



# Punjab Industrial & Business Development Policy, 2026

Punjab Means Business – Policy to Practice

POLICY SNAPSHOT



# VISION | MISSION | OBJECTIVE



## Vision

- Punjab aims to become India's leading hub for manufacturing and services by driving the innovation.
- Adopting advanced technologies and promoting sustainability.
- Attracting global investment, generating high-value jobs, and building a future-ready skilled workforce



## Mission

- Make Punjab a leading destination for industrial, digital, and knowledge-based investments to drive high-skill job creation and build a future-ready workforce.
- Strengthen sectoral and regional value chains through balanced industrial growth, inclusive skilling, and entrepreneurship—especially for youth, women, and underserved regions.
- Enable a business-friendly, innovation-driven ecosystem through regulatory reforms, Ease of Doing Business improvements, and strong support for startups and MSME's.



## Objective

- Position Punjab as a preferred investment destination by 2030 to attract multi-sector investments and generate large-scale employment.
- Boost industrial growth by increasing the secondary sector's GSVA share from 27% to 32% and creating industry-ready talent through targeted, demand-driven skilling.
- Develop world-class industrial infrastructure, including 10 new industrial parks, to build a robust, self-sustaining industrial ecosystem for investors and ancillary industries

## PRIORITY SECTORS



## FISCAL INCENTIVES

### Capital Subsidy

- MSME, Large: upto 20% of eligible FCI, subject to maximum of €0.919 million (₹10 crore).

### Employment Generation Subsidy (EGS)

- Male: €27.57 (₹3,000) per employee per month  
Female/ SC/ OBC/ BC/PwD : €36.75 (₹4,000) per employee per month

### Investment Subsidy

- Reimbursement of Net SGST: 75% of Net SGST by way of reimbursement of net SGST

### Electricity Duty

- 100% exemption from electricity duty

### Stamp Duty

- 100% exemption or reimbursement

### Marketing Assistance

- MSMEs: 50% stall rent for International/ National/ Domestic Trade Fairs, subject to prescribed limits
- ODOP Units: 70% stall rent for International Trade Fairs and 75% stall rent for National/Domestic Trade Fairs, subject to prescribed limits

### Freight Subsidy

- 1% of the FOB value, subject to a maximum of €27,566 (₹30 lakh) per annum for a period of 5 years

### Incentive for Paddy Straw-based Boiler

- Capital Subsidy @50% of total boiler cost or €91,899/ €68,925 (₹1/ 0.75 cr.) per 8 TPH as per prescribed ceilings  
100% exemption/ reimbursement of stamp duty on the purchase/ lease of land & building used exclusively for Storage of Paddy straw

## FISCAL INCENTIVES FOR MANUFACTURING SECTOR

### R&D Facilities & Environment-Friendly Technologies

- 50% of actual project cost of Common R&D / Testing Facility (first 10 clusters)
- 20% of actual project cost of New / upgraded shared ZLD
- Up to 20% of total project cost of Standalone New/Expansion Units for Setting up CETP / ZLD
- 100% exemption/ reimbursement of stamp duty on purchase/ lease of land & building

### NSE-Emerge Platform

- 25% financial assistance for public issue expenses (maximum of €9,189 (₹10 lakh) per unit, once during the Policy period)

### Additional State Support for ZED Scheme of GoI

- €9,189 (₹10 lakh) for first 50 Eligible Units achieving Gold Level ZED Certification
- €4,595 (₹5 lakh) for first 100 Eligible Units achieving Silver Level ZED Certification
- Additional €4,595 (₹5 lakh) for upgradation from Silver to Gold Level Certification

### Additional State Support for ZED Scheme of GoI

- Reimbursement of 75% of actual expenses incurred upto
  - €18,379 (₹20 lakh) for international patent registration
  - €9,189 (₹10 lakh) for domestic patent registration

### CGTMSE Guarantee Fee for MSEs

- Additional State Support – Reimbursement of 100% of CGTMSE Guarantee Fee maximum cap of €2,757 (₹3 lakh) per unit per year for 7 years

### Digital Marketing Support

- Reimbursement of 50% of on boarding cost on e-commerce platforms including cataloguing and related expenses, on platforms developed by NSIC, ONDC, or other recognized similar platforms for first 1000 eligible units.  
Maximum reimbursement
  - MSMEs: €459 (₹50,000)
  - ODOP units: €689 (₹75,000)

