

The Punjab Industrial Facilitation Act, 2005

PUNJAB

India

The Punjab Industrial Facilitation Act, 2005

Act 23 of 2005

- Published on 6 December 2005
- Commenced on 6 December 2005
- [This is the version of this document from 6 December 2005.]
- [Note: The original publication document is not available and this content could not be verified.]

The Punjab Industrial Facilitation Act, 2005 Punjab Act No. 23 of 2005 Statement of Objects and Reasons - Pace of Industrial Development has slackened in Punjab over past few years. Share of manufacturing sector in the State G.D.P. has also been declining over a period of time and it was only 13.62% during the year 2003-04. Steps are, therefore, required to be taken to rejuvenate the industrial sector. During interaction with the representatives of Industry, it has been expressed that the procedure needs to be further simplified so as to make them transparent. World Bank in their study report on accelerating reform process in Punjab has also suggested the development of a time bound and non-discretionary approval process for investment clearances. Therefore, in order to provide for speedy issue of various clearances required for setting up of industrial undertakings and to provide for concession to such Industrial Undertakings for an investor friendly environment in the State, it is proposed to make the Punjab Industrial Facilitation, Act 2005. Published by Punjab Government Gazette (Extraordinary), dated October 13, 2005, Page 2184. [Dated the 6th December, 2005] Department of Legal and Legislative Affairs, Punjab No. 36-Legislative/2005. - The following Act of the Legislature of the State of Punjab received the assent of the Governor of Punjab on the 29th November, 2005, and is hereby published for general information :- An Act to provide for the measures for speedy implementation of industrial projects and to ensure smooth functioning of the existing industries in the State of Punjab by providing single point clearances to the entrepreneurs with a view to provide facilitative environments and for the matters connected therewith or incidental thereto. Be it enacted by the Legislature of the State of Punjab in the Fifty-sixth Year of the Republic of India as follows :-

1. Short title and commencement.

- This Act may be called the Punjab Industrial Facilitation Act, 2005. (2) It shall come into force at once.

2. Definitions.

- In this Act, unless the context otherwise requires, -(a)"clearances" means no objection certificates, allotments, consents, approvals, permissions, registration, enrolments and licences, granted or issued by the competent authority in connection with the setting up of an industrial undertaking in the State of Punjab;(b)"competent authority" means any department or agency of the State Government or any other agency, Gram Panchayat, Municipality or other local body, which is entrusted with the powers and responsibilities to grant or issue clearances;(c)"District Committee" means the District Single Window Clearance Committee constituted under Section 3;(d)"Empowered Committee" means the Committee constituted by the State Government under Section 5;(e)"industrial undertaking" means an undertaking engaged in manufacturing or processing or both or providing service or doing other business or commercial activity, specified by the State Government;(f)"Nodal Agency" means an agency, notified by the State Government at the District level or at the State level under Sections 9 and 11, respectively;(g)"notification" means a notification published in the Official Gazette of the State Government;(h)"prescribed" means prescribed by rules made under this Act;(i)"section" means a section of this Act;(j)"State Board" means the State Board for Industrial Facilitation constituted by the State Government under Section 7;(k)"State Government" means the Government of the State of Punjab; and(l)"State Law" means a law made by the Legislature of the State of Punjab.

3. Constitution of District Committee.

(1)There shall be constituted a District Committee by the State Government, by notification, for each district in the State of Punjab for the purposes of this Act to be called the District Single Window Clearance Committee.(2)The District Committee constituted under sub-section (1), shall consist of the Chairman and the senior-most officers in the district of the following departments, authorities and boards as members, namely :-

(a) the Deputy Commissioner;	Chairman
(b) the Department of Industries;	Member-Secretary
(c) the Punjab Urban Development Authority;	Member
(d) the Punjab Pollution Control Board;	Member
(e) the Department of Local Government;	Member
(f) the Department of Public Works;	Member
(g) the Punjab State Electricity Board;	Member
(h) the Department of Labour and Employment;	Member
(i) the Department of Housing and Urban Development; (Town and Country Planning Wing); and	Member
(j) the Department of Forests;	Member

(3)In addition to the members mentioned in sub-section (2), the Chairman may associate any other person as an expert on a particular subject under consideration of the District Committee, if he deems necessary.

4. Powers and functions of District Committee.

- Subject to the provisions of this Act, the District Committee shall exercise the powers and perform the functions as mentioned below:-(a)to receive applications for clearances for setting up industrial undertakings up to the investment limit as specified under Section 19;(b)to review and monitor the processing of applications received by the competent authority for clearances and forward the orders of the competent authority to the applicant;(c)to inform the applicant of the date on which the application was forwarded by the District Committee to the competent authority and the date on which such application was received by the competent authority, and the date on which clearances on such application shall be deemed to have been granted in the case of deemed approval; and(d)to forward cases to the Empowered Committee.

