

PUNJAB STARTUP POLICY 2026

Department of Industries and Commerce



Message
from Hon'ble Chief Minister



S. Bhagwant Mann
Hon'ble Chief Minister of Punjab

It gives me immense pleasure to inform you that the Punjab Start up Policy 2026 is a step towards making Punjab a strong and welcoming state for start ups and new businesses with a vision to create an environment where ideas can turn into enterprises, and young entrepreneurs can build sustainable businesses within the state.

Punjab already has many natural strengths as there are skilled youth, a strong MSME base, quality educational institutions, and vast experience in sectors like agriculture, food processing, textiles, manufacturing, logistics, and services. Alongside these, new opportunities are emerging in technology, clean energy, healthcare, and digital platforms. With this policy, the state aims to harness these strengths to encourage innovation and entrepreneurship across the state. The focus is on practical support such as access to incubation, funding, mentorship, and markets, not just incentives on paper.

The vision of the Policy is to develop a vibrant, inclusive, and innovation-driven startup ecosystem that creates jobs, retains local talent, supports new ideas, and contributes to long-term economic growth across Punjab.



Message
from Hon'ble Minister



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

Startups represent the spirit of innovation, entrepreneurship, and technological transformation that is shaping the future of modern economies. Across the world, startup ecosystems are driving disruptive ideas, creating high-value employment, and building solutions that address real-world challenges. Punjab is committed to nurturing such innovation and positioning itself as a vibrant hub for startups and emerging enterprises.

With a young and talented population, strong educational institutions, and a growing technology ecosystem, Punjab offers an ideal environment for entrepreneurs to transform ideas into successful ventures. Cities such as Mohali, Ludhiana, Amritsar, and Jalandhar are witnessing the emergence of dynamic startup communities working across sectors including information technology, agri-tech, health-tech, fintech, manufacturing innovation, and digital services.

The Government of Punjab is actively fostering a supportive startup ecosystem through progressive policies, incubation support, and access to funding and mentorship. Our initiatives aim to encourage innovation-led enterprises, promote collaboration between academia and industry, and enable startups to scale their ideas into sustainable businesses.

Through a comprehensive incentive framework, the State is supporting startup incubation centers, innovation hubs, research and development facilities, and technology-driven enterprises. We are also focused on creating platforms that connect entrepreneurs with investors, industry leaders, and global markets.

Punjab's strategic location, quality infrastructure, and growing digital ecosystem provide startups with the resources they need to grow and compete on a global stage.

We invite entrepreneurs, innovators, investors, and mentors to partner with Punjab in building a thriving startup ecosystem that drives innovation, creates opportunities for our youth, and contributes to the State's economic transformation.



Punjab Startup Policy 2026

SECTORAL COMMITTEE

The Department of Industries & Commerce, Government of Punjab, constituted 24 sectoral committees vide order number PIU/NIF/Notification/2025/1498 dated 05-08-2025, comprising of industry leaders and sectoral experts. Following extensive deliberations and stakeholder consultations, sector-specific recommendations were received for the Department's consideration.

The Department of Industries & Commerce, Government of Punjab has reviewed the recommendations submitted by the Startups Committee chaired by eminent industry leaders:

Details of Startup Committee

S. No	Name	Designation	Stakeholder Organisation
1	SK Rai	Chairman	MBCIE /LAN/Hero Cycles
2	ADC (UD) SAS Nagar	Member Secretary	Government of Punjab
3	Atharav (Dr.)	Member	TBI, IIT Ropar
4	B.S Grewal (Dr.)	Member	Active Healthcare
5	Karan Chawla	Member	Roschcrete Technologies Pvt. Ltd
6	Khushwant Singh	Member	Intelliflicks
7	Naman Singhal	Member	TBI, Indian School of Business, Mohali
8	Palak Jain	Member	Padhakku
9	Pramod Bhasin	Member	Punjab Innovation Mission
10	S.K Arora	Member	TIE
11	Satyendar Singh	Member	TBI, IISER Mohali
12	SK Rai	Member	MBCIE
13	Naresh Sachdeva (Dr.)	Member	Director, PCTC Ludhiana
14	GM DIC SAS Nagar	Member	Government of Punjab
15	In-Charge Startup Punjab cell	Member	Government of Punjab



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1. OVERVIEW

India's startup ecosystem has evolved into a major economic force, driven by a large talent pool, growing digital infrastructure, and strong government support. With over 1.6 lakh recognised startups generating significant employment and innovation across sectors, startups are increasingly shaping India's growth, competitiveness, and industrial transformation. There is a rising participation from Tier-II and Tier-III cities and growing sectoral diversity, startups now play a critical role in shaping India's future economy.

