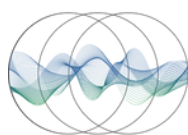
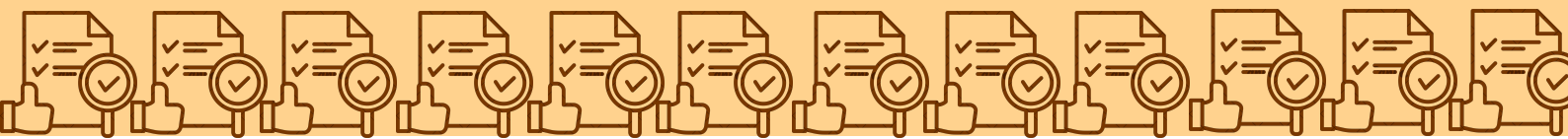


# PRIMER

BUSINESS READINESS | PUNJAB

2025-26



**PANJ**

Policy Advisory and  
Network for Joint Progress

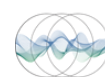
# SUMMARY

Ease of Doing Business (EoDB) is fast becoming the theme of multiple government initiatives across India. These measures aim at reducing the compliance burden and easing operations for businesses. All EoDB measures are directed towards promoting greater investment and economic growth in the state. On the same lines, Punjab, over the years, has also introduced reforms to ease the doing of business.

One of the major 'attraction' points of the state is its single window portal as the one stop shop for all business and investment related queries and filings. Moreover, Punjab has also launched digital incentive disbursement system for faster and transparent release of incentives. The state has also introduced a series of different regulations easing compliances and ensuring an end to red tape along with timely service delivery.

While the state has experienced a boom in startups, it still lags behind. The state houses only 1.1% of the country's DPIIT-recognised startups and only has 10 startups which are in their 'scaling stage'. Even as the government has introduced a series of different measures to encourage budding startups, a larger regulatory ecosystem continues to remain missing.

Moreover, Punjab's incentives face a strong competition from those offered by other states. Neighbouring Haryana, Rajasthan, and others like UP, Tamil Nadu, have moved past digitisation efforts and now reformed their overarching regulatory norms. This also presents a timely check for Punjab to think about its efforts towards creating an enabling business environment.



# Overview

## Number of factories in Punjab

13,166

## Major investors in the state



Rs 2,600 cr



Rs 1,600 cr



Rs 548 cr



Rs 342 cr



Rs 423 cr



Rs 338 cr

## Total investment in the state since 2021

INR 38,000 crores

## Punjab ranking on BRAP

**16** → **16** → Aspirer state in  
2015      2016      2022  
B2G and C2G

**Business Reform Action Plan (BRAP)** is a list of reforms to facilitate ease of doing business reforms across states. BRAP 2022 classifies states with less than 70% score as 'aspirer'

## District-wise frontrunners in EoDB

Large industrial districts: **SAS Nagar**, followed by **Hoshiarpur**

Other districts: **Gurdaspur**, followed by **Mansa**



## Thrust sectors in Punjab

### Manufacturing sector



NRSE equipment



Energy storage device



Industry 4.0 devices



Textile incl. apparel



Agri & Food processing



Electronics



Aerospace & Defence



Biotech and Pharmaceuticals



Agro waste processing



Bicycle and components



Paper based packaging



Auto and auto components



Hand tools



Sports goods



Agri machinery



Alloy steel

### Service sector



IT and ITes



Skill Dev centres



Tourism & hospitality



Media



Logistics



MRO for aviation



Shredding units



Bio-diesel



Plastic waste processing

**Quick fact:** Thrust sectors are identified keeping in view future growth and employment generation. They are given additional benefits.

Punjab has launched **Fast-track portal**: unified portal for all industries for speedy, accountable, and transparent service delivery. Maximum delivery time is 45 days



# Regulatory overview

## Punjab Right to Business Act 2020

**Objective:** Enhance ease of doing business

**How:** Reduce existing regulatory burden on businesses (specifically, MSMEs)

**Measures:** MSMEs can operate for 3.5 years by availing Certificate of In-Principle Approval, based entirely on self-declaration. Such MSMEs receive temporary exemptions from various regulatory approvals and inspections

### Exemptions:



Building plan approval and occupancy certificate



Change of land use approval and factory building approval



Trade license registration



Fire no objection certificate

## Punjab Industrial and Business Development Policy 2022

**Objective:** Transforming Punjab into a major industrial and export hub

**How:** Developing thrust sectors into world leaders in respective fields by 2027

**Measures:** Setting up of a Policy Implementation Unit to ensure necessary support for the implementation of various aspects of the policy



Replaces multiple interfaces by different departments to one consolidated **Business First Portal** by Govt of Punjab. Online facility for availing various fiscal incentives and centralized inspection mechanism

## Punjab Anti-Red Tape Act 2021

**Objective:** Eliminate red tape and promote effective administration of public affairs and to reduce the cost and burden of compliances

