GEOGRAPHY & INVESTMENT PROFILE

Invest in Punjab

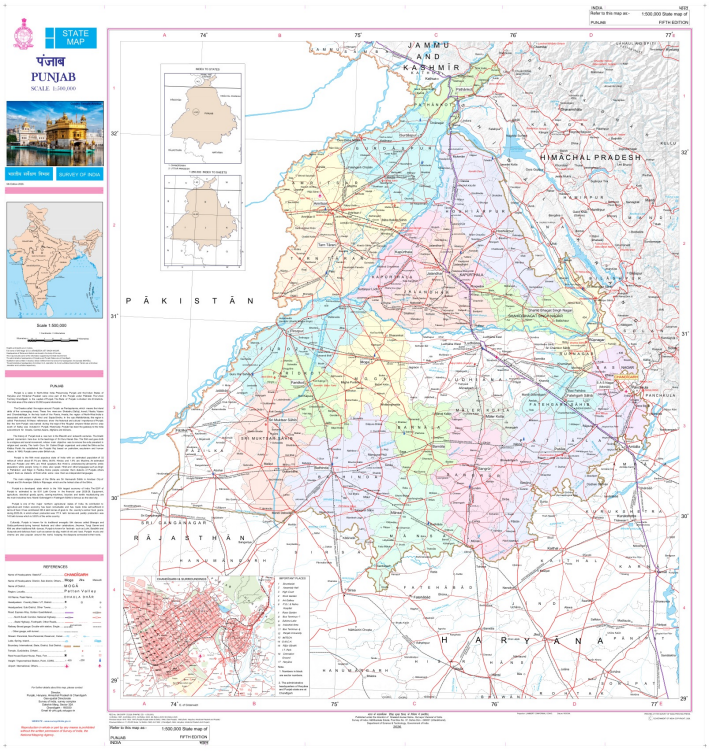
Location, supply chains and policy - an independent industrial investment lens.

CAPITAL / ADMINISTRATIVE CENTRE

Chandigarh (shared capital; separate UT)

AREA

50, 362 km² (2026 industrial-policy state profile)



Official geographic context · full supplied sheet(s), resized · PBMAPV

Geography and investment consequence. Agricultural plains with established engineering, textile and sports-goods clusters. Ocean exports require inland transport; border proximity is not proof of usable international trade. PBG · PBMAP

Neighbouring jurisdictions. Jammu & Kashmir UT, Himachal Pradesh, Haryana, Rajasthan and Chandigarh UT; Pakistan international border. PBMAP

Investment discipline. Compare a customer-led project at the actual parcel. A map establishes context; it does not establish land availability, permits, utility allocation or cargo service.

OPPORTUNITIES & LOCATION

Propositions worth testing

Sector and location logic, commercial exposure, and a clear investment gate.

01 Ludhiana - engineering, bicycle and auto-component upgrading

Evidence. The 2026 policy identifies cluster committees for bicycles, automotive/forgings and textiles. PB01

Commercial case. Improve precision, traceability and product qualification around existing industrial suppliers.

Exposure. Legacy process quality, energy cost and OEM transition.

Before investment. Obtain buyer-approved process specifications and a realistic modernisation plan.

02 Jalandhar - sports goods and specialist manufacturing

Evidence. Sports goods are a priority sector in clause 4.4; cluster representation is documented. PB01

Commercial case. Build compliant export products, materials testing and branded contract manufacturing.

Exposure. International standards, seasonal orders and product-liability exposure.

Before investment. Secure buyer sampling acceptance, test certificates and worker-compliance audits.

03 Agricultural belt / Mohali and market-access nodes - food processing and packaging

Evidence. Agri-food processing is a priority sector; policy also identifies agro-waste conversion. PB01

Commercial case. Contract residue-safe food inputs and useful by-products rather than assume all farm output is available cheaply.

Exposure. Water pressure, crop price volatility and export-policy changes.

Before investment. Verify feedstock, water balance, buyer contracts and food/product approvals.

Project decision sequence

Customer. Qualified demand and customer acceptance.

Site and utilities. Documented title or allotment, permitted use, power quality, water allocation and effluent capacity.

Logistics. Cargo acceptance, priced inbound/outbound routes, handling and contingencies.

Policy. Operative notification, eligible expenditure, filing dates, stacking limits and sanction.

CONNECTIVITY & DELIVERED COST

Build the transport chain

Inbound inputs and outbound finished goods require separate cost and service tests.

01 Road

Route / assessment. NH 44 and links from Ludhiana/Jalandhar/Amritsar to NCR and western routes underpin industrial distribution.

Status. Official map context; commercial transit audit pending

PBMAP

02 Rail / export

Route / assessment. CONCOR lists Dhandari Kalan, Ahmedgarh, Phillaur, Suranussi and Dhappar cluster facilities. Use rail/road quotes to western ports; a border crossing is not a reliable base-case export assumption.

