



## **The Punjab Right to Business Act, 2020**

Act 1 of 2020

**Keyword(s):**

Approval, Approved Industrial Park, Declaration of Intent, Enterprise, Scrutiny Committee

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**PART I**

**GOVERNMENT OF PUNJAB**

DEPARTMENT OF LEGAL AND LEGISLATIVE AFFAIRS, PUNJAB

**NOTIFICATION**

The 6th February, 2020

**No.1-Leg./2020.-** The following Act of the Legislature of the State of Punjab received the assent of the Governor of Punjab on the 31st day of January, 2020, is hereby published for general information:-

**THE PUNJAB RIGHT TO BUSINESS ACT, 2020**

**(Punjab Act No. 1 of 2020)**

AN

ACT

to provide for ease of doing business for the newly incorporated Micro, Small and Medium Enterprises through an enabling eco-system for self-declaration, exemptions, speedier approvals and inspections to establish and operate in the State of Punjab and matters connected therewith or incidental thereto.

BE it enacted by the Legislature of the State of Punjab in the Seventieth Year of the Republic of India as follows:-

1. (1) This Act may be called the Punjab Right to Business Act, 2020.
- (2) It shall come into force on and with effect from the date of its publication in the Official Gazette. Short title and commencement.
2. In this Act, unless the context otherwise requires,-
  - (a) 'Approval' means acknowledgment, no objection certificate, consent, registration, permission, license and such other similar instrument by whatever name called, required under any Punjab law with regard to the establishment or operations of an enterprise in the State of Punjab; Definitions.
  - (b) "Approved Industrial Park" means an Industrial Area, Industrial Focal Point, Industrial Estate, Mixed-use Industrial Park, Special Economic Zone (SEZ), Textile Park, Biotech Park, Information Technology (IT) Park, Industrial Township, Growth Centre, Food-Processing Park or any other similar project approved by the competent authority of the Government or the Central Government, as the case may be;

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- (c) "Certificate of In Principle Approval" means an approval referred to in section 10 of this Act;
- (d) "Competent Authority" means any department or agency of the Government or a local authority, statutory body, State owned corporation or board, Urban Development Authorities or any other authority or agency constituted or established by any Punjab law or under administrative control of the Government which is entrusted with the powers or responsibilities to grant or issue approvals for the establishment or operation of an enterprise in the State;
- (e) "Declaration of Intent" means submission of relevant and accurate information, by an enterprise under any Punjab law for the purpose of availing of the benefit under this Act;
- (f) "Deemed Approval" means an approval deemed to have been given on the expiry of a period specified under sub-section (3) of section 10 of this Act;
- (g) 'District Bureau of Enterprise' means the Bureau established under section 3 of this Act;
- (h) "Enterprise" means a micro, small or medium enterprise, as defined in clause (e) of section 2 of the Micro, Small and Medium Enterprises Development Act, 2006;
- (i) "Government" means the "Government of the State of Punjab";
- (j) 'Nodal Agency' means the Nodal Agency referred to in section 5 of this Act;
- (k) "prescribed" means prescribed by rules made under this Act;
- (l) 'Punjab law' means any law enacted or adopted by the Legislature of the State of Punjab;
- (m) "Scrutiny Committee" means the committee referred to in section 9 of this Act; and
- (n) "State" means the State of Punjab.

Establishment of  
District Bureau of  
Enterprise.

3. (1) In order to strengthen and support the Micro, Small and Medium Enterprises at the district level, the Government shall establish District Bureau of Enterprise in all districts of the State consisting of the following, namely:-
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| (i) the Deputy Commissioner<br>of the district concerned; | Chief Executive<br>Officer |
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- (ii) the General Manager, Additional Chief  
District Industries Centre Executive Officer
- (iii) the others members of the Enterprise as may be notified by the Government from time to time.
- (2) The respective District Industries Centre shall be the Secretariat for the District Bureau of Enterprise.
4. Subject to the superintendence, direction and control of the Government, the District Bureau of Enterprise shall have the following powers and perform the following functions, namely:- Powers and functions of District Bureau of Enterprise.
- (i) to facilitate the process of filing the Declaration of Intent and issuance of Certificate of In Principle Approval;
  - (ii) to redress grievances of the Micro, Small and Medium Enterprises;
  - (iii) to create awareness and capacity building of all stakeholders including the officials of the Government; and
  - (iv) any other function so assigned by the Government for facilitation and promotion of Micro, Small and Medium Enterprises in the State.
5. (1) There shall be a State Nodal Agency at the State level which shall be headed by the Director, Industries and Commerce consisting of such other members as may be notified by the Government from time to time. It shall work under the overall superintendence, direction and control of the Government. Nodal Agency.
- (2) The District Bureau of Enterprise shall be the District Nodal Agency which shall work under the overall superintendence, direction and control of the Government through the State Nodal agency.
6. (1) The State Nodal Agency shall have the following powers and perform the following functions, namely:- Powers and functions of District Nodal Agencies.
- (a) to monitor, supervise and review the overall functioning of the District Nodal Agency;
  - (b) to coordinate and liaise with the concerned departments at the State and Central level; and
  - (c) to review and take a decision on the appeal filed under clause (a) of section 12 against the orders of District Nodal Agency and ensure time bound redressal of grievances.
- (2) The District Nodal Agency shall have the following powers and