1.1. INDIA LANDSCAPE

India hosts one of the world's most vibrant startup ecosystems, reflecting the country's growing entrepreneurial depth and innovation capacity. As on 31st December 2024, 1.61 Lakh entities have been recognised as Startups across more than 55 industries, collectively generating more than 17.69 lakh direct jobs, with nearly 14.11 lakh jobs created in just the last five years. In 2026, 44,000 startups were registered, highest since the launch of Startup India.

The ecosystem has expanded well beyond metro cities, with over half of new startups emerging from Tier-II and Tier-III locations, signalling a broad-based entrepreneurial shift. Sectors such as IT services, health, professional services, and climate tech continue to attract strong investor interest. Supporting this growth, flagship government initiatives like the Fund of Funds for Startups (FFS), Startup India Seed Fund Scheme (SISFS), and Credit Guarantee Scheme for Startups (CGSS) play a critical role in enabling early-stage funding, risk mitigation, and scale-up support, while national programs such as Startup Rankings and Innovation Week strengthen the overall ecosystem.

India hosts the world's third-largest startup ecosystem and has emerged as a significant driver of employment, innovation and economic expansion. While startups are expected to contribute an increasing share of GDP in the coming years, their current impact is most visible in technology adoption, digital services and new-age business models. The ecosystem has also matured financially, with 2025 marking a milestone year in which India emerged as one of the world's most active IPO markets, witnessing around 20 venture-capital-backed startup listings and a growing number of profitable unicorns.

Strong inflows of venture capital and private equity continue to fuel growth, while startups are increasingly contributing to exports, digital public infrastructure, and value-added services. This evolution reflects India's transition from a startup hub to a globally competitive innovation-driven economy.

1.2. PUNJAB LANDSCAPE

Punjab has maintained steady economic performance, recording a GSDP growth of 6% in 2024–25 and per capita income of INR 2.09 lakh which is slightly more than national average, indicating overall economic stability. Punjab has around 2,000+ DPIIT-recognized startups, which is a slightly less number if compared to its strong macroeconomic base and industrial potential. These startups have created over 20,000 direct jobs, with most activity concentrated in Mohali and Ludhiana. This concentration highlights both the strength of existing urban clusters and the untapped potential in other regions of the state. Given Punjab's strong industrial base and growing digital infrastructure, startups remain a critical missing link in translating economic strength into innovation-led growth.

Punjab's sectoral composition provides a strong foundation for startup-led development. The state's economy is currently driven by manufacturing (28%), services (47.8%), and agriculture (24.5%), creating natural opportunities for technology-led disruption and

value addition. Punjab has a strong economic base that supports startup growth, with manufacturing, services, and agriculture together driving the state's economy. Its strengths in food processing, textiles, light engineering, IT, healthcare, and education create clear opportunities for technology-driven innovation. With a skilled, entrepreneurial population and a well-established MSME base, Punjab is well placed to expand startup activity, especially in its urban and industrial clusters.

Punjab's manufacturing sector, largely driven by MSMEs is a critical pillar of economic growth. By integrating startups into traditional manufacturing and agri-value chains, Punjab can significantly improve productivity, promote technology adoption, and enhance export competitiveness. Startups can act as catalysts for modernization by introducing digital tools, automation, and data-driven solutions across sectors. Strengthening this linkage between startups and manufacturing can unlock higher value creation, employment generation, and long-term industrial competitiveness for the state.

Punjab's location in North India provides clear advantages. Its connectivity, logistics networks, and proximity to the National Capital Region support manufacturing, supply-chain businesses, and technology-led enterprises.

