payment, the I-CAF will return to GM, DIC.
- d. The GM, DIC shall assign the I-CAF to an Empanelled Chartered Accountant (ECA) through Online Portal for verification (in the prescribed format) of the Fixed Capital Investment (FCI), Date of Commercial Production (DoCP), Category of the Unit and Eligible manufactured/ service Products/Items along with HSN Codes. The ECA shall be given a period of 2 working days for uploading the Valid CAG Empanelment Certificate. If the CAG Empanelment Certificate is not uploaded within the stipulated period, the case shall be re-assigned automatically to the next Empanelled CA. On receiving the valid certificate; GMDIC will authorize the Empanelled CA for the verification of FCI.
- e. The Empanelled Chartered Accountant (ECA) shall conduct the verification and submit the verification report to the GM, DIC. A period of 15 working days will be allowed to the ECA to complete the verification (in the prescribed format) of Fixed Capital Investment (FCI), Date of Commercial Production (DoCP), Category of the Unit and Eligible manufactured/ service Products/Items along with HSN Codes. For cases involving FCI above ₹100 crore, the time period for submission of the verification report shall be 30 working days.
- f. In case any ECA has certain observations or requirement of additional documents, same shall be conveyed to the Investor through GM, DIC within a period of 2 working days from the date of allocation of the case to him. The total time period for ECA to verify the case is 15/30 days.
- g. The Convener DSC will place the ECA report before the District Scrutiny Committee (DSC) for examination and recommendations.
- h. After the District Scrutiny Committee's recommendations, the convenor DLC/SLC will place the case before the DLC/SLC (as applicable) for final decision.
- i. At the time of approval from the DLC/SLC, an Eligibility Certificate depicting the verified FCI, DoCP, Annual Installments, Eligible Products along with HSN Codes, Category of the unit, Relevant Sector etc. as per the specimen prescribed form shall be issued.

III. Time-limit to submit the annual Capital Subsidy claims:

The annual Capital Subsidy claim for particular financial year, shall be submitted in the prescribed Forms – XXX and the prescribed documents through Online Portal, within 12 months of the closing of the financial year. Such claims shall be processed by the Convenor DLC or Additional Director/Joint Director/Deputy Director in case of SLC, subject to the fulfilment of general conditions with the condition that the unit should be in production at the time of disbursement of incentive.

IV. Other Conditions:

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- a. The unit seeking Capital Subsidy for setting up of Paddy Straw Fuel based Boilers or ZLD/Up-grading their ZLD shall have obtained Consent to Establish (CTE) from PPCB after the date of notification of this policy.
- b. The Boiler/ZLD/Eligible Unit shall remain in operation for 10 years from the date of sanction of incentive.
- c. The Eligible Unit shall prioritize operation of paddy straw-based boiler over other boilers, if any installed.
- d. The Eligible Unit shall utilize fuel in the form of paddy straw bales/ paddy straw-based pellets or briquettes in boiler. In case, the beneficiary industry utilise paddy straw-based pellets/ briquettes, composition of other biomass is permitted but only to an extent of 20% of total feedstock, in case needed.
- e. The Eligible Unit shall submit CA audited bill of material for purchase of fuel (paddy bales/ pellet/ briquettes) utilized in boiler at the end of every financial year for a period of at least 10 years.

6.8. PROCEDURE FOR INCENTIVES TO START-UPS

6.8.1. ELIGIBILITY CRITERIA FOR START-UPS

- i. The definition of the Start-up has been given in Sectoral Policy.
- 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

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- b. Undifferentiated products or services or processes, or
- c. Products or services or processes with no or limited incremental value for customers or workflow

6.8.2. PROCEDURE FOR PROCESSING OF APPLICATION FOR REGISTRATION

- i. The start-up entity will have to submit its application form SR online in the Start-up Registration Form on the web portal.

6.8.3. COMBINED PROCEDURE FOR REGISTRATION AND AVAILING FINANCIAL ASSISTANCE

- i. The start-up entity will submit its application form SR 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, Second Tranche of Seed Funding which are payable annually or once, as the case may be, 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 6.8.4.
- 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.
- 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 start-up 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 start-ups.

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- 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 start-ups.
- x. All the financial assistance approved by the State level committee shall be disbursed according to the procedure defined in this policy.

6.8.4. 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, SF (II)- 2nd Tranche of 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. For availing reimbursement of Stamp duty on registration of MOA / AOA, applicant once registered will submit form SD on the portal.
- ii. After due diligence of the application and requisite documents, it will be forwarded to concerned nodal agency except form SD which will be placed before the State Startup Coordination Committee for its recommendations after verification from the concerned Authority.
- 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.

6.8.5. NODAL AGENCIES

I. Introduction

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1. Nodal Agencies are reputed institutions / organizations, which shall evaluate applications of Start-ups for recognition under policy and for availing monetary incentives once recognized. 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 registered as a Start-up by Start-up Punjab. 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:

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

III. 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.

IV. 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

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9. Institute of Nano Science and Technology (INST), Mohali
10. National Agri-biotech Institute
11. National Institute of Pharmaceutical Education and Research (NIPER)
12. Punjab Agriculture University (PAU)
13. Punjabi University (PU)
14. Guru Nanak Dev University (GNDU)
15. Punjab Innovation Mission (IMPunjab)

6.8.6. START-UP COORDINATION COMMITTEE

In order to engage with various stakeholder and take their guidance and feedback on design and implementation of various start-up initiatives, a Start-up Coordination Committee is constituted as follows:

1.	Administrative Secretary, Industries and Commerce	Chairman
2.	Director Industries and Commerce	Member
3.	MD, PICTC	Member
4.	Officer-in-charge, STPI	Member
5.	GM, SIDBI, Regional Office, Chandigarh	Member
6.	President, TiE, Chandigarh Chapter	Member
7.	Representative of VC, PTU	Member
8.	Representatives of Nodal Agencies/ Institutions	Member
9.	Start-up Experts from the Region as may be nominated by the Chairman	Member
10.	Nodal Officer of Punjab Start-up Cell	Member Convener

The Start-up Coordination Committee will issue necessary Registration Certificate to the Start-up units based on evaluation by Nodal Agencies for various fiscal incentives under the Policy.

6.8.7. START-UP 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 start-up coordination committee. Director Industries & Commerce shall also act as start up nodal officer. The cell shall also act as a single point of contact with government departments where the start-up 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 start-ups in Punjab or start-ups looking to relocate to Punjab.

6.9. ONE-TIME APPLICATION FEE TO BE PAID BY THE INVESTOR:

The Department will levy one-time non-refundable application fee of INR 1,00,000 or @0.5% of the FCI claimed in I-CAF, whichever is higher, at the time of submission of I-CAF. Such fee shall be paid online to PIU. The Empaneled Chartered Accountant (ECA) Fee shall be paid out of this application fee.

7. OVERLAPPING PERIOD OF INCENTIVES

7.1. UNDER PREVIOUS INDUSTRIAL POLICIES WITH REGARD TO INDUSTRIAL & BUSINESS DEVELOPMENT POLICY-2026

- i. In cases involving overlapping period of incentives under previous industrial policies with regard to Industrial & Business Development Policy, 2026, the incentive granted to the unit for the overlapping period under the previous policy shall be capped at the “base value” calculated for determining the incremental sale/consumption of the expansion undertaken in this policy.
- ii. The incentive to expansion unit under this policy shall be applicable on the incremental increase over the base value, including for the overlapping period.
- iii. The amount of incentive availed during the overlapping period shall be adjusted on pro-rata basis from the respective capping of incentives under both the policies.
- iv. The claims of the respective incentives shall be filled under the respective CAFs/ICAFs of the respective policies.

7.2. PERIOD OF INCENTIVES WITHIN SAME POLICY:

In Expansion cases involving overlapping period of incentives within this policy:

- i. **New to expansion:** In case of New unit availing incentive under this policy undertakes expansion under this policy, the Annual Ceiling during the overlapping period of eligibility shall be the sum total of both Annual Ceilings.
- ii. **Expansion 1 to Expansion 2:** In case of Expansion unit (referred as Expansion 1) availing incentive under this policy undertakes subsequent expansion (referred as Expansion 2) under this policy, the Annual Ceiling during the overlapping period of eligibility shall be the sum total of both Annual Ceilings.

8. GOVERNANCE MECHANISM

8.1. DISTRICT SCRUTINY COMMITTEE

I. Purpose of the Committee:

- a. The Scrutiny Committee shall prepare a report to be placed before District Level Committee/State Level Committee, as the case may be, for ascertaining the new investment & eligibility under this policy.
- b. The department shall empanel CAG empanelled CAs for assisting the Scrutiny Committee in preparing such report. Ordinarily, the documentary claim including the audit report / certification given by the empanelled CAs for preparing the report of the Scrutiny Committee.
- c. 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.
- d. The report of the Scrutiny Committee shall contain clear recommendations w.r.t. the FCI of the eligible unit, the date of commercial production of the unit, the industrial categorization of the unit and list of eligible items along with NIC Code and HSN Code.

II. Constitution of the Committee:

GM, DIC	Chairperson
Lead District Manager	Member
Concerned Financial Institution	Member
Representative of Department of Taxation	Member
Representative of PSPCL	Member
Two representatives from Industry Associations	Member
Representative of ULB for sites in purview of MC	Member
Rep. of T & C Planning for sites outside purview of MC	Member
Functional Manager, DIC	Member Convener

Note: GMDIC may invite anyone relevant as deemed necessary.

8.2. DISTRICT LEVEL COMMITTEE

I. Purpose of the Committee:

- a. The District Level committee shall be the Competent Authority for approving and sanctioning of fiscal incentives for Eligible Unit having Fixed Capital Investment up to 50 Crore under this Policy.

II. Constitution of the Committee:

Deputy Commissioner	Chairperson
General Manager, District Industries Centre	Member Convener
Department of Town and Country Planning/ Local Govt	Member
Department of Taxation	Member
Two members from Industry Associations	Member

Note: The Member Convener of the committee may invite anyone relevant as deemed necessary.

8.3. DISBURSEMENT OF SACTIONED 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 and Seniority shall be freeze on monthly basis.

The disbursement of fiscal incentives would be subject to annual budgetary provisions of the Department of Industries & Commerce.

8.4. 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 shall discharge the following functions:
 - a) To review the progress of implementation of the policy and follow up on the decisions taken by the State Government
 - b) To review and resolve the inter-departmental issues

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- 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 State Government.

8.5. STATE LEVEL COMMITTEE

I. Purpose of the Committee:

- a. The State Level committee shall be the Competent Authority for approving and sanctioning of fiscal incentives for Eligible Unit having Fixed Capital Investment more than 50 Crore under this Policy.

II. Constitution of the Committee:

Administrative Secretary, Industries & Commerce	Chairperson
Director of Industries & Commerce	Member Convener
Chief Executive Officer, PBIP	Member
Representative of Department of Housing & Urban Development	Member
Two Members from the Industry Associations	Member

Note: The Member Convener of the committee may anyone relevant as deemed necessary.

8.6.COMMITTEE FOR APPROVAL OF CUSTOMIZED PACKAGE (CACP)

I. Purpose of the Committee:

- a. For Mega Units, the Government may consider a customized package of incentives on a case-to-case basis. These packages are subject to approval of the Council of Ministers on the recommendations of Committee for Approval of Customized Package (CACP).

II. Constitution of the Committee for Approval of Customized Package (CACP):

Finance Minister	Chairperson
Industries & Commerce Minister	Co-chairperson
Chief Secretary, Punjab	Member
Administrative Secretary Finance	Member
Administrative Secretary Industries & Commerce	Member

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Administrative Secretaries of concerned Departments	Invitee
Chief Executive Officer, PBIP	Member
Director Industries & Commerce	Member Convener

Note: The Member Convener of the committee may invite representative of any other department as deemed necessary.

III. Procedure for the grant of Customized Package:

- a. The unit seeking the Customized Package under this policy shall submit its Form – CP along with Appraised Detailed Project Report.
- b. On submission of the application form, the PIU shall work out the financial implications involved on account of State Exchequer and float the proposal to the concerning departments for seeking their concurrence/comments.
- c. After obtaining the comments of the concerning departments, the proposal shall be shared with Department of Finance for their comments and a meeting of the committee shall be convened.
- d. After the finalization of the recommendation by the committee, the proposal shall be placed before the Council of Ministers for soliciting the final approval and issuance of the final notification for the Customized Package.

8.7.POLICY IMPLEMENTATION UNIT

- I. 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:
 - a. To create awareness about the policy amongst the stakeholders
 - b. To prepare a detailed policy implementation plan with clearly defined timelines and responsibilities for each of the strategic pillar:
 - i. Infrastructure
 - ii. Power
 - iii. MSME
 - iv. Startup and Entrepreneurship
 - v. Skill Development
 - vi. Ease of Doing Business
 - vii. Fiscal and Non-Fiscal Incentives
 - viii. Stakeholder Engagement

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- c. To prepare a detailed policy implementation plan with clearly defined timelines and responsibilities for sector specific strategies for various manufacturing and service industry sectors.
- d. 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, DPIIT, MEITY, MoFPI etc.
- e. 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.
- f. To prepare concept note, pre-feasibility and other relevant reports for implementation of the policy.
- g. To assist the State in selection of various project specific agencies for implementation, wherever required.
- h. To assist in weekly, monthly, quarterly and yearly review of the implementation of the policy as per the governance mechanism
- i. Develop a comprehensive dashboard to track policy implementation
- j. To assist in review of various policy areas in view of the best practices at national and international level.
- k. 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.
- l. The PIU will be strengthened under the aegis of the Department of Industries and Commerce and will be supported by Knowledge Partners, Experts and Professional Consultants as may be required for smooth implementation of the Policy.

8.8. POWERS CONFERRED WITH ADMINISTRATIVE SECRETARY INDUSTRIES & COMMERCE

- i. Administrative Secretary Industries & Commerce, Punjab shall be competent to make interpretation of provisions of the Policy, Scheme and guidelines and may issue additional instructions, if required in case of any doubt/dispute/ambiguity.
- ii. 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.

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- iii. 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 and/or online processing of cases for a period by passing an order in writing.

ANNEXURE – I**ILLUSTRATIVE CALCULATION****FOR RESTRICTING THE VALUE OF LAND COST UPTO 10% OF FCI****Assumption:**

The value of Land, Building and Plant & Machinery found eligible by DSC: -

#	Component of FCI	Eligible Value of the component
1	Land	1,50,00,000/-
2	Building	4,00,00,000/-
3	P&M	5,00,00,000/-
Maximum FCI		10,50,00,000/-

Base Method of calculation:

The eligible value of Building, Plant & Machinery should be capped at 90% of FCI and correspondingly the value of land shall be capped at 10% accordingly. The illustrative calculations are as under: -

#	Component of FCI	Eligible Value of the component
1	Building	4,00,00,000/-
2	P&M	5,00,00,000/-
Total value of Building, P&M which is 90% of FCI		9,00,00,000/-
3	Value of Land for the purpose of FCI	9,00,00,000*(10/90) = 1,00,00,000/-
FCI to be recommended		10,00,00,000/-

Scenario – I: Actual Cost of Land = ₹95,00,000

Since the actual cost of land (₹95,00,000) is less than the permissible limit of 10% of FCI (₹1,00,00,000), the actual cost of land is considered: -

#	Component of FCI	Eligible Value of the component
1	Total value of Building, P&M which is 90% of FCI	9,00,00,000/-
2	Actual Value of Land being lower than 10% of FCI	95,00,000/-
FCI to be recommended		9,95,00,000/-

Scenario – II: Actual Cost of Land = ₹1,05,00,000

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Since the actual cost of land (₹1,05,00,000) is more than the permissible limit of 10% of FCI (₹1,00,00,000), the land cost is capped at 10% of FCI.

#	Component of FCI	Eligible Value of the component
1	Total value of Building, P&M which is 90% of FCI	9,00,00,000/-
2	Value of Land restricted to 10% of FCI	1,00,00,000/-
FCI to be recommended		10,00,00,000/-

ANNEXURE – II

List of permitted Civil Works in the Building Component

- i. Main Factory Shed
- ii. Raw Material and finished products godown
- iii. Office and Lab room
- iv. Cooling water ponds
- v. Boiler shed and generator room
- vi. Effluent Treatment Plant/Ponds including Zero Liquid Discharge (ZLD)
- vii. Overhead Tank, bore-wells, and pump house and pump
- viii. Fencing and gate
- ix. Architect fee
- x. R&D labs/Industrial Testing Labs
- xi. Compound wall
- xii. Canteen
- xiii. Workers' restroom
- xiv. Time Office
- xv. Cycle/Vehicle Stand
- xvi. Security Shed
- xvii. Toilet room and sanitary fittings
- xviii. Unit's own retail outlet on the same factory premises
- xix. Construction of worker housing in same factory premises

The total value of items at (xi) to (xviii) and similar items shall not exceed 10% of the total value of civil works. Total value of the civil works mean items (i) to (x) only within the Approved Project Cost.

GOVERNMENT OF PUNJAB
DEPARTMENT OF INDUSTRIES & COMMERCE
NOTIFICATION

The 8th March, 2026

No. PIU/Industrial & Business Development Policy-2026/898 In pursuance of the approval of the Council of Ministers, Government of Punjab granted in its meeting held on 07/03/2026, the Governor of Punjab is pleased to notify 'Industrial and Business Development Policy, 2026' as per Annexure -A.

Dated: 8-3-2026
Place: Chandigarh

Gurkirat Kirpal Singh, IAS
Administrative Secretary to Government of Punjab
Department of Industries & Commerce

Endst. No. PIU/Industrial & Business Development Policy-2026/899-900 Dated: 08/03/2026

A copy of the above is forwarded to the following for information please.

- (i) The Chief Secretary, Punjab
- (ii) The Principal Secretary to Chief Minister, Punjab


Under Secretary

Department of Industries and Commerce

Endst. No. PIU/Industrial & Business Development Policy-2026/901-905 Dated: 08/03/2026

A copy of the above is forwarded to the following for information please.

- (i) All the Special Chief Secretaries, Additional Chief Secretaries, Principal Secretaries, Financial Commissioners and Administrative Secretaries in the State of Punjab.
- (ii) Chief Executive Officer, Punjab Bureau of Investment Promotion, Punjab.
- (iii) Director Industries & Commerce, Punjab.
- (iv) All Deputy Commissioners in the State of Punjab.
- (v) All General Managers, District Industries Centre in the State of Punjab.


Under Secretary

Department of Industries and Commerce

Endst. No. PIU/Industrial & Business Development Policy-2026/906 Dated: 08/03/2026

A copy is forwarded to the following for uploading the same on the website of Printing & Stationery Department, Punjab for publishing the same in the extra ordinary gazette. After publishing the same, 100 copies may please be sent to this department.

- (i) The Nodal Officer (e-gazette-printing & stationery) o/o Department of Industries & Commerce, Punjab.


Under Secretary

Department of Industries and Commerce

INDUSTRIAL AND BUSINESS DEVELOPMENT POLICY, 2026



**Department of Industries & Commerce,
Government of Punjab**

SECTOR COMMITTEES

The Department of Industries & Commerce, Government of Punjab, constituted 24 sectoral committees vide order number PIU/NIF/Notification/2025/1353 dated 01-08-2025. These committees comprise industry leaders and sectoral experts. Following extensive deliberations and stakeholder consultations, sector-specific recommendations were received for the Department's consideration.

The Punjab IBDP-2026 integrates strategic recommendations aimed at further strengthening the contribution of both the manufacturing and services sectors to the State's economic growth. To provide targeted impetus to key focus sectors, the department envisions developing sector-specific policies to catalyse growth and augment their share in the State's GSVA.

List of sectoral committees formed is as follows:

S. No	Sectoral Committee	Sectoral Committee Chairperson	Company
1	Auto & Auto Components	Paritosh Garg	Happy Forgings, Ludhiana
2	Bicycle Industry	Onkar Singh Pahwa	Avon Cycles, Ludhiana
3	Electric Vehicles	Inderveer Singh	Evage Motors, Mohali
4	ESDM – Electronic Systems Design & Manufacturing	Dr.Kamlajeet Singh	Semiconductor Laboratory (SCL), SAS Nagar (Mohali)
5	Film Media	Dinesh Auluck	Speed Records, Jalandhar
6	Food Processing & Dairy	Ashok Arora	LT Foods (Daawat Rice)
7	Furniture & Ply Industry	NareshTiwari	Virgo Panels / Plywood Manufacturing Industries Association, Hoshiarpur
8	Heavy Machinery	A. S. Mittal	International Tractors Ltd, Hoshiarpur
9	Hospitals & Health Care	Dr.Bishav Mohan	DMC Ludhiana, Ludhiana
10	IT Sector	Pratap Aggarwal	IDS Infotech, Mohali
11	Logistics & Warehousing	Capt. Ashwani Nayar	Hind Terminals, Ludhiana
12	Machine Tools	Ashwani Kumar	Victor Forgings (also President, FIEO India), Jalandhar
13	Pharmaceuticals/ Biotechnology	Varinder Gupta	IOL Chemicals & Pharmaceuticals, Barnala
14	Plastic & Chemical Products	Abhi Bansal	ASSOCHAM & MD Sarwati Agro Chemicals, SAS Nagar

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15	Renewable Energy	Ashish Kumar	Verbio, Sangrur
16	Retail	Umang Jindal	Homeland Group, Tricity (Chandigarh–Mohali region)
17	Sports/ Leather Goods	Rajesh Kharbanda	Nivia Sports / Sports Goods Mfg. & Exporters Association, Jalandhar
18	Startups	Mamta Bhardwaj	Neuron (Punjab Startup Hub at STPI), Mohali
19	Steel & Rolling Mills	Sachit Jain	Vardhman Steel, Ludhiana
20	Textile – Apparels	Sandeep Jain	Monte Carlo Fashions Ltd, Ludhiana
21	Textile – Dyeing & Finishing	Rajnish Gupta	BalaJi Dyeing, Ludhiana
22	Textile – Spinning & Weaving	S. P. Oswal	Vardhman Textiles, Ludhiana
23	Tourism & Hospitality	Gurjinder Singh	Western Hotels
24	Universities / Coaching Institutions	Dr.Jaspal Singh Sandhu	Lovely Professional University, Jalandhar

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1. OVERVIEW

Punjab has long embodied a strong entrepreneurial spirit, with its people continually adapting to an evolving business landscape. From agricultural pioneers to modern-day startup unicorns, Punjabis have led successive waves of business transformation. The State Government has played a crucial role in this journey by formulating policies that support the growth of industrial ecosystem. Consequently, to keep pace with emerging technologies and evolving industry needs, the Government has recognised the need for forward-looking, future-ready policies.

Punjab spans over an area of 50,362 sq. km and is home to over 3.0 crore people (estimates 2025). Its strong connectivity backbone includes 1,47,862 km of road network, 2,265 km of rail network, two (2) international airports (Amritsar and Mohali) and four (4) domestic airports (Jalandhar, Ludhiana, Bathinda, Pathankot)¹ supported by a robust logistics ecosystem comprising two (2) Air Cargo Terminals, five (5) Inland Container Depots, eight (8) Container Freight Stations, 78 Railway Goods Sheds, and three (3) Multimodal Logistics Parks. A cold storage capacity of 2.35 MMT, warehouse capacity of 5.5 MMT² and (3) Integrated Check Posts further make Punjab a logistics-friendly investment destination.

The State's economy, historically anchored in agriculture, evolved into a strong industrial base with 52 focal points, three (3) operational Special Economic Zones (SEZ), and 1,974.53 hectares of available industrial land. Punjab's reliable power infrastructure, with an installed capacity of approximately 14,747 MW³ as on 2023-24, ensures uninterrupted industrial supply, making it an energy surplus state.

With a Gross State Domestic Product (GSDP) of USD 89.33 billion in 2023-24, contributing 2.5% to India's GDP, the State has steadily pursued reforms to make it easier and more attractive to do business. These efforts span rationalised power tariffs, a strong Single Window system for approvals, progressive labour reforms to name a few. The consistent approach has translated into tangible outcomes, with Punjab being adjudged a Top Achiever in five business-centric reform areas under Business Reform Action Plan (BRAP) 2024, followed by its recognition as a Top Achiever in the Ease of Doing Business 2022. The State has also earned the Digital India Silver Award for the Invest Punjab Business First Portal, ranked 3rd in logistics ease, been classified as a Fast Mover under LEADS 2024 among landlocked states, and placed in the Top Performer category in the Start-up Ranking Framework 2024. Together, these recognitions reflect Punjab's sustained reform journey and its commitment to offering investors a predictable, transparent, and business-friendly environment.

Punjab holds a strategic advantage owing to its extensive infrastructure, skilled workforce, and robust telecommunication network, with one of the highest road and rail densities and tele-density in India. The Industrial Policy of Punjab builds upon these inherent and acquired strengths to drive industrial growth, promote entrepreneurship, enhance export

¹ Invest Punjab

² Punjab State Warehousing Corporation

³ <https://www.pspcl.in/Statistics>

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competitiveness, and position the State as one of India's most attractive and efficient destinations for domestic as well as global investors.

2. POLICY VISION

2.1. VISION

To establish Punjab as India's leading destination for manufacturing and services - powered by innovation, advanced technologies, and sustainable practices - the Government aims to attract global investments, create high-value employment opportunities, and nurture a future-ready workforce equipped with world-class skills to thrive in an evolving industrial landscape.

2.2. MISSION

- To position Punjab as a major destination for attracting industrial and service sector investments.
- To transform Punjab into a major Digital and Knowledge-based Services industry hub creating high-skill employment opportunities helping build a future-ready workforce.
- Strengthen sectoral and regional value chains to drive resilient industrial growth, balanced regional development, and a self-reliant Punjab integrated with global markets.
- Maximize human capital through targeted skilling, industry-linked training, and inclusive livelihood opportunities for youth, women, and marginalized communities in all districts.
- Drive systematic regulatory and institutional reforms to simplify procedures, enhance predictability, and make Punjab one of the top states in India on Ease of Doing Business.
- Foster innovation and build a vibrant startup and MSME ecosystem that nurtures entrepreneurship in every district, with special focus on border, rural, and backward areas.

