

GOVERNMENT OF PUNJAB

DEPARTMENT OF LEGAL AND LEGISLATIVE AFFAIRS

THE PUNJAB RIGHT TO BUSINESS ACT, 2020

(PUNJAB ACT 1 OF 2020)

(As amended upto the 15th November, 2025)



2025

THE PUNJAB RIGHT TO BUSINESS ACT, 2020

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THE PUNJAB RIGHT TO BUSINESS ACT, 2020

(Punjab Act No. 1 of 2020)

[Received the assent of the Governor of Punjab on the 31st day of January, 2020, and was first published in the Punjab Government Gazette (Extraordinary) dated the 6th February, 2020]

1	2	3	4
Year	No.	Short Title	Whether repealed or otherwise affected by the legislation
2020	1	The Punjab Right to Business Act, 2020	Amended by Punjab Act No.1 of 2022 Amended by Punjab Act No. 14 of 2025

An Act to provide for ease of doing business for the ¹[Eligible 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: -

Short title and commencement.

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.

Definitions.

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, ²[required under any law] with regard to the establishment or operations of an enterprise in the State of Punjab;
 - (b) "Approved Industrial Park" means an Industrial Area, Industrial Focal Point, Industrial Estate, Mixed-use Industrial Park,

¹ Substituted for words "newly incorporated Micro, Small and Medium Enterprises" by Punjab Act No. 14 of 2025, Section 2

² Substituted for words "required under any Punjab law" by Punjab Act No. 14 of 2025, Section 3(i)

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;

- (c) "Certificate of In Principle Approval "means an approval referred to in section 10 of this Act;
- ¹[(ca) "CRO Report" means duly approved report for the proposed project from the concerned Circle Revenue Officer as notified by the Department of Revenue and Rehabilitation;]
- (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 ²[established by any 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 ³[an enterprise under any 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;

¹ Inserted by Punjab Act No. 14 of 2025, Section 3(ii)

² Substituted for words "established by any Punjab law" by Punjab Act No. 14 of 2025, Section 3(iii)

³ Substituted for words "an enterprise under any Punjab law" by Punjab Act No. 14 of 2025, Section 3 (iv)

- ¹[(ga) "Eligible Enterprise" means a new Enterprise or Existing Enterprise undertaking expansion provided the Enterprise going for expansion does not have any violations under the relevant Act;but Eligible Enterprise shall not include Real Estate Projects, Multiplex, Miniplex, Shopping Mall and Common Effluent Treatment Plant (CETP) Installations;]
- ²[(h) "Enterprise" means a micro, small or medium enterprise, as defined in clause (e) of section2 of the Micro, Small and Medium Enterprises Development Act, 2006;or large enterprise with Fixed Capital Investment (land, building and plant and machinery) up to the limit as may be notified by the Government;]
- ³[(ha) "Existing Enterprise" means an Enterprise that has commenced commercial production or operations at the time of submitting the Declaration of Intent;]
- (i) "Government" means the "Government of the State of Punjab;
- ⁴[(ia) "law" means any law enacted or adopted by the Legislature of the State of Punjab, or enacted by the Parliament of India and the Rules made or Notifications issued thereunder;]
- (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;
- ⁵[(l) "Real Estate Projects" means any commercial complexes or colony or project where permission under the Punjab Apartment and Property Regulation Act, 1995 is required and/or projects exempted under section 44 of the Punjab Apartment and Property Regulation Act, 1995;]

¹Substituted by Punjab Act No. 14 of 2025, Section 3 (v)

²Substituted by Punjab Act No. 14 of 2025, Section 3 (vi)

³Inserted by Punjab Act No. 1 of 2022, Section 2

⁴Inserted by Punjab Act No. 14 of 2025, Section 3(vii)

⁵Substituted by Punjab Act No. 14 of 2025, Section 3(viii)

(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 ¹[Eligible Enterprises] at the district level, the Government shall establish District Bureau of Enterprise in all districts of the State consisting of the following, namely: -

(i) the Deputy Commissioner Chief Executive Officer
of the district concerned;

(ii) the General Manager, District Industries Centre Additional Chief
Executive Officer

(iii) ²[the other members of the District Bureau of 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.

Powers and
functions of
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. -

(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 ³[Eligible 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 ⁴[Eligible Enterprises] in the State.

Nodal
Agency.

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

¹ Substituted for words "Micro, Small and Medium Enterprises" by Punjab Act No. 14 of 2025, Section 4

²Substituted for the words "the other members of the Enterprise" by Punjab Act No. 1 of 2022Section 3

³Substituted for words "Micro, Small and Medium Enterprises" by Punjab Act No. 14 of 2025, Section 5 (i)

⁴Substituted for words "Micro, Small and Medium Enterprises" by Punjab Act No. 14 of 2025, Section 5 (ii)

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.

(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: -

- (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 ¹[Eligible 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.

¹Substituted for words "Micro, Small and Medium Enterprises" by Punjab Act No. 14 of 2025, Section 6

Filing of
Declaration
of Intent.

¹[7.The Eligible Enterprise willing to avail the Certificate of In Principle Approval, 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 ² [Eligible Enterprise] 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.

³[(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 regional plan, notified master plan or 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 sitting 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.

¹ Substituted by Punjab Act No. 1 of 2022, Section 4

²Substituted for the words "a new Micro, Small and Medium Enterprises being set up in the State " by Punjab Act No.1 of 2022, Section 5

³ Substituted by Punjab Act No. 14 of 2025, Section 7 (i)

¹ [(b) The Inspecting Officer or the team of inspecting officers not below the rank of Joint Director shall be nominated by the Head of the concerned authority.]

