





# PUNJAB LOGISTICS & WAREHOUSING POLICY 2026

Department of Industries and Commerce

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# Message
# from Hon'ble Chief Minister



**S. Bhagwant Mann** Hon'ble
Chief Minister of Punjab

It is a matter of pride for all of us that the Punjab Logistics and Warehousing Policy 2026 marks a significant milestone i n our journey to strengthen the State's industrial ecosystem and position Punjab as a leading logistics hub of Northern India.

Efficient logistics and modern warehousing are essential to supporting manufacturing, agriculture, trade, and exports, and this policy reflects our commitment to building a future-ready, competitive economy. Punjab's strategic location, strong industrial base, and leadership in agriculture provide a unique opportunity to develop integrated logistics infrastructure that seamlessly connects producers to domestic and global markets.

The policy has been designed to address the growing demand for faster, reliable, and cost-efficient movement of goods, while creating an enabling environment for businesses to thrive.

This policy has been shaped through extensive consultations with industry stakeholders, experts, and government departments, ensuring a balanced and pragmatic framework that eases doing business and attracts private investment. Together, we can unlock new avenues of growth and contribute to the overall prosperity of the State.



# Message from Hon'ble Minister



**Shri Sanjeev Arora**
Minister for Industries & Commerce,
Investment Promotion, Punjab

Efficient logistics and modern warehousing infrastructure are critical pillars of a competitive economy. As trade, manufacturing, and e-commerce continue to expand, the role of integrated logistics systems in reducing costs, improving supply chain efficiency, and enabling faster market access has become more important than ever.

Punjab's strategic geographic location makes it a natural gateway for trade and distribution in North India. With excellent connectivity through a strong network of national highways, railways, and proximity to major consumption markets, the State offers significant advantages for the development of logistics parks, warehousing hubs, and integrated supply chain infrastructure.

Recognising the growing importance of the Logistics and Warehousing sector, the Government of Punjab is committed to creating a robust ecosystem that supports modern logistics facilities, multimodal logistics parks, cold chain infrastructure, and last-mile distribution networks.
Our policy framework encourages investments in large-scale warehousing, distribution centers, agri-logistics infrastructure, and technology-driven logistics solutions.

Punjab's strong manufacturing and agricultural base further strengthens the demand for advanced logistics infrastructure. Efficient warehousing and cold chain systems are essential to support industries such as food processing, pharmaceuticals, textiles, auto components, and e-commerce, while also helping reduce post-harvest losses in the agricultural sector.

The State offers a competitive incentive framework including capital subsidies, SGST reimbursement, employment generation incentives, and infrastructure support, enabling investors to develop modern logistics and warehousing facilities.

We invite logistics companies, infrastructure developers, and investors to partner with Punjab in building a future-ready logistics ecosystem that strengthens supply chains, enhances trade efficiency, and supports the State's journey toward becoming a major industrial and distribution hub.




# Punjab Logistics and Warehousing Policy 2026

# SECTORAL COMMITTEE

The Department of Industries & Commerce, Government of Punjab, constituted 24 sectoral committees vide order number PIU/NIF/ Noti cation/2025/1531 dated 01-08-2025. These commi ees comprise industry leaders and sectoral experts. Following extensive deliberations and stakeholder consultations, sector-specific recommendations were received for the Depamen t's consideration.

The Department of Industries & Commerce, Government of Punjab has reviewed the recommendations submie d by the Logistics sectoral committees chaired by eminent industry leaders:

List of sectoral commi ees formed is as follows:

| S. No | Name | Designation | Stakeholder Organisation |
|---|---|---|---|
| 1 | Ashwani Nayar (Capt.) | Chairman | Hind Terminal, Ludhiana |
| 2 | ADC (G) Patiala | Member Secretary | Government of Punjab |
| 3 | Aman Kansal | Member | KMG Ventures, Rajpura |
| 4 | Deepak Mi al | Member | Vasudha & Company, Banur |
| 5 | Gaurav Gupta | Member | R N Gupta & Co. Ltd., Doraha |
| 6 | Gaurav Sharma | Member | Colossal Warehouse and Logistics Pvt. Ltd., Rajpura |
| 7 | Jang Bahadar Sangha | Member | Sangha Refrigerations, Jalandhar |
| 8 | Pankaj Tomar | Member | NCML Commodities Management Ltd. |
| 9 | Puneet Gupta | Member | OM Logistics Ltd., Ludhiana |
| 10 | Puneet Mahapatra | Member | Adani Logistics, Ludhiana |
| 11 | Ravi Kant | Member | PIIL Ludhiana |
| 12 | Rishab Oswal | Member | Oswal Logistics Park, Ludhiana |
| 13 | Senthil Elangannan | Member | Leap India Food & Logistics Pvt. Ld |
| 14 | GM DIC Patiala | Member | Government of Punjab |
| 15 | Sector Head / Ocer – Logist ic (PBIP) | Member | Government of Punjab |



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# 1. OVERVIEW

India's logistics sector plays a critical role in supporting economic growth by enabling the efficient movement of goods across a vast and diverse market. As one of the world's fastest-growing major economies, India's competitiveness is closely linked to the pe ormance of its logistics ecosystem, which underpins manufacturing, agriculture, e-commerce, and international trade. The sector has witnessed significant transformation in recent years, driven by large-scale investments in highways, dedicated freight corridors, ports, airports, multimodal logistics parks, and digital platforms under national initiatives such as the National Logistics Policy and PM Gati Shakti National Master Plan. These reforms aim to reduce logistics costs, improve supply chain eciency , enhance multimodal integration, and position India as a reliable hub for global and domestic value chains.

## 1.1 INDIA LANDSCAPE

India's logistics sector is a critical pillar of the national economy, enabling the efficient movement of goods across manufacturing, agriculture, retail, and international trade, while also serving as a signican t driver of employment generation and economic competitiveness. The sector is witnessing rapid expansion, with the logistics market projected to grow at the logistics sector anticipates a promising CAGR of 10.7% between 2021 and 2026. This growth is being propelled by sustained public and private investments in transport and logistics infrastructure, along with structural policy reforms aimed at enhancing multimodal connectivity and improving end-to-end supply chain efficiency.