2.3. OBJECTIVES

Punjab's industrial policy prioritizes creating a dynamic and sustainable industrial ecosystem that drives equitable economic growth and employment across the state. The key objectives guiding Punjab's industrial development strategy are:

- To attract investment across the sectors and create new employment opportunities by positioning Punjab as preferred investment destination by 2030.
- Increase secondary sector's share in Punjab's Gross State Value Added (GSVA) from 27% to 32% by 2030.
- To accelerate employment generation by enhancing youth employability through targeted, industry-aligned skilling programs and by creating job opportunities across emerging sectors.
- To develop world-class industrial infrastructure that fosters a comprehensive industrial ecosystem for investors and ancillary units under a self-governance model. Additionally, to establish 10 new industrial parks to further strengthen the State's industrial base and accelerate economic growth.

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- To ensure that manufacturing and service sector activities are equitably distributed and effectively reach every district of the State.
- To build a robust startup ecosystem by incubating over 1,000 innovative ventures, establishing 10 state-of-the-art incubation centres, and forging strong linkages with leading institutions including IIT Ropar, IIM Amritsar and other leading institutions across Punjab.
- To enhance the economic potential of the Kandi area and increase its contribution to the State's Gross State Value Added (GSVA).
- Build world-class logistics and warehousing infrastructure, cold storage infrastructure, logistics parks and multi-modal hubs, to reduce logistics costs and boost supply chain efficiency.
- To nurture future-ready MSMEs by aligning state priorities with Government of India initiatives, creating avenues for MSMEs expansion, fostering linkages with large enterprises, and promoting exports to ensure inclusive and sustained growth.

3. ADVANTAGE PUNJAB

Punjab has been an integral part of India's growth story, the state has contributed immensely to India's industrial, agricultural and economic growth, the state with 1.5% of India's land area and a population of over 3 crore contributes 2.5% to India's GDP.

The State's industrial and business ecosystem is characterised by strong entrepreneurial spirit, sectoral concentration, diversified manufacturing base, export-focused and is supported by robust infrastructure, progressive regulatory reforms and skilled manpower.

3.1. EASE OF DOING BUSINESS

Ease of Doing Business (EoDB) is a cornerstone of Punjab's industrial growth. Punjab is one of the leading States in the country in providing Ease of Doing Business and has undertaken wide-ranging institutional, procedural, and digital reforms to create a transparent, predictable, and investor-friendly regulatory environment. These reforms are aimed at reducing compliance burdens, ensuring time-bound approvals and providing end-to-end facilitation across the project lifecycle.

Punjab has received national recognition for its strong Ease of Doing Business (EoDB) framework, securing the status of a Top Achiever in the DPIIT Ease of Doing Business Rankings (November 2025). The State demonstrated outstanding performance across five key reform areas—Business Entry, Construction Permit Enablers, Investment Facilitation, Healthcare Sector Reforms, and Services Sector Reforms. This recognition reflects the depth, effectiveness, and sustained commitment of Punjab's reform agenda in creating a predictable, transparent, and investor-friendly business environment, while supporting long-term and sustainable economic growth.

Some of the key reforms implemented by Punjab include:

- Time-bound digital single-window approvals within 45 working days
- Digital Revenue Feasibility Certificate issued within 15 working days
- Auto-deemed approvals and self-certification for MSME units
- In-Principal approval based on self-declaration in 5 working days under the Punjab Right to Business Act, applicable to units with an investment of Up to INR 125 crore.
- Single platform for more than 120+ regulatory clearances from 20+ departments.
- Accelerated incentive disbursement through Digital Incentive Disbursal System for faster and transparent release of incentives.

3.2. INDUSTRIAL INFRASTRUCTURE

Punjab has a well-developed industrial land bank created by Punjab Small Industries and Export Corporation (PSIEC), which has developed 52 Industrial Focal Points across the state. Punjab is home to major industrial hubs like Ludhiana, Jalandhar, Amritsar, Mohali, ShriFatehgarh Sahib Rajpura, others which are very well connected through Industrial Corridors, National Highways,

Dedicated Freight Corridors(DFCs) and Inland Container Depots (ICDs). The State Government intends to notify Operations & Maintenance Act to increase participation of industry in maintenance of industrial focal points and offer best services to industry.

State government is committed to develop state-of-the-art industrial and sector specific infrastructure. Mohali in Punjab is emerging as a major IT, Knowledge, ESDM and Semiconductor hub; Government is developing Integrated Manufacturing Cluster in Rajpura which is a 1,000 acre project; State is also developing sector specific parks like Hi-Tech Cycle valley, IT City in Mohali and Medicity in New Chandigarh. The Government is further committed to promote participation of private sector to develop infrastructure and has a Private Industrial Estate Policy.

3.3. INDUSTRIAL ECOSYSTEM

The State's industrial ecosystem comprises the following integrated components that support manufacturing, logistics, and technology-led growth:

- i. **Light Engineering and Industrial Manufacturing:** Punjab boasts a robust light engineering and industrial manufacturing ecosystem, anchored by the world's largest tractor manufacturing facility - underscoring the State's strong engineering competence. This sector is supported by a dense network of MSMEs and leading enterprises, including Swaraj Mahindra, Eastman, Happy Forgings, International Tractors Limited, John Deere, CLAAS, and Federal-Mogul, to name a few.
- ii. **Mobility, Auto Components and Bicycle Manufacturing:** Punjab is India's leading bicycle manufacturing hub, accounting for nearly 75% of the country's bicycle production and 92% of bicycle component manufacturing. The State is home to prominent companies including Hero Lectro, Avon Cycles, TI Tubes, Ralson Tyres, JCBL, Hella India Lighting, Continental Device India Ltd, Hero EcoTech, ISUZU, among others, underscoring its dominance in the sector.
- iii. **Textiles, Apparel and Technical Textiles:** Punjab holds a leading position in India's textile industry, contributing 65% of the country's hosiery output and 95% of woollen manufacturing. Backed by a skilled workforce and well-established clusters, the sector is evolving from volume-driven production to high-value segments such as technical textiles, premium garments, home furnishings, non-leather footwear, and fashion accessories - aligned with global market trends and value-chain upgrades. Key players include Monte Carlo, Octave, Duke, KG Exports, Balaji Dyeing, Oriental Textiles, Vardhman Textiles, Trident Ltd, Nahar Spinning Mills, Shingora, Sanathan Textiles, and Shiva Textfabs Limited, others.
- iv. **Sports Goods and Fitness Equipment Manufacturing:** Punjab has a strong foundation in sports goods manufacturing and is now transitioning toward high-value segments such as advanced sports equipment, fitness machinery, and precision-engineered products. The sector blends traditional craftsmanship with modern design, global quality standards, and an export-oriented approach, driving employment-intensive industrial growth. Key players include Tynor, Nivia, among others.

3.4. POWER

Punjab offers an abundant, reliable, and cost-competitive power ecosystem to industrial units across the State. With an installed power capacity of approximately 14,747 MW as on 2023-24, of which 33% is derived from renewable and hydro sources, and with a central sector contribution of around 28%, the State ensures long-term energy security and sustainable power availability. Punjab offers power at one of the lowest industrial tariffs, making it a preferred destination for many industries in comparison to any neighbouring states.

Punjab aims to provide unparalleled power related infrastructure, thereby making it nationally competitive. 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 state⁴. Additionally, transmission and distribution losses are limited to about 14%, significantly below the national average of nearly 20%, enhancing power efficiency and operational reliability. Together, these factors strengthen the cost competitiveness and uninterrupted operations of industrial enterprises in Punjab.

Punjab offers electricity to industrial consumers at competitive and lower tariffs compared to other states. The State's balanced power mix, availability of surplus capacity, and efficient power procurement mechanisms enable the provision of reliable and cost-effective electricity to industry. This competitive tariff structure supports enhanced industrial productivity, operational efficiency for industrial operations.

3.5. INDUSTRIAL RELATIONS

Punjab's industrial ecosystem is supported by a strong, competitive, and readily available labour force, with nearly 70% of the population in the working-age group (15 - 59 years). A flexible labour regime allows 24x7 industrial operations and a stable industrial relations environment marked by no strikes or lockouts. This labour advantage, combined with a robust MSME ecosystem across engineering, textiles, food processing, and manufacturing services, enables entrepreneurship, employment generation, and resilient industrial supply chains.

3.6. TRANSPORT AND CONNECTIVITY

Punjab offers state-of-the-art connectivity infrastructure across road, rail and air transport. Punjab is recognized as a top-performing state in the Logistics Ease Across Different States (LEADS) ranking, frequently ranking in the 'Achiever' or 'Top Achiever' categories for its high-quality infrastructure, cargo safety, and regulatory environment.

The State's logistics infrastructure includes 5 upcoming and operational airports in Mohali, Amritsar, Ludhiana, Pathankot and Bathinda, 5 Inland Container Depots, 3 Multi-Modal Logistics Parks, 2 Air Cargo Complexes, 2 Private Freight Terminals, and 8 Container Freight Stations (CFSs). State has the amongst the highest rail density in the country, all major towns are

⁴<https://pbindustries.gov.in/webportal/uploads/pdf/a3c3f4cdf2becbd13442973e23ec4c0f.pdf>

connected with 4/6 lane highways and Amritsar Kolkata Industrial Corridor (AKIC) cuts across the state.

3.7. TECHNOLOGY & INNOVATION ECOSYSTEM

Mohali in Punjab is emerging as a major Technology, Knowledge, Innovation and Electronics Manufacturing hub. The State is committed to develop technology-enabled industrial infrastructure supporting IT services, electronics manufacturing, engineering design, R&D labs, data centres, and Global Capability Centres (GCCs). The presence of premier institutions including IIT Ropar, IISER Mohali, ISB Mohali, Semiconductor Laboratory (SCL), IMTECH, and the Institute of Nano Science & Technology (INST), Mohali strengthens industry-academia linkages and innovation-led manufacturing. The State intends to promote development of incubation centre that lead to creation of startups focusing on Advanced Technologies in core sectors like AgriTech, EduTech, CleanTech& Sustainability, AI, Robotics, Semiconductors, Electric Mobility.

3.8. SOCIAL INFRASTRUCTURE

Punjab offers one of the finest social infrastructures in India, combining rich cultural heritage with modern amenities. Known as the land of five rivers, the State boasts of fertile land and a vibrant, welcoming culture. It is home to premier educational institutions such as IIT Ropar, IIM Amritsar, Lovely Professional University, Chitkara University, Amity University, other prominent educational institutions including Punjab Engineering College, and Panjab University in proximity, ensuring world-class academic opportunities. Punjab also has leading multi-specialty and super-specialty hospitals, including AIIMS, Bathinda, DMC Ludhiana, Neom Healthcare, Para Hospital, Fortis Hospital, Mohali and Max Healthcare, Mohali, other prominent healthcare institutions like PGI in its vicinity providing advanced healthcare services. Located in proximity to the Shivalik hills and the Himalayas, the State offers pristine natural landscapes, conducive climate making it an attractive destination for Living, Learning, Earning and Leisure.

4. SCOPE OF THE POLICY

4.1. POLICY APPLICABILITY

- 4.1.1 This Policy shall come into force from the date of its notification by the Government of Punjab and may be amended, modified, or cease to exist, either wholly or partially, as notified by the Government from time to time based on implementation experience, sectoral requirements, prevailing economic conditions, or other considerations as deemed appropriate by the Government.
- 4.1.2 All new industrial units and existing manufacturing units, including those undertaking expansion with or without modernisation other than those industrial units engaged in activities specified in the Negative List as defined in **Annexure - I**, shall be eligible for incentives and concessions under this Policy.
- 4.1.3 In the service sector, only the New Unit shall be entitled to fiscal incentives under this policy; however, IT/ITeS units and GCC's (as defined under sectoral policy) undertaking expansion shall be eligible for incentives under the respective sectoral policy.
- 4.1.4 After the notification of this policy, no new Common Application Form (CAF) shall be accepted under the Industrial and Business Development Policy, 2022 (IBDP-2022) or any other previous industrial policy of the State.
- 4.1.5 All units submitting their CAF on or after the date of notification of this policy shall be eligible for incentives under this policy, provided that commercial production commences within five (5) years from the date of acceptance of the CAF.
- 4.1.6 The Project where CAF has already been accepted under IBDP 2022, new Common Application Form (CAF) for the same project shall not be accepted under IBDP 2026.
- 4.1.7 Units that have submitted a CAF under IBDP-2022 and have not availed or been disbursed any post-production incentives as on the date of notification of this policy shall be eligible to migrate to this policy. The terms, conditions, and procedure for such migration shall be applicable as notified under the Operational Guidelines of this Policy.
- 4.1.8 Units opting for migration must submit their application through the Online Portal within 90 days from the date of notification of this Policy.
- 4.1.9 The State shall frame detailed schemes in line with the provisions of this Policy regarding various fiscal incentives and other support measures. Such detailed schemes shall, inter alia, lay down the eligibility criteria, terms and conditions, manner of processing applications, and disbursement of incentives, along with other relevant modalities for availing the incentives.

In order to ensure clarity and avoid ambiguity in the instructions, all concerned Departments shall consult the Department of Industries and Commerce before issuance of any notifications under this Policy.

4.2. INDUSTRY CATEGORIZATION

The Government of Punjab, through its new industrial policy framework, seeks to strengthen the State's economic foundation by fostering an employment-driven and investment-oriented industrial growth model. The policy aims to promote an industrial structure that prioritises employment-intensive enterprises while ensuring balanced regional development across the State. By adopting an industry-centric categorisation, the policy enables targeted incentive prioritisation for MSMEs, empowering them to scale and compete effectively. Simultaneously, it facilitates capital-intensive investments by large and mega units, enhancing industrial competitiveness, improving investment responsiveness, and positioning Punjab as a future-ready hub for manufacturing and services.

4.2.1 MSME UNITS

The definition and classification of all manufacturing and service industry MSME units shall be as per the prevailing notifications issued by the Government of India under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006), as amended from time to time.

For the purpose of availing incentives under this Policy, the status of an MSME unit shall be determined solely on the basis of eligible investment in Plant and Machinery, as on the date of commercial production.

4.2.2 LARGE UNITS

All eligible units that are not classified as MSME units shall be categorized as Large Units under this policy.

4.2.3 MEGA UNITS

All Large Units having a Fixed Capital Investment (FCI) exceeding INR 500 crore shall be classified as Mega Units under this policy.

However, IT/ITeS Units with FCI exceeding INR 250 crore, and the first three (3) Global Capability Centres (GCCs) creating direct employment of more than 1,000 persons, shall be classified as Mega Units under this Policy.

4.3. REGIONAL CLASSIFICATION

For the purpose of this policy, Punjab has been regionally classified into three distinct development zones to promote balanced and inclusive industrial growth across the State. This classification acknowledges the varied socio-economic conditions, levels of infrastructure readiness, and investment potential across regions, enabling targeted interventions and support measures that foster equitable economic opportunities and sustainable industrial development. These are categorized as follows:

4.3.1 Border Districts: Pathankot, Gurdaspur, Amritsar, Tarn Taran, Ferozepur and Fazilka

4.3.2 Kandi Areas: Areas notified by the Government of Punjab vide letter No. 1462-SMAC-1(AC)-73/33147 dated 31/10/1973, as amended from time to time.

4.3.3 General Districts/Areas: All remaining districts/areas of Punjab not included in Border Districts or Kandi Areas.

4.4. PRIORITY SECTORS

The following sectors have been identified as Priority Sectors under this policy: -

- | | |
|-----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| i. Electric Vehicle Manufacturing | vii. Textiles covered under Division No. 13 of NIC 2025 including Apparel and Made-ups, Technical Textiles, However, Dyeing and finishing unit using ZLD technology shall only be treated as Priority Sector. |
| ii. Agri& Food Processing Industries | |
| iii. IT/ITeS/ GCC | |
| iv. ESDM & Semiconductors | |
| v. Defence & Aerospace | |
| vi. Processing of Agro-waste (Biomass excluding mandi waste) into Energy, Bio-Energy, manure or any other usable form | viii. Auto & Auto Components |
| | ix. Sports Goods |

5. FISCAL INCENTIVES

To boost the manufacturing and services sectors, accelerate industrial growth, and generate employment across Punjab, the Government has introduced a comprehensive package of fiscal incentives. These incentives are designed to strengthen the State’s industrial competitiveness and ensure alignment with the diverse business needs of enterprises.

Under the Punjab Industrial and Business Development Policy, 2026, the State has adopted a flexible incentive framework that makes fiscal support more adaptive to the unique requirements of various industries. This forward-looking approach is expected to attract investment across multiple sectors, create jobs, enhance exports, and nurture a robust and competitive industrial ecosystem.

The policy offers industries the flexibility to select from a wide range of incentives and durations. Through these targeted interventions, Punjab aims to rationalise incentive disbursement and promote sustainable and inclusive industrial development.

The concerned department will issue their relevant notification for grant of fiscal incentives within 30 days from the date of notification of this policy.

5.1. INCENTIVE STRUCTURE AND DISBURSEMENT

The Government of Punjab aims to provide an effective and transparent incentive framework that promotes sustained and inclusive growth across the State. In alignment with these objectives, the structure, eligibility, and disbursement of incentives under this Policy shall be governed by the following conditions:

5.1.1 OVERALL CEILING OF FISCAL INCENTIVE (AS PER GENERAL CATEGORIZATION):

The total fiscal incentives admissible to an eligible manufacturing unit shall be subject to an overall ceiling, determined based on the category and location of the unit, as specified below:

Category and Location of the Unit	Overall Incentive Ceiling
MSME Units	Up to 100% of the eligible Fixed Capital Investment , subject to a maximum cap of INR 500 crore
Large Units	
Units falling in Border Districts & Kandi Areas	Up to 125% of the eligible Fixed Capital Investment , subject to a maximum cap of INR 500 crore
Units falling in Priority Sectors as per clause 4.4	

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However, the overall ceilings prescribed under Sectoral Policies shall prevail and be applicable to the respective sectors. Moreover, all the incentives/additional incentives prescribed under various Sectoral Policies shall be included as part of the overall ceiling of Fiscal Incentives.

Note: For incentives to Existing MSMEs (as defined under clause 5.3) that are not linked to new investments/expansion under this policy, the Cumulative fiscal incentives shall be capped at 100% of Depreciated value of the Original Fixed Capital Investment (FCI), calculated as on date of filing of Common Application Form (CAF) under this policy.

5.1.2 ELIGIBILITY PERIOD OF INCENTIVES

The incentive disbursement period for all eligible units shall be 10 - 15 years. Each unit will have a one-time option to choose the Eligibility Period of Incentives within this range i.e 10/11/12/13/14/15 years.

This option shall be exercised at the time of filing the Incentive – Common Application Form (ICAF) through the designated online portal. Once the I-CAF is approved the Eligibility Period shall be final and irrevocable and shall not be changed or modified.

5.1.3 ANNUAL CEILING OF FISCAL INCENTIVES

- (i) The total incentives admissible to a unit shall be subject to an annual ceiling (on Financial Year basis) to ensure uniform disbursal or exemption over the chosen incentive period.

Illustration:

In case a unit opts for a 10-year Incentive Eligibility Period, the maximum incentive that may be availed in any Financial Year shall not exceed 10% of the overall incentive ceiling specified under Clause 5.1.1.

For the purpose of calculating the annual ceiling:

- The amount of Pre-Production Incentive, if any, and
- The amount of Stamp Duty Reimbursement, if any,

shall first be deducted from the overall incentive ceiling under Clause 5.1.1. The balance amount shall then be distributed proportionately over the selected Eligibility Period.

Provided that, if the Date of Commercial Production falls in any of the months of a Financial Year, the Annual Ceiling for the first and last financial year of the Eligibility Period shall be calculated on a pro-rata basis, subject to the condition that the combined incentive availed in these two financial years shall not exceed the prescribed Annual Ceiling of a Financial Year.

- (ii) Any unutilized portion of the Annual Ceiling in a financial year shall lapse and shall not be carried forward to any subsequent financial year.
- (iii) The aggregate incentive entitlement for an eligible unit shall not exceed the Overall Ceiling as defined in Clause 5.1.1, unless otherwise specified and shall in all cases be subject to an absolute upper limit of INR 500 crore.

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Note: For the first and last financial year of the eligibility period, incentives shall be disbursed on a pro-rata basis, subject to the combined annual ceiling for these two financial years.

5.1.4 PROCESS FOR DISBURSEMENT OF INCENTIVES

The fiscal incentives to an Eligible Unit shall be disbursed in the following manner: -

- (i) At the time of approval of I-CAF, the Sanction Letter for grant of Stamp Duty Reimbursement, if applicable, shall be issued. Thereafter, the Annual Ceiling shall be calculated in accordance with Clause 5.1.3 of IBDP-2026.
- (ii) The Eligibility Certificate for the grant of Electricity Duty (ED) Exemption, as well as exemption from Market Fee, Rural Development Fee, other State taxes, or Property Tax, as applicable, shall be issued specifying the ceiling amount for the respective financial year(s). The ceiling for Market Fee, Rural Development Fee, and other State taxes for each respective financial year shall be determined on the basis of the self-assessment submitted by the concerned unit for that year.
- (iii) At the end of each Financial Year, the Eligibility Certificates for subsequent years in respect of Electricity Duty Exemption, Market Fee, Rural Development Fee, other State Tax Exemptions, and Property Tax Exemption shall be reviewed annually by the District Scrutiny Committee (DSC).
- (iv) The unit shall avail the sum total of incentives for a particular financial year within the Annual Ceiling as calculated as per clause 5.1.3 of IBDP-2026. If the sum total of incentives availed for a particular financial year exceeds the Annual Ceiling, the excess amount shall be liable for adjustment and/or recovery in accordance with the procedure prescribed under the DSOG.
- (v) At the end of each Financial Year, claims for all other incentives, including yearly capital subsidy (*excluding Electricity Duty Exemption, Stamp Duty/CLU/EDC, and Market Fee*), shall be processed as per the procedure defined in the Operational Guidelines, subject to the availability of the Annual Ceiling after deducting the exemptions granted for that Financial Year.
- (vi) Any unutilized portion of the Annual Ceiling for a Financial Year shall not be carried forward to the Annual Ceiling of the subsequent Financial Year.
- (vii) For all incentives for a particular Financial Year, other than those granted by way of exemptions and Stamp Duty Reimbursement, the unit shall apply for its incentive claim before the close of the following Financial Year through the online portal, along with audited balance sheet, APR, and other prescribed documents.

5.1.5 PROVISION FOR CONDONING THE DELAY

Applicants are required to adhere to the timeframes prescribed in the Industrial & Business Development Policy 2026, as well as the relevant sectoral policies and the Detailed Schemes &

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Operational Guidelines 2026. However, any delays arising from verifiable unprecedented circumstances justified by the well defined reasons shall be reviewed and may be condoned strictly as per the criteria laid out below:

1. A delay of up to 90 days from the cut-off date as prescribed, shall be considered for condonation by the Administrative Secretary, Department of Industries & Commerce, Punjab.
2. A delay of more than 90 days and upto 180 days from the cut-off date as prescribed, shall be considered for condonation by the Hon'ble Minister of Industries & Commerce, Punjab.
3. No application there upon shall be entertained, accepted, or considered in case the delay exceeds 180 days from the prescribed cut-off date, irrespective of the grounds for such delay.

5.1.6 SPECIAL CONDITION FOR MSMES FOR AVAILING ANY POST-PRODUCTION INCENTIVES

Micro, Small, and Medium Enterprises (MSMEs) shall be required to register under the ZED Scheme of the Government of India and achieve a minimum maturity level of Bronze at the time of I-CAF approval in order to be eligible for any post-production incentives under this Policy.

5.2. FISCAL INCENTIVES

The State offers a fiscal incentive framework that addresses investors all business requirements of investors which will help them in grounding their investments:

5.2.1 EXEMPTION / REIMBURSEMENT OF STAMP DUTY

A. Quantum and Eligibility Period

- i. All new units and existing units undertaking expansion shall be eligible for 100% exemption or reimbursement of stamp duty paid on the purchase or lease of land and/or buildings required for the establishment or expansion of the eligible unit.
- ii. The unit shall submit the claim for Stamp Duty Reimbursement, if applicable, along with the Incentive Common Application Form (I-CAF) only.

5.2.2 CAPITAL SUBSIDY

A. Quantum And Eligibility Period for Eligible New Units and Existing Units Undertaking Expansion

- i. The quantum of capital subsidy and its disbursement tenure shall be as follows:

Quantum of Capital Subsidy	Disbursement Tenure
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Capital subsidy of up to 20% of the eligible Fixed Capital Investment (FCI), subject to a maximum incentive cap of INR 10 crore.	Disbursed in annual eligible instalments over the eligibility period as defined under Clause 5.1.2.
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Note: For the first and last financial year of the eligibility period, incentives shall be disbursed on a pro-rata basis, subject to the combined annual ceiling for these two financial years

The Capital Subsidy incentive shall be disbursed only after adjustment of all other admissible incentives and shall be subject to the applicable Annual Ceiling and the Annualized Quantum of Capital Subsidy during the Eligibility Period.

$$\text{Annualized Quantum} = \frac{\text{Quantum of capital subsidy as above}}{\text{Eligibility period as per clause 5.1.2}}$$

B. Quantum and Eligibility Period for Existing Units undertaking Modernization:

- (i) Existing manufacturing units undertaking modernization, as defined under the relevant provisions of DSOG-2026, shall be eligible for Capital Subsidy at 20% of the eligible investment in Plant and Machinery made towards such modernization, subject to a maximum incentive cap of INR 10 crore.
- (ii) The subsidy shall be disbursed in ten (10) equal annual instalments, commencing from the Date of Commercial Production (DoCP) of the modernized unit. The financial year in which the DoCP falls shall be treated as the first instalment year.
- (iii) This incentive may be availed only once by an eligible unit once every five years after the notification of this policy.

Note: Units undertaking expansion along with modernization shall be covered under Clause 5.2.2(A) only and Units undertaking only Modernization shall be covered under Clause 5.2.2(B).

5.2.3 EXEMPTION OF ELECTRICITY DUTY

A. Quantum and Eligibility Period

- i. All eligible new units and existing units undertaking expansion shall be granted 100% exemption from electricity duty for the eligibility period as defined under Clause 5.1.2.
- ii. In the case of existing units undertaking expansion, electricity duty exemption shall be available only on the incremental increase in power consumption over:
 1. the average power consumption of the preceding three (3) years, or
 2. the average power consumption of the preceding twelve (12) monthsfrom the date of start of expansion for the eligible product or activity, whichever is higher, as certified by the concerned officer of PSPCL.
- iii. The Electricity Duty Exemption Incentive shall be subject to an annual ceiling as per Clause 5.1.3.