The State dedicated agency Startup Punjab is responsible for spearheading its strategy and action plan for promotion of Startup and Entrepreneurship and for processing incentives to startups in the state. It is a cell under Department of Industries and Commerce headed by Director Industries and Commerce, acts as a single point of contact with Government departments where the Startup needs to implement their projects. The role of this cell is to highlight, amalgamate and disseminate the resources, incentives available at a single portal for Startups in Punjab or Startups looking to relocate to Punjab. In recognition of recent efforts to improve the startup environment, Punjab has been ranked a Top Performer under the Startup India State Ranking Framework, reflecting progress in policy support and ease of doing business for startups.

The State has taken concrete steps to support entrepreneurship. The Punjab Industrial and Business Development Policy (IBDP) 2022 introduced startup-specific incentives such as seed funding, interest subsidy, lease rental support, and stamp duty reimbursement. State has also setup Startup Punjab Hub (NEURON) at STPI Mohali to strengthen and support for technology startups.

Building on these foundations, the Punjab Startup Policy 2026 aims to move startups into the economic mainstream by expanding support beyond a few cities, improving access to capital, strengthening industry linkages, and creating regional innovation hubs. This focused approach is essential to generate quality jobs, retain local talent, and support Punjab's long-term, inclusive growth.

1.3. NEED FOR POLICY

Punjab has a strong pool of young talent, educational institutions, and growing entrepreneurial interest. However, the startup ecosystem in the state still works in a somewhat fragmented manner without a clear and unified policy framework. Many startups face challenges such as limited access to early-stage funding, lack of adequate incubation and mentoring support, weak industry–academia linkages, regulatory hurdles, and migration of skilled youth to other startup hubs. Although national initiatives like Startup India provide overall direction, their effective implementation often requires state-level support and targeted interventions.

With startups increasingly contributing to innovation, job creation, technology adoption, and economic diversification, there is a need for a dedicated Startup Policy in Punjab. Such a policy can help attract investment, strengthen support infrastructure, encourage innovation, retain talent, and create a more conducive environment for entrepreneurship. Ultimately, it will help position Punjab as an emerging and competitive startup hub at both national and global levels.

[4] Ibid.





2. VISION, MISSION AND POLICY OBJECTIVES

2.1 VISION

Punjab aims to become one of India's leading centres for startups and innovation by 2031. The goal is to build a startup ecosystem that is open to all, spread across districts, and strong across many sectors. Innovation will power Punjab's growth by upgrading traditional industries like agriculture, food processing, textiles, and manufacturing, while also creating new opportunities in emerging areas such as IT, clean energy, logistics, and advanced manufacturing.

This vision seeks to ensure that the benefits of entrepreneurship reach every region and community, generate quality jobs for youth, and drive long-term, sustainable growth across the state.

2.2 MISSION

The Punjab Startup Policy 2026 aims to position Punjab as a launchpad for strong ideas and sustainable enterprises by pursuing the following objectives:

i. Building a strong entrepreneurial mindset across academia, industry, and communities, and nurturing a vibrant startup ecosystem that generates socio-economic value, strengthens businesses, and creates quality employment.

ii. Empowering founders with timely access to funding, mentorship, infrastructure, and market linkages, enabling startups to progress smoothly from ideation to scale and long-term growth.

iii. Creating a seamless and collaborative ecosystem where government, investors, corporates, and academic institutions work together to accelerate startup journeys and reduce barriers to growth.

iv. Attracting private capital, strategic partnerships, and institutional investment to help Punjab-based startups expand their presence in national and global markets.

v. Promoting inclusive growth by ensuring equal access to opportunities for women, youth, and rural innovators across all regions of the State.

2.3 OBJECTIVES

Through implementation of the Punjab Startup Policy, 2026, the Government of Punjab aims to achieve the following objectives:

i. Increase the number of DPIIT-recognised startups in Punjab by at least three times by 2031, with focused efforts to endeavour to have 25% of new startups emerge from Tier-II cities, smaller towns, and rural areas.

ii. Strive to create of over 75,000 direct and indirect jobs through startup-led enterprises and ensure that startups contribute 1% of Punjab's GSDP by 2031.

iii. Support at least 1,000 new startups across priority sectors including agriculture and food processing, textiles and apparel, sports goods, manufacturing, logistics, healthcare, IT, clean energy, and digital services, leveraging Punjab's existing industrial strengths.

iv. Establish incubation/acceleration hubs in every hub of Punjab and ensure that 80% of startups can access prototyping, seed funding and mentorship support locally.

v. Ensure that 20% of supported startups are women-led.