The launch of the National Logistics Policy (NLP) has fuher strengthened the sector by providing an integrated framework focused on reducing logistics costs, improving logistics pe ormance, promoting digitalization through unied logistics platforms, and fostering coordinated development across central and state agencies.

India's improving logistics ecosystem is reflected in its pe ormance on the World Bank's Logistics Performance Index (LPI), where the country ranked 22nd globally in the International Shipments category and 38th overall in 2023, with an ambitious national target of achieving a top 25 global ranking by 2030. In addition, the granting of infrastructure status to the logistics sector has facilitated access to long-term, low-cost financing, reinforcing its role as a key enabler of economic growth. The aggregate logistics cost is estimated at INR 24.01 lakh crore at current prices (i.e., 2023- 24 prices). This total logistics cost accounts for 7.97% of India's GDP and 9.09% of nonservices (agriculture, mining, and manufacturing) output in 2023-24.

## 1.2 PUNJAB LANDSCAPE

Punjab occupies a strategically significant position in Noh India's supply chain, serving as a key gateway between the nohern hinterland and national & international markets. The State's geographic proximity to major consumption centres in the North, proximity to the Amritsar–Kolkata Industrial Corridor (AKIC) along the Eastern Dedicated Freight Corridor, and dense multimodal connectivity contribute to its role as a major aggregation, distribution, and transit hub. AKIC, spanning about 1,839 km along the Eastern Dedicated Freight Corridor alignment, aims to stimulate manufacturing, agro-processing and export-oriented investments in Punjab and surrounding states.

Punjab's economy is inherently logistics-intensive, anchored in agriculture and allied sectors, agro-processing, textiles, light engineering, and consumer goods manufacturing. These sectors depend on the ecien t movement of bulk raw materials and time-sensitive nishe d goods, making logistics performance central to industrial competitiveness. As a landlocked State, Punjab's growth is therefore closely linked to strong su ace connectivity and multimodal logistics systems.

The State possesses a robust physical backbone with 1,47,862 km of road network and over 2,265 km of railway track, giving it one of the highest road densities in India per 100 sq km. Punjab's rail density is also above the national average , and its integration with the Eastern Dedicated Freight Corridor is expected to significantly enhance freight capacity, reduce transit times, and improve reliability for bulk and containerised cargo. Together, the EDFC and AKIC strengthen Punjab's connectivity with eastern and central markets and suppo the development of large, rail-linked logistics nodes.

Punjab is further supported by a diversified logistics asset base comprising two international airports (Chandigarh & Amritsar), with two operational Air Cargo Complexes for high-value and time-sensitive cargo. Inland freight infrastructure includes 8 Inland Container Depots, 6 Private Freight Terminals, and 78 railway goods sheds, alongside three Multi-Modal Logistics Parks integrating road, rail, and warehousing services.

The State has also built signican t storage depth with 5.5 million MT of warehousing capacity, supporting agricultural aggregation, food processing, and industrial distribution. The presence of three Integrated Check Posts fuher strengthens regional and cross-border trade facilitation. Collectively, Punjab's strategic location, dense multimodal connectivity, and diversified logistics infrastructure create a mature logistics ecosystem that positions the State as a logistics-ready investment destination in Noh India.

Punjab has developed a growing network of warehousing facilities, inland container depots (ICDs), container freight stations (CFSs), and private freight terminals across major industrial and agricultural clusters. Key logistics hubs have emerged around Ludhiana, Mohali, Jalandhar, Amritsar, and other production centres, catering to both expo -oriented and domestic supply chains. At present, notable MMLPs in State are Punjab Logistics Infrastructure Limited, Ludhiana, Hind Terminal, Ludhiana and Adani Logistics, Ludhiana.

Punjab continues to demonstrate a relatively strong logistics ecosystem, supported by its strategic location, robust road and rail connectivity. The State has shown steady improvements in logistics infrastructure, first- and last-mile connectivity, and institutional mechanisms such as integrated logistics action planning and unied single-window clearances. In LEADS 2024, Punjab has been categorised as a “Fast Mover”, indicating progress in key logistics parameters, though at a slower pace compared to leading states. The assessment highlights the need for fuher improvements in the quality and adequacy of logistics services, price competitiveness, green logistics adoption, and sustainability outcomes. Strengthening intermodal integration, enhancing service efficiency, and expanding the adoption of technology-enabled and environmentally sustainable logistics practices will be critical for Punjab to strengthen the state's logistics ecosystem.

## 1.3 NEED FOR THE POLICY

The logistics sector is a strategic enabler of Punjab's economic development, underpinning the State's strengths in agriculture, manufacturing, trade, and exports. As a leading producer of food grains and an emerging industrial hub for agro-processing, textiles, light engineering, and sports goods, Punjab's competitiveness is directly linked to the efficiency of its logistics and supply chain systems. With increasing integration into national and global value chains, rising demand for time-sensitive and high-value logistics services, and the growing role of e-commerce and organised retail, there is a strong need for a comprehensive and forward-looking policy framework to strengthen Punjab's logistics ecosystem. High logistics costs increase the cost of production and reduce the market competitiveness of Punjab-based industries and agri-exports. A dedicated logistics policy is therefore essential to

systematically reduce logistics costs by improving multimodal connectivity, minimising transit delays, strengthening last-mile linkages, and promoting technology-driven logistics solutions that enhance efficiency across the supply chain.