Status. Terminals listed; train and vessel acceptance unverified

NCTT

03 Air

Route / assessment. Amritsar and Mohali provide gateway options; 2026 policy records air-cargo facilities, but cold-chain/customs product acceptance must be checked.

Status. Dated policy facility reference, no scheduled service promise

PB01 · NCAIR

04 Water

Route / assessment. No verified inland-water freight base case. Agricultural/industrial water competition requires a documented source and recycling plan.

Status. Site water authorisation pending

PBG · PB01

Central framework and original documents

India entry guide: nationality and beneficial ownership; sectoral FDI route; entity and tax structure; customs and import rules; land and environment; labour and social security; remittance and treaty conditions. Central schemes are project-specific and cannot be assumed to stack with state support.

Full state profile and detailed policy conditions · Canonical evidence repository

POLICY ROUTES & ELIGIBILITY

Model conditions, not headlines

Project category, eligible cost, deadlines and sanction control the usable benefit.

01 Punjab Industrial and Business Development Policy 2026

Terms. Eligible capital subsidy up to 20% of eligible FCI capped at ₹ 10 crore; net SGST reimbursement 75%, each subject to annual and overall ceilings and eligibility-period rules.

Conditions. Capital subsidy is residual after other admissible annual incentives. MSMEs require ZED Bronze at ICAF approval for post-production incentives. Overall ceiling and sector/location classification apply.

Evidence status. Gazette 8 March 2026; current original supersedes reliance on 2022 summaries. Implementing notifications/portal acceptance still need project confirmation.

PB01

02 Textile / auto / sports / agri-food priority-sector treatment within IBDP 2026

Terms. Priority sectors receive distinct overall-ceiling treatment within the same framework, not an independent additive grant.

Conditions. Textile dyeing/finishing counts as priority only with ZLD. Priority/Border/Kandi ceiling must be applied with annual caps.

Evidence status. Original sector list verified; separate sector guideline should be added where it changes entitlement.

PB01

03 Modernisation route under IBDP 2026

Terms. Eligible existing manufacturing modernisation can receive 20% of eligible P&M, capped₹ 10 crore, in 10 annual instalments.

Conditions. Modernisation definitions in DSOG 2026 apply; once in five years; expansion-with-modernisation follows the expansion route instead.

Evidence status. Original benefit verified; DSOG details and application acceptance remain to be checked.

PB01

SWOT & EXECUTION

Turn constraints into action

AKHB analysis: each opportunity depends on deliverable prerequisites.

Strengths

Specialised supplier clusters already exist. PB01

Several rail/container and air gateway options are documented. NCTT · PB01

Weaknesses

Ocean shipments carry an inland transport leg. PBMAP

Water and resource-intensive processes require careful siting. PB01 · PBG

Opportunities

Modernisation can improve export qualification and resource efficiency. PB01

Agro-waste utilisation can build contracted input businesses. PB01

Threats

Border trade access and international demand can change. PBMAP

Annual incentive ceilings can make realised cash support lower than headline rates. PB01

Specific evidence still required

Verify DSOG 2026, relevant implementing notifications and incentive portal workflow before producing a quantified project cash-flow model.

No guaranteed subsidy cash flow: validate eligibility, budget, application acceptance and stacking for the particular legal entity before financial close.

Cargo, port, railway service frequency, terminal capacity, routes, freight quotes, water allocation and plot availability require project-specific current evidence. No passenger flight is represented as a scheduled freighter.

Central FDI/FEMA, customs, tax, sector licensing and scheme windows are to be read with the common national legal guide; state incentives do not override them.

DELIVERY PLAN & RISK

Who acts, and what must change

Treat execution responsibility and residual risk as part of the investment case.

01 Constraint-to-opportunity case

Constraint. Legacy SME production methods
Action. Invest in metrology, traceability and audited modernisation
Owner. Manufacturer and anchor buyer
Opportunity. Higher-specification export components
Prerequisites. Buyer qualification and DSOG eligibility
Residual risk. Technology and demand change remain
PB01

02 Constraint-to-opportunity case

Constraint. Water-intensive textile processing
Action. Adopt compliant recycling/ZLD and shared testing
Owner. Cluster association and processor
Opportunity. Approved technical textiles and environmental services
Prerequisites. Water source, disposal permissions and viable treatment charges
Residual risk. Concentrate disposal and energy cost remain
PB01

03 Constraint-to-opportunity case

Constraint. Agricultural residue disposal challenge
Action. Contract clean segregated biomass and stable offtake
Owner. Processor, farmers and energy/material buyers
Opportunity. Agro-waste value addition
Prerequisites. Feedstock logistics, emissions approval and purchase agreement
Residual risk. Seasonal supply and competing uses remain
PB01