3. SCOPE OF POLICY

Punjab's Startup Policy will focus on building a strong, practical, and business-friendly startup ecosystem that works in line with the Startup Punjab strategy. The policy will support startups from the idea stage to scale-up by improving access to incubation, mentorship, funding, and markets. Special emphasis will be placed on setting up and strengthening incubators in universities, industrial towns, and districts, so opportunities are not limited to a few cities.

The policy will encourage startups in both traditional and emerging sectors. Areas such as agriculture, food processing, textiles, sports goods, and manufacturing will be supported alongside IT, clean energy, logistics, healthcare, and digital services. Startups will be helped to test products, run pilot projects with industry and government, and integrate into existing value chains.

3.1. ELIGIBILITY

3.1.1 Startup located or physically incubated in the State of Punjab or having operations in the State.

3.1.2 To obtain benefits under this policy, a startup shall be required to be registered with the Startup Punjab Cell.

3.1.3 Financial assistance under this policy shall be issued after the approval by the State Level Committee (SLC) to the eligible Startups.

3.1.4 **Startups Migrating from Outside Punjab:** DPIIT-recognized startups, starts its operations in Punjab and registering with Startup Punjab Cell shall be eligible to directly avail the second tranche of incentives, subject to approval by the State Level Committee (SLC) after the notification of Punjab Startup Policy 2026.

3.1.5 Startup migrating /relocating from other States shall have the option of applying for either initial seed grant or second tranche. In case, it applies for initial seed grant, it shall not be eligible to apply for Second Tranche before a period of 18 months

3.1.6 Fiscal assistance to eligible startup shall be provided as per procedure prescribed under the Detailed Scheme of Operations Guidelines (DSOG).

3.2 ELIGIBILITY PERIOD OF INCENTIVES

3.2.1 The eligibility period of incentives shall be 3 years.



4. FISCAL INCENTIVES

The Punjab Government shall provide stage-wise financial support to startups with special focus on ideation and prototyping stage as well as sustainable growth. By providing financial support at critical stages, the incentives aim to help innovative ideas scale into sustainable businesses. Financial assistance will be administered as outlined below.

4.1 SEED GRANT

4.1.1 A seed grant of INR 5 lakh per startup shall be provided to eligible startup.

4.1.2 **Second Tranche of Seed Grant:** An additional second tranche of funding subject to INR 10 Lakhs per startups shall be extended to maximum twenty (20) startups per year selected by Startup cell based on performance evaluation and predefined criteria (to be notified separately) on a first-come first-serve basis.

4.1.3 The Startup shall be eligible for second tranche after a period of 18 months from the sanction of first seed grant, subject to the approval of the State Level Committee (SLC). The procedure for the same shall be notified separately.

4.1.4 The sanctioned amount shall be disbursed directly to the beneficiary startup through the Direct Benefit Transfer (DBT) mechanism, subject to submission of First Tranche Utilization Certificate, as per applicable government financial guidelines.

4.2 LEASE RENTAL SUBSIDY

Reimbursement of 25% of lease rental subsidy to eligible startup established in the State, operating from Incubators/IT Parks/Industrial Clusters or any other notified Industrial Park shall be eligible for a period of 3 year subject to the ceiling of INR 5 lakh per annum.

4.3 INTEREST SUBSIDY ON BANK LOAN

Eligible startup shall be provided interest subsidy of up to 8% per annum or the actual interest charged, whichever is lower subject to the maximum limit of INR 7 lakh per annum for a period of 3 years on reimbursement basis on the loan taken from scheduled banks/financial institutions.