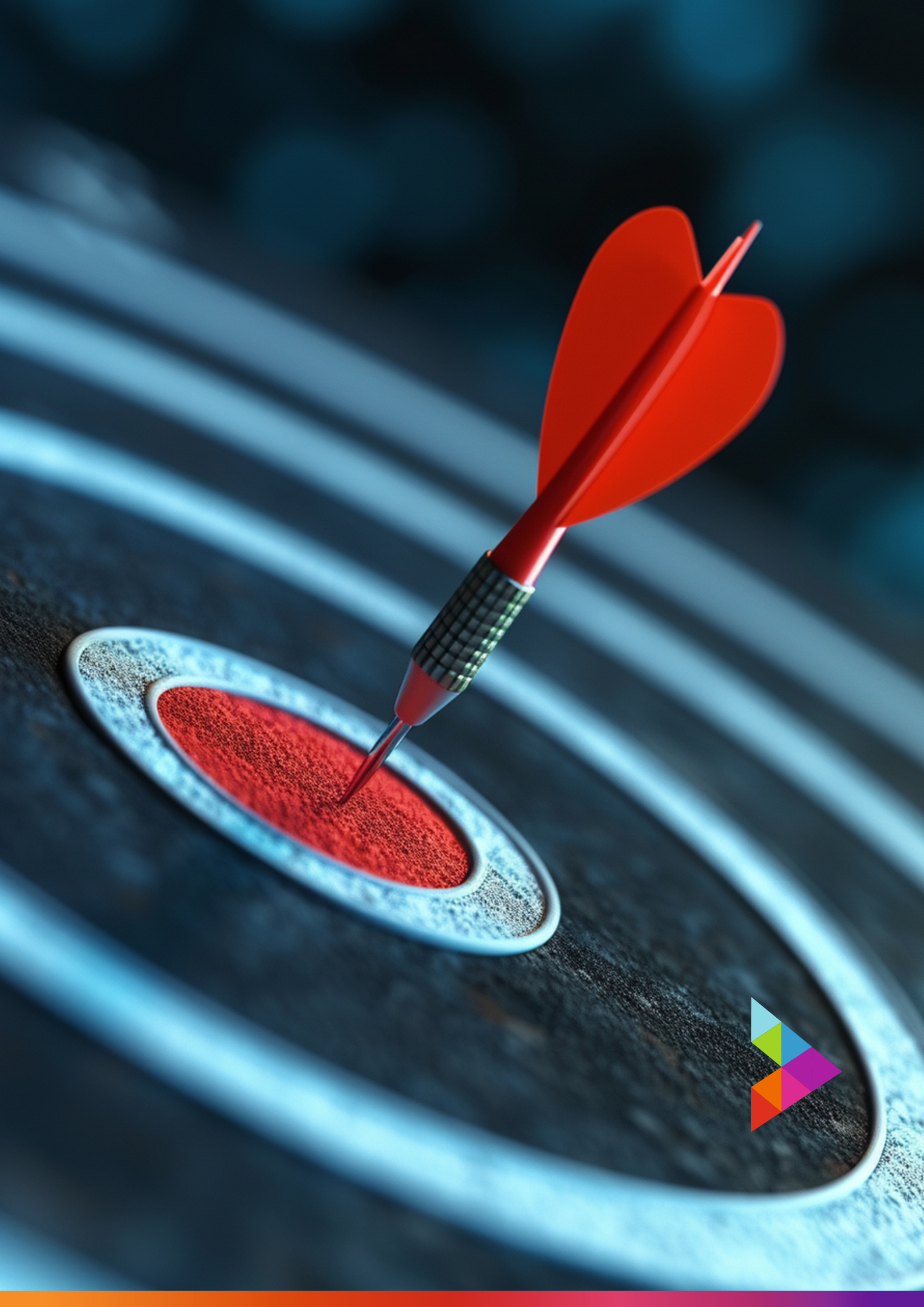
An efficient logistics ecosystem is critical to supporting industrial growth and improving supply chain reliability across the State. Punjab's expanding industrial base and expo-o riented sectors require fast, predictable, and integrated logistics services to reduce turnaround time, optimise inventory management, and expand market reach.

Logistics infrastructure is capital-intensive in nature and involves long gestation and payback periods, which often constrain private investment in the sector. The development of multimodal transpo networks, logistics parks, warehousing hubs, cold chains, and freight terminals requires substantial upfront capital and long-term policy stability. Fiscal incentives, regulatory facilitation, and coordinated infrastructure planning are therefore necessary to support the logistics ecosystem and encourage sustained private sector pa icipation across Punjab.

Employment generation and skill development are integral objectives of the policy. The logistics sector has signi cant potential to create large-scale employment across transportation, warehousing, supply chain management, technology services, and allied activities, including for youth and semi-skilled workers. Targeted policy interventions are required to promote skill development, professionalisation of logistics services, and adoption of modern practices to enhance productivity and job quality within the sector.

Overall, the policy seeks to create an integrated logistics ecosystem in Punjab, where infrastructure development, regulatory facilitation, skilled human capital, technology adoption, and sustainability reinforce each other. By aligning facilitation measures with clear development objectives, the Government aims to ensure that logistics investments translate into sustained industrial growth, agricultural value chain e ciency, employment generation, and enhanced trade competitiveness, thereby strengthening Punjab's position within national and global supply chains.





# 2. VISION AND POLICY OBJECTIVES

## 2.1 Vision

To drive the economic growth of Punjab through an ecien t, resilient, sustainable, and integrated logistics ecosystem, leveraging modern technology, multimodal connectivity, and streamlined operational frameworks, in order to provide cost-effective, reliable logistics infrastructure and a skilled workforce that enhances the competitiveness of the State's economy.

## 2.2 Mission

The mission is to develop a robust and future-ready logistics and warehousing ecosystem that supports industrialisation, agricultural value chains, trade, and employment generation by enabling seamless multimodal connectivity across road, rail, air, and logistics infrastructure, reducing logistics costs and transit ineciencies, simplifying regulatory processes and strengthening institutional coordination, promoting the development of modern warehousing and storage facilities, and encouraging environmentally sustainable logistics practices.

## 2.3 OBJECTIVES

Punjab Logistics and Warehousing Policy 2026 seek to create a globally competitive, technology-enabled, and sustainable logistics ecosystem, thereby strengthening industrial growth, agricultural value chains, trade competitiveness, and employment generation across the State. The objectives of the Policy are as follows:

2.3.1 To create an effective, efficient, and integrated logistics ecosystem that supports Punjab's industrial and economic development and strengthens the State's position as one of the most competitive destinations for business and investment.

2.3.2 To reduce the overall cost of logistics through improved r st-mile and last-mile connectivity, modern infrastructure, multimodal integration, and efficient logistics operations, thereby enhancing the competitiveness of goods produced in the State.

2.3.3 To synchronise the planning and implementation of logistics and transpo infrastructure across State depamen ts in line with the PM Gati Shakti National Master Plan, ensuring coordinated development of road, rail, air, and logistics assets serving industrial, agricultural, and economic zones.