B. Other Conditions

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- i. Electricity duty exemption shall be applicable from the Date of Commercial Production (DoCP) in the case of New Units and expansion units.
- ii. The exemption shall apply only to electricity duty. Any other charges such as Infrastructure Development Fee (IDF), Social Security Fund, or any other levies, fees, duties, or cess shall not be exempted.
- iii. The first year for annual sanction or exemption shall be the financial year in which the Date of Commercial Production (DoCP) occurs. For the first and last financial year of the eligibility period, the exemption shall be allowed on a pro-rata basis, subject to the combined annual ceiling applicable for these two financial years.

5.2.4 INVESTMENT SUBSIDY BY WAY OF REIMBURSEMENT OF NET SGST

A. Quantum and Eligibility Period

- i. All eligible new units and existing units undertaking expansion seeking benefits under this Policy shall be eligible for Investment Subsidy by way of Reimbursement of 75% of Net SGST for the eligibility period subject to the overall annual ceiling of incentives for the eligibility period as defined under Clause 5.1.2, starting from the date of commercial production.
- ii. In the case of existing units undertaking expansion, the Investment Subsidy shall be calculated on a pro-rata basis, in proportion to the Net Sale attributable to the incremental increase in Net Sales of eligible product(s), over and above:
 1. the average sale of goods produced in the preceding three (3) years, or
 2. the average sale of goods produced in the preceding twelve (12) monthsfrom the date of start of expansion for the eligible product or activity, whichever is higher, as certified by the concerned Assistant Commissioner of State Tax (ACST).

B. Other Conditions

- i. In case the Net SGST is reduced for any reason, the Investment Subsidy shall be reduced on account of reduction of Net SGST and the incentive issued already, if any, shall be recovered from the unit.
- ii. In case a notice is issued by the department on grounds of collusion, fraud, misrepresentation and other similar grounds mentioned in the GST law requiring penal action, the Investment Subsidy shall not apply to such a unit and the incentive, if any, issued already shall be recovered along with interest @18% and such unit shall not be eligible for any incentive.
- iii. The methodology for determining the attributable Net SGST shall be notified separately.

5.2.5 EMPLOYMENT GENERATION SUBSIDY (EGS)

A. Eligibility

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All eligible new units and existing units undertaking expansion shall achieve a minimum eligible FCI of INR 25 crore and creates minimum 50 direct jobs for resident of Punjab to qualify for the Employment Generation Subsidy (EGS).

B. Quantum and Eligibility Period

Employment Generation Subsidy (EGS) shall be available for 5 years from the Date of Commercial Production (DoCP), at the following rates:

Category of Employee	Employment Generation Subsidy Rate
Male	₹3,000 per employee per month
Female / SC / OBC / BC / PwD	₹4,000 per employee per month

****Note:** The financial year for which the incentive claim is filed shall be treated as the relevant year for the purpose of annual capping of incentives.

C. Other Conditions

- i. Employment Generation Subsidy (EGS) shall be admissible to actual number of eligible employees who are residents of Punjab (*as defined in prevalent notification of Department of Revenue, Rehabilitation and Disaster Management*) and engaged on the direct payroll of the Eligible Unit and having unique identification number where PF is being subscribed/ESIC number where ESI Contribution is being paid, as the case maybe.
- ii. The EGS rates prescribed under respective Sectoral Policies shall prevail and shall be applicable to the respective sectors.
- iii. In the case of existing units undertaking expansion, EGS incentive shall be available only on the additional eligible employees directly employed by the unit over and above the base number of employees.

The average number of direct employees during last 3 years prior to start of expansion shall be considered as base number of employees.

- iv. In the case of existing units undertaking expansion, EGS incentive shall be available only on the additional eligible employees directly employed by the unit over and above the base number of employees. The average number of direct employees during last 3 years prior to start of expansion shall be considered as base number of employees.
- v. The EGS Incentive shall be subject to an annual ceiling as per Clause 5.1.3.
- vi. EGS shall be given to only those industries that follow minimum wages as per relevant government acts and rules.

5.2.6 MARKETING ASSISTANCE

A. Quantum and Extent of Assistance to New Units and Existing Manufacturing Units including those undertaking Expansion

i. Punjab Pavilion at Major Industrial Events

To promote products and enhance market visibility of Punjab-based industries, Punjab Small Industries and Export Corporation Ltd. (PSIEC) shall actively participate in major industrial events and exhibitions by setting up a dedicated Punjab Pavilion. Industrial units from the State shall be encouraged to showcase their products at such mega events. PSIEC shall provide exhibition stalls to participating units at subsidized rates within the Government of Punjab Pavilion, ensuring greater exposure and enhanced networking opportunities for local industries.

ii. Assistance for Participation in National and International Trade Events

MSMEs and ODOP units (*within their respective districts*) in the manufacturing sector, shall be eligible for financial assistance to participate in national and international trade fairs and exhibitions for showcasing their products, subject to the following conditions:

1. Assistance shall be admissible once for each event for International/National per financial year for eligible unit.
2. Assistance shall be limited to stall/space rental charges only.

Category of Unit	International Trade Fairs (Abroad)	National Trade Fairs / Exhibitions
MSME Units	50% of stall rent, subject to a maximum of ₹5 lakh	50% of stall rent, subject to a maximum of ₹3 lakh
ODOP Units	75% of stall rent, subject to a maximum of ₹7.5 lakh	75% of stall rent, subject to a maximum of ₹5 lakh

5.2.7 FREIGHT SUBSIDY

A. Quantum and Extent of Assistance

i. New Units and Existing Manufacturing Units including those undertaking Expansion

The exporting unit shall be provided fiscal assistance in the form of a freight subsidy amounting to 1% of the FOB value, subject to a maximum of INR 30 lakh per annum for a period of five (5) years.

5.2.8 SUPPORT FOR ESTABLISHMENT OF R&D FACILITIES AND ADOPTION OF ENVIRONMENT-FRIENDLY TECHNOLOGIES

A. Quantum and Extent of Assistance for Setting up R&D / Testing Facilities

i. New Units/Existing Units Undertaking Expansion in manufacturing sector

In the case of eligible units in manufacturing sector, the cost of setting up an R&D or Testing Facility shall be considered as an eligible component of Fixed Capital Investment (FCI) under this policy.

ii. Industrial Clusters

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In the case of existing Industrial Clusters, financial assistance shall be provided for establishing a Common R&D / Testing Facility, subject to the following conditions:

1. Assistance shall be provided at 50% of the actual project cost, subject to a maximum cap of ₹2.5 crore per facility.
2. This support shall be limited to the first ten (10) eligible Industrial Clusters, and shall be sanctioned on a first-come-first-served basis.
3. The assistance shall be released in two equal annual instalments, after successful commissioning of the R&D / Testing Facility, as per the operational guidelines.

B. Quantum and Extent of Assistance for Setting up ZLD

i. Standalone New/Expansion Units

For standalone eligible new units and existing manufacturing units undertaking expansion, the expenditure incurred towards setting up a Zero Liquid Discharge (ZLD) system shall be treated as an eligible component of Fixed Capital Investment (FCI).

ii. Standalone Existing Units

Eligible Existing Units installing a Zero Liquid Discharge (ZLD) system shall be eligible for a capital subsidy under the following terms:

1. Subsidy shall be provided at up to 20% of the total project cost.
2. The subsidy shall be subject to a maximum cap of INR 10 crore per unit.

The sanctioned assistance shall be disbursed in ten (10) equal annual instalments, as per operational guidelines.

iii. Industrial Clusters – New Shared ZLD

In the case of an Industrial Cluster, financial assistance shall be provided for establishing a new shared ZLD facility, subject to the following conditions:

1. Assistance shall be provided at 20% of the actual project cost.
2. The assistance shall be subject to a maximum cap of ₹10 crore per project.
3. The sanctioned assistance shall be disbursed in ten (10) equal annual instalments, as per operational guidelines.

iv. Industrial Clusters – Up-gradation of Existing CETP to ZLD

For an Industrial Cluster or Industrial Association with a minimum of five (5) industrial units, undertaking up-gradation of an existing Common Effluent Treatment Plant (CETP) into a shared ZLD facility, financial assistance shall be provided as follows:

1. Assistance shall be provided at 20% of the actual cost incurred for up-gradation.
2. The assistance shall be subject to a maximum cap of ₹10 crore per project.

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3. The sanctioned assistance shall be disbursed in ten (10) equal annual instalments, as per operational guidelines.

v. Overall Limitation

The assistance shall be provided to the first ten (10) Industrial Clusters on a first-come first-served basis, for each of (ii) and (iii) above.

vi. Stamp Duty Exemption

Units as per 5.2.8 (i), (ii), (iii) and (iv) above shall also be eligible for 100% exemption or reimbursement from stamp duty on the purchase or lease of land and buildings used exclusively for up-gradation/set up of ZLD.

Note: EDC collected from the industries setup under this clause shall be utilized 100% for development of the infrastructure like roads, power lines/transformers, water, sewerage etc for that unit or cluster, as the case may be.

5.2.9 INCENTIVE FOR INSTALLATION OF PADDY STRAW-BASED BOILERS

i. New Units and Units Undertaking Expansion

For eligible new units and units undertaking expansion, the cost of setting up a Paddy Straw Fuel-Based Boiler shall be considered an eligible component of Fixed Capital Investment (FCI) in accordance with Clause 8.2 of this Policy.

1. Capital Subsidy shall be provided @ 50% of the total cost incurred on boiler or INR 1 crore per 8 TPH, whichever is lower, subject to a maximum ceiling of INR 5 crore.
2. The incentive shall be released in three (3) equal annual instalments and this shall be over and above the ceiling prescribed under clause 5.1.1 and 5.1.3

ii. Existing Industries Switching to Paddy Straw Boilers

Existing industrial units switching over to Paddy Straw Fuel-Based Boilers shall be eligible for:

1. Capital Subsidy shall be provided @ 50% of the total cost incurred on boiler or INR 1.5 crore per 8 TPH, whichever is lower, subject to a maximum ceiling of INR 7.5 crore.
2. The sanctioned incentive shall be released in three (3) equal annual instalments.

iii. Existing Industries Upgrading Existing Boilers

Existing units upgrading their boilers to Paddy Straw Fuel-Based Boilers shall be eligible for:

1. Capital Subsidy shall be provided @ 50% of the total cost incurred, or INR .75 crore per 8 TPH, whichever is lower, subject to a maximum ceiling of INR 2.5 crore.
2. The sanctioned incentive shall be released in three (3) equal annual instalments.

Note: For 5.2.9 (ii) and (iii) above, the incentive shall be admissible to only those units who commissions the Paddy Straw Fuel Based Boilers within 3 years from the date of notification of this policy.

iv. Stamp Duty Exemption

Units shall be eligible for 100% exemption or reimbursement from stamp duty on the purchase or lease of land and buildings used exclusively for storage of paddy straw.

Note: EDC collected from the industries setup under this clause shall be utilized 100% for development of the infrastructure like roads, power lines/transformers, water, sewerage etc.

5.2.10 ADDITIONAL STATE SUPPORT – REIMBURSEMENT OF CGTMSE GUARANTEE FEE FOR MSE

i. New Units and Existing Manufacturing Units including those undertaking Expansion

Micro and Small Enterprises (MSEs) availing credit under the Collateral Free Credit Guarantee Trust for Micro and Small Enterprises (CGTMSE) Scheme shall be eligible for reimbursement of the guarantee fee charged under the scheme, subject to the following conditions:

1. 100% of the CGTMSE guarantee fee shall be reimbursed.
2. The reimbursement shall be subject to a maximum cap of ₹3 lakh per unit per year.
3. The incentive shall be available for a period of seven (7) years from the Date of Commercial Production (DoCP).
4. Reimbursement shall be processed as per the prescribed operational guidelines.

5.2.11 FINANCIAL ASSISTANCE TO MSMES FOR NSE–EMERGE PLATFORM

i. New Units and Existing Manufacturing Units including those undertaking Expansion

To support MSMEs in accessing capital markets and registering on the 'EMERGE' exchange platform of the National Stock Exchange (NSE) shall be eligible for financial assistance as follows:

1. Assistance equivalent to 25% of the public issue expenses.
2. Subject to a maximum cap of ₹10 lakh per unit.
3. The assistance shall be admissible once during the validity period of this Policy.

5.2.12 ADDITIONAL STATE SUPPORT UNDER THE ZED SCHEME OF GOVERNMENT OF INDIA

i. New Units and Existing Manufacturing Units including those undertaking Expansion

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To encourage quality enhancement and sustainable manufacturing practices, the State shall provide one-time incentive to Eligible Units achieving higher certification levels under the Zero Defect Zero Effect (ZED) Scheme of the Government of India, subject to the following conditions:

1. A one-time incentive of ₹5 lakh shall be provided to the first one hundred (100) Eligible Units achieving Silver Level ZED Certification during the validity period of this Policy.
2. A one-time incentive of ₹10 lakh shall be provided to the first fifty (50) Eligible Units achieving Gold Level ZED Certification during the validity period of this Policy.
3. An Eligible Unit that has already availed the incentive for Silver Level Certification and subsequently upgrades to Gold Level Certification shall be eligible for an additional incentive of ₹5 lakh only, such that the total incentive does not exceed ₹10 lakh per unit under this clause.

5.2.13 REIMBURSEMENT OF AUDIT EXPENSES FOR ENERGY AUDIT/WATER AUDIT/ENVIRONMENT AUDIT/STEAM AUDIT/SAFETY AUDIT

i. New Units and Existing Manufacturing Units including those undertaking Expansion

Eligible Industrial Units shall be entitled to reimbursement of expenses incurred on statutory and voluntary audits aimed at improving efficiency, safety, and environmental compliance, subject to the following conditions:

1. Reimbursement shall be provided at 75% of the actual cost incurred.
2. The reimbursement shall be subject to a maximum cap of INR 3 lakh per audit for each of the following Energy Audit/Water Audit/Environment Audit/Steam Audit/Safety Audit.
3. Each category of audit shall be eligible for reimbursement once during the validity period of this Policy.
4. Reimbursement shall be processed in accordance with the prescribed operational guidelines.

5.2.14 REIMBURSEMENT OF EXPENSES FOR PATENT REGISTRATION

i. New Units and Existing Manufacturing Units including those undertaking Expansion

Eligible Industrial Units shall be entitled to reimbursement of expenses incurred towards patent registration, subject to the following conditions:

- a. Reimbursement shall be provided at 75% of the actual expenses incurred.
- b. The reimbursement shall be subject to the following maximum caps:
 1. Up to ₹10 lakh for domestic patent registration.
 2. Up to ₹20 lakh for international patent registration.
- c. Each category (domestic and international) shall be eligible for reimbursement once during the validity period of this Policy.

- d. Reimbursement shall be processed in accordance with the prescribed operational guidelines.

5.2.15 REIMBURSEMENT OF EXPENSES FOR QUALITY, MANAGEMENT SYSTEM, AND ENVIRONMENT CERTIFICATIONS

i. New Units and Existing Manufacturing Units including those undertaking Expansion

Eligible Industrial Units shall be entitled to reimbursement of expenses incurred towards obtaining quality, management system, and environmental certifications, subject to the following conditions:

1. Reimbursement shall be provided at 100% of the actual expenses incurred.
2. The reimbursement shall be subject to a maximum cap of ₹20 lakh per unit.
3. The reimbursement may be availed for one or more eligible certifications, taken together, within the above overall cap.
4. The incentive shall be admissible once during the validity period of this Policy.
5. Reimbursement shall be processed as per the prescribed operational guidelines.

5.2.16 DIGITAL MARKETING SUPPORT

i. New Units and Existing Manufacturing Units including those undertaking Expansion

Eligible industrial units shall be reimbursed for 50% of the cost of on-boarding on e-commerce platforms, including cataloguing and related expenses, on platforms developed by NSIC, ONDC, or other recognized similar platforms.

- o Maximum reimbursement per unit: INR 50,000
- o Maximum reimbursement for ODOP manufacturing units: INR 75,000

Support shall be provided to the first 1,000 units during the validity period of the Policy.

5.2.17 VENDOR DEVELOPMENT PROGRAMME

The State shall provide financial assistance of up to ₹5 crore to MSME Punjab for supporting and organizing Vendor Development Programmes, including Buyer–Seller Meets and Reverse Buyer–Seller Meets, with the objective of strengthening market linkages, promoting local sourcing, and enhancing the competitiveness of MSMEs. The assistance shall be utilized in accordance with the approved operational guidelines in consultation with Industrial Associations.

5.2.18 ANNUAL STATE AWARDS

Annual State Awards for MSMEs with SC entrepreneurs, Women entrepreneurs, Export Oriented Units, and ODOP units to recognize excellence in productivity, quality improvement, and export performance. Under this initiative, an award amount of ₹2 lakh per unit shall be granted in each eligible category. In the case of ODOP manufacturing units, the award amount shall be ₹3 lakh

per unit. The awards shall be conferred once every year during the validity period of the Policy, based on the criteria and selection process notified separately by the State Government.

5.2.19 EXEMPTION FOR THE CANAL WATER USAGE CHARGES

The New Units and Existing Manufacturing Units including those undertaking Expansion and making the initial investment for connectivity from the canals to its unit, shall be eligible for exemption of the canal water usage charges, for the period till such verified investment is offset against the applicable canal water charges or 10 years whichever is lower. Such investment shall not be part of the eligible FCI for other incentives under IBDP-2026. The investment under this exemption shall be certified by the Punjab Water Regulation and Development Authority (PWRDA) and submitted to DSC for further processing as per policy.

5.3. FISCAL SUPPORT FOR EXISTING INDUSTRY

Existing industrial units shall be eligible for the following fiscal incentives under this Industrial Policy: as per clause 5.2.2(B), 5.2.6, 5.2.7, 5.2.8, 5.2.9, 5.2.10, 5.2.11, 5.2.12, 5.2.13, 5.2.14, 5.2.15, 5.2.16, 5.2.18 and 5.2.19.

5.4. CUSTOMIZED PACKAGE OF FISCAL INCENTIVE:

For Mega Units as per clause 4.2.3, the Government may consider a customized package of fiscal incentives on a case-by-case basis. Such packages shall be subject to approval by the Council of Ministers, based on the recommendations of the Committee for Approval of Customized Package (CACP), in accordance with the relevant clauses of DSOG 2026.

1.	Finance Minister, Govt of Punjab	Chairperson
2.	Industries & Commerce Minister, Govt of Punjab	Co-chairperson
3.	Chief Secretary, Govt of Punjab	Member
4.	Administrative Secretary Finance, Govt of Punjab	Member
5.	Administrative Secretary Industries & Commerce, Govt of Punjab	Member
6.	Administrative Secretaries of concerned Departments, Govt of Punjab	Special Invitee
7.	Chief Executive Officer, PBIP, Govt of Punjab	Member
8.	Director Industries & Commerce Punjab	Member Convenor

5.5. DEDICATED POLICY FRAMEWORK FOR PRIVATE INDUSTRIAL ESTATE

With the objective of increasing the availability of affordable industrial land and supporting the development of industrial estate, the State Government shall formulate a dedicated Private Industrial Estate Policy to provide structured incentives to developers establishing private industrial parks in the State and industrial units setting up in those industrial estate.

6. NON-FISCAL INCENTIVES

6.1. FASTTRACK MECHANISM /EASE OF DOING BUSINESS

Punjab has consistently led the way in adopting and implementing Ease of Doing Business (EoDB) reforms. These initiatives have been instrumental in attracting industries by fostering a business-friendly environment that minimizes operational challenges and enhances efficiency. Streamlined regulatory processes, expedited approvals, and transparent governance have strengthened investor confidence, positioning Punjab as a preferred destination for industrial growth. The department's consistent efforts have delivered tangible results, with Punjab recognized as a Top Achiever in five business-centric reform areas under the Business Reform Action Plan (BRAP) 2025 and subsequently recognized as a Top Achiever in the Ease of Doing Business rankings for 2024.

By reducing compliance burdens, upgrading infrastructure, and introducing digital solutions for clearances, EoDB reforms have significantly lowered the cost and time required to establish and operate businesses in the State. This proactive approach not only supports domestic enterprises but also attracts national and global investors, driving economic growth, creating employment opportunities, and positioning the State as a competitive industrial hub. The following business-centric reforms have been implemented by the State.

- 6.1.1 **Right to Business Framework, Statutory Enablement for Fast-Track Approvals:** Punjab's EoDB framework also incorporates the Right to Business Act (RTBA) 2020 & Right to Business Amendment Act 2025, enabling self-declaration-based In-Principle Approvals in 5 days, deemed clearances under strict timelines, and district-level facilitation committees now expanded to cover more project categories and investment thresholds through system upgrades on the Fast Track portal.
- 6.1.2 **Time-Bound Clearances and Deemed Approvals:** The Government of Punjab has institutionalized a robust time-bound clearance framework, under which all statutory approvals required for the establishment or operation of a business are mandatorily issued within a period of 5 - 45 working days, as applicable. In the event of departmental inaction within the stipulated timeline, approvals are automatically deemed granted on the 46th day, providing regulatory certainty, efficiency, and predictability to investors.
- 6.1.3 **FastTrack Punjab, Unified Single Window System:** Punjab's EoDB reforms are anchored in the FastTrack Punjab Portal, a fully integrated single-entry, single-exit digital platform for business approvals and services. The portal enables investors to apply for, track, and receive approvals from multiple departments through a unified interface, eliminating the need for physical interactions or parallel applications. The portal integrates over 47 regulatory/statutory clearances and more than 140 Government-to-Business (G2B) services, with approval timelines capped at 45 working days. Key features include auto-deemed approvals, escalation mechanisms up to Deputy Commissioners and Administrative Secretaries, real-time application tracking, online fee payments, downloadable approvals, secure digital document vaults, and integrated workflows for

fiscal and non-fiscal incentives. The portal has also been integrated with the National Single Window System (NSWS) of the Government of India, ensuring seamless coordination with central approvals.

- 6.1.4 **Statutory Single-Window Authority with Concurrent Powers:** Invest Punjab operates as a statutory investment facilitation office under the Punjab Bureau of Investment Promotion Act, 2016, vested with concurrent powers across key departments to grant end-to-end state-level approvals—covering land, construction, labour, environment, power, and utilities—through a unified, single-window mechanism spanning site selection to pre-commissioning.
- 6.1.5 **Inclusive Labour Reforms for a Modern 24×7 Business Environment:** Punjab is proactively promoting workforce participation, with a strong emphasis on increasing women’s employment through progressive labour reforms and facilitation measures. Key initiatives include permitting women to work night shifts, supported by comprehensive safety, welfare, and regulatory compliance frameworks. Together, these measures aim to create a flexible, inclusive, and 24/7 business environment that aligns with modern industry requirements.
- 6.1.6 **Future-Focused Regulatory Simplification and Service Delivery Reforms:** Punjab plans to further streamline its regulatory framework by expanding the scope of third-party certification through broader coverage and duly notified expert panels. The State will rationalize and integrate No Objection Certificates (NOCs) across authorities by simplifying document requirements and incorporating clearances from highway, road, irrigation, and forest departments into the FastTrack Punjab Portal. In parallel, Punjab will pursue the simplification and integration of select central clearances wherever required. To strengthen accountability and ensure timely service delivery, the State also intends to notify remaining industry-facing services under the Punjab Transparency & Accountability in Delivery of Public Services Act, 2018, while rationalizing approval timelines and workflows.
- 6.1.7 **Leasehold-to-Freehold Conversion Policy:** Industrial plot allottees are now permitted to convert leasehold plots to freehold through a simplified and transparent procedure. This enhances tenure security, improves asset bankability, and strengthens long-term investment confidence.
- 6.1.8 **Self-Certification for Building Plans and Layout Modifications:** Building plans and layout alterations submitted through the Fast-Track Punjab Portal may be certified by empanelled architects. This reform reduces processing time and promotes a more efficient, compliance-driven approval system.
- 6.1.9 **Online Land Feasibility Report:** Investors can obtain land feasibility reports online through the Fast-Track Punjab Portal. The designated Revenue Officer is mandated to issue the report within 45 days of application, ensuring timely and transparent land assessment.

6.2. LABOUR REFORMS

Punjab has recognised labour as a critical enabler of industrial growth. The adoption and implementation of the labour codes (The Code on Wage 2019, The Industrial Relations Code 2020, and The Code on Social Security 2020) marks a significant step in this direction by strengthening social security, occupational safety, health, wage protection, and industrial relations across the state. By rationalising compliance requirements, introducing flexibility in working arrangements, enabling digitised and risk-based regulation, and strengthening mechanisms for industrial stability, the reforms aim to improve ease of doing business while maintaining statutory safeguards for workers. Collectively, these measures provide greater predictability in labour administration, reduce procedural and cost-related burdens on employers, and support industrial growth, competitiveness, and investment across sectors. The key reforms are as follows:

- 6.2.1 **Flexibility in Working Hours:** To enhance operational flexibility for industries, the government has allowed daily working hours from 8 to 12 hours including rest intervals not exceeding one hour. However, any work beyond 8 hours will be treated as overtime. The total hours of overtime in quarter have been increased to 144 hours. Industries are also allowed to operate round-the-clock (24x7) in three shifts.
- 6.2.2 **Women Working in Night Shift:** The labour department has permitted women employees to work in night shifts subject to the employer providing the necessary security and other requisite arrangements for its women employees.
- 6.2.3 **Simplified Regulatory Framework:** To reduce the compliance burden on industry, the state has simplified registration and licensing framework by introducing single registration, single license, single return filing, digital submissions, self-certification and risk-based inspections under the new labour codes.
- 6.2.4 **Third Party Inspections:** To promote investor-friendly clearances, the state has introduced third-party/self-certification for factory building plan approvals, allowing registered architects to approve plans in line with bylaws, streamlining the process and reducing delays by replacing the existing approvals related to labour compliances.
- 6.2.5 **Welfare Board:** To promote inclusivity, the employer representatives are included on welfare boards and sub-committees which ensures that industry views are considered while designing and implementing schemes.
- 6.2.6 **Robust Mechanism for Industrial Resolution:** To address workplace issues and industrial disputes, labour reforms notified by the State includes Works Committees, Grievance Redressal Committees, recognised trade unions for collective representation, conciliation machinery, and arbitration followed by Industrial tribunals.
- 6.2.7 **Constitution and Administration of the Punjab Social Security Fund:** To centralise financing of welfare schemes for unorganised workers, the state is in the process of establishing the Punjab Social Security Fund. This will provide a mechanism for welfare schemes for unorganised workers.