4.4 PURCHASE PREFERENCE IN PUBLIC PROCUREMENT

Eligible startup shall be provided purchase preference in Government procurement processes for orders of up to INR 10 lakh per order, for maximum 3 orders per start-up. Government shall issue a separate notification regarding the guidelines on Purchase Preference in public procurement.

4.5 STARTUP COMPETITION ASSISTANCE

To encourage entrepreneurship culture in colleges, Eligible Institutes of National Importance, Central Universities, State Universities, Private Universities & Colleges based in the State, established Incubators in these institution's premises shall be supported by state government to organize such startup competition fest annually in which state shall provide assistance up to the limit of **INR 5 lakh per event**.


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5. NON-FISCAL INCENTIVES

5.1. CAPACITY BUILDING AND MARKET CONNECT

5.1.1 Regular Engagement with Private Equity Firms: Regular investor engagement events for Private Equity (PE) firms to facilitate funding access, networking, and growth opportunities for startups.

5.1.2 Punjab Innovation Hub (Neuron): The Startup Punjab Hub 'Neuron' at STPI Mohali was established in 2018 under a hub-and-spoke model by the State Government in partnership with STPI, ISB Mohali, and Punjab Technical University to accelerate the growth of startup initiatives. The Hub features state-of-the-art laboratories in Artificial Intelligence, Data Analytics, the Internet of Things, and Animated Visual Graphics (AVGC), and also hosts a Centre of Entrepreneurship to strengthen R&D across these emerging technologies. The centre facilitates around 500 plug-and-play seats for IT/ITeS startups, along with a Tier-3 data centre and advanced incubation infrastructure. Startup Punjab will further strengthen Neuron to support the next generation of technology-driven and innovation-led startups in the State.

5.1.3 Focus on Priority Sectors: Punjab will focus on startups engaged in following priority sectors:

i. **Renewable and CleanTech:** This sector includes startups working on solar energy, bioenergy, waste-to-energy, energy efficiency, and clean mobility solutions, supporting Punjab's transition toward sustainable energy use, reduced carbon footprint, and efficient resource management.

ii. **EduTech:** Focused on digital learning platforms, skill development tools, and technology-enabled education delivery, especially aimed at improving access, employability, and quality of education for students and youth across urban and rural Punjab.

iii. **Healthcare and MediTech:** This sector covers startups developing affordable healthcare solutions, medical devices, telemedicine platforms, diagnostics, and health-tech innovations aimed at improving healthcare access, service delivery, and outcomes across Punjab.

iv. **Agriculture and AgriTech:** Startups focusing on farm mechanization, precision farming, supply chain optimization, and digital advisory services to enhance farm productivity and income diversification, as well as sustainability in Punjab's agrarian economy.

v. **Food Processing and FoodTech:** This sector includes startups engaged in food processing, preservation, packaging, cold-chain solutions, and value addition, supporting Punjab's strong agricultural base while reducing post-harvest losses and expanding market access.

5.1.4 Decentralised Incubation:

5.1.4.1 To promote entrepreneurship at the grassroots level, incubation centres shall be established in coordination with educational institutions across all districts of Punjab to provide structured support to startups.

5.1.4.2 Government of Punjab will develop five regional startup hubs shall be established in the following locations:

i. Ludhiana (Manufacturing)

ii. Amritsar (Handicrafts and Tourism)

iii. Jalandhar (Sports Goods)

iv. Patiala (Wellness and Education)

v. Bathinda (Agri-tech, Food Processing, and Energy)

These hubs shall be equipped with fully functional incubation centres, co-working spaces, testing laboratories, and fabrication (Fab) labs. They shall serve as access points for rural and semi-urban innovators. Wherever

feasible, the State shall leverage the existing infrastructure within Government Institutions having Incubators that already house advanced laboratories and related facilities for the establishment of these hubs.

5.1.5 Centres of Excellence (CoEs) on the PPP Model: The Government shall establish Centres of Excellence (CoEs) in Tier-II and Tier-III cities of the State through a Public–Private Partnership (PPP) model to strengthen regional startup ecosystems and promote decentralised innovation. These CoEs shall function as startup-focused anchor institutions, supporting innovation, enterprise creation, and sector-specific growth in their respective regions.