2.3.4 To enhance, modernise, and expand existing warehousing and logistics infrastructure, including development of new facilities aligned with emerging requirements such as e-commerce, agri-logistics, cold chains, and multimodal freight movement.

2.3.5 To promote green logistics and decarbonisation of the sector through adoption of clean and alternative fuel transport, energy-efficient logistics infrastructure, modal shift to rail and multimodal transport, and environmentally responsible logistics practices.

2.3.6 To promote the use of technology, innovation, automation, and digital platforms in logistics infrastructure and operations, including warehouse automation, data-driven supply chain management, and integration with national digital logistics systems.

2.3.7 To take focused initiatives for skill development and capacity building in logistics-related occupations, creating a trained workforce capable of suppoin g modern, technology-driven logistics operations.


Policies

# 3. SCOPE OF THE POLICY

## 3.1 POLICY APPLICABILITY

3.1.1 Punjab Logistics and Warehousing Policy 2026, shall come into force from the date of its noti cation by the Government of Punjab and shall remain valid until it is amended, modi ed, or withdrawn, either wholly or pa ially, by the Government based on implementation experience, sectoral requirements, prevailing economic conditions, or other considerations as deemed appropriate by the Government.

3.1.2 All new industrial units shall be eligible for incentives & concessions under this Policy.

3.1.3 After the notica tion 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.

3.1.4 All units submi ing their CAF on or after the date of notica tion 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.

3.1.5 The Project where CAF has already been accepted under IBDP 2022, new Common Application Form (CAF)for same project shall not be accepted under IBDP 2026 and this policy.

3.1.6 Units that have submied a CAF under IBDP-2022 and have not availed or been disbursed any post-production incentives as on the date of notica tion of this policy shall be eligible to migrate to this policy. The terms, conditions, and procedure for such migration shall be applicable as notied under t he Operational Guidelines of this Policy.

3.1.7 Units opting for migration must submit their application through the Online Portal within 90 days from the date of notica tion of this Policy.

3.1.8 The State shall frame detailed schemes in line with the provisions of this Policy regarding various fiscal incentives and other suppo 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 Depamen ts shall consult the Department of Industries and Commerce before issuance of any notica tions under this Policy.

## 3.2 ELIGIBILITY CRITERIA

As defined by Government of India in the National Logistics Policy 2022, 'Logistics' means Transpoat ion & handling of goods between points of production and consumption, storage, value addition and allied services. “Logistics infrastructure” comprises of nodes and connections, more recognizable as ports, stations, Multimodal Logistics Parks (MMLPs), warehouses, and other business premises, connected by roads, railways, shipping, inland waterways, air routes, pipelines, etc., that are used by a wide range of carriers (Section 2 of the National Logistics Policy (NLP) 2022 .

This Policy shall apply to all logistics-related infrastructure and logistics facilities established, developed, expanded, or operated within the State of Punjab. The scope of the Policy shall include, but not be limited to, the following categories of logistics infrastructure and activities:

3.2.1 **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.

3.2.2 **Storage Facilities:** Cold chain facility, and Warehouses.

3.2.3 Any existing units unde aking expansion shall not be eligible for incentives.

Any other logistics infrastructure or facility that supports efficient movement, storage, handling, and distribution of goods, as may be notied by the Government of Punjab from time to time, shall also fall within the ambit of this Policy.






STORAGE

# 4. FISCAL INCENTIVES

The Government of Punjab recognises that the logistics sector is capital-intensive, high infrastructure costs, and comparatively low margins during initial years of operation. In order to ar act private investment, improve project viability, and position Punjab as a competitive logistics hub in Noh India, the State provides a comprehensive and predictable package of s cal incentives. These incentives are intended to reduce upfront capital expenditure, suppo operational cash flows in the early years, and offset structural disadvantages arising from Punjab's landlocked geography.

## 4.1 INCENTIVE STRUCTURE AND DISBURSEMENT

| 4.1.1 OVERALL INCENTIVE CAPPING | |
|---|---|
| **Category** | **Overall Incentive Limit** |
| Warehous -ing & Logistics Sector | Upto 100% of the eligible Fixed Capital Investment, subject to the maximum cap of INR 500 crore, whichever is lower. |

### 4.1.2 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 lin g the incentive – Common Application Form (ICAF) through the designated online poa l. Once the I-CAF is approved the Eligibility Period shall be n al and irrevocable and shall not be changed or modied.

### 4.1.3 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 specied under Clause 4.1

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 r st be deducted from the overall incentive ceiling under Clause 4.1.1. The balance amount shall then be distributed propoio nately 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 r st and last n ancial 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 n ancial years shall not exceed the prescribed Annual Ceiling of a Financial Year.

ii. Any unutilized portion of the Annual Ceiling in a n ancial year shall lapse and shall not be carried forward to any subsequent n ancial year.

iii. The aggregate incentive entitlement for an eligible unit shall not exceed the Overall Ceiling as dened in Clause 4.1 unless otherwise specied and shall in all cases be subject to an absolute upper limit of INR 500 crore.

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

### 4.1.4 PROCESS FOR DISBURSEMENT OF INCENTIVES

The s cal 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 4.1.3 of this policy.

ii. The Eligibility Ce ica te for the grant of Electricity Duty (ED) Exemption, as applicable, shall be issued specifying the ceiling amount for the respective n ancial year(s).

iii. At the end of each Financial Year, the Eligibility Certificates for subsequent years in respect of Electricity Duty Exemption shall be reviewed annually by the District Scrutiny Commi ee (DSC).

iv. The unit shall avail the sum total of incentives for a pa icular financial year within the Annual Ceiling as calculated as per clause 4.1.3 of this policy. 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 and EDC), shall be processed as per the procedure de ned in the Operational Guidelines, subject to the availability of the Annual Ceiling a er deducting the exemptions granted for that Financial Year.

vi. Any unutilized po ion 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, Annual Performance Review (APR), and other prescribed documents.