- 6.2.8 **Balanced Industrial Tribunals:** The state has introduced time-bound adjudication of disputes to ensure expeditious disposal of cases. Industrial tribunals will now have 2 members (judicial and administrative member). This mechanism widens the experience of members, creates a uniform, faster, and efficient system for resolving industrial conflicts.
- 6.2.9 **Defined Allocation of Liability in Contract Labour Engagement:** To mitigate cascading liability risks in contract labour engagement, the policy clearly delineates responsibilities between contractors and principal employers.
- 6.2.10 **Gratuity Reforms:** To ensure financial security for all eligible workers, gratuity under Punjab's labour reforms covers employees, fixed-term workers with one year of service, nominees, and legal heirs.
- 6.2.11 **Transparent Vacancy Reporting for Public and Private Sector Jobs:** To create a single interface for vacancy reporting, reduces regulatory uncertainty around recruitment practices, and ad-hoc recruitment scrutiny. The State has introduced mandatory reporting of vacancies to Career Centres standardises hiring disclosures across public and notified private establishments.

Note: All Labour-related reforms shall be implemented subject to issuance of the notification from Department of Labour.

6.3. FIRE REFORMS

- 6.3.1 **Online Self Certifications for Fire NOC:** Industries can now obtain fire NOCs for durations of 1, 3, or 5 years based on their risk classification. Additionally, fire safety drawings prepared by empanelled architects are accepted by the department, replacing the earlier burdensome 53-point checklist and streamlining the approval process.

6.4. POLLUTION REFORMS

In order to curb pollution while ensuring facilitative ecosystem for business the Punjab Pollution Control Board under Ease of Doing Business framework have played a crucial role by streamlining environmental clearance processes, introducing online consent management systems, and reducing procedural delays, decriminalization of minor compliances, eliminating redundancy, the state has ensured faster approvals while maintaining strict compliance with environmental norms. The use of digital platforms for submitting applications, online status tracking, and issuing No Objection Certificates (NOCs) has significantly reduced physical interactions and improved transparency.

To further streamline regulatory compliance and NOCs, the Punjab Pollution Control Board (PPCB) has implemented the following reforms in the state:

- 6.4.1 **A comprehensive list of NOCs** required by PPCB from other departments have been **published in public domain to facilitate regulatory approvals** under environmental laws.

- 6.4.2 To promote Ease of Doing Business and simplify the issuance of regulatory clearances, **PPCB now provides deemed approvals for Consent to Establish (CTE), Consent to Operate (CTO), and authorizations through online portal.**
- 6.4.3 PPCB now allows **self-certification for low-risk inspections and third-party certification for medium-risk inspections** across all sectors.
- 6.4.4 The details of all necessary components for availing a service such as comprehensive list of documents required, applicable fee, SOPs with stage wise details and time for disposal of application is listed on PPCBs website.
- 6.4.5 Delegation of power at Circle Revenue Officer or Tehsildar for site suitability reports which was previously required from the Deputy Commissioner, Additional Deputy Commissioner, or Sub-Divisional Magistrate.
- 6.4.6 Simplified processes for entrepreneurs by enabling auto-renewal of consents to establish, operate, and authorizations for all categories of Small-Scale Industries/ Projects, Healthcare facilities (up to 50 beds), and Hazardous waste-generating units. This facility is based on self-declaration by the enterprises and is granted without any inspection or physical verification by PPCB officials.
- 6.4.7 Continuous upgradation is being undertaken for the Online Consent Management & Monitoring System (OCMMS) to simplify and streamline the process related to regulatory clearances under various environmental laws.
- 6.4.8 An online dashboard on PPCB's website provides real-time updates on the number of applications received and approved, along with the corresponding approval timelines.
- 6.4.9 To establish a structured and transparent mechanism for engaging certified third-party professionals / agencies, the Punjab Government has introduced a policy in August, 2025 for empanelment of certified professional (Empanelled Environmental Engineers) to facilitate White and Green category industries and projects including Orange Category (if located in industrial estate only) of industries for approval/ regulatory clearances.
- 6.4.10 Simplified registration/renewal under the Battery Waste Management Rules 2022, Plastic Waste Management Rules 2022, E-Waste Management Rules, 2022 through department's website.
- 6.4.11 Several penal provisions have been decriminalized, and the severity of penalties for minor offences and non-compliance has been substantially reduced. Additionally, PPCB has eliminated outdated and redundant regulations, marking a significant step toward easing compliance requirements and streamlining regulatory processes.

6.5. BUILDING AND CONSTRUCTION REFORMS

Punjab's industrial landscape is undergoing a strategic transformation to align with emerging economic priorities. For Punjab to position itself as a competitive destination for investment and enterprise, the built environment must reciprocate to these changes. There is need to facilitate

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industrial growth through rationalized development controls, enhanced ease of doing business, and integrated land use planning.

The regulatory shift is required to enable the transition from rigid, use-based zoning to a flexible zoning. By enabling higher FAR, mixed-use corridors, and sector-specific parks, Punjab envisions to create a conducive ecosystem for both traditional manufacturing and sunrise sectors. The following reforms are instrumental in unlocking the full potential of industrial land and supporting inclusive, infrastructure-led growth in line with the objectives of the Punjab Industrial and Business Development Policy 2026.

- 6.5.1 **Industrial Zoning:** Punjab is encouraging mixed use development, integrated into notified Master Plans especially along key urban and transit corridors. The State has also adopted a flexible land use approach, permitting all activities except those explicitly prohibited. This enables industrial units to operate more freely across zones, with hazardous industries still restricted in residential areas. To support vertical industrial growth, the state has introduced adaptable norms, including revised thresholds for ground coverage, setbacks, and FAR. Industries are permitted to exceed the 21 m height limit, subject to safety and airport clearance, with required setbacks ranging from 6 m to 20 m based on overall height.
- 6.5.2 **Flexibility in Building Plan Verification and Structural Stability Certification:** To facilitate timely establishment and expansion of industrial units, the process for verification of building plans and certification of structural stability of factory buildings under the Factories Act, 1948 has been simplified. The state has introduced self-certification mechanisms and acceptance of certification by qualified professionals to eliminate redundant inspections and reducing approval timelines and compliance burden.
- 6.5.3 **Higher FAR and Relaxed Setbacks:** To drive industrial expansion and encourage mixed-use development, Punjab has introduced enabling reforms such as:
- a. **Unlimited FAR shall be allowed on roads with a Right of Way (ROW) of 45 meters** and above for all categories of land use, particularly along major transit and industrial corridors.
 - b. **Setback norms have been rationalized to maintain necessary safety buffers** while supporting efficient land use. Industries may exceed standard bye-law limits with due approvals, provided enhanced safety requirements are met.
 - c. **Parking and operational space provisions have been clearly defined, including minimum parking ratios and dedicated loading/unloading bays**, ensuring functional efficiency and smooth circulation within industrial areas.
- 6.5.4 **Mixed Land Use Zoning:** To support industrial growth and compact urban development, mixed land use shall be permitted along major urban corridors and Transit Oriented Development (TOD) corridors. Zoning shall follow a negative list-based framework, permitting all compatible uses except those specifically restricted. This approach enables integration of commercial, service, and light industrial activities near transport

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corridors, reduces distance between workplaces and housing, and facilitates development of industrial corridors, logistics parks, and MSME clusters, resulting in improved workforce accessibility.

- 6.5.5 **Risk-Based Inspection and Compliance:** Green category industries shall be exempted from routine No Objection Certificate (NOC) renewals and encouraged to adopt self-certification. The state will implement a centralized and risk-based inspection system to ensure targeted inspections based on risk profiling, minimum physical interface, and reduced delays
- 6.5.6 **Exemption from PAPRA Act:** 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 the condition that section 36 to section 39 shall remain applicable.
- 6.5.7 **Land Use Classification Framework:** Permissible and non-permissible uses are clearly specified in the Zoning Regulations and Development Control documents which allows land use unless specifically restricted.
- 6.5.8 **GIS-based Master Planning:** Punjab is implementing key reforms to promote ease of doing business and regulatory transparency. Interventions like GIS based master plans are under being implemented across the state to enable accurate mapping of industrial parks and identification of vacant land parcels which reducing regulatory burden and delays.

6.6. INFRASTRUCTURE & LAND RELATED

To reduce upfront costs and accelerate industrial setup, the following measures will be implemented:

- 6.6.1 **Plug-and-Play infrastructure:** To support MSMEs and Start-ups, the State will develop / strengthen the ready-to-use industrial sheds and flatted factory complexes on rental or lease basis. These facilities will provide plug-and-play infrastructure, reduce upfront capital investment and enable faster operationalization of businesses. By offering shared utilities, modern amenities, and flexible leasing options, it will lower the entry barriers for small enterprises, promote entrepreneurship, and accelerate industrial growth across sectors.
- 6.6.2 **Common Facilities:** Industrial parks both brownfield and greenfield projects shall be promoted to equipped with enhanced common infrastructure such as power, water, drainage, sewerage systems, Common Effluent Treatment Plant (CETPs), truck parking's, and logistics facilities including warehouses.
- 6.6.3 **Fast-Track Land Allotment:** Transparent e-auction mechanism for allotment of industrial plots, ensuring speed and fairness through Invest Punjab platform.

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- 6.6.4 **Upgraded Focal Points:** The Department of Industries & Commerce is committed to bridging infrastructure gaps across all 52 focal points, including power, water, roads, drainage, and digital connectivity. The department also envisions to modernize these industrial parks by providing world-class infrastructure, well-connected road networks, and essential utilities to support sustainable industrial growth.
- 6.6.5 **New Park Development in PPP Mode:** Private sector participation will be actively promoted to develop integrated industrial parks equipped with shared infrastructure and common facilities. This initiative is expected to unlock significant investment potential, driving multi-fold growth and fostering a robust industrial ecosystem in the State.
- 6.6.6 **Plot Sub-Division Policy:** New policy allows easy sub-division of industrial plots for families, co-developers, and joint ventures. This enables flexible land use for redevelopment or monetization, boosting brownfield investments. Under the policy clear timelines, eligibility is outlined to ensure transparency.
- 6.6.7 **Leasehold to Freehold Conversion:** Punjab has introduced a transparent and structured framework for converting leasehold properties into freehold ownership. This strengthens investors property rights, enhances asset marketability, and improves access to financing. By granting businesses full legal ownership, it eliminates the need for repeated approvals, simplifies expansion and transfer processes, and ensures greater flexibility for future development.
- 6.6.8 **Logistics Connectivity:** State Government stands committed to creating new avenues for industrial growth by strengthening connectivity between industrial clusters and logistics nodes. This includes developing integrated logistics parks, enhancing last-mile connectivity, and upgrading ICDs and CFS facilities to reduce logistics costs and improve supply chain efficiency. The State ranked 3rd in Ease of Logistics in India, supported by 8 Container Freight Stations, 5 Inland Container Depots, 3 Multi-Modal Logistics Parks, 1 Airport Cargo Terminal, and dedicated Eastern and Western Freight Corridor.
- 6.6.9 **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.

6.7. POWER

Power is a critical input for industrial operations, constituting one of the major recurring costs for enterprises. Reliable and affordable electricity is essential for operating machinery, ensuring production continuity, maintaining quality standards, and enabling modern automation and digital systems. Uninterrupted power supply enhances industrial competitiveness, reduces production losses, and creates a conducive environment for attracting new investments.

Punjab State Power Corporation Limited (PSPCL) operates a robust power ecosystem designed to ensure uninterrupted, reliable, and affordable electricity supply. The State's total installed capacity stands at approximately 14,747 MW, sourced from State-owned generation, central

sector allocations, independent power producers, and renewable energy assets. The power mix is well diversified, with nearly 33% derived from renewable and hydro sources, a central sector share of around 28% contributing to grid stability, and a balanced portfolio of State-owned and private thermal capacity ensuring dependable base-load availability.

This generation base is supported by a robust transmission and distribution network, including a 400 kV ring main system, enabling reliable grid operations and efficient power evacuation. Electricity demand is projected to grow at an average rate of around 5.7% annually over the next 5 to 10 years, informing forward-looking capacity and network planning, while T&D losses remain at approximately 12.11%. Industrial consumers account for nearly 46.7% of total metered consumption, underscoring their central role in Punjab's demand profile.

Further, despite being an energy-surplus State, Punjab has acquired 540 MW private thermal power plant to meet future demand reliably. Alongside cost competitiveness, ongoing reforms focus on ease of doing business, accessibility, and equitable access to power. Some of the progressive reforms undertaken or proposed to be undertaken by PSPCL are outlined below:

- 6.7.1 **Annual Review of Average Advance Consumption Deposit (AACD):** PSPCL shall conduct an annual review of the Average Advance Consumption Deposit (AACD) and enable timely refund of the excess deposits or corrective adjustments.
- 6.7.2 **Time-bound Electricity Duty Approvals:** Chief Electricity Inspector shall process the Electricity Duty approvals within 7 days through standardized application template.
- 6.7.3 **Enhancement of Contract Load for Small Power:** As part of the power sector reforms, PSPCL shall make provisions to enhance the sanctioned load limit for small power connections for industrial units from 20KW to 50 KW. This enhancement will enable industrial unit to meet higher operational power requirements without upgrading to higher-category connections, thereby reducing the compliance cost, shortening approval timelines, and supporting capacity expansion and Ease of Doing Business in the State.
- 6.7.4 **Dedicated Feeders and Refund of Service Line Charges for Continuous Process Industries (CPI):** Continuous Process Industries shall be provided with independent 11 kV feeder lines to ensure reliable power supply. Further, proportionate service line charge shall be applicable charged if it is used by multiple consumers having similar continuous processes.
- 6.7.5 **Test Report Exemption:** PSPCL has exempted the requirement for submitting test reports for electricity connections with a sanctioned load of up to 50 kW and 100 kW and above, ensuring faster and hassle-free approvals for small and medium consumers. For connections exceeding 50 kW and up to 100 kW, submission of a test report remains mandatory; however, no physical inspection or verification by PSPCL officials is required.
- 6.7.6 **Application and Agreement (A&A) Form Simplification:** PSPCL shall streamline the Application and Agreement (A&A) process by transforming the previously lengthy and procedural form into a simplified single-page document.

- 6.7.7 **Decentralization and Streamlining of Feasibility Clearances:** PSPCL has streamlined the feasibility process by simplifying approvals for low-risk connections up to 2 MVA and delegating cases between 2–5 MVA to field-level officers with technical concurrence. This threshold-based approach significantly reduces timelines and reduces administrative burden, thereby improving ease of doing business.
- 6.7.8 **Release of electricity connections for Electric Vehicle (EV) charging stations:** Regulatory reforms carried out by the state now allow EV charging stations to obtain independent connections under the applicable tariff without requiring landowner consent enabling flexible deployment of EV charging infrastructure across commercial and mixed-use developments. In addition, EV charging stations operated for public utility purposes have been classified as essential services.
- 6.7.9 **Enhanced Renewable Energy Limit:** Punjab shall enhance the permissible renewable energy capacity by allowing installation of systems up to 125% of the approved PSPCL load, increased from the current limit of 100%.
- 6.7.10 **Progressive Clean Energy Transition and Power Sector Reforms:** Renewable Purchase Obligation (RPO) targets are set to increase from 33% to 43.33% over a five-year period, supported by a series of progressive reforms undertaken by PSPCL to strengthen reliability, flexibility, and ease of doing business.
- 6.7.11 **Power Tariff Rationalisation:** To enhance industrial competitiveness and provide long-term cost predictability to investors, the State shall introduce a balanced Time-of-Day (ToD) tariff reform featuring a **₹2 per unit peak-season surcharge offset by an equivalent ₹2 per unit rebate during the non-peak season**. This structured framework ensures tariff predictability while maintaining grid stability. By incentivizing off-peak industrial operations, the reform enhances cost efficiency, improves capacity utilization, and strengthens Punjab's competitiveness as an industry-friendly power destination.

Note: All power-related reforms shall be implemented subject to approval by the Punjab State Electricity Regulatory Commission (PSERC).

6.8. WATER

Water is a critical driver of industrial activity, and the textile sector requires an adequate and reliable supply for its production processes. The Punjab Water Regulation and Development Authority (PWRDA) will formulate appropriate and sustainable policies for water usage, ensuring the availability of quality water for industrial applications, while easing norms for groundwater extraction to support industrial development.

6.9. SKILL DEVELOPMENT

The State acknowledges that human capital is vital for industrial competitiveness, and the rapid advancement of technology and industry requires a skilled workforce aligned with emerging market needs. To achieve this, the State shall identify multiple areas of collaboration for skill development through partnerships with the Government of India and via the Public-Private

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Partnership (PPP) model. The State is committed to strengthening its skill development ecosystem to ensure that its demographic dividend is effectively harnessed for productive workforce.

The Punjab Skill Development Mission (PSDM) has introduced a progressive series of reforms and adopted a well-structured strategy to enhance the employability of local youth. Through this comprehensive approach, the PSDM aims to attract and retain skilled talent, strengthen the industrial workforce, and promote sustainable economic growth across the state.

- 6.9.1 The **District Bureau of Employment and Enterprises have been established in all districts** to modernise the department and equip it with the state-of-the-art technology to facilitate industry requirement.
- 6.9.2 In the **Financial Year 2025-26, the Department has provided job facilitation to 70,711 candidates through 1,356 placement camps/job fairs**. The department has facilitated placement of 3,58,240 applicants since April 2022 through District Bureau of Employment and Enterprises (DBEEs).
- 6.9.3 Over the years, Punjab Skill Development Mission has strengthened its presence in the State. PSDM currently has 198 rural skill centres, 5 Multi skill development centres and 3 Health Skill Development Centres.
- 6.9.4 PSDM has empanelled 133 training partners and possesses a state-wide training delivery capability across Punjab. **More than 2 lakh youth have been trained till date and facilitated employment to more than 1.10 lakh youth.**
- 6.9.5 In addition, PSDM shall prioritize advancing skill development initiatives and promoting innovation by integrating multiple skill training schemes to achieve greater scale, efficiency, and synergy.
- 6.9.6 **Enhance Industry-Academia Linkages:** The State would strengthen industry institute interaction to enhance the employability of manpower and ensuring the supply of skilled manpower to the industry
- 6.9.7 **Priority Access to State Skilling Programs:** Industries will have preferential access to programs under Punjab Skill Development Mission, ITIs, and polytechnics.
- 6.9.8 **Customized Training Programs:** Industry-aligned training modules will be designed to meet sector-specific requirements, including advanced manufacturing, technical textiles, and digital technologies. Special impetus will be given to low skill labour, re-skilling or up-skilling of existing workforce to make them industry ready for the new requirements.
- 6.9.9 **Focus on Innovation and Research:** The State will promote collaboration with leading academic and research institutions to drive innovation and entrepreneurship. It will also focus on establishing cluster-specific skill centres for various manufacturing sectors to ensure a steady supply of skilled workforce for industry.

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6.9.10 State will collaborate with Industry to engage youth under initiatives like Apprenticeship Training, On Job Training, Internship Training, Hands on Training, Industry visits, Pre-induction training, Skill Training at industry premises, Captive Employment etc.

7. KEY INTERVENTIONS

7.1. MSME

Punjab, with a robust base of nearly 1.6 lakh MSME units, plans to establish a dedicated agency - 'MSME Punjab' under the Punjab Industrial and Business Development Authority to transform its MSME ecosystem into a highly dynamic and globally competitive sector. MSME Punjab will serve as a single institutional platform to enhance competitiveness, improve access to finance, technology, markets, and skills, and promote cluster-based development. The following points shows the vision of Punjab Government.

- 7.1.1 **District-Level Single Window System:** Strong single-window systems at the district level will offer one-stop services for clearances, regulatory approvals, and incentives, along with facilitation in infrastructure, finance, and entrepreneurship development.
- 7.1.2 **Cluster-Based Industrial Development:** The State shall identify, and map industrial clusters using GIS and prioritize sectors like auto components, cycles, textiles, food processing, and electronics to ensure focused policy and infrastructure support.
- 7.1.3 **Technology and Innovation Support:** New Technology Centres and Common Facility Centres shall be set up in major clusters to provide R&D, design, prototyping, testing, and training support, enhancing the technological capabilities of MSMEs.
- 7.1.4 **Upgradation of Existing Infrastructure:** Existing Quality Marking Centres (QMCs) and Industrial Development Centres (IDCs) will be modernized through PPP models to function as technology, testing, and skill development hubs.
- 7.1.5 **Adoption of Central and State Schemes:** Punjab will promote central government schemes including CLCSS, TEQUP, Lean Manufacturing, and ZED while creating state-specific initiatives to bridge local gaps in MSME technology and quality upgradation.
- 7.1.6 **Infrastructure for MSMEs:** Developed industrial sheds, flatted factories, and plug-and-play facilities will be created across districts to provide ready-to-use infrastructure for MSMEs.
- 7.1.7 **Access to Finance and Capital Markets:** The State will facilitate MSME access to bank finance, promote listings on the NSE-EMERGE platform, and explore the creation of a State SME Equity Participation Fund with SIDBI and NSE to enhance capital access.
- 7.1.8 **Growth Accelerator Program:** Punjab will introduce bespoke growth accelerator services offering mentorship, coaching, and training for MSMEs in partnership with international agencies to build competitiveness and scalability.
- 7.1.9 **Environmental Infrastructure Development:** The State will foster the development of Common Effluent Treatment Plants (CETPs) and other shared environmental facilities on a PPP model to support sustainable industrial growth.

7.1.10 **Revival and Rehabilitation of Sick Units:** A comprehensive revival framework will be implemented for rehabilitating viable sick MSMEs, including district-wise identification and state-supported relief packages.

7.1.11 **MSME Facilitation Councils:** District-level MSME Facilitation Councils will be established in key cities for quicker resolution of payment disputes and other grievances under the MSMED Act, ensuring local-level accessibility.

7.2. RAISING AND ACCELERATING MSME PERFORMANCE (RAMP)

The Ministry of Micro, Small and Medium Enterprises (MSME), Government of India, in collaboration with State Governments and key ecosystem stakeholders, is implementing the Raising and Accelerating MSME Performance (RAMP) Programme, a World Bank-assisted Central Sector Scheme notified on 30 June 2022. Conceived as a five-year programme spanning FY 2022–23 to FY 2026–27, RAMP seeks to strengthen the MSME ecosystem across the country by addressing systemic and structural constraints and enabling sustainable, inclusive, and competitive growth.

The programme is structured around six strategic priority areas, namely: (i) strengthening institutional capacity and governance mechanisms at the Central level; (ii) enhancing Centre–State coordination and policy coherence; (iii) improving market access and integration for MSMEs; (iv) addressing challenges related to delayed payments; (v) expanding access to affordable and timely finance; and (vi) promoting environmentally sustainable and resource-efficient practices within the MSME sector.

To operationalize the programme, the Ministry invited States and Union Territories to submit Strategic Investment Plans (SIPs) aligned with prescribed frameworks. States were supported through technical assistance during plan formulation, followed by a rigorous appraisal and approval process. In this context, the Department of Industries and Commerce, Government of Punjab, submitted its SIP on 10 January 2024, proposing 17 targeted interventions with an estimated outlay of INR 679.98 crore. Based on detailed evaluation, the Ministry approved 13 interventions and sanctioned a grant-in-aid of INR 120.35 crore under the RAMP Programme, fully funded by the Government of India.

Under the RAMP Programme, Punjab is implementing a set of targeted interventions to strengthen the MSME ecosystem through digitalization, institutional strengthening, market access, capacity building, inclusivity, and sustainability. Key initiatives include development of a unified Punjab Digital Platform and a dedicated MSME Wing within the Department of Industries and Commerce; establishment of an Export Promotion and Facilitation Cell and MSME–GeM Facilitation Centres to enhance market access and public procurement participation; and capacity building of MSMEs and departmental officials in identified focus sectors. The interventions also promote women-owned enterprises, green and energy-efficient manufacturing practices, and quality upgradation through linkages with testing laboratories and R&D institutions. Further, the programme supports skill development through strengthening

Government ITIs and Polytechnics, including use of Virtual Reality–based training infrastructure, enables Industry 4.0 adoption in high-potential sectors, and ensures last-mile support through deployment of VyaparSahayaks across districts.

The approved interventions in Punjab are designed to modernize institutional systems, enhance MSME competitiveness, facilitate technology adoption, strengthen market linkages, and build skilled human capital. The interventions also place emphasis on inclusivity, with specific focus on women-led enterprises, as well as on the adoption of green and sustainable business practices. Collectively, these measures are expected to institutionalize best practices, improve enterprise resilience, and enable scale and innovation across the MSME value chain in Punjab, while contributing to broader national objectives of economic growth, employment generation, and sustainable development.

7.3. CLUSTER DEVELOPMENT SCHEME

Punjab will adopt a cluster-based strategy to drive MSME sector development, leveraging economies of scale, shared facilities, and collective efficiency among co-located enterprises. The State aims to optimize the use of Central Government’s cluster development schemes, while also introducing its own State-level cluster development program to address unmet needs and bridge gaps in existing frameworks.

Cluster interventions will be designed to strengthen infrastructure, technology adoption, and market readiness of MSMEs through proactive collaboration between government departments, industry associations, and Special Purpose Vehicles (SPVs) formed by cluster members. The objective is to create a synergistic environment that fosters innovation, cost competitiveness, and sustainable industrial growth.

Punjab seeks to harness the Government of India’s MSE-CDP Scheme, as notified or amended from time to time, with enhanced commitment and stronger financial participation to drive cluster-based growth across the State

7.4. START-UP

Punjab envisions building a vibrant, inclusive, and innovation-driven startup ecosystem to position the State as a leading hub for entrepreneurship and new-age enterprises. Anchored in the State’s strong enterprising culture and supported by a growing base of 1,261 registered startups, the vision focuses on transitioning towards knowledge- and technology-driven businesses, strengthening institutional and incubation support, and fostering deep industry–academia linkages. Through targeted interventions across skilling, infrastructure, market access, and regulatory facilitation, the State aims to enable startups to scale sustainably, generate employment, and contribute meaningfully to Punjab’s long-term economic growth.

