

THE PUNJAB RIGHT TO BUSINESS (AMENDMENT) BILL, 2025

A

BILL

further to amend the Punjab Right to Business Act, 2020.

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

Short title and commencement.

1. (1) This Act may be called the Punjab Right to Business (Amendment) Act, 2025.

(2) It shall come into force on and with effect from the date of its publication in the Official Gazette.

Amendment in the preamble of Punjab Act 1 of 2020.

2. In the Punjab Right to Business Act, 2020 (hereinafter referred to as the principal Act), in the preamble, for the words “newly incorporated Micro, Small and Medium Enterprises”, the words “Eligible Enterprises” shall be substituted.

Amendment in section 2 of Punjab Act 1 of 2020.

3. In the principal Act, in section 2,-

(i) in clause (a), for the words “required under any Punjab law”, the words “required under any law” shall be substituted;

(ii) after clause (c), the following clause shall be inserted, namely:-

“(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;”;

(iii) in clause (d), for the words “established by any Punjab law”, the words “established by any law” shall be substituted;

(iv) in clause (e), for the words “an enterprise under any Punjab law”, the words “an enterprise under any law” shall be substituted;

(v) for clause (ga), the following clause shall be substituted, namely:-

“(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;”;

(vi) for the clause (h), the following clause shall be substituted, namely:-

“(h) “Enterprise” means a micro, small or medium enterprise, as defined in clause (e) of section 2 of Micro, Small and Medium

Enterprises Development Act, 2006; or large enterprise with Fixed Capital Investment (land, building and plant and machinery) upto the limit as may be notified by the Government;”;

(vii) after clause (i), the following clause shall be inserted, namely:-

“(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;” and

(viii) for clause (l), the following clause shall be substituted, namely:-

“(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;”

4. In the principal Act, in section 3, in sub-section (1), for the words “Micro, Small and Medium Enterprises”, the words “Eligible Enterprises” shall be substituted.

Amendment in section 3 of Punjab Act 1 of 2020.

5. In the principal Act, in section 4,-

(i) in clause (ii), for the words “Micro, Small and Medium Enterprises”, the words “Eligible Enterprises” shall be substituted; and

(ii) in clause (iv), for the words “Micro, Small and Medium Enterprises”, the words “Eligible Enterprises” shall be substituted.

Amendment in section 4 of Punjab Act 1 of 2020.

6. In the principal Act, in section 6, in sub-section (2), in clause (a), for the words “Micro, Small and Medium Enterprises”, the words “Eligible Enterprises” shall be substituted.

Amendment in section 6 of Punjab Act 1 of 2020.

7. In the principal Act, in section 8,-

(i) for sub-section (5), the following sub-section shall be substituted, namely:-

“(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 siting guidelines for setting up industries issued by various departments.”; and

Amendment in section 8 of Punjab Act 1 of 2020.

- (ii) in sub-section (7), for the words and brackets “the single window system of the Punjab Bureau of Investment Promotion (PBIP)”, the words “the State single window system of Punjab” shall be substituted.

Amendment in
section 10 of
Punjab Act 1 of
2020.

8. In the principal Act, in section 10, for sub-sections (1) and (2), the following sub-sections shall be substituted, namely:-

“(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 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.”

Amendment in
section 11 of
Punjab Act 1 of
2020.

9. In the principal Act, in section 11, in sub-section (1), for the words “application or violation”, the words “application/ Declaration of Intent or violation” shall be substituted.

Amendment in
section 13 of
Punjab Act 1 of
2020.

10. In the principal Act, in section 13, for the words “Micro, Small and Medium Enterprises”, the words “Eligible Enterprises” shall be substituted.

Amendment in
section 17 of
Punjab Act 1 of
2020.

11. In the principal Act, in section 17, for the words “provisions of any Punjab law”, the words “provisions of any law” shall be substituted.

Amendment
in section 18
of Punjab Act
1 of 2020.