### 4.1.5 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 & Operational Guidelines 2026. However, any delays arising from verifiable unprecedented circumstances justied by the well-dened r easons shall be reviewed and may be condoned strictly as per the criteria laid out below:

i. A delay of up to 90 days from the cut-o date as prescribed, shall be considered for condonation by the Administrative Secretary, Depamen t of Industries & Commerce, Punjab.

ii. A delay of more than 90 days and up to 180 days from the cut-off date as prescribed, shall be considered for condonation by the Hon'ble Minister of Industries & Commerce, Punjab.

iii. No application there upon shall be ente ained, accepted, or considered in case the delay exceeds 180 days from the prescribed cut-off date, irrespective of the grounds for such delay.

## 4.2 DETAILS OF FISCAL INCENTIVES

### 4.2.1 CAPITAL SUBSIDY

Capital subsidy plays a crucial role in driving industrial development by easing the initial investment burden on businesses. Acknowledging this, the Government of Punjab focuses on creating an effective s cal incentive framework and places strong emphasis on capital subsidy to facilitate the development of subsidized industrial infrastructure.

The table below provides a consolidated overview of the Capital Subsidy available under this Policy.

| Category of Unit | Capital Subsidy |
|---|---|
| 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. |
| Cold Chain Facility | 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. |

### 4.2.2 ELECTRICITY DUTY EXEMPTION

**(A). Quantum and Eligibility Period**

i. All eligible new units shall be granted 100% exemption from electricity duty for the eligibility period as defined under Clause 4.1.2.

ii. The Electricity Duty Exemption Incentive shall be subject to an annual ceiling as per Clause 4.1.3.

### 4.2.3 STAMP DUTY

**(A). Quantum and Eligibility Period**

i. All new units 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.

ii. The unit shall submit the claim for Stamp Duty reimbursement, if applicable, along with the incentive application (ICAF) only.

### 4.2.4 CHANGE OF LAND USE

**(A). Quantum and Eligibility Period**

I. All eligible new units shall be granted **100% exemption from change of land use** for the **eligibility period** as dened under **Clause 4.1.2.**

### 4.2.5 EMPLOYMENT GENERATION SUBSIDY (EGS)

Eligible units shall receive EGS as per clause 5.2.5 of the Punjab Industrial and Business Development Policy 2026, disbursed over the eligibility period

**(A). 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** | Rs. 3,000 per employee per month |
| **Female / SC / OBC / BC / PwD** | Rs. 4,000 per employee per month |



# 5. NON-FISCAL INCENTIVES

## 5.1 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 ar acting 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 depa ment'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) 2024 and subsequently recognized as a Top Achiever in the Ease of Doing Business rankings for 2022.

By reducing compliance burdens, upgrading infrastructure, and introducing digital solutions for clearances, EoDB reforms have signi cantly 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.

5.1.1 **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 commi ees now expanded to cover more project categories and investment thresholds through system upgrades on the Fast Track portal.

5.1.2 **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 depamen tal inaction within the stipulated timeline, approvals are automatically deemed granted on the 46th day, providing regulatory certainty, efficiency, and predictability to investors.

5.1.3 **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 poa l enables investors to apply for, track, and receive approvals from multiple depamen ts through a unied 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 worko ws for s cal 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.

5.1.4 **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 depamen ts to grant end-to-end state-level approvals—covering land, construction, labour, environment, power, and utilities—through a unied, single -window mechanism spanning site selection to pre-commission-ing.

5.1.5 **Inclusive Labour Reforms for a Modern 24×7 Business Environment:** Punjab is proactively promoting workforce pa icipation, with a strong emphasis on increasing women's employment through progressive labour reforms and facilitation measures. Key initiatives include permi ing women to work night shi s, 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.

5.1.6 **Future-Focused Regulatory Simplification and Service Delivery Reforms:** Punjab plans to further streamline its regulatory framework by expanding the scope of third-party ce ica tion through broader coverage and duly notified expert panels. The State will rationalize and integrate No Objection Ce ica tes (NOCs) across authorities by simplifying document requirements and incorporating clearances from highway, road, irrigation, and forest depamen ts into the FastTrack Punjab Portal. In parallel, Punjab will pursue the simplica tion 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 worko ws.

5.1.7 **Leasehold-to-Freehold Conversion Policy:** Industrial plot alloees are now permied to conve leasehold plots to freehold through a simplified and transparent procedure. This enhances tenure security, improves asset bankability, and strengthens long-term investment confidence.

5.1.8 **Self-Certification for Building Plans and Layout Modifications:** Building plans and layout alterations submied through the Fast-Track Punjab Poa l may be certified by empanelled architects and civil engineers. This reform reduces processing time and promotes a more ecien t, compliance-driven approval system.

5.1.9 **Online Land Feasibility Report:** Investors can obtain land feasibility reports online through the Fast-Track Punjab Portal. The designated Revenue Ocer is mandated to issue the repo within 45 days of application, ensuring timely and transparent land assessment.

## 5.2 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:

5.2.1 **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 ove ime. The total hours of ove ime in quaer have been increased to 144 hours. Industries are also allowed to operate round-the-clock (24x7) in three shi s.

5.2.2 **Women Working in Night Shift:** The labour department has permitted women employees to work in night shi s subject to the employer providing the necessary security and other requisite arrangements for its women employees.

5.2.3 **88Simplified 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-ceica tion and risk-based inspections under the new labour codes.

5.2.4 **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.

5.2.5 **Welfare Board:** To promote inclusivity, the employer representatives are included on welfare boards and sub-commi ees which ensures that industry views are considered while designing and implementing schemes.

5.2.6 **Robust Mechanism for Industrial Resolution:** To address workplace issues and industrial disputes, labour reforms notied by the State includes Works Committees, Grievance Redressal Committees, recognised trade unions for collective representation, conciliation machinery, and arbitration followed by Industrial tribunals.

5.2.7 **Constitution and Administration of the Punjab Social Security Fund:** To centralize n ancing 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.

5.2.8 **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 conict s.

5.2.9 **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.

5.2.10 **Gratuity Reforms:** To ensure n ancial security for all eligible workers, gratuity under Punjab's labour reforms covers employees, x ed-term workers with one year of service, nominees, and legal heirs.

5.2.11 **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 repo ing of vacancies to Career Centres standardises hiring disclosures across public and notied private establishments.

## 5.3 FIRE REFORMS

5.3.1 **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 depamen t, replacing the earlier burdensome 53-point checklist and streamlining the approval process.