7.4.1 Transition to Knowledge- and Technology-Driven Enterprises: The State aims to transition from traditional enterprise models to knowledge- and technology-driven

startups by fostering a culture of innovation, research, and entrepreneurship as key drivers of future economic growth.

- 7.4.2 Strengthening the Startup Punjab Ecosystem:** The State shall further strengthen Startup Punjab as the nodal agency to coordinate and align Central and State initiatives supporting startups, innovation, and entrepreneurship across sectors.
- 7.4.3 Leveraging Academic and Research Institutions:** The State shall leverage leading academic and research institutions including IIT Ropar, ISB Mohali, IISER, NIPER, and State universities to promote research-led entrepreneurship through strong industry-academia linkages.
- 7.4.4 Expanding Incubation and Acceleration Infrastructure:** The State aims to establish and strengthen incubation centres and accelerators across universities, colleges, government institutions, and the private sector to support startups from ideation to commercialization.
- 7.4.5 Promoting Sector-Focused Startup Development:** The State shall promote sector-specific startups and incubators in priority areas including digital manufacturing, biotechnology and life sciences, agro and food processing, healthcare, tourism, and information technology.
- 7.4.6 Facilitating Access to Markets, Mentorship, and Networks:** The State shall enable startups to access domestic and global markets, mentorship, investor networks, and industry partnerships through ecosystem linkages and collaborations.
- 7.4.7 Promoting Inclusive and Rural Entrepreneurship:** The State aims to promote inclusive growth by supporting women entrepreneurs, SC / other gender / differently abled entrepreneurs, and rural impact startups through targeted programs and handholding support.
- 7.4.8 Creating Common Infrastructure and Co-working Spaces:** The State shall facilitate the development of co-working spaces, R&D and testing facilities, digital infrastructure, and shared professional services to reduce operational barriers for startups.
- 7.4.9 Enabling Market Access through Public Procurement:** To support startup scaling, the State shall provide eligible startups with relaxations and preferences in public procurement in accordance with applicable Government orders.
- 7.4.10 Simplifying Startup Engagement through Digital Platforms:** The State shall provide a single digital interface through the Startup Punjab Portal and Mobile App for startup registration, compliance, approvals, and ecosystem collaboration.

7.5. RESEARCH & DEVELOPMENT

The State recognises the role of a robust research and innovation ecosystem to augment industry's technological advancement and accelerate the State's transition towards high-value, knowledge-driven industries. The State will promote industrial research, nurture innovation-led

enterprises, and strengthen linkages between academia, industry, and start-ups to foster a culture of continuous technological improvement.

7.5.1 Promotion of Innovation Ecosystem: Punjab aims to work towards establishing a strong innovation environment by encouraging research-led growth, supporting technology-driven enterprises, and positioning the State among leading innovation performers in the country. Targeted interventions will promote adoption of new technologies and strengthen innovation capacity across sectors.

7.5.2 Support for Industrial Research: The State will incentivise both in-house R&D units and standalone research facilities to promote industrial innovation. Assistance will be provided to enterprises and associations investing in research infrastructure, product development, and technology enhancement.

7.5.3 Centres of Excellence (CoEs): The State is actively working towards establishing Centres of Excellence in collaboration with premier institutions and industry partners. These Centres will serve as hubs for sector-specific research, advanced skill development, and technology transfer. Support mechanisms, including grant-in-aid, may be extended in accordance with sectoral requirements and government priorities.

7.5.4 IPR Awareness and Commercialisation: The State aims to scale up awareness of intellectual property rights (IPR) by expanding outreach beyond major cities and ensuring accessibility to rural and grassroots innovators. The State assertively encourages MSMEs, industry, and academic institutions to commercialise their intellectual property through structured facilitation, capacity building, and collaborative platforms.

7.6. EXPORT PROMOTION & IMPORT SUBSTITUTION

Exports are a critical pillar of Punjab's industrial growth strategy and a key driver of employment generation, value addition, and global integration. Building on its strong manufacturing base, vibrant MSME ecosystem, skilled workforce, and strategic logistics advantages, the State seeks to deepen its integration into global value chains and enhance export competitiveness across priority sectors. Through a combination of sector-focused interventions, trade facilitation measures, and institutional support mechanisms, Punjab aims to accelerate export-led growth while strengthening quality, technology adoption, and market access for its exporters.

7.6.1 Punjab is positioned as a leading manufacturing and export-driven economy in Northern India, supported by its robust industrial base, strong MSME ecosystem, skilled workforce, and well-developed logistics infrastructure. The State's exports have shown a sustained growth of 41%, rising from INR 42,190 crore in 2018–19 to INR 59,592 crore in 2024–25, reflecting diversification across key sectors and improved global competitiveness. Punjab's export basket is anchored by high-performing industries including textile, agricultural products, heavy machinery, sports good, apparels etc, which together account for a significant share of the State's outbound trade.

7.6.2 Aligned with the vision of Atmanirbhar Bharat and the State's goal to strengthen its position in global value chains, Punjab aims to accelerate export growth through targeted

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sectoral strategies, improved trade facilitation, and a supportive incentive framework for export-oriented industries. Unlocking Punjab's next phase of export expansion will require tailored interventions that enhance export competitiveness, strengthen quality standards, upgrade technology, and improve access to international markets.

- 7.6.3 Punjab aims to create and nurture strong capabilities, by providing structural and operational support to scale exports:
- 7.6.4 Increasing awareness of available export financing instruments,
- 7.6.5 Reducing transportation and logistics expenses through development of ICDs and Dedicated Freight Terminals (DFT) networks,
- 7.6.6 Minimising regulatory hurdles and streamlining logistics constraints,
- 7.6.7 Widening global market access through digital trade and international buyer networks,
- 7.6.8 Developing advanced facilities for testing, certification, and packaging,
- 7.6.9 Deepening sectoral clusters by promoting aggregation, collaboration, and scale.
- 7.6.10 The State will further promote the One District One Product (ODOP) initiative to showcase district-specific strengths and enable artisans, MSMEs, and sectoral clusters to scale their products for international demand. Under this initiative, focused actions will include providing Market Development Assistance (MDA) for international fairs and buyer-seller meets, creating Common Facility Centres (CFC) for quality enhancement, and integrating ODOP products with the District Export Action Plan. Further support will encompass digital marketing, virtual exhibitions, coverage of export certification costs, and dedicated training programs for artisans and units on international quality standards, design expectations, and export-ready packaging practices.
- 7.6.11 A dedicated Export Promotion Council will be established to serve as the nodal body for export facilitation, assisting enterprises with market intelligence, documentation, and compliance, while also supporting their participation in domestic and international trade fairs, exhibitions, and Punjab-branded pavilions. Together, these interventions aim to create a robust, diversified, and globally competitive export ecosystem in Punjab.

7.7. SUSTAINABILITY

The State recognizes that sustainable development is integral to long-term industrial competitiveness, environmental protection, and inclusive economic growth. In alignment with Punjab Vision 2030, national climate commitments, and the Sustainable Development Goals (SDGs), the State is committed to integrating sustainability principles across energy, transport, industry, water, and waste management. Punjab's sustainability framework aims to ensure resource efficiency, pollution reduction, climate resilience, and improved quality of life while supporting future-ready industrial development.

- 7.7.1 **State Sustainability and Energy Vision:** The State's sustainability strategy is guided by the following three pillars:

- 7.7.2 **Environmental Protection and Clean Energy Access:** Ensuring a cleaner environment by reducing pollution, emissions, and environmental externalities, while providing adequate supply of clean, affordable, and reliable energy across the State.
- 7.7.3 **Inclusive Growth and Resource Efficiency:** Enhancing living standards by enabling access to modern energy and essential services in an affordable and reliable manner, while promoting efficient technologies in energy production, industrial processes, and water use to reduce consumption of natural resources.
- 7.7.4 **Economic Resilience and Natural Capital Enhancement:** Increasing the State's economic wealth by strengthening natural capital, reducing dependence on imported fuels, optimizing in-state resource utilization, and establishing integrated planning and monitoring frameworks for sustainable energy and resource management.
- 7.7.5 **Clean and Sustainable Transport:** The State shall promote large-scale electrification of public transport, supported by vehicle scrappage initiatives and emerging hydrogen mobility solutions, with the objective of achieving up to 58% reduction in transport sector emissions by 2047. To promote inclusive and sustainable mobility, Punjab provides free bus travel for women on all government-run bus services operated by Punjab Roadways, PUNBUS, and PRTC. This initiative encourages greater use of public transport, enhances women's access to education, employment, and public services, and contributes to reduced private vehicle usage, congestion, and transport-related emissions.
- 7.7.6 **Low-Emission Residential Energy:** The State shall facilitate a transition towards near-zero emissions from residential cooking through universal access to clean cooking fuels. Punjab targets 100% LPG coverage in urban areas by 2030 and in rural areas by 2047, with the objective of reducing indoor air pollution, improving public health outcomes, and lowering dependence on traditional biomass fuels.
- 7.7.7 **Sustainable Industrial Water and Effluent Management:** Recognizing water as a critical component of sustainable industrial development, the State has established Common Effluent Treatment Plants (CETPs) across key industrial clusters, particularly in textile dyeing, leather, electroplating, and manufacturing sectors. Punjab has multiple operational CETPs, including high-capacity facilities in Ludhiana and Jalandhar, which enable centralized treatment of industrial effluents, ensure regulatory compliance, and reduce environmental pollution, while also supporting MSMEs by lowering individual treatment costs and improving environmental performance at the cluster level.
- 7.7.8 **Sustainable Waste Management and Circular Economy:** The State shall pursue significant reduction in emissions and environmental impact from solid waste through the phased remediation and closure of legacy landfills and the adoption of scientific and sustainable waste management practices. These include composting, anaerobic digestion, recycling, material recovery, and waste-to-resource solutions, with emphasis on waste segregation at source and decentralized processing. These measures are intended to support a circular economy, reduce landfill dependency, and promote efficient resource utilization.

8. DEFINITIONS

8.1. GENERAL DEFINITIONS

- 8.1.1 **Aerospace Industry:** 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.
- 8.1.2 **All Manufacturing products** classified under Section C of National Industrial Classification (NIC) 2025 are eligible under the Policy except those specified in the negative list in the Policy. In addition, certain sector specific definitions will be followed for the Policy as outlined in the policy and guidelines.
- 8.1.3 **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.
- 8.1.4 **Approved Project Cost:** Approved Project Cost means the cost of the project, other than working capital, as approved by the term loan/secured loan lending institution or in case of joint financing by the lead term loan/secured loan lending institution. In respect of self-financed projects, the Approved Project Cost will be as appraised and approved by the Scheduled Commercial Bank/SIDBI/any other institution approved by Public Sector Banks.
- 8.1.5 **Date of Commercial Production (DoCP):** The date on which commercial production has started, as indicated in the Udyam Registration in respect of Micro, Small & Medium Enterprises or IEM Part B/ Industrial License (IL) in case of Large Industries, as the case may be.

DoCP will be determined based on the documentary evidence i.e. first sale invoice of eligible manufactured/service item, to be provided by the investor. Other documents including VAT/SGST returns, power bills, bills of purchase of machinery etc. may be considered, if required by the Scrutiny Committee.

In case of Phased production/Expansion/Modernization, the date of production, as declared by the promoter after capitalization of complete investment in the books of accounts for relevant phase/ Expansion/ Modernization shall be reckoned as date of commercial production of case of Phased production/ Expansion/ Modernization.

In case of any dispute on DoCP between the Unit and the Department, State Level Committee (SLC) will review, and its decision shall be final.

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- 8.1.6 **Defence Manufacturing enterprise:** Defence Manufacturing enterprise shall mean 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. 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.
- 8.1.7 **Department:** Department in the policy means the Department of Industries & Commerce, Government of Punjab.
- 8.1.8 **District Level Committee:** District Level Committee (DLC) means the Committee under the chairpersonship of Deputy Commissioner of the concerned district setup under this Policy for sanction of incentives.
- 8.1.9 **DPR:** Detailed Project Report means a document, depicting physical financial and non-financial projections relating to the unit, duly appraised/ approved by a financial institution or a Scheduled Commercial Bank at the time of sanctioning term loan and/or secured loan, before the date of commercial production.
- In case of Self-Financed Units, DPR shall be appraised and approved by Scheduled Commercial Bank/SIDBI/any other institution approved by Public Sector Banks, before the date of commercial production.
- 8.1.10 **Effective Date:** The Policy shall come into force from the date of its notification by the Government.
- 8.1.11 **Electricity Duty:** Electricity Duty shall mean the duty levied and paid to the State Government on 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 provision that any contributions made out of the Electricity Duty levied, including deposited in the Social Security Fund etc., shall not be exempted.
- Additionally, any other levies, fees, duties, and cesses, such as the Infrastructure Development Fee (IDF), etc. shall not be exempted.
- 8.1.12 **Existing Unit:** The unit which is already in commercial production and is not covered as New Unit or Existing Unit undertaking Expansion as defined under this policy.
- 8.1.13 **Expansion:** A unit could be considered under expansion with or without diversification, if it is investing at least 25% of the Original FCI during expansion and it leads to min 25% increase in unit's existing installed capacity. The investment made by the unit on building and plant & machinery 6 months prior to acceptance of CAF shall not be included in the eligible FCI for expansion.

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The start of expansion shall not be earlier than 5 years from the DoCP of the unit under IBDP-2026 or date of I-CAF approval for migrated units, as the case may be, under this policy.

- 8.1.14 **Exporting Unit:** Exporting Unit, means an eligible industrial unit exporting at least 25% of its Eligible Manufactured Products in markets outside India, with minimum value addition of 33% having a valid Importer Exporter Code (IEC), against direct receipt of foreign exchange.
- 8.1.15 **GST:** Goods and Service Tax
- 8.1.16 **Industrial R&D labs, Industrial Testing Labs:** It shall mean Industrial R&D and testing labs with a minimum investment of Rs. 50 lakhs in eligible machinery, equipment & service-related specialized software. The facility shall be for self-consumption.
- 8.1.17 **Installed Capacity:** Installed Capacity refers to the maximum production capacity of an industrial unit recorded in the Industrial License/ IEM/CTO.
- 8.1.18 **IT/ITeS Unit:** As defined in respective sectoral policy of IT/ITES
- 8.1.19 **Modernization:** Modernization refers to those existing units, upgrading their technology and investing on eligible plant and machinery, only related to production for the existing same product(s). The unit should be in commercial production for at least 7 years for the existing/same product(s), prior to the date of Commercial production after modernization. The eligible Plant & Machinery under modernization shall be considered from the date of notification of this policy.
- 8.1.20 **Net Sales:** It refers to the total value of basic sales from **eligible manufactured goods/ services** during a financial year, excluding trading, scrap, taxes, income from non-operating sources viz. interest, grants, subsidies, or resale of goods.
- 8.1.21 **New Unit:** A New Unit will ordinarily be set up at a new site and may or may not have separate VAT/GST registration.
- i. 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, provided the unit **has** separate VAT/SGST Registration number from the existing enterprise.
 - ii. If any existing Industrial Enterprise sets up a new unit for the same 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 established unit has separate VAT/SGST Registration number from the existing enterprise. However, if the unit hasn't obtained separate VAT/SGST Registration number, the unit shall mandatorily maintain separate books of account in respect of the project, clearly reflecting capital investment, purchases, taxable outward supplies, input tax credit utilization and net SGST payment attributable to such expansion. The unit shall also maintain a separate fixed asset register and install a separate electricity meter or other verifiable production records to establish independent operational capacity of the unit and any other account/documents as prescribed by the Commissioner of State Tax (Excise and Taxation Department, Punjab).

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Further, the unit shall execute an Indemnity Bond in favor of the Taxation Department, undertaking that the incentive claimed pertains strictly to eligible expansion activity and that any incentive found to have been claimed on ineligible Net Sal, unverifiable records, or misclassified transactions shall be liable to recovery along with applicable interest, without prejudice to any other action under law.

Failure to maintain verifiable segregated records or to furnish the prescribed Indemnity Bond shall render the unit ineligible for incentive.

The methodology for determining the attributable turnover or Net SGST shall be notified separately.

- iii. A unit shall obtain separate GST registration, wherever applicable, before the start of the investment (on Building and Plant & Machinery) in the state.
 - iv. If an existing unit undertake expansion at the same/adjacent location or in land separated by a canal/ Road, then it shall be treated as expansion case, provided it has same GST number and manufacturing process at both the location is interlinked. In case of any other specific case the matter shall be decided by committee under the chairpersonship of Director of Industries and Commerce, Punjab.
 - v. **Shifting and Relocation:** Shifting or relocation of an existing manufacturing unit, which has not yet availed any incentive under any policy (i.e. shifting of Plant & Machinery) from owned/rented/leased premises to a subsequently newly owned land and building shall be considered as a New Unit, provided the unit commences operations at the new premises. Only plant and machinery which has been purchased after the purchase of the land would be considered as the part of eligible FCI in addition to eligible investment in Land & Building. The date of first sale invoice of eligible manufactured items from the new premises, post notification of this policy, shall be treated as the date of commencement of production.
- 8.1.22 **Person with Disability (PwD):** A person with Disability shall be defined in accordance with the Right to Person with Disability Act, 2016, as amended time to time. For the purpose of this policy, a person shall be considered as having disability if he or she possesses a benchmark disability of not less than forty percent (40%), as duly certified by authorized competent authority.
- 8.1.23 **Policy:** Policy shall mean Punjab Industrial and Business Development Policy (IBDP) 2026, as amended from time to time
- 8.1.24 **Post-Production Incentives:** Post Production Incentives are the incentives (other than Pre-Production Incentives) that are available to an Eligible Unit after the date of commencement of Commercial Production.
- 8.1.25 **Pre-Production Incentives:** Pre-production incentives refer to benefits i.e. exemption from stamp duty and exemption of CLU/EDC charges.

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- 8.1.26 **Property Tax:** Property tax is the local tax as levied by urban/rural local self-government/authority of the area.
- 8.1.27 **Self-Financed Unit:** The Unit set up with own funds/ unsecured loans without any direct involvement from Commercial Banks / Financial Institutions etc. is treated as Self-Financed Unit.
- 8.1.28 **Stamp Duty:** Stamp Duty is duty payable as levied in schedule 1-A of Indian Stamp Act on transfer of property. It shall not account any other charges including registration fee, infrastructure development cess, social security fee/ cess etc. Levied under Schedule 1-B and Schedule 1-C of the Act.
- 8.1.29 **Start of expansion:** Date of first invoice for the eligible expenditure on building or Plant and Machinery, as the case may be, under expansion.
- 8.1.30 **State Government:** Any reference to the State Government in this policy shall mean Government of Punjab in the concerned department.
- 8.1.31 **State Level Committee:** State Level Committee (SLC) means the Committee under the chairpersonship of Administrative Secretary, Department of Industries and Commerce, Punjab setup under this Policy for sanction of incentives.
- 8.1.32 **Unit:** Unit is a project set up at a particular location for which CAF has been filed on the online portal, by a Legal entity in the State of Punjab, and the legal entity may or may not have other projects at different or same location, to manufacture a product(s) or to provide a service(s).
- 8.1.33 **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.
- 8.1.34 **Unit under Women Category:** A unit with 100%-woman entrepreneur/s as proprietor /partner/directors, as the case may be.
- 8.1.35 **Value Addition:** Value addition refers to the end product's basic value (taxable value as applicable) increased, after it undergoes processing or manufacturing, compared to the basic cost (taxable value as applicable) of its raw materials or inputs.
- 8.1.36 **Value Added Tax (VAT):** VAT is a tax as levied under The Punjab VAT Act 2005, as amended from time to time.

8.2. FCI DEFINITION

8.2.1. FIXED CAPITAL INVESTMENT

For the purpose of availing fiscal incentive under this policy, FCI refers to the investment incurred on the following components as per the Approved Project Cost:

1. Land as prescribed under clause 3.3 of DSOG.
2. Building as prescribed under clause 3.4 of DSOG.

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3. Plant, Machinery & Equipment as prescribed under clause 3.5 of DSOG.

FCI shall include cost of land, building, plant, machinery, and equipment as per the approved project cost. The eligible costs and the manner of assessment have been described below.

9. ABBREVIATIONS

Sr No	Abbreviations	
1.	CAF	Common Application Form
2.	CACP	Committee for Approval of Customized Package
3.	CETP	Common Effluent Treatment Plant
4.	CFC	Common Facility Centre
5.	CLCSS	Credit Linked Capital Subsidy Scheme
6.	CLU	Change of Land Use
7.	COES	Centre of Excellence
8.	DCP	Date of Commercial Production
9.	DPIIT	Department for Promotion of Industry and Internal Trade
10.	DPR	Detailed Project Report
11.	DSOG	Detailed Schemes And Operational Guidelines
12.	ED	Electricity Duty
13.	EGS	Employment Generation Subsidy
14.	EODB	Ease of Doing Business
15.	EPFO	Employees' Provident Fund Organisation
16.	ESIC	Employees' State Insurance Corporation
17.	FCI	Fixed Capital Investment
18.	FDI	Foreign Direct Investment
19.	FOB	Free On Board
20.	GIS	Geographic Information System
21.	GMDIC	GM District Industries Centre
22.	GSVA	Gross State Value Added
23.	IBDP	Industrial and Business Development Policy
24.	ICD	Inland Container Depot
25.	IDC	Industrial Development Centres

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26.	IEC	Importer Exporter Code
27.	IEM	Industrial Entrepreneur Memorandum
28.	IPBFP	Invest Punjab Business First Portal
29.	IPR	Intellectual Property Rights
30.	ITIs	Industrial Training Institute
31.	KVA	Kilovolt Ampere
32.	KVAH	Kilovolt-Ampere-Hour
33.	MSE-CDP	MSME Cluster Development Programme
34.	MSME	Micro, Small and Medium Enterprise
35.	MW	Mega Watt
36.	NIC	National Industrial Classification
37.	NOC	No Objection Certificate
38.	NRI	Non-Resident Indian
39.	NSE	National Stock Exchange
40.	ODOP	One District One Product
41.	OEM	Original Equipment Manufacturer
42.	PAN	Permanent Account Number
43.	PAPRA	Punjab Apartment and Property Regulation Act
44.	PF	Provident Fund
45.	PPCB	Punjab Pollution Control Board
46.	PPP	Public-Private Partnership
47.	PSIEC	Punjab Small Industries & Export Corporation
48.	PSPCL	Punjab State Power Corporation Ltd
49.	PwD	Persons with Disabilities
50.	QMC	Quality Marking Centres
51.	R&D	Research and Development
52.	SGST	State Goods and Service Tax

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53.	SIDBI	Small Industries Development Bank of India
54.	SLC	State Level Committee
55.	SPV	Special Purpose Vehicle
56.	TEQUP	Technology and Quality Upgradation Support
57.	TPH	Tonnes Per Hour
58.	VAT	Value Added Tax
59.	ZED	Zero Defect Zero Effect
60.	ZLD	Zero Liquid Discharge

10. ANNEXURES

ANNEXURE I

10.1 NEGATIVE LIST

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 2025. Provided only those standalone Bio-ethanol units will become eligible for incentives, only if it does not supply products to any industry in negative list.
- (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 upto INR 10 crore FCI
- (v) Rice Shellers upto INR 10 crore FCI
- (vi) Standalone Marriage Palace/Banquet Hall
- (vii) Refining of used oil for edible purposes

ANNEXURE II

10.2 FORMULA TO CALCULATE Net SGST and Net VAT

10.1.1. Definition: Net SGST to be considered for Reimbursement means that the Eligible Industrial Units shall be entitled to get reimbursement of SGST amount paid through cash ledger against the output liability of SGST on Net 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. The quantum of '**Net SGST**' shall be computed as under: -

$$\text{If A} = \frac{(\text{net CGST} + \text{net SGST})}{2}$$

- 1) If GST rate is up to 3%, Net SGST= 100% of A
- 2) If GST rate is more than 3% and up to 10%, Net SGST= 75% of A
- 3) If GST rate is more than 10 % and up to 18%, Net SGST= 50% of A
- 4) If GST rate is above 18%, Net SGST= 25% of A

10.1.2. In case of VAT, the quantum of '**Net SGST**' shall be computed as under: -

- 1) If VAT rate is up to 5%, Net SGST= 100% of net VAT paid on intra-state Net Sale
- 2) If VAT rate is more than 5% and up to 10%, Net SGST= 75% of net VAT paid on intra-state Net Sale
- 3) If VAT rate is more than 10 % and up to 15%, Net SGST= 50% of net VAT paid on intra-state Net Sale
- 4) If VAT rate is above 15%, Net SGST= 25% of net VAT paid on intra-state Net Sale

Provided that

- a) In the case of a unit with multiple outputs having more than one GST/VAT rate the incentive amount as above shall be calculated pro rata to the respective sales (value as defined in relevant law) of eligible outputs; and

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- b)** Overall quantum and/or period for claim of incentives shall remain same as defined in Chapter – 5 of IBDP-2026 (as amended from time to time) for the respective category. Availing of incentives up to the overall and annual ceilings applicable shall depend upon the capacity utilization of the unit during the eligibility period.
- c)** Beyond the above formulation, following terms and conditions shall be applicable:
- a) In case of Units which have opted for Composition Levy Us 10 of the Punjab GST Act 2017, the incentives shall be the amount paid by such Unit to the State, as per the returns filed by the Unit.
 - b) The incentive shall exclude any refunds entitled to be obtained by the taxpayer for any reason including on exports, or deemed exports.
 - c) The incentive shall not apply to Tax liable to be revised on account of any credit note issued to the recipient (buyer).
 - d) The incentive shall not apply to any tax that may become payable due to any show-cause notice issued by the department on grounds of collusion, fraud, misrepresentation and other similar grounds mentioned in the GST law requiring penal action.
 - e) The incentive shall not be given in respect of any tax credits which the tax payer has failed to avail on any grounds whatsoever (like late filing of prescribed return or the fraudulent conduct of his supplier etc.)
 - f) The amount of input tax credit available in the electronic credit ledger of the registered person on account of integrated tax shall first be utilized towards payment of integrated tax and the amount remaining, if any, shall be utilized equally towards the payment of Central tax and State tax.
 - g) The utilization of ITC shall be regulated on the following lines: -

The amount of input tax credit available in the electronic credit ledger of the registered person on account of-

1. integrated tax shall first be utilized towards payment of integrated tax and the amount remaining, if any, may be utilized equally towards the payment of Central tax and State tax, or as the case may be;

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2. the central tax shall first be utilized towards payment of central tax and the amount remaining, if any, may be utilized towards the payment of integrated tax;
3. the State tax shall first be utilized towards payment of State tax and the amount remaining, if any, may be utilized towards payment of integrated tax
4. Provided that the input tax credit on account of State tax shall be utilized towards payment of integrated tax only where the balance of the input tax credit on account of central tax is not available for payment of integrated tax. Illustrations attached: -

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Illustration-1

M/s ABC is manufacturer of readymade garments and has tax liability of Rs. 1 Lakh (IGST-50,000/-, CGST-25,000/-, SGST-25,000/-). He has made inter-State purchase with IGST ITC amounting to Rs. 75,000/- and has made local purchase with CGST ITC and SGST ITC of Rs. 7,500/- each.