12. In the principal Act, in section 18,-

(i) for sub-section (2), the following sub-section shall be substituted, namely:-
“(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
2.	The Punjab Regional and Town Planning and Development Act, 1995 (As per existing by-laws)	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 and Emergency Service 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 to the Factories Act, 1948)
5.	The Punjab Shops and Commercial Establishments 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)	1. Registration of Principle Employer 2. Registration under BOCW Act, 1996
7.	The Factories Act, 1948	1. Stability Certificate 2. Factory License
8.	The Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981	1. Consent to Establish (Within 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"; and

- (ii) after sub-section (2), the following sub-sections shall be added, namely:-
- “(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

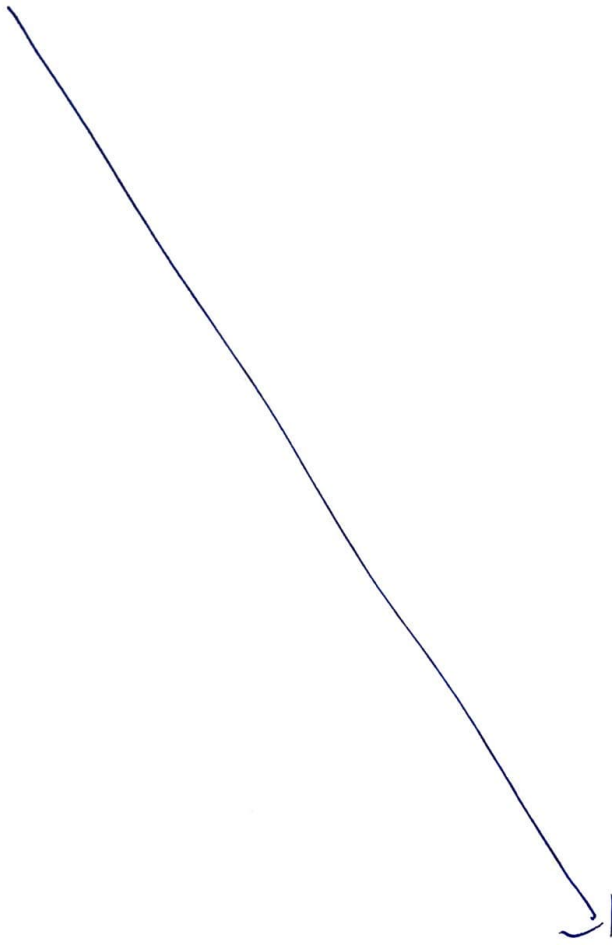
remaining services under sub-section (2).

(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.

(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.”

Amendment in
section 19 of
Punjab Act 1 of
2020.

13. In the principal Act, in section 19, for the words “chargeable under any Punjab law”, the words “chargeable under any law” shall be substituted.



STATEMENT OF OBJECTS AND REASONS

The Punjab Right to Business (Amendment) Bill, 2025 is aimed to amend the Punjab Right to Business Act, 2020 and the Punjab Right to Business (Amendment) Act, 2021 by including additional pre-construction regulatory approvals, i.e., Registration of Principle Employer, Registration under BOCW Act, Stability Certificate, Factory License, Consent to Establish, Consent to Operate and No Objection Certificate (NOC) for no forest land, within the ambit of the Act. This is envisaged to provide a more comprehensive, efficient, and investor-friendly framework, thereby facilitating Ease of Doing Business in the State. The eligible enterprises in approved industrial parks or real estate projects will receive a Certificate of In-Principle Approval within 5 working days, while those outside these areas will receive it within 15 days for new enterprises and 18 days for existing ones, as per the prescribed procedure.

SANJEEV ARORA,
Industries & Commerce Minister,
Punjab.

**CHANDIGARH:
THE 26TH SEPTEMBER, 2025**

**R. L. KHATANA,
SECRETARY.**

N.B. - The above Bill published in the Punjab Government Gazette (Extraordinary), dated the 26th September, 2025 under the proviso to rule 121 of the Rules of Procedure and Conduct of Business in the Punjab Vidhan Sabha (Punjab Legislative Assembly).