## 5.4 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 submi ing applications, online status tracking, and issuing No Objection Ce ica tes (NOCs) has signican tly reduced physical interactions and improved transparency.

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

5.4.1 A comprehensive list of NOCs required by PPCB from other depamen ts have been published in public domain to facilitate regulatory approvals under environmental laws.

5.4.2 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.

5.4.3 PPCB now allows self-cei cation for low-risk inspections and third-party certification for medium-risk inspections across all sectors.

5.4.4 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.

5.4.5 Delegation of power at Circle Revenue Ocer or Tehsildar for site suitability reports which was previously required from the Deputy Commissioner, Additional Deputy Commissioner, or Sub-Divisional Magistrate.

5.4.6 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.

5.4.7 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.

5.4.8 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 ce ied 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.

5.4.9 Simplified registration/renewal under the Baer y Waste Management Rules 2022, Plastic Waste Management Rules 2022, E-Waste Management Rules, 2022 through depamen t's website.

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.

## 5.5 DEVELOPMENT CONTROL NORMS FOR WAREHOUSING

5.5.1 **Ground Coverage and Floor Area Ratio (FAR):** In recognition of the functional requirements and relatively low employment density of warehouses, the State shall permit higher ground coverage and relaxed FAR norms, subject to safety and environmental regulations.

- **Ground Coverage:** 65% of Plot Area Additional Ground Coverage up to 5% of the plot/ site area is allowed within the zoned area. This additional Ground Coverage shall be purchasable at the rates prescribed.

- **Floor Area Ratio (FAR):** A base FAR of 1.30 shall be applicable. The additional FAR above 1:1.0 shall be purchasable at the rates prescribed.

5.5.2 **Building Height and High-Bay Warehousing:** No Restriction on warehouses subject to clearance from Airport Authority and fulfilment of norms such as setbacks around building, ground coverage, F.A.R., structural safety andr esafety norms

## 5.6 LOGSISTICS INFRASTRUCTURE & LAND RELATED

5.6.1 **Plug-and-Play Logistics Infrastructure:** The State shall identify and notify dedicated logistics nodes and corridors in proximity to national and state highways, railheads, airports, and industrial clusters paicul arly along the Amritsar–Kolkata Industrial Corridor (AKIC), the Eastern Dedicated Freight Corridor (EDFC), and key intra-State corridors to develop integrated freight ecosystems. Designated locations shall be developed as plug-and-play logistics sites with pre-approved land parcels, internal road networks, assured power and water supply, drainage systems, digital connectivity, and last-mile access.

5.6.2 **Reservation of Land for Logistics:** Logistics parks shall receive preferential land allotment within industrial areas and development authority jurisdictions through fast-track processes. In all new industrial parks, a minimum of ten percent (10%) of the total land area or ten acres, whichever is less, shall be reserved for logistics and warehousing activities.

5.6.3 **Modernisation of Transport Nagar:** The State may lease out the existing transpo centre/ nagars/ zones in PPP mode for the augmentation of existing infrastructure while encouraging a self-sustaining revenue model.

5.6.4 **Wayside Amenities for Trucker Parks:** Along major freight corridors and highways, the State shall facilitate the development of truck terminals and wayside amenities, including parking

facilities, vehicle repair and maintenance services, driver rest areas, medical facilities, ATMs and banking services, food and beverage outlets, weigh-bridges, and conventional as well as electric vehicle (EV) charging infrastructure.

## 5.7 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 ar acting new investments.

Punjab State Power Corporation Limited (PSPCL) operates a robust power ecosystem designed to ensure uninterrupted, reliable, and a ordable 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 diversied, with nearly 33% derived from renewable and hydro sources, a central sector share of around 28% contributing to grid stability, and a balanced po folio 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 prol e.

Fuher , 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 unde aken by PSPCL are outlined below:

**5.7.1 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.

**5.7.2 Time-bound Electricity Duty Approvals:** Chief Electricity Inspector shall process the Electricity Duty approvals within 7 days through standardized application template.

**5.7.3 Enhancement of Contract Load for Small Power:** As part of the power sector reforms implemented by PSPCL, the sanctioned load limit for small power connections for industrial units has been enhanced from 20KW to 50 KW. This enhancement enables 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.

**5.7.4 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. Fuher , propoio nate service line charge shall be applicable charged if it is used by multiple consumers having similar continuous processes.

**5.7.5 Test Report Exemption:** PSPCL has exempted the requirement for submi ing 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.

5.7.6 **Application and Agreement (A&A) Form Simplification:** PSPCL has streamlined the Application and Agreement (A&A) process by transforming the previously lengthy and procedural form into a simplied single-page document.

5.7.7 **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 el d-level officers with technical concurrence. This threshold-based approach significantly reduces timelines and reduces administrative burden, thereby improving ease of doing business.

5.7.8 **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%.

5.7.9 **Progressive Clean Energy Transition and Power Sector Reforms:** Renewable Purchase Obligation (RPO) targets are set to increase from 33% to 43.33% over av e-year period, suppoe d by a series of progressive reforms unde aken by PSPCL to strengthen reliability, e xibility, and ease of doing business.

5.7.10 **Power Tariff Rationalisation:** To enhance industrial competitiveness and provide long-term cost predictability to investors, the State has introduced a balanced Time-of-Day (ToD) tari 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 tari 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).

## 5.8 WATER

Water is a critical driver of industrial activity, and the Logistics and Warehousing sector requires an adequate and reliable supply for its production processes. The State Ground Water Authority, Government of Punjab, 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.

## 5.9 DIGITAL INTERVENTIONS

5.9.1 **Integrated GIS-Enabled Warehouse Information Dashboard:** The Government of Punjab shall develop a State-level GIS-enabled warehouse information dashboard capturing location, capacity, infrastructure specica tions, multimodal connectivity, and compliance status of warehousing facilities across the State. This dashboard shall be integrated with the Single Window portal to enable investors to identify suitable sites, suppo data-driven planning, and improve transparency and ease of doing

business in the logistics sector.

5.9.2 **Promotion of Technology Adoption and Digital Logistics:** The State shall promote adoption of digital and advanced technologies across the logistics value chain, including WMS, TMS, digital freight platforms, GPS tracking, IoT, automation, and data analytics, with integration to national platforms such as PM Gati Shakti, ULIP, FASTag, and e-way bill systems.