Description	IGST	CGST	SGST
Tax Liability	50,000	25,000	25,000
IGST ITC	50,000	*12,500	*12,500
CGST ITC		7,500	
SGST ITC			7,500
Tax paid in cash	NIL	5,000	5,000

***Balance ITC IGST has been equally utilized for discharge of CGST and SGST tax liability.**

As per formula proposed, the Net SGST is calculated as

$$\text{Formula (A)} = (C+S)/2 = (5000+5000)/2 = 5,000/-$$

Since the commodity is taxable at the rate of 18%, therefore Net SGST will be calculated as per slab 3) i.e. 50% of A i.e. $50/100 * 5000 = \text{Rs. } 2,500/-$

Illustration-2

M/s ABC is manufacturer and exporter (assuming the commodity is taxable @18%). The taxpayer has exports amounting to Rs. 5,00,000/- (without payment of tax under LUT) and Intra State outward supplies of Rs. 15,00,000/-. The tax liability is of Rs. 2,70,000/- (CGST- 1,35,000/-, SGST- 1,35,000/-). There are inward supplies (excluding capital goods) having ITC amounting to Rs. 1,00,000/-(IGST 80,000/-, CGST 10,000/-, SGST 10,000/-).

Description	IGST	CGST	SGST
Tax Liability	-	1,35,000	1,35,000
IGST ITC	-	40,000	40,000
CGST ITC	-	10,000	-

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SGST ITC	-	-	10,000
Tax paid in cash	-	85,000	85,000

As per formula proposed, the Net SGST is calculated as:

$$\text{Formula (A)} = (C+S)/2 = (85,000+85,000)/2=85,000/-$$

Since the commodity is taxable at the rate of 18%, therefore Net SGST will be calculated as per slab 3) i.e. 50% of A i.e. $50/100 \times 85,000 = 42,500/-$

GST Refund calculation:

Net ITC = 1,00,000

Export turnover = 5,00,000

Aggregate turnover = 20,00,000

$$\text{GST refund} = \frac{(\text{net ITC} \times \text{Export turnover})}{\text{Aggregate turnover}} = \frac{(1,00,000 \times 5,00,000)}{20,00,000} = 25,000/-$$

Net SGST = $42,500 - 25,000 = 17,500/-$

GOVERNMENT OF PUNJAB
DEPARTMENT OF INDUSTRIES & COMMERCE
NOTIFICATION

The 8th March, 2026

No. PIU/IBDP-2026/Sectoral Policies/ 907 In pursuance of the approval of the Council of Ministers, Government of Punjab granted in its meeting held on 07/03/2026, the Governor of Punjab is pleased to notify 'Sectoral Policies' as per Annexure -A.

Dated: 8-3-2026
Place: Chandigarh

Gurkirat Kirpal Singh, IAS
Administrative Secretary to Government of Punjab
Department of Industries & Commerce

Endst. No. . PIU/IBDP-2026/Sectoral Policies/ 908-909 Dated: 08/03/2026

A copy of the above is forwarded to the following for information please.

- (i) The Chief Secretary, Punjab
- (ii) The Principal Secretary to Chief Minister, Punjab

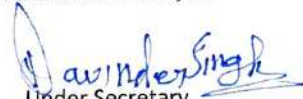

Under Secretary

Department of Industries and Commerce

Endst. No. PIU/IBDP-2026/Sectoral Policies/ 910-914 Dated: 08/03/2026

A copy of the above is forwarded to the following for information please.

- (i) All the Special Chief Secretaries, Additional Chief Secretaries, Principal Secretaries, Financial Commissioners and Administrative Secretaries in the State of Punjab.
- (ii) Chief Executive Officer, Punjab Bureau of Investment Promotion, Punjab.
- (iii) Director Industries & Commerce, Punjab.
- (iv) All Deputy Commissioners in the State of Punjab.
- (v) All General Managers, District Industries Centre in the State of Punjab.


Under Secretary

Department of Industries and Commerce

Endst. No. PIU/IBDP-2026/Sectoral Policies/ 915 Dated: 08/03/2026

A copy is forwarded to the following for uploading the same on the website of Printing & Stationery Department, Punjab for publishing the same in the extra ordinary gazette. After publishing the same, 100 copies may please be sent to this department.

- (i) The Nodal Officer (e-gazette-printing & stationery) o/o Department of Industries & Commerce, Punjab.


Under Secretary

Department of Industries and Commerce

SECTORAL POLICIES



**Department of Industries & Commerce,
Government of Punjab**

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Sectoral Policies under IBDP 2026

LIST OF 24 SECTORAL POLICIES

S. No	Policy Name	Overall Cap	Incentives Structure
1	Punjab Food Processing Policy 2026	125% of FCI, max 500 Cr, whichever is lower	As listed in the document
2	Punjab ESDM & Semiconductor Policy 2026	125% of FCI, max 500 Cr, whichever is lower	As listed in the document
3	Punjab Electric Vehicle Manufacturing Policy 2026	125% of FCI, max 500 Cr, whichever is lower	As listed in the document
4	Punjab Logistics & Warehousing Policy 2026	100/125% of FCI, max 500 Cr, whichever is lower	As listed in the document
5	Punjab Tourism & Hospitality Policy 2026	25% of FCI, max INR 25 Cr, whichever is lower	As listed in the document
6	Punjab Film Promotion Policy 2026	Film/Web Series/ Documentary: 25% of FCI or INR 3 Cr, whichever is lower Film Infra: - 25% of FCI or INR 25 Cr, whichever is lower	As listed in the document
7	Punjab Retail Investment & Modernization Policy 2026	NA	As listed in the document
8	Punjab Hospital and Medical College Investment Policy 2026	50% of FCI, max INR 50 Cr, whichever is lower	As listed in the document
9	Punjab Higher Education Investment Policy 2026	Overall Incentives capped at INR 50 crore	As listed in the document
10	Punjab Renewable Energy Policy 2026	NA	As listed in the document

11	Punjab Startups Policy 2026	NA	As listed in the document
12	Punjab IT/ITeS, Data Centre and GCC Policy 2026	125% of FCI, max 500 Cr, whichever is lower	As listed in the document
13	Punjab Spinning & Weaving Policy 2026	100/125% of FCI, max 500 Cr, whichever is lower	Incentives same as Punjab Industrial and Business Development Policy (IBDP)2026
14	Punjab Textiles & Apparel Policy 2026	100/125% of FCI, max 500 Cr, whichever is lower	Incentives same as Punjab Industrial and Business Development Policy (IBDP)2026
15	Punjab Dyeing & Finishing Policy 2026	100/125% of FCI, max 500 Cr, whichever is lower	Incentives same as Punjab Industrial and Business Development Policy (IBDP)2026
16	Punjab Pharmaceuticals Policy 2026	100/125% of FCI, max 500 Cr, whichever is lower	Incentives same as Punjab Industrial and Business Development Policy (IBDP)2026
17	Punjab Auto & Auto Components Policy 2026	100/125% of FCI, max 500 Cr, whichever is lower	Incentives same as Punjab Industrial and Business Development Policy (IBDP)2026
18	Punjab Bicycle Manufacturing Policy 2026	100/125% of FCI, max 500 Cr, whichever is lower	Incentives same as Punjab Industrial and Business Development Policy (IBDP)2026
19	Punjab Sports Good Manufacturing Policy 2026	100/125% of FCI, max 500 Cr, whichever is lower	Incentives same as Punjab Industrial and Business Development Policy (IBDP)2026

20	Punjab Machine and Hand Tools Manufacturing Policy 2026	100/125% of FCI, max 500 Cr, whichever is lower	Incentives same as Punjab Industrial and Business Development Policy (IBDP)2026
21	Punjab Steel & Rolling Policy 2026	100/125% of FCI, max 500 Cr, whichever is lower	Incentives same as Punjab Industrial and Business Development Policy (IBDP)2026
22	Punjab Plastics & Chemicals Policy 2026	100/125% of FCI, max 500 Cr, whichever is lower	Incentives same as Punjab Industrial and Business Development Policy (IBDP)2026
23	Punjab Heavy Machinery Policy 2026	100/125% of FCI, max 500 Cr, whichever is lower	Incentives same as Punjab Industrial and Business Development Policy (IBDP)2026
24	Punjab Furniture & Plywood Policy 2026	100/125% of FCI, max 500 Cr, whichever is lower	Incentives same as Punjab Industrial and Business Development Policy (IBDP)2026

PUNJAB FOOD PROCESSING POLICY 2026

1. OVERALL INCENTIVE CAPPING

Sector	Overall Incentive Capping
Food Processing	125% of FCI or INR 500 Cr, whichever is lower

2. ELIGIBILITY PERIOD OF INCENTIVES

The eligibility period of incentives shall be as per clause 5.1.2 of Punjab Industrial and Business Development Policy, 2026

3. ANNUAL CEILING OF FISCAL INCENTIVES

The annual ceiling of fiscal incentives shall be as per clause 5.1.3 of Punjab Industrial and Business Development Policy, 2026

4. PROCESS FOR DISBURSEMENT OF INCENTIVES

- The process for disbursement of incentives shall be as per clause 5.1.4 of Punjab Industrial and Business Development Policy, 2026.
- In addition, for meat processing industry, process of payment of Mandi Fee/ Market Fee/ Rural Development Fee and other State taxes shall be simplified.

5. INCENTIVES

In addition to the incentives available under Punjab Industrial & Business Development Policy (IBDP) 2026, following fiscal incentive shall be available to an Eligible Unit falling under Food Processing sector: -

Sno	Nature of Incentive	Extent of Incentive
1	Exemption of Mandi Fee/ Market Fee/ Rural Development Fee and other State taxes:	100% exemption of all taxes and fees paid for purchase of raw material for eligible food processing units for a period of 5 years from the date of commercial production.

- (i) An Eligible unit procuring 100% raw agricultural produce excluding wheat and paddy, at Minimum Support Price (MSP) for a continuous period for the first five (5) years from the State of Punjab, then for those financial years:
 - a. The unit shall be eligible for a 100% reimbursement of Net SGST. Additionally, for the 6th year only, the units shall also be eligible for additional annual cap at 10% over and above of the annual ceiling as per clause 5.1.3.

- b. In case the above condition i.e., procuring 100% raw agricultural produce excluding wheat and paddy, at notified Minimum Support Price (MSP) for a continuous period for the first five (5) years from the State of Punjab is not satisfied, then the unit shall not be eligible for additional annual cap at 10% of FCI over and above the annual ceiling as per clause 5.1.3 for the 6th year. However, the unit shall be eligible for the claim of 100% Net SGST reimbursement for those specific years for which it procures 100% raw agricultural produce excluding wheat and paddy at the notified MSP.

The illustrations in support of the incentive are as follows: -

Illustration I: *If M/s ABC procures 100% raw agricultural produce (excluding Wheat and paddy) from the Mandis of Punjab at the Government notified Minimum Support Price (MSP) for a continuous period of five (5) years, then subject to other prescribed conditions, the unit shall be eligible for an enhanced Annual Ceiling of incentive of 10% of the FCI for the 6th year and for these 5 years reimbursement of Net SGST would be 100%.*

Illustration II: *M/s XYZ procure 100% raw agricultural produce (excluding Wheat and paddy) from the Mandis of Punjab at the Government notified Minimum Support Price (MSP) for non-continuous period. Eg. The unit procures 100% raw material in any year during the eligibility period, then the unit shall be eligible to claim 100% of the net SGST for that specific year(s) in which the condition is fulfilled. However, in other cases, the unit shall be eligible to claim 75% of Net SGST.*

6. DEFINITIONS

- (ii) **Food Processing Unit:** Food processing Unit is defined as the transformation of agriculture & allied produce (Horticulture, Animal Husbandry and Fisheries) into food that is suitable for consumption. Food Processing units are entities where the agriculture produce/food undergoes a change through a process involving employees, power, machines or money. The processing may involve methods such as grading, sorting and packaging with a view to preserve food substances in an effective manner, enhance their shelf life, quality and make them functionally more useful.

PUNJAB ESDM & SEMICONDUCTOR POLICY 2026

1. OVERALL INCENTIVE CAPPING

Sector	Overall Incentive Capping
ESDM / Semiconductor	125% of FCI or INR 500 Cr, whichever is lower

2. ELIGIBILITY PERIOD OF INCENTIVES

The eligibility period of incentives shall be as per clause 5.1.2 of Punjab Industrial and Business Development Policy, 2026

3. ANNUAL CEILING OF FISCAL INCENTIVES

The annual ceiling of fiscal incentives shall be as per clause 5.1.3 of Punjab Industrial and Business Development Policy, 2026

4. PROCESS FOR DISBURSEMENT OF INCENTIVES

The process for disbursement of incentives shall be as per clause 5.1.4 of Punjab Industrial and Business Development Policy, 2026

5. INCENTIVES

In addition to the incentives available under Punjab Industrial & Business Development Policy (IBDP) 2026, following fiscal incentive shall be available to an Eligible Unit falling under Punjab ESDM & Semiconductor:

- (i) **Water Tariff:** Eligible Unit shall receive a reimbursement of 25% on the applicable water tariff paid for a period of five (5) years from the date of commencement of production.
- (ii) **Dual Power Grid Availability:** Dual Grid lines power supply shall be provided to the unit on demand as per the prevailing tariffs, subject to PSERC approval.

6. DEFINITIONS

- (i) **Electronics System Design and Manufacturing (ESDM):** The entire value chain of all electronic verticals /products covered under the National Policy on Electronics and related notifications issued by the Ministry of Electronics & Information Technology (MEITY), Ministry of Communication & Information Technology, Government of India as amended from time to time.
- (ii) **Electronic Manufacturing Services (EMS):** EMS include Engineering and design of PCBs; PCB assembly, including sub-assemblies; Functional testing, Maintenance services such as warranty and repair services, etc.; Product and component design.

- (iii) **Semiconductor Manufacturing:** Semiconductor Manufacturing refers to Fab Plants on the front-end and Assembling, Testing, Marking and Packaging (ATMP)/ Outsourced Semiconductor Assembly and Test (OSAT) plants on the back end. These Fabs are generally characterized by type of technology, feature size and wafer size.
- (iv) **Semiconductor Fabrication:** Semiconductor Fabrication (FAB) refers to the highly advanced, ultra-clean manufacturing facility where integrated circuits (chips) are produced on silicon wafers.

Display Fabrication: Display fabrication in semiconductors refers to the manufacturing process for creating flat-panel displays like LCDs and OLEDs on large glass sheets.

PUNJAB ELECTRIC VEHICLE MANUFACTURING POLICY 2026

1. OVERALL INCENTIVE CAPPING

Sector	Overall Incentive Capping
Electric Vehicle Manufacturing	125% of FCI or INR 500 Cr, whichever is lower

2. ELIGIBILITY PERIOD OF INCENTIVES

The eligibility period of incentives shall be as per clause 5.1.2 of Punjab Industrial and Business Development Policy, 2026

3. ANNUAL CEILING OF FISCAL INCENTIVES

The annual ceiling of fiscal incentives shall be as per clause 5.1.3 of Punjab Industrial and Business Development Policy, 2026

4. PROCESS FOR DISBURSEMENT OF INCENTIVES

The process for disbursement of incentives shall be as per clause 5.1.4 of Punjab Industrial and Business Development Policy, 2026

5. INCENTIVES

For Electric Vehicle Manufacturing Units:

- (i) Eligible Units manufacturing Electric Vehicles and Components shall be per Punjab Industrial & Business Development Policy (IBDP) 2026.

For Electric Vehicle Charging Stations:

- (i) **Rebate on Power Tariff:** To promote the establishment of Electric Vehicle (EV) Charging Stations, the State shall encourage Private Enterprises and Public Sector Undertakings (PSUs) to set up Electric Vehicle Public Charging Infrastructure across the State. The Punjab State Power Corporation Limited (PSPCL) shall provide a dedicated connection and shall provide power at a Variable Tariff of Rs. 5/- per KVAh till such time as decided by State Government.

For Purchase of Electric Vehicles:

- (i) **Registration Fee & Road Tax:** In line with the notification number 10/43/2018-2T2, dated 10th April 2023 from Department of Transport, Government of Punjab, Electric Vehicles (EVs) shall be exempt from the payment of fees for new vehicle registration.
- (ii) In addition to the registration fee, Road Tax on all registered Electric Vehicles (or BOVs) registered in Punjab shall be exempted during the policy period.

- (iii) Purchase incentives listed above shall be applicable only to advance cell chemistry based (Lithium-ion battery) vehicles recognized under the Govt. of India's FAME phase-II guidelines, including swappable battery model.

6. DEFINITION

- (i) Under the Policy end to end ecosystem i.e., battery manufacturing, EV Manufacturing, EV Component Manufacturing motors, controllers, power trains, battery management systems, charging equipment, swapping equipment, power convertors, telematics, solar systems for Electric Vehicles (EVs), other related components shall be included.
- (ii) Manufacturing units of EVs (and related facilities) shall be included to the list of manufacturing enterprises under MSME or large category eligible for fiscal incentives under Punjab Industrial and Business Development Policy (IBDP) 2026.
- (iii) For the purposes of this Policy, Electric Vehicle Charging Station shall be defined in accordance with the guidelines issued by the Ministry of Power, Government of India, as amended from time to time, and shall include the following:
 - a. **Electric Vehicle Supply Equipment (EVSE)** shall mean an element in Electric Vehicle Charging Infrastructure (EVCI) that supplies electrical energy for recharging the battery of electric vehicles.
 - b. **Public Charging Station (PCS)** shall mean an EV charging station where any electric vehicle can get its battery recharged.
 - c. **Battery Charging Station (BCS)** shall mean a station where the discharged or partially discharged electric batteries for electric vehicles are electrically recharged.
 - d. **Captive Charging Station (CCS)** shall mean an electric vehicle charging station exclusively for the electric vehicles owned or under the control of the owner of the charging station e.g., Government Departments, Corporate houses, Bus Depots, charging stations owned by the fleet owners etc. and shall not be used for commercial purpose of charging other vehicles on paid for basis.
 - e. **Battery Swapping Station (BSS)** shall mean a station where any electric vehicle can get its discharged battery or partially charged battery replaced by a charged battery.

PUNJAB LOGISTICS & WAREHOUSING POLICY 2026

1. OVERALL INCENTIVE CAPPING

Sector	Overall Incentive Capping
Warehousing & Logistics Sector	100% of FCI or INR 500 Cr, whichever is lower

2. ELIGIBILITY PERIOD OF INCENTIVES

The eligibility period of incentives shall be as per clause 5.1.2 of Punjab Industrial and Business Development Policy, 2026

3. ANNUAL CEILING OF FISCAL INCENTIVES

The annual ceiling of fiscal incentives shall be as per clause 5.1.3 of Punjab Industrial and Business Development Policy, 2026

4. PROCESS FOR DISBURSEMENT OF INCENTIVES

The process for disbursement of incentives shall be as per clause 5.1.4 of Punjab Industrial and Business Development Policy, 2026

5. ELIGIBLE UNITS

- (i) **Logistics Parks, Multi-Modal Logistics Parks (MMLPs) and others:** Logistics Parks, Air Freight Station, Air Cargo Complexes, Container Freight Station, Inland Container Depot, Logistics Park, Multi-Modal Logistics Park, Private Freight Terminal / Gati Shakti Multi-modal Cargo Terminal (GCT), and Truck Terminals.
- (ii) **Storage Facilities:** Cold chain facility and Warehouses.
- (iii) **Any existing units undertaking expansion shall not be eligible for incentives.**

6. FISCAL INCENTIVES

- (i) **Capital Subsidy**
 - a. **Logistics Parks, Multi-Modal Logistics Parks (MMLPs) and others:** Eligible Units shall receive a capital subsidy of up to 20% of FCI, subject to maximum capping of INR 10 crore, disbursed over the eligibility period.
 - b. **Cold Chain Facility:** Eligible Units shall receive capital subsidy of up to 20% of FCI, subject to maximum capping of INR 10 crore, disbursed over the eligibility period.
- (ii) **Employment Generation Subsidy:**

Warehouses: Eligible Units shall receive Employment Generation Subsidy as per clause 5.2.5 of Industrial & Business Development Policy, 2026, disbursed over the eligibility period.

- (iii) **Electricity Duty:** 100% exemption from electricity duty for the eligibility period.
- (iv) **Stamp Duty:** 100% exemption/ reimbursement from stamp duty for purchase or lease of land and/or building.
- (v) **Change of Land Use (CLU):** 100% exemption from CLU charges, as applicable.

7. DEFINITIONS

7.1 Logistics Parks, Multi-Modal Logistics Parks (MMLPs) and others:

- (i) **Air Freight Station** means a customs notified off-airport common user facility equipped with fixed installations of minimum requirement and offering services for handling and temporary storage of import and export cargo, etc. These facilities shall be equipped with customs/ non-customs bonded warehousing, parking area etc. and other common user facilities required to carry out efficient operations. These facilities shall be developed at strategic locations to provide smooth connectivity to the airports and may also have extended areas leased out to e-commerce zones.
- (ii) **Air Cargo Complexes** are customs notified areas developed to enhance air cargo movement capacity of the State. These facilities may be located within airport/ off airport locations and provide facilities such as handling, storage, clearance of cargo, among others.
- (iii) **Container Freight Station** means a custom notified off seaport (or port) facility having such fixed installations or otherwise, equipment, machinery etc. Providing services for handling / clearance of laden import, export containers under customs control and with storage facility for customs bonded or non-bonded cargo, parking area and such other facilities desired to carry out the operations.
- (iv) **Inland Container Depot** means a custom notified off seaport (port) facility having such fixed installations or otherwise, equipment, machinery etc. providing services for handling and/or clearance of laden import/ export containers, under customs control and with storage facility for customs bonded or non-bonded cargo. These facilities shall have road connectivity, rail connectivity, customs/non-customs bonded warehousing, truck terminals etc. and other common user facilities required to carry out efficient operations
- (v) **Logistics Park** means an agglomeration of a given set of logistics activities (core, value added, ancillary as well as commercial) at a particular, well-defined location. Such a park will be developed on a **minimum area of 20 acres with a total investment of at least INR 25 crore** and will include but not be limited to the following activities: Warehousing Storage System, Industrial Plots, Logistics Services, Infrastructure for value added and ancillary industries & commercial activity, Sector specific in-bound and out-bound logistics, Inter-modal transfer arrangements/ truck terminals. A minimum of 85% of the total area shall be used for providing logistics services and within this 20% shall be

permitted for industrial activities. 10% of the total remaining area shall be allowed for residential purposes. For commercial activities, up to 5% of the total area shall be allowed.

- (vi) **Multi-Modal Logistics Park** means a logistics facility with access to more than one mode of transport. An Integrated/Multi Modal Logistics Park (MMLP) is defined as a multi-modal freight handling facility with a minimum area of 50 acres with a total investment of at least INR 100 crore.
- (vii) **Private Freight Terminal / Gati Shakti Multi-modal Cargo Terminal (GCT):** A terminal notified under Gati Shakti Multi-modal Cargo Terminal (GCT) or PFT policy to deal with rail-based cargo including containers. Greenfield PFT means a new PFT commissioned on private land under the provisions of the PFT policy. Brownfield PFT is used to refer to an existing private siding (including the private sidings dealing with container traffic) converted into PFT under the policy.
- (viii) **Truck Terminals** mean such facilities which are developed in order to ease traffic congestion in strategic locations such as the district logistics nodes, industrial areas, national/ state highways, expressways intersection points, etc. Truck terminals may provide facilities such as repair and maintenance of the trucks, stores for spare parts, ATMs, fuel stations, parking spaces, transport offices, sanitary facilities, weighbridges, storage spaces etc. These facilities may also have lodging facilities for drivers and helpers along with areas for loading/unloading (cross docking) of cargo among other facilities. Facilities to check vehicle fitness automatically may also be provided at truck terminals. Such shall be developed on a minimum area of 10 acres with a minimum parking capacity of 100 Trucks.

7. 2 Storage Facilities:

- (i) **Cold Chain Facility** means a facility for storage and minimal processing of perishable/ temperature sensitive cargo such as agriculture, horticulture, dairy, fish & marine, poultry & meat products, pharma etc. with a linkage from source to the consumer. The key components of Cold Chain Facility may include:
 - a. Controlled Atmosphere (CA)/ Modified Atmosphere (MA) chambers, Variable Humidity Chambers, Ambient Storage, Individual Quick Freezing (IQF), blast freezing, etc.
 - b. Minimal Processing Centre may have facilities for weighing, sorting, grading, cleaning, waxing, packing, pre-cooling, fog treatment, irradiation facility, etc.
 - c. Mobile pre-cooling vans and reefer trucks may also be attached with cold chain facilities on dedicated basis to provide end to end services
- (ii) **Warehouse** areas including fulfilment facilities having a minimum of 30,000 sq. ft. of storage at the ground level, with or without material handling, packaging facilities and transport facilities.
 - a. 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.

- b. It shall exclude normal transport vehicles, goods carriers, cargos, containers etc.
- c. The facility shall not be for self-consumption.