5.1.6 Accelerators: The state government will support accelerators to scale the growth stage startups in the state. Government will also partner with key ecosystem stakeholders to set up or support existing accelerators. These Accelerators would coach, mentor and incubate all types of startups irrespective of product, sector, and stage of start-up. Support will also be extended to acceleration centres in partnership with academic institutions including IITs, IIMs, Skills universities, and industry.

5.1.7 Finance Enablement & Global Exposure:

i. The policy facilitates startup access to interest-rate subsidies, credit guarantees, and concessional finance under relevant Central and State schemes to support technology-led growth.

ii. Startups are supported in patent filing and international market exposure through facilitation for domestic and international patents and participation in overseas trade fairs and exhibitions.

5.2 ENABLING SUPPORT

The Government of Punjab will provide enabling support to create a supportive and fast-paced startup ecosystem, in coordination with Invest Punjab and stakeholder departments.

5.3 OUTREACH AND AWARENESS

The State through Startup Punjab organise exposure visits, startup meets, hackathons, ideathons, demo days, and exhibitions to increase awareness, encourage entrepreneurship, and strengthen networking among startups, students, investors, and industry stakeholders.

5.3.1 Corporate Partnerships and Funding Support

Startup Punjab will facilitate structured engagement between startups and corporates through regular meetups, pilot projects, and industry collaborations, while also enabling access to corporate funding, CSR support, and innovation-led investments.

Corporate Connect Initiative

- Startup Punjab shall facilitate structured engagement between startups and corporates, MSMEs, PSUs, and industry bodies.
- Startup Punjab will enable MoUs with corporates to support startups through pilot projects, testing opportunities, problem statements, cloud credits, and discounted services.
- Regular startup–corporate meets and sector-specific matchmaking will be organised to help startups secure pilots, procurement opportunities, and distribution partnerships.

Investor Connect Initiative

- Startup Punjab shall organise regular Investor Connect programmes to link startups with angel investors and venture capital funds.

Startup Exchange Initiative

- Startup Punjab will promote startup exchange programmes with leading startup ecosystems across India, enabling local startups to access new markets, mentors,

and incubation facilities.

- Tie-ups with reputed incubators and institutions will be facilitated, while startups from other states will be encouraged to collaborate with Punjab's industrial and innovation clusters.

National & Global Exposure Initiatives

- Selected Punjab startups will be supported to participate in national-level startup events, industry expos, and innovation programmes to expand domestic market access.
- Startup Punjab will also facilitate curated global exposure and immersion programmes, in partnership with international accelerators, industry bodies, and institutions, to help startups gain global visibility and investor connect.

5.4 MENTORING AND INFRASTRUCTURE

5.4.1 Mentoring Support

i. Startup Punjab shall provide structured mentoring support to startups through Punjab Start-up Incubation Center based in Mohali looping in recognised mentors, industry experts, and incubator-led programmes.

ii. The mentor and capacity building will be facilitated across all proposed incubation centers.

iii. Mentoring shall include early-stage counselling, regular guidance through incubation centres, and capacity-building sessions delivered by experienced entrepreneurs and professionals.

5.4.2 Plug and Play Infrastructure

Startup Punjab shall facilitate provision of shall provide plug-and-play incubation facilities, similar to national hubs such as T-Hub, offering ready-to-use workspaces and shared facilities to enable startups to begin operations quickly without upfront infrastructure costs. Eligibility and operational details shall be notified separately.

5.4.3 Punjab Knowledge and Innovation Hubs

i. Startup Punjab shall promote the establishment of knowledge and innovation hubs in key regions of Punjab to support research, innovation, and entrepreneurship.

ii. These hubs shall provide access to innovation labs, training facilities, and collaboration spaces to strengthen the startup ecosystem.

iii. The programme will enable interns to gain real-world startup experience, with stipends and eligibility conditions notified by the Government from time to time.





6. DEFINITIONS

6.1 GENERAL DEFINITIONS

6.1.1 **Accelerators:** An accelerator is an organisation, either an independent organisation or a corporate program that supports early-stage companies through intense immersive education, mentorship, and financing. Startups enter accelerators for fixed time periods and graduate as established, robust companies which are ready to scale. Its objective is to accelerate the growth of the portfolio batch startups in a short period of time.