## 5.10 SKILL DEVELOPMENT

5.10.1 **Industry-Aligned Logistics Training Programs:** Customized training modules shall be developed in collaboration with leading logistics companies, warehousing operators, e-commerce firms, and industry associations, in partnership with academic institutions and skill bodies in Punjab, including IIM Amritsar and the network of ITIs and polytechnic institutes across the State. Sho-term and medium-term courses shall focus on warehouse operations, supply chain management, multimodal logistics, fleet management, cold chain logistics, last-mile delivery, and logistics compliance systems.

5.10.2 **Innovation, Research, and Centres of Excellence for Logistics:** The State shall promote the establishment of Centres of Excellence and cluster-based logistics skill centres across major logistics hubs in Punjab in collaboration with institutions such as IIT Ropar, IIM Amritsar, and leading universities. These centres shall support research, innovation, advanced warehousing, automation, digital logistics systems, multimodal operations, and adoption of global best practices, ensuring a steady pipeline of industry-ready logistics professionals.

## 5.11 SUSTAINABILITY

5.11.1 **Promotion of Sustainable Freight Transport and Modal Shift:** The Government of Punjab shall promote the adoption of electric and alternative fuel vehicles for freight movement and encourage greater use of rail and multimodal transport to reduce emissions, congestion, and logistics costs, while improving overall supply chain eciency across the State.

5.11.2 **Promotion of Green and Energy-Efficient Ware-housing:** The State shall encourage the development of green and energy-efficient warehouses through adoption of sustainable building practices, renewable energy use, water efficiency measures, and resource-efficient design to minimise environmental impact and improve long-term operational eciency .







# 6. DEFINITIONS

## 6.1 GENERAL DEFINITIONS

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

**6.1.2 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.

**6.1.3 Date of Commercial Production (DoCP):** The date on which commercial production has sta ed, as indicated in the Udyam Registration in respect of Micro, Small & Medium Enterprises or IEM Pa 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 Commi ee.

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 Depamen t, State Level Committee (SLC) will review, and its decision shall be n al.

**6.1.4 Department:** Depa ment in the policy means the Depa ment of Industries & Commerce, Government of Punjab.

**6.1.5 District Level Committee:** District Level Committee (DLC) means the Commi ee under the chairpersonship of Deputy Commissioner of the concerned district setup under this Policy for sanction of incentives.

**6.1.6 DPR:** Detailed Project Report means a document, depicting physical n ancial and non- nancial 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.

**6.1.7 Effective Date:** The Policy shall come into force from the date of its notica tion by the Government.

6.1.8 **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, etc. shall not be exempted.

6.1.9 **Existing Unit:** The unit which is in commercial production and is not covered as New Unit or Existing Unit unde aking Expansion as dened under this policy.

6.1.10 **Expansion:** A unit could be considered under expansion with or without diversica tion, if it invests 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.

The sta 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.

6.1.11 **Exporting Unit:** Exporting Unit, means an eligible industrial unit expoing 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.

6.1.13 **GST:** Goods and Service Tax

6.1.13 **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 machinery, equipment & service-related specialized software. The facility should be for self-consumption.

6.1.14 **Installed Capacity:** Installed Capacity refers to the maximum production capability of an industrial unit recorded in the Industrial License/ IEM/CTO.

6.1.15 **Net Sales Turnover:** It refers to the total value of basic sales from eligible manufactured goods/ services during a n ancial year, excluding taxes, income from non-operating sources viz. interest, grants, subsidies, trading activities, or resale of goods.

6.1.16 **Modernization:** Modernization refers to those existing units, upgrading their technology and investing on eligible plants 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 notica tion of this policy.

6.1.17 **Net Sales Turnover:** It refers to the total value of basic sales from eligible manufactured goods/ services during a n ancial year, excluding taxes, income from non-operating sources viz. interest, grants, subsidies, trading activities, or resale of goods.

6.1.18 **New Unit:** A New Unit will ordinarily be set up at a new site along with 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 may or may not have 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.

iii. 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 specic case the maer shall be decided by committee under the chairpersonship of Director of Industries and Commerce, Punjab.

iv. **Shifting and Relocation:** Shi ing or relocation of an existing manufacturing unit, which has not yet availed any incentive under any policy (i.e. shiin g 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 notica tion of this policy, shall be treated as the date of commencement of production.

**6.1.19 Policy:** Policy shall mean Punjab Logistics and Warehousing Policy 2026, as amended from time to time.

**6.1.20 Post-Production Incentives:** PostProduction Incentives are the incentives (other than Pre-Production Incentives) that are available to an Eligible Unit after the date of comm encement of Commercial Production.

**6.1.21 Pre-Production Incentives:** Pre-production incentives refer to benet s i.e. exemption from stamp duty and exemption of CLU/EDC charges.

**6.1.22 Property Tax:** Prope y tax is the local tax as levied by urban/rural local self-government/authority of the area.

**6.1.23 Person with Disability (PWD):** A person with Disability shall be dene d in accordance with the Right to Person with Disability Act, 2016 as amended from 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 foy percent (40%), as duly certified by authorized competent authority.

**6.1.24 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.

**6.1.25 Stamp Duty:** Stamp Duty is duty payable as levied in schedule 1-A of Indian Stamp Act on transfer of propey . It shall not account for any other charges including registration fee, infrastructure development cess, social security fee/cess etc. levied under Schedule1-B and Schedule 1-C of the Act.

**6.1.26 Start of expansion:** one day prior to date of r st invoice for the expenditure on building or Plant and Machinery, as the case may be, under expansion.

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

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

**6.1.29** **Unit:** Unit is a project set up at a pa icular 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 di erent or same location, to manufacture a product(s) or to provide a service(s).

**6.1.30** **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 notied by the Government of Punjab from time to time.

**6.1.31** **Unit under Women Category:** A unit with 100%-woman entrepreneur/s as proprietor /partner/directors, as the case may be.

**6.1.32** **Value Addition:** Value addition refers to the increase in the value of a product, after it undergoes processing or manufacturing, compared to the cost of its raw materials or inputs.