8. FIXED CAPITAL INVESTMENT (FCI)

8.1 In case of Logistics and Warehousing:

- (i) **Land:** As per Detailed Scheme of operational Guidelines (DSOG) of Industrial and Business Development Policy 2026.
- (ii) **Building:** As per Detailed Scheme of operational Guidelines (DSOG) of Industrial and Business Development Policy 2026 and shall also include the cost incurred on development and construction of permanent civil structures required for establishment and operation of **logistics parks, MMLPs, warehouses, cold storage facilities, others** including but not limited to:
 - a. Logistics Park and warehouse buildings, storage sheds, insulated chambers, cold rooms and silo structures (steel or concrete);
 - b. Foundations, storage bins, container yards, truck terminals, parking areas, loading and unloading docks, platforms and handling areas.
 - c. Internal Roads, Pavements, Boundary walls, Drainage systems, Storm-Water Management Systems and other permanent civil works; and
 - d. any other permanent civil structures essential for storage, handling, aggregation, distribution and logistics operations within the project premises.
- (iii) **Plant & Machinery:** As per Detailed Scheme of operational Guidelines (DSOG) of Industrial and Business Development Policy 2026 and shall also include the cost of new plant, machinery and material handling equipment installed for operations of **logistics parks, MMLPs, warehouses, cold storage facilities**, others including but not limited to:
 - a. material handling and storage equipment such as racking systems, shelving, stackers, forklifts, conveyors, pallet trucks, elevators, bucket elevators, weighbridges and other fixed operational machinery.
 - b. refrigeration and cold-chain equipment including compressors, condensers, evaporators, chilling and freezing units, blast freezers, controlled-atmosphere systems, insulation panels, humidity and temperature control equipment, and monitoring systems.
 - c. grain and bulk handling equipment such as aeration systems, drying systems, dust control systems, bin and silo handling mechanisms.
 - d. electrical installations and infrastructure including substations, transformers, captive power generation systems, power backup systems, lighting systems, and energy management systems; and
 - e. fire-safety systems, water supply and waste handling systems, effluent treatment facilities, security and surveillance systems, safety systems, and other essential support equipment installed for use within the project premises.

PUNJAB TOURISM & HOSPITALITY POLICY 2026

1. OVERALL INCENTIVE CAPPING

Category	Overall Incentive Capping
Hotel Units/Multiplex/ MICE/ Wellness Resort / Amusement or Theme Park/Adventure Park/Water Park	25% of FCI or INR 25 Cr, whichever is lower
Farm Stay Home Stay, Bed & Breakfast	10% of FCI or INR 5 Cr, whichever is lower

2. ELIGIBILITY PERIOD OF INCENTIVES

The eligibility period of incentives shall be as per clause 5.1.2 of Punjab Industrial and Business Development Policy, 2026

3. ANNUAL CEILING OF FISCAL INCENTIVES

The annual ceiling of fiscal incentives shall be as per clause 5.1.3 of Punjab Industrial and Business Development Policy, 2026

4. PROCESS FOR DISBURSEMENT OF INCENTIVES

The process for disbursement of incentives shall be as per clause 5.1.4 of Punjab Industrial and Business Development Policy, 2026

5. ELIGIBLE UNITS

- (i) New units defined as Hotels, Farm Stay, Home Stay, Bed & Breakfast, Multiplexes, MICE, Wellness Resorts, Amusement or Theme Parks, Adventure Park/Water Park shall be eligible for incentives under Punjab Tourism Promotion Policy 2026.
- (ii) **Any existing units undertaking expansion shall not be eligible for incentives.**
- (iii) Minimum threshold of investment for each category is defined as follows:

Category	Eligibility Criteria
Hotel Units	A premises having twenty-five (25) or more rooms and minimum Fixed Capital Investment of INR 10 crore
Multiplex	Having at least 3 cinema screens with digital projection, acoustics, and ancillary services such as food outlet with total minimum seating capacity of 500 seats.

Meetings, Incentives, Conferences, and Exhibitions (MICE)	<ul style="list-style-type: none"> • Convention Hall with seating capacity of minimum 300 people. (size of 500 sq. m) • 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). • The Unit should include a restaurant with minimum 50 covers, parking facilities for not less than 50 cars and 5 coaches and residential accommodation for at least twenty-five (25) delegates/ participants.
Wellness Reports	Minimum land area of ten (10) acres and shall involve a minimum Fixed Capital Investment of INR 15 crore.
Amusement or Theme Park/Adventure Park/Water Park	Minimum land area of fifteen (15) acres and a minimum Fixed Capital Investment of INR 20 crore.
Farm Stay	A premises having up to 8 rooms and having minimum Fixed Capital Investment of INR 5 crore
Home Stay, Bed & Breakfast	A premises having up to 8 rooms and having minimum Fixed Capital Investment of INR 5 crore

6. FISCAL INCENTIVES

In addition to the other incentives available under Punjab Industrial & Business Development Policy (IBDP) 2026, the incentive of Capital Subsidy shall be available to an Eligible Unit falling under Punjab Tourism & Hospitality Policy as under:

- (i) **Capital Subsidy Amusement Park or Theme Parks, Hotel, Multiplex, MICE, Wellness Resort, Farm Stay, Home Stay, Bed & Breakfast:** Eligible Units shall receive a capital subsidy of up to 10% of the Fixed Capital Investment (FCI), capped at INR 5 crore from the date of commencement of commercial operations.
- (ii) **Additional Incentives in case of MICE only:**
 - a. **External Development Charges (EDC):** Eligible Unit shall receive a 100% exemption on the EDC, as applicable.
 - b. **Change of Land Use (CLU):** Eligible Unit shall receive a 100% exemption from CLU charges, as applicable.

7. DEFINITION

- (i) **Amusement Park/ Theme Parks/Adventure Park/Water Park:** An Amusement or Theme Park/ Adventure Park/Water Park is a permanent ticketed entry facility having a minimum land area of fifteen (15) acres and a minimum Fixed Capital Investment of INR 20 crore shall be used for the purpose of entertainment and amusement. It shall have facilities including but not limited to restaurants, amusement rides/ water slides, theatre and shopping areas.

(ii) **Hotel:** Any premises or part of a premise having twenty five (25) or more rooms and minimum Fixed Capital Investment of INR 10 crore, 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 subject to fulfilment of building rules of the concerned department/ authority as the case maybe, as amended from time to time.

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

- Any premises operated by a charitable, religious organization or an educational institution or a government institution.
- 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.

(iii) **Multiplex:** Multiplex shall be an entertainment complex with at least three (3) cinema screens with digital projection, acoustics, and ancillary service such as food outlet with total minimum seating capacity of 500 seats.

(iv) **MICE:** A Meetings, Incentives, Conferences, and Exhibitions (MICE) unit is a standalone or part of a hotel with facilities for a large group to hold Meetings including social and corporate gatherings, Conferences and Exhibitions and includes at least one Convention Hall and/or Exhibition Hall as described below:

- a. **Convention Hall** should have audio-visual conferencing and high-fidelity recording equipment, etc. and skilled manpower 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 50 covers, parking facility for not less than 50 cars and 5 coaches and residential accommodation for at least twenty-five (25) delegates/ participants.

(v) **Wellness Resort:** A Wellness Resort refers to an accommodation facility developed on a minimum land area of ten (10) acres, with a minimum Fixed Capital Investment of INR 15 crore. The resort shall be equipped with dedicated therapy rooms providing wellness services, including but not limited to Ayurveda, Yoga and Naturopathy, Unani, Siddha, and Homeopathy, with the objective of achieving, promoting, and sustaining optimal health and overall well-being.

(vi) **Farm Stay, Home Stay and Bed & Breakfast:** As per respective policies notified by Department of Tourism & Cultural Affairs.

PUNJAB RETAIL INVESTMENT AND MODERNIZATION POLICY 2026

1. DEFINITION

A retail unit for the purpose of this policy shall comprise of **Supermarket/Hypermarket** and **Single Brand Retailer**.

- (i) **Supermarket/Hypermarket** is where many items are sold under a single roof.
- (ii) **Single Brand Retailer** is the one who sells its own branded goods across its own outlets. Single-brand retailer owns whole supply chain and is the manufacturer, packer, importer and wholesaler of all goods.

2. SUPPORT FOR RETAIL UNITS

- (i) External Development Charges paid by the retail enterprise shall be used for development of the area where the enterprise is located.

PUNJAB HOSPITAL AND MEDICAL COLLEGE INVESTMENT POLICY 2026

1. OVERALL INCENTIVE CAPPING

Sector	Overall Incentive Capping
Healthcare (Hospitals including Medical College)	50% of FCI or INR 50 Cr, whichever is lower

2. ELIGIBILITY PERIOD OF INCENTIVES

The eligibility period of incentives shall be as per clause 5.1.2 of Punjab Industrial and Business Development Policy, 2026

3. ANNUAL CEILING OF FISCAL INCENTIVES

The annual ceiling of fiscal incentives shall be as per clause 5.1.3 of Punjab Industrial and Business Development Policy, 2026

4. PROCESS FOR DISBURSEMENT OF INCENTIVES

The process for disbursement of incentives shall be as per clause 5.1.4 of Punjab Industrial and Business Development Policy, 2026

5. ELIGIBILITY

Sector	Eligibility Criteria
Healthcare (Hospitals including Medical College)	50 beds and INR 25 Cr

- (i) Healthcare units seeking fiscal incentives shall be mandatorily empanelled under the **Mukh Mantri Sehat Yojana (MMSY)** for the entire duration of the Policy period.
- (ii) Eligible Healthcare units availing incentives under this policy shall ensure that a minimum of twenty percent (20%) of its total operational capacity shall be made available for providing services to beneficiaries under Mukh Mantri Sehat Yojana (MMSY). The same shall be verified by the Health and Family Welfare Department.
- (iii) Any existing units undertaking expansion shall not be eligible for incentives.

6. INCENTIVES

(i) **Investment Subsidy by way of Reimbursement of Net SGST**

Name of the incentive scheme	Extent of the incentive scheme
Reimbursement of Net SGST	Reimbursement of 75% of Net SGST for the eligibility period as defined under clause 5.1.1 of Industrial & Business Development Policy 2026 from the date of commercial operations.

- (ii) **Capital Subsidy:** Eligible Units shall receive a capital subsidy of up to 20% of Fixed Capital Investment (FCI) or INR 10 crore, whichever is lower disbursed over the eligibility period.
- (iii) **Stamp Duty:** 100% exemption/ reimbursement from stamp duty for purchase or lease of land and/or building.
- (iv) **Electricity Duty:** 100% exemption from electricity duty for the eligibility period.
- (v) **Change of Land Use (CLU):** An Eligible Unit shall receive a 100% exemption from CLU charges, as applicable.
- (vi) **Property Tax:** 100% exemption from property tax for a period of five (5) years, subject to a maximum limit of INR Five (5) crore from the date of commercial operations.
- (vii) **Customised Package:** For Mega Units as per clause 4.2.3, the Government may consider a customized package of fiscal incentives on a case-by-case basis. Such packages shall be subject to approval by the Council of Ministers, based on the recommendations of the Committee for Approval of Customized Package (CACP), in accordance with the relevant clauses of DSOG 2026.

7. DEFINITIONS

Healthcare Unit: Healthcare unit for the purpose of fiscal incentives shall mean Hospitals with or without Medical College/Medical Research Institute with a minimum investment of INR 25 crore in Fixed Capital Investment and having minimum 50 beds.

8. FIXED CAPITAL INVESTMENT (FCI)

8.1 In case of Healthcare Unit:

- (i) **Land:** As per Detailed Scheme of operational Guidelines (DSOG) of Industrial and Business Development Policy 2026.
- (ii) **Building:** As per Detailed Scheme of operational Guidelines (DSOG) of Industrial and Business Development Policy 2026.
 - a. **Note:** In case of Healthcare Unit on Leased or Rented Premises, the lease amount shall not be considered as part of FCI.

- (iii) **Plant and Equipment:** As per Detailed Scheme of operational Guidelines (DSOG) of Industrial and Business Development Policy 2026 and shall also include:
- a. Cost of new plant and machinery including fixtures, medical equipment, furniture, plant & machinery, IT infrastructure. This shall also include peripherals and accessories required for setting up and operating the unit.
 - b. Infrastructure Utilities includes waste treatment facilities, generators, etc., and other support facilities installed for use in the premises.

PUNJAB HIGHER EDUCATION INVESTMENT POLICY 2026

1. OVERALL INCENTIVE CAPPING

Sector	Overall Incentive Capping
Higher Education	100% of Fixed Capital Investment, subject to overall cap of INR 50 crore

2. ELIGIBILITY PERIOD OF INCENTIVES

The eligibility period of incentives shall be 5 years.

3. ANNUAL CEILING OF FISCAL INCENTIVES

The annual ceiling of fiscal incentives shall be equally divided among 5 years.

4. PROCESS FOR DISBURSEMENT OF INCENTIVES

The process for disbursement of incentives shall be as per clause 5.1.4 of Punjab Industrial and Business Development Policy, 2026.

5. ELIGIBLE UNITS

- (i) Private Universities approved by The University Grants Commission (UGC) Act 1956 / All India Council for Technical Education (AICTE) / other Government recognised accreditations (as applicable) shall be eligible for incentives under the policy.
- (ii) For being eligible for incentives under this policy the educational institution must remain in operations during the policy period.
- (iii) Benefits shall be applicable to all newly established Universities within the State of Punjab.
- (iv) **Any existing units undertaking expansion shall not be eligible for incentives.**

6. FISCAL INCENTIVES

Eligible Units shall be eligible for:

- (i) **Stamp Duty:** 100% exemption/ reimbursement from stamp duty for purchase or lease of land and/or building.
- (ii) **Electricity Duty:** 100% exemption on electricity duty for a period of 5 years
- (iii) **Change of Land Use (CLU):** Educational Institution shall receive a 100% exemption from CLU charges, as applicable.

- (iv) **External Development Charges (EDC):** External Development Charges paid by the institution shall be used for development of the area where the institution is established.

7. DEFINITIONS

Educational Institution: Private Universities approved by The University Grants Commission (UGC) Act 1956 / All India Council for Technical Education (AICTE) / other Government recognised accreditations (as applicable).

PUNJAB RENEWABLE ENERGY POLICY 2026

1. ELIGIBILITY

- (i) The minimum capacity of a defined RE Project shall be 500KW.

2. SUPPORT FOR RENEWABLE ENERGY (RE) PROJECTS

- (i) All approval to RE projects shall be provided by concerned authority/department in a time-bound manner.
- (ii) State government shall prioritize and give preference to establishment of RE Project within the State.
- (iii) PSPCL shall notify a guideline for facilitating the land available for RE Projects.

3. DEFINITIONS

- (i) **Renewable Energy Projects “RE Projects”** means a project generating electrical energy from Renewable energy sources as defined by Ministry of New and Renewable Energy (MNRE), Government of India, including, but not limited to Solar PV Power Project or Wind Power Project or Hybrid Power Projects or Small Hydro Power project or biomass, bio-fuel, urban or municipal waste and other such sources as approved by MNRE thereof, with or without Energy Storage System (ESS).

PUNJAB START-UP POLICY 2026

1. ELIGIBILITY PERIOD OF INCENTIVES

The eligibility period of incentives shall be 3 years.

2. ELIGIBILITY

- (i) Start-up located or physically incubated in the State of Punjab or having operations in the State.
- (ii) To obtain benefits under this policy, a start-up shall be required to be registered with the Start-up Punjab Cell
- (iii) Financial assistance under this policy shall be issued after the approval by the State Level Committee (SLC) to the eligible Start-ups
- (iv) **Startups Migrating from Outside Punjab:** DPIIT- recognized start-ups, starts its operations in Punjab and registering with Start-up Punjab shall be eligible to directly avail the second tranche of incentives, subject to approval by the State Level Committee (SLC) after the notification of Punjab Start-up Policy 2026.
- (v) Start-up migrating /relocating from other States shall have the option of applying for either initial seed grant or second tranche. In case, it applies for initial seed grant, it shall not be eligible to apply for Second Tranche before a period of 18 months.
- (vi) Fiscal assistance to eligible startup shall be provided as per procedure prescribed under the Detailed Scheme of Operations Guidelines (DSOG).

3. INCENTIVES

- (i) **Seed Grant:** A seed grant of INR 5 lakh per start-up shall be provided to eligible Start-ups.
 - a. **Second Tranche of Seed Grant:** An additional second tranche of funding subject to INR 10 Lakhs per startup shall be extended to maximum twenty (20) startups per year selected by Startupcell based on performance evaluation and predefined criteria (to be notified separately) on first-come first-serve basis. The unit shall be eligible for second tranche after a period of 18 months from the sanction of first seed grant, subject to the approval of the State Level Committee (SLC). The procedure for the same shall be notified separately.
 - b. The sanctioned amount shall be disbursed directly to the beneficiary startup through the Direct Benefit Transfer (DBT) mechanism, subject to submission of First Tranche Utilization Certificate, as per applicable government financial guidelines.

- (ii) **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 Industrial Park shall be eligible for a period of 3 year subject to the ceiling of INR 5 lakh per annum.
- (iii) **Interest Subsidy on Bank Loan:** Eligible Startups shall be provided interest subsidy of up to 8% per annum or the actual interest charged, whichever is lower subject to the maximum limit of INR 7 lakh per annum for a period of 3 years on reimbursement basis on the loan taken from scheduled banks/financial institutions.
- (iv) **Purchase Preference in Public Procurement:** Eligible Startups shall be provided purchase preference in Government procurement processes for orders of up to INR 10 lakh per order, for maximum 3 orders per start-up. Government shall issue a separate notification regarding the guidelines on Purchase Preference in public procurement.
- (v) **Startup Competition Assistance:** To encourage entrepreneurship culture in colleges, Eligible Institutes of National Importance, Central Universities, State Universities, Private Universities & Colleges 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.

4. DEFINITIONS

1. **Startup** for the purpose of this policy shall be defined as per the definition of DPIIT, Government of India as amended from time to time and meets the following criteria:
 - (i) 'Startup' means an entity which is incorporated or registered in India as a private limited company (as defined in the Companies Act, 2013) or registered as a partnership firm (registered under section 59 of the Partnership Act, 1932) or a limited liability partnership (under the Limited Liability Partnership Act, 2008) or a Multi-State Cooperative Society registered with the Central Registrar of Cooperative Societies (under the Multi-State Cooperative Societies Act, 2002) or a Cooperative Society registered under any State or Union Territory Cooperative Societies Act with the respective Registrar of Cooperative Societies in India;
 - (ii) is within a period of ten years from the date of its incorporation or registration;
 - (iii) has a turnover for any of the financial years since incorporation or registration not exceeding two hundred crore rupees; and
 - (iv) is working towards innovation, development or improvement of products or processes or services, or is a scalable business model with a high potential of employment generation or wealth creation.
 - (v) Startup located or physically incubated in the State of Punjab or having operations in the State.

Provided that, in the case of an entity recognised as a 'Deep Tech Startup' under this notification:

- a) the period specified in clause (ii) shall be up to twenty years from the date of its incorporation or registration; and
- b) the turnover limit specified in clause (iii) shall be three hundred crore rupees for any of the financial years since incorporation or registration.

Provided further that, an entity formed by splitting up or reconstruction of an existing business shall not be considered a Startup.

2. **A 'Deep Tech Startup'** means a 'Startup' that has the following attributes, in addition to the criteria detailed in para (1)(i):
 - (i) It is working on producing a solution based on new knowledge/advancements within a scientific or engineering discipline or multiple disciplines, which is yet to be developed or is in the process of being developed.
 - (ii) It has a high percentage of expenditure on research and development (R&D) activities as a percentage of revenue/funding;
 - (iii) It owns or is in the process of creating significant novel intellectual property (IP) and taking steps to commercialize the same; and
 - (iv) It is facing extended development timelines, long gestation periods, high capital and infrastructure requirements, and carrying large technical or scientific uncertainty.

Provided that, for the purposes of this notification, a 'Deep Tech Startup' shall be deemed to be a 'Startup', and references to a 'Startup' shall include a 'Deep Tech Startup', unless otherwise stated.

Provided further that, the determination of whether an entity satisfies the attributes of a 'Deep Tech Startup' shall be made in accordance with such framework, parameters, and guidelines as may be issued by the Department, and based on the documents and information furnished by the applicant in the manner specified by the Department.

3. **Nodal Agency** shall mean Startup Punjab for developing Start up eco-system in the State to further build a strong eco-system for nurturing innovation and Startup.
4. **Seed Funding:** Seed funding is the initial funding used to start a business or develop a new product. It helps take an idea to an early stage where it can be presented to investors for further funding.
5. **Start-up Coordination Committee:** Startup Coordination Committee (SCC) means the Committee under the chairpersonship of Administrative Secretary, Department of Industries and Commerce, Punjab. The Startup Coordination Committee shall authorize Startup Punjab Cell to issue necessary Registration Certificate to the Startup units based on evaluation by Nodal Agencies for various fiscal incentives under the Policy.
6. **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. Director Industries & Commerce shall also act as start-up nodal officer. 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.
7. **Incubator:** An incubator is an organisation in a technology/management school or an independent setup that helps early-stage startups launch their business and grow by providing

services such as workspace, management training, captive mentor pool, access to technological services etc.

8. **Accelerators:** An accelerator is an organisation, either an independent organisation or a corporate program that supports early-stage companies through intense immersive education, mentorship, and financing. Startups enter accelerators for fixed time periods and graduate as established, robust companies which are ready to scale. Its objective is to accelerate the growth of the portfolio batch startups in a short period of time.
9. **Mentors:** Mentors (experienced individuals typically from the same industry) guide the less experienced startups with best practices, management tools, industry connections, etc.
10. **Public Welfare Startup:** Startups generating employment opportunities and leveraging technology to build smart and economically viable solutions, to accelerate societal development shall be considered as Public Welfare Startups.
11. **Rural Impact Startups:** These are start-ups solving problems affecting the people of the rural areas of the state, for instance, financing for villagers to promote rural economy, Agri based solutions to improve productivity etc. The services offered by these start-ups shall support & improve the livelihood of rural population. It will also include startups located in rural areas.
12. **Women Led Startups:** A women-led startup is a startup registered either with DPIIT (or) Startup Punjab. At the time of registration, the startup should be owned and controlled by a woman or a group of women having a minimum financial interest of 51% of capital in the startup. Subsequently, even after funding rounds, at least 33% of the startup should be owned by a woman or a group of women.
13. **Circular Economy Startups:** Startups engaged in transforming waste into resources through innovative technologies, focusing on recycling, upcycling, and sustainable use of materials.

PUNJAB IT/ITES, DATA CENTRE, AND GCC POLICY 2026

1. CLASSIFICATION OF UNIT

- (i) **MSME:** As defined in clause 4.2.1 of the Industrial & Business Development Policy 2026
- (ii) **Large Units:** As defined in clause 4.2.2 of the Industrial & Business Development Policy 2026
- (iii) **Mega Units:** As defined in clause 4.2.3 of the Industrial & Business Development Policy 2026

2. OVERALL INCENTIVE CAPPING

Industry	Overall Incentive Capping
IT/ITeS	125% of FCI or INR 500 Cr, whichever is lower
Data Centres	80% of FCI or INR 500 Cr, whichever is lower
GCC	125% of FCI or INR 500 Cr, whichever is lower

3. ELIGIBILITY PERIOD OF INCENTIVES

The eligibility period of incentives shall be as per clause 5.1.2 of Punjab Industrial and Business Development Policy, 2026

4. ANNUAL CEILING OF FISCAL INCENTIVES

The annual ceiling of fiscal incentives shall be as per clause 5.1.3 of Punjab Industrial and Business Development Policy, 2026

5. PROCESS FOR DISBURSEMENT OF INCENTIVES

The process for disbursement of incentives shall be as per clause 5.1.4 of Punjab Industrial and Business Development Policy, 2026

6. ELIGIBILITY

6.1 Eligibility for IT/ITeS Units

6.1.1 Eligibility for IT/ITeS Units Developing their Own Premises:

- (i) The unit undertaking construction of building(s) and commencing operations in the IT/ITeS sector;
- (ii) with a minimum built-up area of ten thousand (10,000) square feet; and
- (iii) creating at least hundred (100) direct employment positions on IT solutions.
- (iv) In case of expansion, the IT/ITeS unit developing own premises shall qualify for an additional increase of at least twenty-five percent (25%) in FCI and an increase of twenty-five percent (25%) increase in number of direct employees on IT solutions.

6.1.2 Eligibility for IT/ITeS Units operating on Lease or Rented Premises model to avail incentives:

- (i) The IT/ITeS Unit shall generate at least one hundred (100) direct employment positions on IT solutions.
- (ii) In case of expansion, the IT/ITeS units operating on Lease or Rented Premises shall qualify for an additional increase of at least twenty five percent (25%) in FCI and an additional increase of twenty-five percent (25%) increase in number of direct employees on IT solutions.
 - a. *IT/ITeS units that have taken bare shell or plug-and-play spaces leased by the Nodal Agency on concessional monthly rentals shall not be eligible to claim rental assistance under this model.

6.2 Eligibility for Data Centres

- (i) A Data Centre unit established in the State of Punjab and is operating out of a dedicated secure space in a dedicated building or within a building or a centralized location where computing and networking equipment is concentrated for the purpose of collecting, storing, processing, distributing or allowing access to large amount of data shall be eligible under the policy for incentives.
- (ii) Captive Data Centres for in-house use by the parent organizations shall not be eligible under this policy.

6.3 Eligibility for GCC Units

6.3.1 Eligibility for GCC units developing own premises

- (i) The unit undertakes construction of building(s) on private land or on land leased from the Government, its agencies, or development authorities, and commences operations in the GCC sector.
- (ii) The unit develops a minimum built-up space of ten thousand (10,000) square feet; and
- (iii) The unit creates at least hundred (100) direct employment positions.
- (iv) In case of expansion, the GCCs developing own premises shall qualify for an additional increase of at least twenty five percent (25%) in FCI and an increase of twenty five percent (25%) increase in number of direct employees.