### Audits - Energy/ Water/ Environment/ Steam/ Safety

- Reimbursement @75% of the actual cost incurred \ Maximum cap of €2,757 (₹3 lakh) per audit  
Each category of audit eligible once during the Policy period

### Quality, Management System, Environment Certifications

- 100% Reimbursement of actual expenses incurred maximum cap of €18,379 (₹20 lakh) per unit once during Policy period

## GROWTH SUPPORT FOR MANUFACTURING SECTOR

### Food Processing

- Exemption of mandi fees/ market fees

### Auto Components

- Capital subsidy upto 20% of FCI
- EGS to warehouses

### Electric Vehicles

- Rebate on power tariff

### ESDM

- Dual power grid availability and reimbursement of water tariff

## GROWTH SUPPORT FOR SERVICE SECTOR

### IT/ITeS and GCCs

Included in 125% incentive ceiling with newly introduced rental subsidy

### Healthcare

Incentives up to €4.59 million (₹50 crore) for hospitals (minimum 50 beds) and medical colleges

### Tourism

Capital subsidy up to €459,200 (₹5 crore) for tourism infrastructure

### Film Tourism

Capital subsidy up to €0.46 million (₹10 crore) for film studios/ film cities and Financial support of ₹3 crore on film/web-series cost of production

### Higher Education

Incentives up to €4.59 million (₹50 crore) for setting up new higher education institutions

## CUSTOMIZED PACKAGE FOR MEGA UNITS

- Manufacturing & other sectors - €45.94 million (Rs 500 crore) and above
- IT / ITeS projects - €22.97 million (Rs 250 crore) and above
- First 3 GCCs >1,000 employees

Committee for Approval of Customized Package

Hon'ble Finance Minister - Chairperson  
 Hon'ble Industries & Commerce Minister - Co- Chairperson  
 Chief Secretary, Punjab - Member  
 Administrative Secretary, Finance - Member  
 Administrative Secretary, Industries & Commerce - Member  
 Administrative Secretary, Concerned Departments - Invite  
 Chief Executive Officer, PBIP - Member  
 Director, Industries & Commerce - Member Convener

## CATEGORIZATION

### INDUSTRY

Industries classified to align incentives with investment scale & strategic importance



#### MSME Units

Definition as per the prevailing notifications issued by GoI under MSMED Act, 2006



#### Large Units

All Eligible units not classified as MSME units



#### Mega Units

All Large units having Fixed Capital Investment (FCI) > EUR 45.94 million (INR 500 crore)

### REGIONAL

#### Border Districts

Border Districts includes Pathankot, Gurdaspur, Amritsar, Tarn Taran, Ferozepur and Fazilka

#### Kandi Area

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

#### General Districts

All remaining districts/areas of Punjab not included in Border Districts or Kandi Areas

## OVERALL CEILING & ELIGIBILITY PERIOD

Category and Location Unit	Overall Incentive Ceiling
MSME Units	Up to 100% of the eligible Fixed Capital Investment, subject to a maximum cap of €45.94 million (₹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 € 45.94 million (₹ 500 crore)
Units falling in Priority Sectors as per Annexure – 2	

- Total incentives admissible to a unit shall be subject to an annual ceiling (on Financial Year basis) to ensure uniform disbursement or exemption over the chosen incentive period
- Overall incentive ceilings prescribed under Sectoral Policies shall prevail and be applicable to respective sectors
- Incentive Disbursement Period for all eligible units shall be 10 - 15 years

## NON-FISCAL INCENTIVES

### Ease of Doing Business

- Time-Bound Clearances and Deemed Approvals
- Statutory Enablement for Fast-Track Approvals
- FastTrack Punjab
- Self-Certification for Building Plans and Layout

### Power

- Lowest Industrial Power Tariff
- Equivalent offset of peak hour Surcharge during non-peak season
- Dedicated feeders for Continuous Process Industries
- Renewable energy Captive Power Plant limit enhanced to 125%

### Building, Construction & Land Related

- Industrial Zoning Flexibility
- Higher FAR & Relaxed Setbacks
- Plug-and-Play Infrastructure
- Fast-Track Land Allotment

### Logistics Infrastructure

- Plug-and-Play Logistics Infrastructure
- Reservation of Land for Logistics
- Modernisation of Transport Nagar
- Wayside Amenities for Trucker Parks

### Labour & Compliance

- Flexibility in Working Hours
- Simplified Regulatory Framework
- Women Working in Night Shift
- Third-Party Inspection