

**GOVERNMENT OF PUNJAB**

**DEPARTMENT OF LEGAL AND LEGISLATIVE AFFAIRS**

**THE PUNJAB BUREAU OF INVESTMENT PROMOTION ACT, 2016.**

(PUNJAB ACT 32 OF 2016)

*(As amended upto the 31st May, 2025)*



2025

# **THE PUNJAB BUREAU OF INVESTMENT PROMOTION ACT, 2016.**

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**THE PUNJAB BUREAU OF INVESTMENT PROMOTION ACT, 2016.**  
**(Punjab Act No. 32 of 2016)**

*[Received the assent of the Governor of Punjab on the 1<sup>st</sup> day of November, 2016, and was first published for general information in the Punjab Government Gazette (Extraordinary), dated the 9<sup>th</sup> November, 2016.]*

1	2	3	4
Year	No.	Short Title	Whether repealed or otherwise affected by the legislation
2016	32	The Punjab Bureau of Investment Promotion Act, 2016.	Amended by Punjab Act No. 15 of 2021

*An Act to provide for expeditious clearance of investment proposals (both regulatory and fiscal) in the State of Punjab and to implement investment promotion policies that may be announced by the State Government from time to time and for the matters connected therewith or incidental thereto.*

BE it enacted by the Legislature of the State of Punjab in the Sixty-seventh year of the Republic of India as follows: -

Short title and commencement.

1. (1) This Act may be called the Punjab Bureau of Investment Promotion Act, 2016.

(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) "Board of Governors" or "BoG" means the Board of Governors of the Bureau;

(b) "Bureau" means the Punjab Bureau of Investment Promotion;

(c) "Chief Executive Officer" means the Chief Executive Officer of the Bureau;

<sup>1</sup>[(ca) "clearance" means the grant or issue of no-objection certificate, consent, allotment, approval, permission, registration, enrolment, license and the like, granted or issued by any competent authority;

(cb) "competent authority" means any individual or body of individuals or agency empowered under the relevant Act or any rules, policy, guidelines framed thereunder, to issue clearance in connection with the setting up of an industrial undertaking or

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<sup>1</sup> Inserted by Punjab Act No.15 of 2021, Section 2

- enterprise or such similar establishment, or expansion of existing enterprise or industrial undertaking or running an enterprise;]
- (d) “entrepreneur” means an entity who decides to set up an enterprise and includes, -
- (i) an individual;
  - (ii) a Hindu Undivided Family;
  - (iii) a company;
  - (iv) a registered firm;
  - (v) a Limited Liability Partnership as per the Limited Liability Partnership Act, 2008 (Central Act 6 of 2009);
  - (vi) an association of persons or a body of individuals, whether incorporated or not, in India or outside India;
  - (vii) any corporation established by or under any Central or State Act or a Government Company as defined under clause (45) of section 2 of the Companies Act, 2013 (Central Act 18 of 2013);
  - (viii) any body corporate incorporated by or under the laws of a country outside India; and
  - (ix) a co-operative society registered under any law relating to a co-operative society;
- (e) "Executive Committee" or "E.C." means the Executive Committee of the Bureau;
- (f) “Government” means the Government of the State of Punjab in the Department of Investment Promotion;
- <sup>1</sup>[(fa) “online portal” means the Single Window Portal notified by the Government for the purpose of issuing clearance;]
- (g) “policy” means any notified policy, regulation, package or programme of the Government;
- (h) “prescribed” means prescribed by rules made under this Act;<sup>2</sup>[\*\*]
- (i) “section” means a section of this Act<sup>3</sup>[; and]

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<sup>1</sup> Inserted by Punjab Act No.15 of 2021, Section 2

<sup>2</sup> Omitted by Punjab Act No.15 of 2021, Section 2

<sup>3</sup> Substituted by Punjab Act No.15 of 2021, Section 2

<sup>1</sup>[(j) “stipulated time” means the maximum time as notified by the Government from time to time to provide clearance, or to adjudicate on any appeal presented before the Appellate Authority.]

Establishment  
of Bureau.

3. (1) There shall be established a Bureau to be known as the Punjab Bureau of Investment Promotion.

(2) The Bureau shall be a body corporate as well as an authority, having perpetual succession and a common seal. It shall have the power to acquire, hold and sell the property, both moveable and immoveable, and shall by the said name sue or be sued.

Board of  
Governors.