6.1.2 **Circular Economy Startups:** Startups engaged in transforming waste into resources through innovative technologies, focusing on recycling, upcycling, and sustainable use of materials.

6.1.3 A **'Deep Tech Startup'** means a 'Startup' that has the following attributes, in addition to the criteria detailed in para (6.1.4)(i):

(I) It is working on producing a solution based on new knowledge/advancements within a scientific or engineering discipline or multiple disciplines, which is yet to be developed or is in the process of being developed.

(ii) It has a high percentage of expenditure on research and development (R&D) activities as a percentage of revenue/funding;

(iii) It owns or is in the process of creating significant novel intellectual property (IP) and taking steps to commercialize the same; and

(iv) It is facing extended development timelines, long gestation periods, high capital and infrastructure requirements, and carrying large technical or scientific uncertainty.

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

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

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

6.1.5 **Effective Date:** The Policy shall come into force from the date of its notification by the Government.

6.1.6 **Incubator:** An incubator is an organisation in a technology/management school or an independent setup that helps early-stage startups launch their business and grow by providing services such as workspace, management training, captive mentor pool, access to technological services etc.

6.1.7 **Mentors:** Mentors (experienced individuals typically from the same industry) guide the less experienced startups with best practices, management tools, industry connections, etc.

6.1.8 **Nodal Agency:** Nodal Agency shall mean reputed Government as well as other institutions/ organizations as approved by the Start-up Coordination Committee as Nodal Agencies for evaluating Start-ups applications.

6.1.9 **Policy:** Policy shall mean Punjab Startup Policy 2026.

6.1.10 **Public Welfare Startup:** Startups generating employment opportunities and leveraging technology to build smart and economically viable solutions, to accelerate societal development shall be considered as Public Welfare Startups.

6.1.11 **Rural Impact Startups:** These are start-ups solving problems affecting the people of the rural areas of the state, for instance, financing for villagers to promote rural economy, Agri based solutions to improve productivity etc.

The services offered by these start-ups shall support & improve the livelihood of rural population. It will also include startups located in rural areas.

6.1.12 **Seed Funding:** Seed funding is the initial funding used to start a business or develop a new product. It helps take an idea to an early stage where it can be presented to investors for further funding.

6.1.13 **Startup** for the purpose of this policy shall be defined as per the definition of DPIIT, Government of India as amended from time to time and meets the following criteria:'

(i) **Startup'** means an entity which is incorporated or registered in India as a private limited company (as defined in the Companies Act, 2013) or registered as a partnership firm (registered under section 59 of the Partnership Act, 1932) or a limited liability partnership (under the Limited Liability Partnership Act, 2008) or a Multi-State Cooperative Society registered with the Central Registrar of Cooperative Societies (under the Multi-State Cooperative Societies Act, 2002) or a Cooperative Society registered under any State or Union Territory Cooperative Societies Act with the respective Registrar of Cooperative Societies in India;

(ii) is within a period of **ten years from the date of its incorporation or registration**;

(iii) **has a turnover for any of the financial years since incorporation or registration not exceeding two hundred crore rupees**; and

(iv) is working towards innovation, development or improvement of products or processes or services, or is a scalable business model with a high potential of employment generation or wealth creation.

(v) **Startup located or physically incubated in the State of Punjab or having operations in the State.**

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

a) the period specified in clause (ii) shall be up to twenty years from the date of its incorporation or registration; and

b) the turnover limit specified in clause (iii) shall be three hundred crore rupees for any of the financial years since incorporation or registration.

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

6.1.14 **Start-up Coordination Committee:** Startup Coordination Committee (SCC) means the Committee under the chairpersonship of Administrative Secretary, Department of Industries and Commerce, Punjab. The Startup Coordination Committee shall authorize Startup Punjab Cell to issue necessary Registration Certificate to the Startup units based on evaluation by Nodal Agencies for various fiscal incentives under the Policy.