**How:** Simplified, trust based procedures that shall expedite processes and make governance efficient

**Measure:** Ensures a 'Promise to serve' with the process to avail a particular service and person responsible for each step, turnaround time, documents required, etc



# Regulatory reforms

## Labour



**Third-party certification** allowed for factory building plans under the Factories Act, 1948



**Self-certification** for Contract Labour Act, Building & Other Construction Workers Act



**Performance bank guarantees** removed for self-certification



**Random inspections** limited to 5% of units based on risk profile

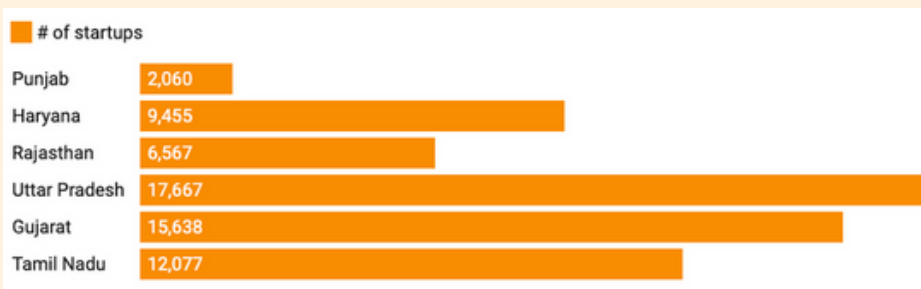
## Environmental

**Exemption from Consent to Establish/Operate (CTE/CTO)** for Green Category industries, subject to self-regulation

**Auto-renewal of CTE/CTO** based on self/third-party certification

**Extension of** consent validity periods

# Startup landscape



## Number of DPITT-recognised startups across states

**Punjab has only 1.1% of the registered and DPIIT-recognised startups**

Mohali has 77 registered startups, whereas Ludhiana has 282

**Number of incubators 30 incubators**

Incubators provide necessary resources, such as infrastructure, mentorship, and financial support, to nurture and support the innovation of startups.

**10 startups**

in Punjab are currently in the 'scaling' stage



## When is a startup considered in a scaling stage per DPIIT?

At the Scaling stage, startups focus on rapid revenue growth while improving efficiency. The startup expands its operations and market reach, streamlines its process and sets the stage to secure additional funding. To file scaling application with DPIIT, a startup needs: **pitch deck, a website and a video showcasing the innovation in products and services.**

## Incubator support

- Rs 3 lakh/year for 5 yrs (operations + mentoring);
- Rs 5 lakh/startup fest
- Rs 100 Cr infra support





# Comparison with other states



## Punjab

100% SGST refund for large units (7 yrs); 75% for startups



## Haryana

100% net SGST refund for 5-10 yrs



## Rajasthan

75% SGST reimbursement for 7 yrs (all sectors)



## Tamil Nadu

100% for EVs till 2030; 3 yrs refund for 10cr+ investment



## Kerala

No SGST reimbursement



## Uttar Pradesh

100% refund; case-by-case for ultra mega/FDI

## Electricity duty exemption



Punjab offers **100% exemption for 10 years**; among the best UP provides 100% for startups, R&D, logistics, etc.

## Support for startups across states



**Punjab:** Seed capital of Rs 3 lakhs via incubators

**Haryana:** Capital of 3 lakh/startup; Rs 15 Cr seed fund

**UP:** Seed capital 30 lakh one-time for sunrise sectors

**Tamil Nadu:** Seed capital of Rs 25 lakh; Rs 50 lakh scale-up; 90% soft loan option

## Quality certification subsidy



**Punjab:** 100% up to Rs 10 lakh

**UP:** 50% up to Rs 25 lakh

**Rajasthan:** 50% up to Rs 25 lakh

**Tamil Nadu:** 50% for MSMEs, ICT, Bio; up to Rs 25 lakh



## What is Quality certification subsidy

A financial incentive that reimburses businesses, , for a portion of the expenses incurred in obtaining recognized quality certifications, such as ISO or HACCP

## Employment subsidy

### Punjab

Rs 36k/year (SC/Women)

Rs 30k/year (Gen) for 5 yrs

### Rajasthan

4000/month/worker; 50%

EPF reimbursement for 7 yrs

### Uttar Pradesh

Rs 36k/Rs 30k for eligible startups

### Kerala

Rs 10k/month for R&D trainees

## Patent subsidy



75% subsidy; upto

Rs 10L (domestic)

Rs 20L (international)

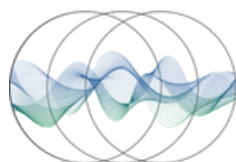




[info@panj.org.in](mailto:info@panj.org.in) | [panjfoundation](#) | PANJ Foundation

Policy Advisory and Network for Joint Progress

S.A.S Nagar, Mohali



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