4. (1) There shall be a Board of Governors of the Bureau which shall be the apex governing body for all matters of the Bureau. The constitution of the Board of Governors shall be as follows, namely: -

- |        |  |                            |
|--------|--|----------------------------|
| (i)    | Chief Minister;  | : Chairman                 |
| (ii)   | Minister-in-Charge,<br>Department of Investment Promotion; | : Senior Vice-<br>Chairman |
| (iii)  | Industries Minister;                                       | : Vice-<br>Chairman        |
| (iv)   | Finance Minister;  | : Member                   |
| (v)    | Agriculture Minister;                                      | : Member                   |
| (vi)   | Health and Family Welfare Minister;                        | : Member                   |
| (vii)  | Tourism Minister;  | : Member                   |
| (viii) | Labour Minister;   | : Member                   |
| (ix)   | Food Processing Minister;                                  | : Member                   |
| (x)    | Information Technology Minister;                           | : Member                   |
| (xi)   | Housing and Urban Development<br>Minister;                 | : Member                   |
| (xii)  | Local Government Minister;                                 | : Member                   |
| (xiii) | Science, Technology and Environment<br>Minister;           | : Member                   |
| (xiv)  | Chief Secretary to Government of Punjab;                   | : Member                   |
| (xv)   | Financial Commissioner, Revenue;                           | : Member                   |

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<sup>1</sup> Added by Punjab Act No.15 of 2021, Section 2

- (xvi) Financial Commissioner, Development; : Member
- (xvii) Principal Secretary, Finance; : Member
- (xviii) Financial Commissioner, Forests; : Member
- (xix) Principal Secretary to Chief Minister; : Member
- (xx) Principal Secretary, Health and Family Welfare; : Member
- (xxi) Principal Secretary, Tourism; : Member
- (xxii) Principal Secretary, Housing and Urban Development; : Member
- (xxiii) Financial Commissioner, Taxation; : Member
- (xxiv) Principal Secretary, Labour; : Member
- (xxv) Principal Secretary, Information Technology; : Member
- (xxvi) Principal Secretary, Power; : Member
- (xxvii) Principal Secretary, Industries and Commerce; : Member
- (xxviii) Principal Secretary, Local Government; : Member
- (xxix) Principal Secretary, Science, Technology and Environment; : Member
- (xxx) Principal Secretary, Investment Promotion; : Member
- (xxxi) Three technical experts to be nominated by the Government; : Members
- (xxxii) Five representatives of trade, industry and commerce to be nominated by the Government; and : Members
- (xxxiii) Chief Executive Officer. : Member-Secretary

(2) Subject to the overall control and superintendence of the Government, the Board of Governors shall provide overall policy guidance and direction to the Bureau and shall be the apex body for all matters relating to the Bureau. It shall be responsible for, -

- (a) approving the regulations and procedures of the Bureau and allocating such functions to the Executive Committee and the Chief Executive Officer, which are not otherwise specified;

- (b) creation, sanction, abolition and re-designation of posts required for effective functioning of the Bureau;
- (c) approval of any borrowings or hypothecation of any assets of the Bureau, if required;
- (d) approval and sanction, on behalf of the Government, of any fiscal incentives or other benefits to an investment proposal or project, falling outside the policies of the Government of Punjab by way of amendment of, addition to exception to such policy;
- (e) approval of the annual budget, accounts and reports, including the audit reports of the Bureau; and
- (f) making such rules and regulations under this Act, as it may consider necessary and proper to transact its business and that of the Bureau to achieve the assigned task, including matters concerning finance, accounts and personnel.

Executive  
Committee.

5. (1) There shall be an Executive Committee which shall report to the Board of Governors.

(2) The constitution of the Executive Committee shall be as follows, namely: -

- |       |   |                        |
|-------|---|------------------------|
| (i)   | Chief Secretary, Punjab;                          | : Chairman             |
| (ii)  | Principal Secretary, Finance;                     | : Member               |
| (iii) | Principal Secretary to Chief Minister;            | : Member               |
| (iv)  | Principal Secretary, Industries and<br>Commerce;  | : Member               |
| (v)   | Principal Secretary, Investment<br>Promotion; and | : Member               |
| (vi)  | Chief Executive Officer.                          | : Member-<br>Secretary |

(3) The Executive Committee may invite the concerned Administrative Secretary or any other officer of a Department as a special invitee to discuss and finalize any specific proposal or issue of such Department.