**6.1.33** **Value Added Tax (VAT):** VAT is a tax as levied under The Punjab VAT Act 2005, as amended from time to time.

## 6.2 SECTOR SPECIFIC DEFINITIONS

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

i. Air Freight Station means a customs notified off-airport common user facility equipped with x ed installations of minimum requirement and offering services for handling and temporary storage of impo and expo 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 notied areas developed to enhance air cargo movement capacity of the State. These facilities may be located within airpo/ o airpo locations and provide facilities such as handling, storage, clearance of cargo, among others.

iii. Container Freight Station means a custom notie d o seapo (or po) facility having such x ed installations or otherwise, equipment, machinery etc. Providing services for handling / clearance of laden import, expo 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 x ed installations or otherwise, equipment, machinery etc. providing services for handling and/or clearance of laden import/ expo 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 paicul ar, well-de ned 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 specic 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 permied 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 notied 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. Brownel d PFT is used to refer to an existing private siding (including the private sidings dealing with container traffic) conveed into PFT under the policy.

viii. Truck Terminals mean such facilities which are developed in order to ease trac 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.

**6.2.2 Storage Facilities:**

I. Cold Chain Facility means a facility for storage and minimal processing of perishable/ temperature sensitive cargo such as agriculture, hoicul ture, dairy, sh & 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, soin g,

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 area at including fulfilment facilities having a minimum of 30,000 sq. ft. of storage the ground level, with or without material handling, packaging facilities and transpo facilities.

a. Provided only specialized transpoat ion 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.

## 6.3 FIXED CAPITAL INVESTMENT (FCI) DEFINITION

**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, silos, 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, pla orms 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, silos, others including but not limited to:

a. material handling and storage equipment such as racking systems, shelving, stackers, forkli s, conveyors, pallet trucks, elevators, bucket elevators, weighbridges and other fi xed 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 substa-tions, transformers, captive power generation systems, power backup systems, lighting systems, and energy management systems; and

e. r e-safety systems, water supply and waste handling systems, euen t treatment facilities, security and surveillance systems, safety systems, and other essential suppo equipmen t installed for use within the project premises.





# 7. GOVERNMENT OF INDIA SCHEMES

## 7.1 NATIONAL LOGISTICS POLICY 2022

The National Logistics Policy (NLP) provides a comprehensive national framework to transform India's logistics ecosystem by reducing logistics costs, improving efficiency, and enhancing the country's competitiveness in domestic and international trade. It seeks to reduce the logistics cost from 16 per cent of Gross Domestic Product (GDP) to a global average of 8 per cent by 2030.The key pillars of the NLP include the integration of digital systems, simplification of regulatory procedures, improvement in service quality, and development of a skilled logistics workforce. The policies at State level are expected to align with these objectives to create a seamless, efficient, and cost-effective logistics network.

## 7.2 PM GATI SHAKTI NTIONAL MASTER PLAN

The PM Gati Shakti National Master Plan is a transformative initiative aimed at integrated and coordinated infrastructure development across sectors through a GIS-based digital plao rm. It enables convergence of planning and execution by multiple ministries and state governments, ensuring synchronised development of transport, logistics, industrial, and social infrastructure. In the logistics sector, PM Gati Shakti facilitates optimal location planning of logistics parks, multimodal hubs, ICDs, and cargo terminals, while improving last-mile and first-mile connectivity. The initiative supports faster project implementation, reduced logistics bottlenecks, and enhanced multimodal connectivity across the country.

## 7.3 UNIFIED LOGISTICS INTERFACE PLATFORM (ULIP)

The Unied Logistics Inte ace Platform (ULIP) is a national digital initiative designed to enable seamless data exchange and system interoperability across the logistics value chain. ULIP integrates multiple government and private sector digital systems to provide real-time visibility of cargo movement, reduce paperwork, and simplify compliance processes. ULIP has so far integrated 11 ministries,2000+ data fields and 136 different APIs.By promoting paperless operations and data-driven decision-making, ULIP enhances transparency, efficiency, and ease of doing business in the logistics sector. Integration with ULIP supports the development of a technology-enabled logistics ecosystem aligned with national objectives of digital governance and efficient freight movement.



# 8. ABBREVIATIONS

| Abbreviation | Full Form |
|---|---|
| A&A | Application and Agreement |
| AACD | Annual Review of Average Advance Consumption Deposit |
| AKIC | Amritsar–Kolkata Industrial Corridor |
| API | Application Programming Inte ace |
| ATMs | Automated Teller Machines |
| CA | Controlled Atmosphere |
| CAGR | Compound Annual Growth Rate |
| CFS | Container Freight Station |
| CLU | Change of Land Use |
| CoE | Centre of Excellence |
| CPI | Continuous Process Industries |
| DIC | District Industries Centre |
| EDFC | Eastern Dedicated Freight Corridor |
| EHT | Extra High Tension |
| EV | Electric Vehicle |
| FAR | Floor Area Ratio |
| FCI | Fixed Capital Investment |
| G2B | Government-to-Business |
| GDP | Gross Domestic Product |
| GIS | Geographic Information System |
| GCT | Gati Shakti Multi-modal Cargo Terminal |
| GoI | Government of India |
| GPS | Global Positioning System |
| HT | High Tension |
| ICD | Inland Container Depot |
| IIT | Indian Institute of Technology |
| IIM | Indian Institute of Management |
| IoT | Internet of Things |
| ITI | Industrial Training Institute |
| IQF | Individual Quick Freezing |
| LEADS | Logistics Ease Across Di erent States |

| Abbreviation | Full Form |
|---|---|
| LPI | Logistics Pe ormance Index |
| MA | Modied Atmosphere |
| MMLP | Multi-Modal Logistics Park |
| MSME | Micro, Small and Medium Enterprises |
| NLP | National Logistics Policy |
| NSWS | National Single Window System |
| NOCs | No Objection Ce ica tes |
| PFT | Private Freight Terminal |
| PPP | Public Private Paner ship |
| PSERC | Punjab State Electricity Regulatory Commission |
| RPO | Renewable Purchase Obligation |
| TMS | Transpo Management System |
| ULIP | Unied Logistics Inte ace Platform |
| WDRA | Warehousing Development and Regulatory Authority |
| WMS | Warehouse Management System |





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