(c) The inspection report shall be made available online to the enterprise and the concerned department within ² [forty-eight working 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 ³ [obtain] all applicable regular approvals from the concerned departments through ⁴ [the State single window system of Punjab].

Scrutiny
Committee.

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.

Issuance of
Certificate of
In Principle
Approval

10. ⁵ [(1) For Eligible Enterprise being set up or operational in Approved Industrial Park(s) or Real Estate Project(s), the District Nodal Agency, upon receipt of Declaration of Intent, shall forthwith, issue a Certificate of In-Principle Approval within five working days to new and existing enterprise.

(2) For Eligible Enterprise being set up or operational outside the Approved Industrial Park(s) or Real Estate Project(s) and on areas, approved under the relevant regional plan or master plan or notified local planning areas, the decision to issue a Certificate of In Principle Approval shall be taken by the

¹ Substituted by Punjab Act No. 1 of 2022, Section 5

² Substituted for the words "forty-eight hours" by Punjab Act No. 1 of 2022, Section 5

³ Substituted for the words "btain" by Punjab Act No. 1 of 2022, Section 5

⁴ Substituted for words "the single window system of the Punjab Bureau of Investment Promotion (PBIP)" by Punjab Act No. 14 of 2025, Section 7 (ii)

⁵ Substituted by Punjab Act No. 14 of 2025, Section 8

District Nodal Agency within a period of fifteen working days for new Enterprise and within eighteen working days for Existing Enterprise 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.

¹[(4) The District Nodal Agency may appoint an officer of the department concerned to inspect the Enterprise undertaking expansion before issuing a Certificate of in Principal Approval. The inspection report shall be made available to the District Nodal Agency within forty-eight working hours after the inspection]

Revocation of a Certificate of in Principle Approval.

11. (1) In the case of any willful submission of false and fraudulent information in the ²[application/Declaration of Intent 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

¹ Inserted by Punjab Act No. 1 of 2022, Section 6

² Substituted for words "application or violation" by Punjab Act No. 14 of 2025, Section 9

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 subsection (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 ¹[Eligible 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.

Power to remove difficulties.

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:

¹Substituted for words "Micro, Small and Medium Enterprises" by Punjab Act No. 14 of 2025, Section 10

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

Exemption. 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.

Savings. 17. Nothing in this Act shall be construed as exempting any enterprise from the application of the ¹[provisions of any 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.

Act to
override
other laws.

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.

²[(2) The provisions of the following State enactments and the rules made by the State Government under any enactment 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.	Acts/Rules/Department	Services
1.	The Punjab Municipal Act,1911 and The Punjab Municipal Corporation Act,1976	1.Sanction of Building Plans 2.Issuance of Completion Certificate-cum-Occupation Certificate for Buildings. 3. Grant of trade license.

¹ Substituted for words “provisions of any Punjab law” by Punjab Act No. 14 of 2025, Section 11

² Substituted by Punjab Act No. 14 of 2025, Section 12 (i)

2.	The Punjab Regional and Town Planning and Development Act, 1995 (As per existing by-laws)	<ol style="list-style-type: none"> 1. Change of land use (CLU) 2. Sanction of Building Plans. 3. Issuance of Completion Certificate for Buildings. 4. Issuance of Occupation Certificate for Buildings.
3.	The Punjab Fire Prevention and Fire Safety Act, 2024	Application for Fire No Objection Certificate
4.	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.	The Punjab Shops and Commercial Establishment Act, 1958.	Registration of Shop or Establishment
6.	The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 (BOCW Act,1996)	<ol style="list-style-type: none"> 1. Registration of Principle Employer 2. Registration under BOCW Act,1996
7.	The Factories Act, 1948	<ol style="list-style-type: none"> 1. Stability Certificate 2. Factory License
8.	The Water (Prevention and	1. Consent to Establish (Within

	Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981	Approved Industrial Park- White, Green and Orange category of industries) (Outside Approved Industrial Park- White and Green category of industries) 2. Consent to operate (White and Green category of industries)
9.	Department of Forest and Wildlife Preservation, Punjab	No Objection Certificate (NOC) for no forest land
10.	Punjab Small Industries and Export Corporation Ltd. (PSIEC) as per bye-laws	1. Sanction of Building Plans 2. Issuance of Completion Certificate-cum- Occupation Certificate for Buildings]

¹[(3) The categories of industries not covered under Serial Nos. 8 and 9 of sub-section (2), may take separate approval from the Punjab Pollution Control Board (PPCB) and Government of India (GoI) under the Forest (Conservation) Act, 1980, respectively, as may be applicable, and the application under the Act shall be processed for the remaining services under sub-section (2).

(4) For those enterprises where Environmental Clearance (EC) is required and the same is yet to be obtained, the Certificate of In-Principle Approval shall be granted subject to the condition that the applicant shall compulsorily get EC from the competent authority before the start of construction at the site.

¹ Added by Punjab Act No. 14 of 2025, Section 12 (ii)

(5) For those enterprises where forest land is involved and for which approval under the Forest (Conservation) Act, 1980 from Government of India (GoI) is needed, the Certificate of In-Principle Approval shall be granted subject to the condition that the applicant shall compulsorily get forest clearance approval from the competent authority before the start of construction at the site.]

Fees. 19. The statutory application fee, inspection fee or any other fees¹[chargeable under any 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.

¹ Substituted for words "chargeable under any Punjab law" by Punjab Act No. 14 of 2025, Section 13