(4) The Executive Committee may co-opt any other member, if so required, for proper and effective discharge of its functions.

(5) The Executive Committee shall regularly guide, monitor, supervise and review the functioning of the Bureau.

(6) The Executive Committee shall be responsible for recommending to the Board of Governors regarding investment proposals that seek fiscal or other incentives outside the policies of the Government, notified or formulated from time to time.

(7) The Executive Committee shall carry out such other functions, as may be assigned to it by the Government or the Board of Governors.

(8) The Executive Committee may refer any matter or issue to the Government or to the Board of Governors with its recommendations or suggestions, if considered necessary; and

(9) The Executive Committee may delegate any of its powers to the Chief Executive Officer.

Special  
Committee(s).

6. The Executive Committee may constitute from time to time, such Special Committee(s), as may be considered necessary to assist it in carrying out its functions and facilitate investments in the State.

Functions of the  
Chief Executive  
Officer.

7. Functions of the Chief Executive Officer shall be, -

- (a) to receive, process and approve all investment proposals in the State;
- (b) to coordinate with the Government to encourage new investment and its actualization in the State in respect of all sectors of trade, commerce and industry;
- (c) to grant requisite approvals if the proposal is covered under the Punjab Fiscal Industrial Incentives Package, 2013 or any such similar policy, package or programme of the Government, subject to the fulfilment of conditions specified for necessary statutory and other approvals;
- (d) to grant approvals in cases where all necessary statutory and other approvals are received or deemed to have been received;
- (e) to issue Certificate of Eligibility for incentives as per policy;
- (f) to refer cases which are not fully covered under the policy of Government to the Executive Committee;
- (g) to assist various administrative/line departments whose powers are devolved upon him under various Legislations /Acts/Rules/Regulations in evolving a procedure for carrying out annual audit of the proposals approved by the Bureau during a financial year;

- (h) to resolve inter-departmental matters and coordinate with the concerned departments, qua any investment proposal, through various officers of line departments working in the Bureau;
- (i) to guide a project proposer/applicant with regard to any investments in the State in such a manner, as he may consider appropriate to ensure that the investment is made at the earliest;
- (j) to authenticate all documents on behalf of the Bureau;
- (k) to make such procedures, as may be required for the efficient functioning of the Bureau. The Board of Governors shall be notified of such procedures as it deems fit from time to time; and
- (l) to discharge such other functions, as may be assigned to him by the Government or the Board of Governors or the Executive Committee from time to time.

Powers of the Bureau.

8. (1) Subject to the overall control and superintendence of the Government, the Bureau shall exercise powers of all the Departments of the Government of Punjab as devolved upon it under their respective rules or regulations or Acts or notifications, as the case may be, to carry out the objectives of this Act, including but not limited to the following: -

Serial No.	Name of the Department	Regulatory Authority	Powers vested in the Bureau
1	Science, Technology and Environment	Punjab Pollution Control Board	(i) Consent to establish and consent to operate under the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981. (ii) Authorization under the Hazardous Waste (Management and Transboundary Movement) Rules, 2016. (iii) Registration for Recycling under the Hazardous and Other

			<p>Waste (Management and Transboundary Movement) Rules, 2016.</p> <p>(iv) Competent State Authority Clearance/ Site appraisals / approvals (under the Factories Act, 1948).</p> <p>(v) Authorization under the E-waste (Management) Rules, 2016.</p> <p>(vi) Registration under the Plastic Waste Management Rules, 2016.</p> <p>(vii) Authorization for Bio-Medical Waste Management Rules, 2016.</p>
2	Excise and Taxation	Excise and Taxation Commissioner	<ul style="list-style-type: none"> <li>- VAT incentives.</li> <li>- Registration.</li> <li>- GST incentives.</li> </ul>
3	Labour	<p>a) Director of Factories</p> <p>b) Labour Commissioner</p>	<ul style="list-style-type: none"> <li>- Shop Registration.</li> <li>- Permission for engaging contractor for labour.</li> <li>- Annual returns under Labour Laws.</li> <li>- Factories License.</li> <li>- Annual Filing under the Factories Act, 1948.</li> <li>- Factory building Plan Approval.</li> </ul>
4	Industries	Director of Boilers	<ul style="list-style-type: none"> <li>- Registration under the Boilers Act, 1923.</li> </ul>
5	Housing and Urban Development	Department of Housing and Urban Development	<ul style="list-style-type: none"> <li>- Change of land use.</li> <li>- Approval of building plans.</li> </ul>
6	Local Government	Regional Deputy Director and Commissioner, Urban Local Bodies	<ul style="list-style-type: none"> <li>- Change of land use.</li> <li>- Approval of building plans and Completion Certificate.</li> </ul>