6.3.2 Eligibility for GCC units operating on leased/rented premises

- (i) The unit employing a minimum of hundred (100) direct employment positions.
- (ii) In case of expansion, the GCC units operating on rental/leased premises shall qualify for an additional increase of at least twenty five percent (25%) in FCI and an additional increase of twenty five percent (25%) increase in number of direct employees.
**GCC units that have taken bare shell or plug-and-play spaces leased by the Nodal Agency on concessional monthly rentals shall not be eligible to claim Rental Assistance under this model.*

7. FISCAL INCENTIVES

1.1 IT/ITES UNITS:

7.1.1 Fiscal Incentives for IT/ITeS Units developing their own premises

(i) Investment Subsidy by way of reimbursement of Net SGST

Name of the incentive scheme	Extent of the incentive scheme
Reimbursement of Net SGST	Reimbursement of 75% of Net SGST for the eligibility period as defined under clause 5.2.4 of Industrial & Business Development Policy 2026 from the date of commercial operations

For Eligible Existing Units Undertaking Expansion

In case of existing IT/ITeS units undertaking expansion, the Investment Subsidy shall be calculated on the basis of incremental increase of net sales of eligible service(s), over:

- the average net sales in the preceding three (3) years, or
- the average net sales in the preceding twelve (12) months

from the date of commercial production of expansion for the eligible product or activity, whichever is higher, as certified by the concerned Assistant Commissioner of State Tax (ACST).

- (ii) **Capital Subsidy:** Eligible Units shall receive a capital subsidy of up to 20% of their Fixed Capital Investment (FCI), subject to a maximum limit of INR 10 crore, disbursed over the eligibility period.
- (iii) **Electricity Duty:** 100% exemption on electricity duty for the eligibility period.
- (iv) **Stamp Duty:** 100% exemption/ reimbursement from stamp duty for purchase or lease of land and/or building.
- (v) **Power Tariff:** Industrial power tariff shall be applicable to eligible units instead of commercial power tariff.
- (vi) **Employment Generation Subsidy (EGS):** EGS shall be provided at INR 5,000 per employee per month for a period of 5 years from the date of commercial operations subject to filling the prerequisite conditions.
- (vii) **Customised Package** For Mega Units as per clause 4.2.3, the Government may consider a customized package of fiscal incentives on a case-by-case basis. Such packages shall be subject to approval by the Council of Ministers, based on the recommendations of the Committee for Approval of Customized Package (CACP), in accordance with the relevant clauses of DSOG 2026.

7.1.2 Fiscal Incentives for IT/ITeS Units operating on Leased or Rented Premises or Plug-and-Play Model (Shared Premises)

(i) Investment Subsidy by way of reimbursement of Net SGST

Name of the incentive scheme	Extent of the incentive scheme
Reimbursement of Net SGST	Reimbursement of 75% of Net SGST for the eligibility period as defined under clause 5.2.4 of Industrial & Business Development Policy 2026 from the date of commercial operations

For Eligible Existing Units Undertaking Expansion

In case of existing IT/ITeS units undertaking expansion, the Investment Subsidy shall be calculated on the basis of incremental increase of net sales of eligible service(s), over:

- the average net sales in the preceding three (3) years, or
- the average net sales in the preceding twelve (12) months

from the date of commercial production of expansion for the eligible product or activity, whichever is higher, as certified by the concerned Assistant Commissioner of State Tax (ACST).

- (ii) **Rental Subsidy:** Units shall be eligible for a reimbursement of INR Seven (7) per sq. ft., for minimum 100 seats, for a period of five (5) years.
- (i) **Electricity Duty:** 100% exemption on electricity duty for the eligibility period.
- (ii) **Power Tariff:** Industrial power tariff shall be applicable to eligible units instead of commercial power tariff.
- (iii) **Employment Generation Subsidy (EGS):** EGS shall be provided at INR 5,000 per employee per month for a period of 5 years from the date of commercial operations subject to fulfilling the prerequisite conditions.
- (iv) **Customised Package:** For Mega Units as per clause 4.2.3, the Government may consider a customized package of fiscal incentives on a case-by-case basis. Such packages shall be subject to approval by the Council of Ministers, based on the recommendations of the Committee for Approval of Customized Package (CACP), in accordance with the relevant clauses of DSOG 2026.

1.2 DATA CENTRE UNITS:

- (i) **Capital Subsidy:** Units shall be eligible for a Capital Subsidy equivalent to 20% of their Fixed Capital Investment (FCI), subject to a maximum limit of INR 10 crore, disbursed over the eligibility period.
- (ii) **Electricity Duty:** 100% exemption on electricity duty for the eligibility period.

- (iii) **Stamp Duty:** 100% exemption/ reimbursement from stamp duty for purchase or lease of land and/or building.
- (iv) **Power Tariff:** Industrial power tariff shall be applicable to eligible units instead of commercial power tariff.
- (v) **Dual Power Grid Availability:** Dual Grid lines power supply shall be made available on demand at applicable Charges.
- (vi) **Special Incentives:** The first three (3) Data Centre Units established and duly approved under this Policy shall be eligible for Special Incentives. Such units may consider a customized package of fiscal incentives on a case-by-case basis. Such packages shall be subject to approval by the Council of Ministers, based on the recommendations of the Committee for Approval of Customized Package (CACP), in accordance with the relevant clauses of DSOG 2026.

1.3 GLOBAL CAPABILITY CENTRES (GCCs):

7.3.1 Fiscal Incentives for GCCs developing their own premises

- (i) **Investment Subsidy by way of reimbursement of Net SGST**

Name of the incentive scheme	Extent of the incentive scheme
Reimbursement of Net SGST	Reimbursement of 75% of Net SGST for the eligibility period as defined under clause 5.2.4 of Industrial & Business Development Policy 2026 from the date of commercial operations

For Eligible Existing Units Undertaking Expansion

In case of existing GCC units undertaking expansion, the Investment Subsidy shall be calculated on the basis of incremental increase of net sales of eligible service(s), over:

- the average net sales in the preceding three (3) years, or
- the average net sales in the preceding twelve (12) months

from the date of commercial production of expansion for the eligible product or activity, whichever is higher, as certified by the concerned Assistant Commissioner of State Tax (ACST).

- (ii) **Capital Subsidy:** Eligible Units shall receive a capital subsidy of up to 20% of their Fixed Capital Investment (FCI), subject to a maximum limit of INR 10 crore, disbursed over the eligibility period.
- (iii) **Electricity Duty:** 100% exemption on electricity duty for the eligibility period.
- (iv) **Power Tariff:** Industrial power tariff shall be applicable to eligible units instead of commercial power tariff.
- (v) **Stamp Duty:** 100% exemption/ reimbursement from stamp duty for purchase or lease of land and/or building.
- (vi) **Employment Generation Subsidy (for first 10 units):** EGS shall be provided at INR 7,500 per employee per month for a period of 5 years from the date of commercial operations subject to fulfilling the prerequisite conditions.
- (vii) **Special Incentives:** The first three (3) Mega GCC Units, employing more than 1,000 people, established and duly approved under this Policy shall be eligible for Special Incentives. Such units may consider a customized package of fiscal incentives on a case-by-case basis. Such packages shall be subject to approval by the Council of Ministers, based on the recommendations of the Committee for Approval of Customized Package (CACP), in accordance with the relevant clauses of DSOG 2026.

7.3.2 Fiscal Incentives for GCCs operating on Leased or Rented Premises

(i) **Investment Subsidy by way of reimbursement of Net SGST**

Name of the incentive scheme	Extent of the incentive scheme
Reimbursement of Net SGST	Reimbursement of 75% of Net SGST for the eligibility period as defined under clause 5.2.4 of Industrial & Business Development Policy 2026 from the date of commercial operations

For Eligible Existing Units Undertaking Expansion

In case of existing IT/ITeS/GCC units undertaking expansion, the Investment Subsidy shall be calculated on the basis of incremental increase of net sales of eligible service(s), over:

- the average net sales in the preceding three (3) years, or
- the average net sales in the preceding twelve (12) months

from the date of commercial production of expansion for the eligible product or activity, whichever is higher, as certified by the concerned Assistant Commissioner of State Tax (ACST).

- (ii) **Rental Subsidy:** Units shall be eligible for a reimbursement of INR Ten (10) per sq. ft., for minimum 100 seats, for a period of five (5) years.
- (iii) **Electricity Duty:** 100% exemption on electricity duty for the eligibility period.
- (iv) **Power Tariff:** Industrial power tariff shall be applicable to eligible units instead of commercial power tariff.
- (v) **Employment Generation Subsidy (for first 10 units):** EGS shall be provided at INR 7,500 per employee per month for a period of 5 years from the date of commercial operations subject to filling the prerequisite conditions.
- (vi) **Special Incentives:** The first three (3) Mega GCC Units, employing more than 1,000 people, established and duly approved under this Policy shall be eligible for Special Incentives. Such units may consider a customized package of fiscal incentives on a case-by-case basis. Such packages shall be subject to approval by the Council of Ministers, based on the recommendations of the Committee for Approval of Customized Package (CACP), in accordance with the relevant clauses of DSOG 2026.

1.4 INCENTIVES TO IT PARKS:

Industrial Parks set up by Private Developers exclusively for IT Industry with minimum area of 10 Acre, minimum 50% area shall be allowed to be utilized for the IT Industry component and not more than 50% of the area shall be allowed to be used for residential and commercial component. Provided further that not more than 10% area shall be allowed for commercial component.

Considering the need and peculiarity of IT sector, the Department of Housing and Urban Development Punjab shall issue a separate notification in this regard.

8. DEFINITIONS

- (i) **Data Centre Unit:** A Data Centre unit is a dedicated secure space in a dedicated building or within a building or a centralized location where computing and networking equipment is concentrated for the purpose of collecting, storing, processing, distributing or allowing access to large amount of data.
- (ii) **Global Capability Centre (GCC)** unit shall mean a Global In-house Centre or an offshore Unit established in the State of Punjab by any Multinational Corporation (MNC) or Indian Multinational Corporation, which is wholly owned and operated by the parent company. Such GCC unit shall provide specialized services for the parent company in information technology, R&D, finance, HR and other back-office operations.
- (iii) **IT/ITeS Unit:** IT includes development, production and services pertaining to software and applications ITES are construed as any service, which results from the use of any IT software over a system of IT products for realising the value addition service rendering through the application of IT and may include the following:

- i. Back-office operation/Business Process Outsourcing (BPO)
- ii. Knowledge Process Outsourcing (KPO)
- iii. Business Process Management (BPM)
- iv. Web Aggregators
- v. Extended Reality AVGC-XR (Animation, Visual Effects, Gaming, Comics, and Extended Reality)
- vi. Artificial Intelligence
- vii. Internet and E-mail Service Providers
- viii. Medical Transcriptions
- ix. IT Support Centres
- x. Website Services
- xi. Cyber Security
- xii. Emerging Technologies such as Artificial Intelligence, Block chain, Machine Learning

9. FIXED CAPITAL INVESTMENTS (FCI)

FCI shall include cost of land, building, plant, machinery, and equipment as per the approved project cost. The eligible costs and the manner of assessment have been described below.

9.1 For IT/ITeS / GCC Units:

- (i) **Land:**As per Detailed Scheme of operational Guidelines (DSOG) of Industrial and Business Development Policy 2026.
- (ii) **Building:** As per Detailed Scheme of operational Guidelines (DSOG) of Industrial and Business Development Policy 2026.
 - a. **Note:** In case of IT/ITeS Unit/ GCC Unit on Leased or Rented Premises, the lease amount shall not be considered as part of FCI.
- (iii) **Plant & Machinery, In case of IT/ITeS Units Developing Own Space**
 - a. Servers
 - b. Computers
 - c. Laptops
 - d. Electrical installations
 - e. Networking, communication, and storage hardware
 - f. Office equipment (including but not limited to CCTVs, biometric hardware, printers, shredders)
 - g. Furniture & fittings
 - h. HVAC

9.2 For Data Centre Units:

- (i) **Land:** As per Detailed Scheme of operational Guidelines (DSOG) of Industrial and Business Development Policy 2026.
- (ii) **Building:** As per Detailed Scheme of operational Guidelines (DSOG) of Industrial and Business Development Policy 2026

Note: In case of Data Centre Unit on Leased or Rented Premises, the lease amount shall not be considered as part of FCI.

- (iii) **Plant & Machinery** including R&D equipment and such other productive assets like tools, jigs & fixtures, dyes, utilities like boilers, compressors, DG Sets, cranes, material handling equipment and such other equipment directly related to production purposes.

PUNJAB FILM PROMOTION POLICY 2026

1. OVERALL INCENTIVE LIMIT

Category	Overall Incentive Limit
Film Production/ Web Series/ Documentaries	25% of Cost of Production (COP) or INR 3.5 Cr, whichever is lower
Film City/ Film Studio / VFX Studio/ Training institute	20% of FCI or INR 10 crore, whichever is lower.

1. ELIGIBILITY PERIOD OF INCENTIVES

The eligibility period of incentives shall be 5 years.

2. ANNUAL CEILING OF FISCAL INCENTIVES

The annual ceiling of fiscal incentives shall be equally divided among 5 years.

3. PROCESS FOR DISBURSEMENT OF INCENTIVES

The process for disbursement of incentives shall be as per clause 5.1.4 of Punjab Industrial and Business Development Policy, 2026.

4. GENERAL DEFINITIONS

- (i) **Producer/Production House** means any individual or legal entity established under applicable laws and engaged in film production.
- (ii) **Eligible Production** means Feature Film intended for Theatrical release in cinemas, Web Series / OTT Projects.
- (iii) **Cost of Production (COP)** means the expenses incurred by the Producer/ Production House in the State of Punjab for the development of a Film/Web Series/Documentary.
- (iv) **Shooting Days** means the total number of effective days of outdoor shooting undertaken in the territorial jurisdiction of the State for making the film/web series/documentary.
- (v) **Ineligible Projects:** A Producer/ Production House that has applied for/received monetary assistance under film policy of any other State in any year for the same production shall not be eligible to avail incentives under this policy.

5. GENERAL CONDITIONS

- (i) **Credit to Government of Punjab:** All applicant under this policy must provide prominent credit to Government of Punjab, Department of Industries & Commerce, Government of Punjab in opening credits and during promotion activities of the film/ web series as per **Form FC**.

- (ii) All applications for film / web series / documentary shooting shall be made on Invest Punjab, Business First Portal. The steps and process for filing online application form and the documents to be submitted as prescribed by the Government.
- (iii) The applicant /producer shall submit an incentive application in **Form OAF** along with the necessary documents essential to verify claims made to avail the incentives.
- (iv) It must be mandatory by the Applicant/ Producer to submit a certificate as per **Form NSD** duly signed by the concerned District Magistrate as a proof of 'No of Shooting Days'.
- (v) Any film, web series, or documentary project approved under this policy and availing incentives shall not modify the name of the location depicted in scenes shot in Punjab, either in the script or in final post-production output. Such projects shall retain and display the Punjab location in its original name.
- (vi) For any international filmmaker and production companies, it would be responsibility of the applicant to get all requisite clearances from the Ministry of External Affairs (MEA)/ and Ministry of Information and Broadcasting (MIB) of Government of India, etc.
- (vii) Once approval is given to the applicant / producer, film screen time for shooting held in Punjab cannot be removed for any reason, whatsoever, the case maybe.
- (viii) The components of the cost of production shall be amended by the Government from time to time.

6. ELIGIBILITY

4.1 Eligibility for Films/Documentary:

- (i) A film shall be eligible provided that the film has completed a minimum 50 outdoor shooting days, within the territorial jurisdiction of the State of Punjab by a Producer/Production House.
- (ii) Must be certified by Central Board of Film Certification (CBFC) and minimum 75 minutes of length.
- (iii) Must provide Cinema Hall Release Certificate.
- (iv) A film directly released on Over-The-Top (OTT) platforms shall include Netflix, Amazon Prime, Disney Hotstar, Zee5, Sony Liv, Voot, MX Player, Chaupal, and ALT Balaji, or as notified by the Government from time to time, shall be eligible for incentives under this policy.
- (v) For Documentary, it must be released in theatres or on any of the OTT/ Web Platform.
- (vi) **Film /Documentary shall not be in the following form: -**
 - a. Dubbed version of a Films/Documentaries etc.

- b. Films/Documentaries that are derogatory to Punjab / culture/ people/ places, armed forces, etc. or poses any threat to national integrity, sovereignty, and religious harmony and promotes nudity or obscenity explicitly.
- c. Any content that is unlawful, obscene, glorifies violence or projects religious sentiments in an inappropriate way.
- d. Ad films and TV commercials.

4.2 Eligibility for Films/Documentary:

- (i) A Web Series shall only be eligible if at least 50% of the web Series length has been shot within the territorial jurisdiction of the State or has been shot for a minimum of 90 days within the territorial jurisdiction of the State by a Producer/Production House.
- (ii) In case of web series, Over-The-Top (OTT) platforms shall include Netflix, Amazon Prime, Disney Hotstar, Zee5, Sony Liv, Voot, MX Player, Chaupal and ALT Balaji, or any other platform as amended by the Government from time to time.
- (iii) Digital Content Shall not be in the following form:-**
 - a. Dubbed version of a Web Series etc.
 - b. Web-Series that are derogatory to Punjab / culture/ people/ places, armed forces, etc. or poses any threat to national integrity, sovereignty, and religious harmony and promotes nudity or obscenity explicitly.
 - c. Ad films and TV commercials.
- (i) Telecast schedule from the OTT/Web platform must be submitted. As there are no certification criteria from OTT/ Web platform.
- (ii) An OTT/Web series shall be eligible only once across all seasons.
- (iii) For OTT release, the project must be released on any of the following OTT Platform such as Netflix, Amazon Prime, Disney Hotstar, Zee5, Sony Liv, Voot, MX Player, Chaupal and ALT Balaji or any other platform as amended by the Government from time to time.

4.3 Eligibility for Film Infrastructure:

- (i) A Film City/ Studio / VFX Studio/ Training Institute shall qualify for fiscal incentives under this policy subject to a minimum investment in Fixed Capital Investment of INR 50 crore.
- (ii) Any existing project undertaking expansion shall not be eligible for incentives.

7. FISCAL INCENTIVES

- (i) **Capital Subsidy for Film/ Documentary Film:** To promote film production within the State, the Government of Punjab shall provide an incentive of 25% of the cost of production within the State, subject to a maximum ceiling of INR 3 crore per film.

- (ii) In the case of films produced in the regional language (Punjabi), an incentive of 30% of the cost of production shall be provided, subject to a maximum ceiling of INR 3.5 crore per film.
- (iii) **Capital Subsidy for Web Series:** To promote shooting of Web Series within the State, the Government of Punjab shall provide an incentive of 25% of the eligible production cost incurred in the State, subject to a maximum ceiling of INR 3 crore per Web Series.
- (iv) **Capital Subsidy for Film City/ Studio, VFX Studio and Training Institute:** To promote the development of infrastructure related to film shooting within the State, the Government of Punjab shall extend an incentive of up to 20% of the Fixed Capital Investment or INR 10 crore, disbursed over the eligibility period.

Note: the disbursement procedure of the same shall be notified separately in consultation with the relevant department.

8. DEFINITION

- (i) **'Film'** means cinematograph film as defined in Indian Cinematography Act 1952.
- (ii) **'Documentary Film'** means a film with a published screen time not less than 30 minutes promoting Punjab, its culture, heritage, tourist destinations etc.
- (iii) Web Series' means broadcast of a series of episodes through OTT platform.
- (iv) **'Film City'** means an integrated facility having facilities, Services, Infrastructure, and Equipment required for film making. The minimum land area should be at least 25 acres and the Minimum Investment of INR 50 cr. Out of the Minimum Investment of INR 50 cr. the entity shall have to invest at-least 60 percent in the development of film production related infrastructure/facilities as listed below. The Film City must have minimum any five from the facilities listed below:
 - a. Permanent Sets for Film Shooting purposes,
 - b. Recording Studios,
 - c. Post-Production Processing Facilities,
 - d. VFX & Animation Facilities,
 - e. Film Exhibition Facility,
 - f. Film Training Institutes,
 - g. Open Landscaped Area for Outdoor Shooting, theme park; and
 - h. other facilities as may be required for the film making purposes with prior approval of the appropriate Committee.
- (v) **'Film Studio'** means a facility having facilities, services infrastructure and equipment required for film and series production including the area for shooting activities.
- (vi) **'VFX Studio'** means production facility specialized in creating, manipulating, and enhancing imagery outside of live-action shooting, typically using computer-generated imagery (CGI), compositing, and digital tools.
- (vii) **'Training Institutes'** means facilities offering courses in Film acting, Film production, music, choreography, or postproduction courses on sound recording/ dubbing/ mixing labs/ animation and VFX and Film Set etc. or any other audio/video production related vocational courses.

9. FIXED CAPITAL INVESTMENT (FCI)

7.1 For Film Studio / VFX

- (i) **Land:** As per Detailed Scheme of operational Guidelines (DSOG) of Industrial and Business Development Policy 2026.
- (ii) **Building:** As per Detailed Scheme of operational Guidelines (DSOG) of Industrial and Business Development Policy 2026.
- (iii) **Plant and Equipment:** As per Detailed Scheme of operational Guidelines (DSOG) of Industrial and Business Development Policy 2026 and shall also include cost of new plant and machinery including equipment, monitors, workstations, servers, cameras, audio and storage devices/systems, and allied accessories for setting up and operating the Film Studio/ VFX Studio.

10. COST OF PRODUCTION

Film Shooting/Web Series & Original show shown on OTT platforms/documentary including the total project cost out of the total expenditure mentioned by the applicant in the application submitted for grant, the following expenditure shall be considered for subsidy:

A. Eligible Cost of Production (Inclusions)

1. Production cost (specific to the State of Punjab)
2. Rental of Capital Goods (for Production)
3. Extras (non-speaking on cameras)
4. Set Decoration
5. Camera
6. Set Lighting
7. Special Effect
8. Costumes
9. Transportation
10. Art Department
11. Set Construction
12. Set Operations
13. Sound
14. Makeup and Hair
15. Stunt performer /artist fees (only for Punjab Resident)
16. Locations
17. Editorial
18. Equipment Rental
19. Location Rental

20. General Business Overheads (office rental and utilities utilized only for the purpose of the production and procured from Punjab based supplies)
21. Domestic Travel (only if booked by a Punjab based agency)
22. Accommodation (at Punjab based Hotels)

B. Cost of Production (Exclusions)

1. Fees paid to all cast members
2. Producer fees
3. Director fees
4. Fees paid to above line personnel (including, but not limited to, executive producers, producers, directors, casting directors, talent agencies, consultants, professional advisors and screenwriters, music composers, playback singers, etc).
5. Gift and Entertainment expenses
6. International Travel
7. Publicity and Marketing Costs
8. Purchase of Capital Goods

Other Conditions:

- (i) The Applicant / Producer / Production House shall submit the Audited Profit & Loss statement for the expenses incurred within the territorial jurisdiction of the State of Punjab for such Film/ Documentary/ Web Series certified by the Chartered Accountant.
- (ii) For the purpose of incentive calculation, the Applicant / Producer / Production House shall produce proofs of payments made through bank accounts or other online methods. Such application shall be verified by Government empanelled Chartered Accountant up on submission.

ਪੰਜਾਬ ਸਰਕਾਰ
ਵਿਗਿਆਨ, ਤਕਨੀਕ ਅਤੇ ਵਾਤਾਵਰਣ ਵਿਭਾਗ
(ਵਿ.ਤ.ਵਾ. ਸ਼ਾਖਾ)

ਸੇਵਾ ਵਿਖੇ,

1. ਡਾਇਰੈਕਟਰ, ਡਾਇਰੈਕਟੋਰੇਟ ਵਾਤਾਵਰਣ ਤੇ ਮੌਸਮ ਬਦਲਾਅ ਵਿਭਾਗ, ਪੰਜਾਬ
2. ਮੈਂਬਰ ਸਕੱਤਰ, ਪੰਜਾਬ ਪ੍ਰਦੂਸ਼ਣ ਰੋਕਥਾਮ ਬੋਰਡ, ਵਾਤਾਵਰਣ ਭਵਨ, ਨਾਭਾ ਰੋਡ, ਪਟਿਆਲਾ।
3. ਮੁੱਖ ਕਾਰਜਕਾਰੀ ਅਫਸਰ, ਪੰਜਾਬ ਬਾਇਓਟੈਕਨਾਲੋਜੀ ਇੰਨਕਿਊਬੇਟਰ।
4. ਕਾਰਜਕਾਰੀ ਡਾਇਰੈਕਟਰ, ਪੰਜਾਬ ਸਟੇਟ ਕੌਂਸਲ ਫਾਰ ਸਾਇੰਸ ਐਂਡ ਤਕਨਾਲੋਜੀ।
5. ਮੈਂਬਰ ਸਕੱਤਰ, ਪੰਜਾਬ ਬਾਇਓਡਿਵਰਸਿਟੀ ਬੋਰਡ।
6. ਡਾਇਰੈਕਟਰ ਜਨਰਲ, ਪੁਸ਼ਪਾ ਗੁਜਰਾਲ ਸਾਇੰਸ ਸਿਟੀ ਕਪੂਰਥਲਾ।
7. ਮਿਸ਼ਨ ਡਾਇਰੈਕਟਰ, ਤੰਦਰੁਸਤ ਪੰਜਾਬ।

ਮੀਮੋ ਨੰ. STE-STEBO10/117/2026-STE1/ 1347414/1-7
ਮਿਤੀ, ਚੰਡੀਗੜ੍ਹ 18.03.2026

Sub:- Notifications regarding Punjab Industrial & Business Development Policy-2026, Sectoral Policies and Detailed Schemes & Operational Guidelines 2026.

ਉਪਰੋਕਤ ਵਿਸ਼ੇ ਦੇ ਸਬੰਧ ਵਿੱਚ।

2. ਵਿਸ਼ਾ ਅੰਕਿਤ ਮਾਮਲੇ ਵਿੱਚ Superintendent, Policy Implementation Unit, Department Of Industries & Commerce, Punjab, Sector-17 Chandigarh ਵੱਲੋਂ ਈ-ਮੇਲ ਮਿਤੀ 09.03.2026 ਰਾਹੀਂ ਪ੍ਰਾਪਤ ਹੋਈ Punjab Industrial & Business Development Policy-2026, Sectoral Policies and Detailed Schemes & Operational Guidelines 2026 ਦੇ ਸਬੰਧ ਵਿੱਚ ਜਾਰੀ ਕੀਤੇ ਗਏ ਨੋਟੀਫਿਕੇਸ਼ਨ ਮਿਤੀ 08.03.2026 ਦੀ ਕਾਪੀ ਆਪ ਨੂੰ ਅਗਲੇਰੀ ਲੋੜੀਂਦੀ ਕਾਰਵਾਈ ਹਿੱਤ ਭੇਜੀ ਜਾਂਦੀ ਹੈ।


ਸੁਪਰਡੈਂਟ