6.1.15 **Startup Punjab Cell:** A cell under department of industries and commerce headed by director industries and commerce shall provide necessary secretarial and technical support to the startup coordination committee. Director Industries & Commerce shall also act as start-up nodal officer. The cell shall also act as a single point of contact with government departments where the startup needs to implement their projects. The role of this cell would be to highlight, amalgamate and disseminate the resources, funding mechanisms, investments, incentives available at a single portal for startups in Punjab or startups looking to relocate to Punjab.

6.1.16 **State Level Committee (SLC)** means the Committee under the chairpersonship of Administrative Secretary, Department of Industries and Commerce, Punjab setup under this Policy for sanction of incentives.

6.1.17 **DPIIT** means Department for Promotion of Industry and Internal Trade.

6.1.18 **Women Led Startups:** A women-led startup is a startup registered either with DPIIT (or) Startup Punjab. At the time of registration, the startup should be owned and controlled by a woman or a group of women having a minimum financial interest of 51% of capital in the startup. Subsequently, even after funding rounds, at least 33% of the startup should be owned by a woman or a group of women.




START UP

7. GOVERNMENT OF INDIA SCHEMES FOR STARTUP

The Punjab Startup Policy 2026 is aligned with the flagship programs and initiatives of Startup India, Department for Promotion of Industry and Internal Trade (DPIIT), Government of India. The alignment ensures that startups from Punjab not only benefit from state-level incentives and support mechanisms but also leverage national-level schemes, funding opportunities, and facilitation platforms.

7.1 CONTINUOUS COOPERATION WITH DPIIT AND STARTUP INDIA

The State Government of Punjab, through the Startup Punjab and Department of Industries & Commerce, shall maintain continuous cooperation with DPIIT to ensure that startups in the state are sensitized and encouraged to leverage national initiatives. Joint workshops, capacity-building sessions, and outreach activities will be undertaken in collaboration with Startup India to enhance visibility and access.

7.2 CREDIT GUARANTEE SCHEME FOR STARTUPS (CGSS)

The Credit Guarantee Scheme for Startups (CGSS) provides collateral-free credit guarantee coverage to banks and financial institutions for loans extended to DPIIT-recognized startups. The policy supports awareness and facilitation measures for startups in Punjab to access debt financing under this scheme through sensitization programs, promotional drives, and partnerships with financial institutions.

7.3 FUND OF FUNDS FOR STARTUPS (FOF)

The Fund of Funds for Startups (FoF) initiative enables the government to provide capital to SEBI-registered Alternative Investment Funds (AIFs), which in turn invest in DPIIT-recognized startups. Punjab shall actively promote linkages with participating AIFs and facilitate venture funding opportunities for local startups, ensuring improved access to equity capital.

7.4 SECTION 80-IAC TAX EXEMPTION

Eligible DPIIT-recognized startups can avail 100% income tax exemption for three consecutive years out of the first ten years since incorporation, subject to prescribed conditions.

7.5 ENTREPRENEURSHIP IN RURAL AND ASPIRATIONAL DISTRICTS

The policy promotes entrepreneurship in Tier 3 and Tier 4 regions through targeted bootcamps, incubation facilities, and market linkages under Startup India's TEJAS initiative. Additionally, it supports the creation of sectoral clusters in smaller towns focusing on areas such as agriculture, construction, healthcare, education, and IT services.



8. ABBREVIATIONS

Abbreviation	Full Form
AIF	Alternative Investment Fund
CETP	Common Effluent Treatment Plant
CGSS	Credit Guarantee Scheme for Startups
DPIIT	Department for Promotion of Industry and Internal Trade
DSOG	Detailed Scheme of Operational Guidelines
EoDB	Ease of Doing Business
FoF	Fund of Funds for Startups
GoI	Government of India
GoP	Government of Punjab
GST	Goods and Services Tax
IBDP	Industrial and Business Development Policy
IP	Intellectual Property
LLP	Limited Liability Partnership
MSME	Micro, Small and Medium Enterprises
NCR	National Capital Region
NOC	No Objection Certificate
PPP	Public-Private Partnership
R&D	Research and Development
SISFS	Startup India Seed Fund Scheme
SLC	State Level Committee
STPI	Software Technology Parks of India
VC	Venture Capital
VCF	Venture Capital Fund

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