			<ul style="list-style-type: none"> <li>- Waiver of property and other local taxes.</li> <li>- NOC of Fire Services.</li> </ul>
7	Forests and Wildlife	Principal Chief Conservator of Forests and Wildlife	<ul style="list-style-type: none"> <li>- Grant of NOCs/approvals.</li> <li>- Where approach/entry/exit involves forest land.</li> <li>- Diversion of forest land (less than one hectare).</li> </ul>
8	Power	The Punjab State Power Corporation Limited and the Punjab State Transmission Corporation Limited	<ul style="list-style-type: none"> <li>- Load sanction and issue of new electricity connection.</li> <li>- Agreement for High Tension/Extra High Tension (above 100 KV) wires.</li> </ul>
9	Power	Chief Electrical Inspector	<ul style="list-style-type: none"> <li>- Certification of electrical infrastructure.</li> <li>- Electricity Duty exemption.</li> </ul>
10	Revenue	Financial Commissioner, Revenue, District Collector, District Revenue Officer and Sub-Registrar.	-Stamp Duty exemption.

(2) The Government may by notification devolve upon the Bureau such other powers, as may be required from time to time.

(3) These powers shall be exercised by the Chief Executive Officer on behalf of the Bureau till the commencement of production/operations of the project. Thereafter, all clearances shall be accorded by the concerned Department /Regulator/Agency, as the case may be.

(4) The Bureau shall be the nodal agency of the State to organize exhibitions, conventions, conferences and Investors' Summits for the investment promotion (both within and outside the State) in various sectors.

Online Portal.

<sup>1</sup>[8-A. The Government shall set-up a dedicated online portal which shall serve as a single window for all clearances, and it shall be incumbent upon all Departments of the Government to use this online portal for the purpose of deploying all clearances that are required for the purpose of establishing and carrying on business in the State of Punjab, as notified by the Government from time to time.

Deemed Clearance.

8-B. (1) Upon failure of the competent authority to issue clearance to any application filed on the online portal, within the stipulated time, the application shall be deemed to have been issued such clearance:

Provided that the application is complete in all respects, including the submission of requisite fees and an undertaking by the applicant to comply with all provisions of the relevant Act or any rules, policy, guidelines framed thereunder, and face penal action in case of non-compliance thereof.

(2) Notwithstanding anything contained in sub-section (1), the competent authority may, within the first seven days of the submission of the completed application, ask for additional information from the applicant:

Provided that such request for additional information shall be made only once by the competent authority

(3) In case the additional information furnished by the applicant to the competent authority is found to be insufficient or unsatisfactory upon scrutiny, the competent authority shall be at liberty to reject the application within the stipulated time by issuing an order in writing, giving reasons for rejecting the application:

Provided that in case no order is issued within the stipulated time by the competent authority, the application shall be deemed to have been issued clearance.

(4) The deemed clearance shall, for all intents and purposes, carry the weight of a clearance granted by the competent authority under the relevant Act or any rules, policy, guidelines framed thereunder.

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<sup>1</sup> Inserted by Punjab Act No.15 of 2021, Section 3

Revocation of deemed clearance.

8-C. (1) The Administrative Secretary concerned, may, through an order issued in writing, delineating the reasons thereof, revoke the deemed clearance granted under section 8-B, within a period of six months from the grant of deemed clearance, if any submission made by the applicant in the Common Application Form or any supporting document is found to be false or fraudulent, or the applicant's business being run or established on the basis of deemed clearance issued by the Government is found to be in violation of any provision of the relevant Act or any rules, policy, guidelines framed thereunder, and such a fact is brought to the notice of the Department or agency concerned.

(2) In case of violation, action shall be initiated against the applicant by the competent authority under the relevant law:

Provided that any such action shall be initiated after an opportunity of being heard has been given to the applicant, and the orders are issued in writing by the concerned Administrative Secretary.

Appeal mechanism.

8-D. Any appeal regarding any grievance(s) of an applicant, in respect of the issuance or rejection or revocation of deemed clearance, shall lie with the Government of the concerned department, and all appeals shall be disposed of by passing a speaking order within thirty days from the date of filing of the appeal.