perform the following functions, namely:-

- (a) to assist and facilitate Micro, Small and Medium Enterprises in the State;
- (b) to maintain a record of 'Declaration of Intent' as may be received and to issue a Certificate of In Principle Approval, under this Act;
- (c) to review and decide the application filed under clause (b) of section 12 and ensure time bound redressal of grievances; and
- (d) to coordinate with the other departments of the Government at the district level.

(3) The Government may assign such other powers and functions to the nodal agencies as it may deem fit for giving effect to the provisions of this Act.

Filing of  
Declaration of  
Intent.

7. A new Micro, Small and Medium Enterprise, willing to avail the Certificate of In Principle Approval and intending to set up its business in the State, shall furnish to the District Nodal Agency a Declaration of Intent in the format and in the manner as may be prescribed.

Effect of the  
Certificate of In  
Principle  
Approval.

8. (1) A Certificate of In Principle Approval shall act as an approval, as defined in clause (a) of section 2 for the regulatory services under the Acts specified in section 18, for a period of three years and six months from the date of its issuance.

(2) During the validity of Certificate of In Principle Approval, no competent authority shall undertake any inspection for the purpose of, or in connection with, any approval as defined in clause (a) of section 2, except on the basis of complaints as specified in sub-section (6) of this section.

(3) A Certificate of In Principle Approval may be issued under section 10 to a new Micro, Small and Medium Enterprises being set up in the State on receipt of a Declaration of Intent complete in all respects in the prescribed format.

(4) The provision of a Certificate of In Principle Approval shall be optional and an enterprise may choose to avail the regular approvals from the concerned departments at any point of time.

(5) A Certificate of In Principle Approval shall not entitle a person to use a piece of land in deviation to the land use or any stipulations specified in the notified master plan or notified Local Planning Area notified under the provisions of the Punjab Regional and Town Planning and Development

Act, 1995. The applicant shall also adhere to the siting guidelines for setting up industries issued by various departments.

- (6) (a) In the case of complaints of serious nature, only the Head of the concerned authority alone may order inspection after recording reasons in writing for such an inspection.
- (b) The Inspecting Officer or the team of inspecting officers (not below the rank of Joint Director) shall be selected by a randomized computerized system.
- (c) The inspection report shall be made available online to the enterprise and the concerned department within forty-eight hours after the inspection.

(7) During the course of validity of the Certificate of In Principle Approval, the enterprise shall at any time but not later than three years from the date of issue of the Certificate, apply to obtain all applicable regular approvals from the concerned departments through the single window system of the Punjab Bureau of Investment Promotion (PBIP).

9. To examine and decide upon the applications received under sub-section (2) of section 10, there shall be a Scrutiny Committee for each district in the State which shall consist of the Deputy Commissioner concerned and such other members as may be prescribed. The Scrutiny Committee before making its decision, may jointly or severally make a site visit, if so required, with prior notice to the applicant.

Scrutiny  
Committee.

10. (1) For new enterprises being set up in Approved Industrial Park(s), the District Nodal Agency, upon receipt of a Declaration of Intent, shall forthwith, issue a Certificate of In Principle Approval to an enterprise within three working days.

Issuance of  
Certificate of In  
Principle  
Approval.

(2) For new enterprises being set up outside the approved Industrial Park(s) and on areas, approved under the relevant Master Plan, the decision to issue a Certificate of In Principle Approval shall be taken by the District Nodal Agency within a period of fifteen working days in accordance with the procedure as may be prescribed.

(3) In case the decision to issue the Certificate of In Principle Approval is not taken within the stipulated period specified in sub-sections (1) and (2), the same shall be deemed to have been issued by the District Nodal Agency.