Overriding effect on other laws.

8-E. Notwithstanding anything inconsistent contained in any other law of the State Legislature for the time being in force, covering the grant of clearance under section 8-B, or any rules, policy, guidelines framed thereunder, the provisions of this Act shall have an overriding effect.

Auto renewal of clearances.

8-F. All clearances granted under the relevant Act or any rules, policy, guidelines framed thereunder, shall automatically be renewed on submission of an undertaking by the applicant that there is no change in the parameters against which renewal is sought and on submission of requisite fee:

Provided that such renewals shall be online, automatic and non-discretionary.

Inspections.

8-G. The provisions contained in section 8-B shall not debar the competent authority from carrying out inspections to ensure compliance of

conditions of the relevant Act or any rules, policy, guidelines framed thereunder.]

Officers and employees of the Bureau.

9. (1) The Head of the Department of Investment Promotion shall be the Chief Executive Officer of the Bureau. Such an officer shall not be below the rank of an IAS Officer in the Super time scale.

(2) The Bureau may create such other posts and appoint such other officers and employees, as it may deem necessary for efficient discharge of its functions.

(3) As far as possible, the officers and employees of the Bureau, shall be drawn on deputation/ secondment or recruited on contractual basis on such terms and conditions, as may be approved by the Board of Governors.

(4) The Chief Executive Officer shall exercise the power of supervision and control over all the officers and employees of the Bureau. He shall sign all the contracts for engaging the employees on contract basis. He shall also be the competent authority to sign all documents, approvals and sanctions granted or issued by the Bureau.

Meetings.

10. (1) The Board of Governors shall meet as often as required to carry out its functions.

(2) Likewise, the Executive Committee of the Bureau shall meet as often as may be required to carry out the task assigned to it.

Financing of the Bureau.

11. (1) The Bureau shall be financed by the Government by way of an annual Grant-in-Aid.

(2) The Bureau shall receive such fee or charges on the proposals processed by it, as may be prescribed by the Board of Governors.

(3) The Bureau may maintain a separate bank account of its receipts and expenditure.

(4) The accounts of the Bureau shall be audited annually by the statutory and government auditors.

(5) The Bureau shall finalize its quarterly and annual receipts and expenditure accounts within thirty days and sixty days, respectively from the close of the relevant quarter/year.

(6) The delegation of financial powers shall be such, as may be

approved by the Executive Committee from time to time.

Power to  
remove  
difficulties.

12. If any difficulty arises in proper discharge of functions, the Chief Executive Officer shall make a reference to the Executive Committee with suggestions/ proposals to remove such difficulties and the decision of the Executive Committee in this regard shall be binding, subject to the ratification by the Board of Governors.

Power to  
issue  
directions.

13. The Government shall, if so required, have the power to issue policy directions to the Bureau on the matters assigned to it and all such directions shall be binding on the Bureau.

Power to  
delegate.

14. The Board of Governors may delegate any of its powers to the Executive Committee or the Chief Executive Officer, as the case may be.

Power to make  
rules.

15. (1) The Government may, by notification, make rules for carrying out the purposes of this Act.

(2) Every rule made under this section 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 in which it is so laid or the successive sessions as aforesaid, the House agrees in making any modification in the rule or the House agrees that the rules should not be made, the rules 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 or omitted to be done under that rule.

Merger of  
existing  
bodies.

16. On and with effect from the date of commencement of this Act, the Government may, by notification, merge any committee or board, functioning on the matters relating to industries with the Bureau. Upon such merger, the functions hitherto being performed and the powers being exercised by such committees or boards, as the case may be, shall vest in the Bureau.

Protection  
of action  
taken in  
good faith.

17. No suit or legal proceedings shall lie against the Chairman or other members of the Board of Governors or the Executive Committee or any officer or employee of the Bureau in respect of anything which is in good faith done or intended to be done in pursuance of the provisions of this Act or any rule made thereunder.

Saving.

18. All actions taken under Notification no. 7/17/13AS1/1998 dated

5/12/2013 shall be deemed to have been taken under this Act.

Repeal and  
saving.

19. (1) The Punjab Industrial Facilitation Act, 2005 (Punjab Act No. 23 of 2005), is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the Act, referred to in sub-section (1), shall be deemed to have been done or taken under the corresponding provisions of this Act.