- Revocation of a Certificate of in Principle Approval. 11. (1) In the case of any willful submission of false and fraudulent information in the application or violation of any provisions of the relevant rules, the Certificate of In Principle Approval shall be revoked by the District Nodal Agency after giving an opportunity of being heard.
- (2) In addition to any action that may be taken for violation under any law for the time being in force, any unauthorized construction shall either be demolished by the owner or by the concerned authority at the risk and cost of the owner.
- Appeal. 12. Any eligible enterprise, which has applied or has been issued a Certificate of In Principle Approval under this Act, may file-
- (a) an appeal within a period of thirty days from the date of rejection of application or any other cause referred to in clause (b) to the State Nodal Agency if a Declaration of Intent filed for grant of the Certificate of In Principle Approval has been rejected by the competent authority; and
- (b) subject to the action taken in pursuance of the provisions of sub-section (6) of section 8, if an enterprise having a valid Certificate of In Principle Approval under this Act is being enquired or inspected or being compelled for submission of documents for its establishment and/or operation of its business, an application for redressal of grievances, if any, before the District Nodal Agency.
- Protection of action taken in good faith. 13. No suit, prosecution or other legal proceedings shall lie against any officer or other employee of the Government or the Nodal Agency or any other competent authority, for anything which is in good faith done or intended to be done under this Act for the facilitation of Micro, Small and Medium Enterprises.
- Power to make rules. 14. (1) The Government may, by notification in the Official Gazette, make rules for carrying out the provisions of this Act.
- (2) Every rules made by the Government under this Act, shall be laid, as soon as may be, after it is made, before the House of the State Legislature, while it is in session, for a total period of ten days, which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, the House agrees in making any modification in the rule, or the House agrees that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be, however, any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

15. If any difficulty arises in giving effect to the provisions of this Act, the Government may, by order, not inconsistent with the provisions of this Act, remove the same:

Powers and functions of District Bureau of Enterprise.

Provided that no such order shall be made after the expiry of a period of two years from the commencement of this Act.

16. When the Government or any authority under it is empowered to exempt any enterprise from any approval or inspection or any provisions relating thereto under any Central Act, the Government or, as the case may be, any such authority shall, subject to the provisions of such Central Act, exercise such powers to grant such exemption to an enterprise established in the State for at least a period of three years and six months from the date of issue of the Certificate of In Principle Approval.

Exemption.

17. Nothing in this Act shall be construed as exempting any enterprise from the application of the provisions of any Punjab law for the time being in force, or any regulatory measures and standards prescribed there-under, except to the extent expressly provided in this Act.

Savings.

18. (1) Notwithstanding anything inconsistent therewith contained in any other Punjab laws, for the time being in force, the provisions of this Act shall have an overriding effect.

Act to override other laws.

(2) The following enactments and the provisions of these enactments shall be deemed to have been amended if so required to conform with the provisions of this Act in so far as these are necessary to implement the provisions of this Act, namely:-

Serial No.	Act	Services
1.	Building Plan, Completion-cum-occupancy certificate, issuance of new trade license under the Punjab Municipal Act, 1911 and the Punjab Municipal Corporation Act, 1976.	1. Sanction of Building Plans 2. Issuance of Completion-cum-Occupation Certificate for Buildings. 3. Registration of trade license.
2.	Building Plan and change of land use under the Punjab Regional and Town Planning and Development Act, 1995	1. Sanction of Building Plans. 2. Issuance of Completion-cum-Occupation Certificate for Buildings. 3. Change of land use.



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| 3. | Provisional Fire No Objection Certificate and Fire No Objection Certificate under the Punjab Fire Prevention and Fire Safety Act, 2004 | Application for Fire No Objection Certificate.   |
| 4. | Factory Building Plan and Factory license under the Punjab Factory Rules, 1952   | Approval of Factory Building plan (except for industries involving hazardous process as per First Schedule of the Factories Act, 1948) |
| 5. | Registration of Shop or Establishment under the Punjab Shops and Commercial Establishment Act, 1958.                                   | Registration of Shop or Establishment  |
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Fees. 19. The statutory application fee, inspection fee or any other fees chargeable under any Punjab law, notified from time to time, in respect of actions, services and approval as referred to in section 18 shall be payable online to all the relevant authorities at the time of filing of declaration of intent and before the issue of the "Certificate of In-Principle Approval", by the applicant.

**S.K. AGGARWAL,**  
Secretary to Government of Punjab,  
Department of Legal and Legislative Affairs.