5. Constitution of Empowered Committee.

(1)There shall be constituted an Empowered Committee by the State Government, by notification for the purposes of this Act to be called the Empowered Committee on Industrial Facilitation.(2)The Empowered Committee constituted under sub-section (1), shall consist of the Chairman and the following members, namely :-

(a) Minister for Industries, Punjab	Chairman
(b) the Chief Secretary to Government of Punjab;	Member
(c) the Principal Secretary to Government of Punjab, Department of Industries and Committee;	Member
(d) the Principal Secretary to Government of Punjab, Department of Finance;	Member
(e) the Principal Secretary to Government of Punjab, Department of Power;	Member
(f) the Principal Secretary to Government of Punjab, Department of Science, Technology and Environment;	Member
(g) the Principal Secretary to Government of Punjab, Department of Labour and Employment;	Member
(h) the Principal Secretary to Government of Punjab, Department of Forests;	Member
(i) the Principal Secretary to Government of Punjab, Department of Public Works;	Member
(j) the Principal Secretary to Government of Punjab, Department of Excise and Taxation;	Member
(k) the Principal Secretary to Government of Punjab, Department of Local Government;	Member
(l) the Principal Secretary to Government of Punjab, Department of Housing and Urban Development;	Member
(m) the Chairman, Punjab State Electricity Board;	Member
(n) the Chairman, Punjab Pollution Control Board; and	Member
(o) the Secretary-cum-Director, Industries and Commerce.	

Member-
Secretary

(3) In addition to the members mentioned in sub-section (2), the Chairman may associate any other person as an expert on a particular subject under consideration of the Empowered Committee, if he deems necessary.

6. Powers and functions of Empowered Committee.

(1) Subject to the provisions of this Act, the Empowered Committee shall exercise the powers and perform the functions as mentioned below :-(a) to receive applications for clearances for setting up industrial undertakings along with the proposed amendments beyond the limit specified under Section 19; (b) to review and monitor the disposal of applications made to the District Committees and the competent authorities; (c) to examine and review the order under Section 17; (d) to grant exemption or relaxation to any existing or proposed industrial undertaking or category of industrial undertakings or cluster of undertakings from the operation of any of the provisions of this Act or rules made thereunder; (e) to grant exemption or relaxation from the provisions of any other State Law relating to industrial development under which an authority subordinate to the State Government has been empowered under that law to grant such exemption or relaxation; and (f) to resolve inter-departmental matters pertaining to industrial undertakings. (2) The decisions of the Empowered Committee shall be final and binding on the District Committees and the competent authorities and if there is any conflict between the decisions of the Empowered Committee, the District Committee, or the competent authority, the decision of the Empowered Committee shall prevail.

7. Constitution of the State Board.

(1) There shall be constituted a State Board by the State Government, by notification for the purposes of this Act. (2) The State Board constituted under sub-section (1), shall consist of the Chairman and the following members, namely :-

(a) The Chief Minister of Punjab;	Chairman
(b) the Minister of Finance;	Member
(c) the Minister of Power;	Member
(d) the Minister of Labour and Employment;	Member
(e) the Minister of Science, Technology and Environment;	Member
(f) the Minister of Forests;	Member
(g) the Minister of Public Works;	Member
(h) the Minister of Excise and Taxation;	Member
(i) the Minister of Local Government;	Member
(j) the Minister of Housing and Urban Development;	Member
(k) the Minister of Industries;	Member

- | | |
|--|------------------|
| (l) the Chief Secretary to Government of Punjab; and | Member |
| (m) the Principal Secretary to Government of Punjab, Department of Industries and Commerce | Member Secretary |

8. Powers and functions of the State Board.

(1) Subject to the provisions of this Act, the State Board shall exercise the powers and perform the functions as mentioned below :- (a) to review and monitor the disposal of applications made to the District Committees, Empowered Committee and the competent authority for grant of clearances; (b) to examine and review the order under Section 18; (c) to grant exemption or relaxation to any existing or proposed industrial undertaking or category of industrial undertakings or cluster of undertakings from the operation of any of the provisions of this Act or rules made thereunder; and (d) to grant exemption or relaxation from the provisions of any other law made by the Punjab State Legislature relating to industrial development, wherein such power of exemption or relaxation is vested with the State Government. (2) The orders passed by the State Board shall be final and binding on the Empowered Committee, the District Committee and the competent authority, and if there is any conflict between the decisions of the State Board and the Empowered Committee, the decision of the State Board shall prevail.

9. District Level Nodal Agency.

- The State Government shall, by notification, notify each District Industry Centre in the State of Punjab as a District Level Nodal Agency.

10. Functions of District Level Nodal Agency.

(1) The District Level Nodal Agency shall provide official support or any other relevant information to the District Committee and forward applications complete in all respects for clearance to the concerned competent authority within a period of three working days from the date of their receipt. (2) On the receipt of an application for clearances, the District Level Nodal Agency shall issue an acknowledgement in token thereof to the applicant. (3) The District Level Nodal Agency shall pursue the applications sent to the concerned competent authority for clearances.

11. State Level Nodal Agency.

(1) The State Government shall, by notification, notify the Udyog Sahayak of the Directorate of Industries as a State Level Nodal Agency. (2) The State Level Nodal Agency shall be headed by the Director of Industries and Commerce, who shall be assisted by an officer, not below the rank of an Additional Director of Industries and Commerce and such other persons, as the State Government may consider necessary.

12. Functions of the State Level Nodal Agency.

(1)The State Level Nodal Agency shall provide official support or any other relevant information to the Empowered Committee and the State Board.(2)On the receipt of an application for clearances, the State Level Nodal Agency shall issue an acknowledgement in token thereof to the applicant.(3)The State Level Nodal Agency shall pursue the applications sent to the concerned competent authority for clearances.

13. Application form and fee for clearances.

- The applications for clearances shall be submitted by the applicants in such form (technically called as combined application form) along with such fee, as may be prescribed :Provided that where any form and fee has been prescribed for such clearances in any Central Law, the applications shall be submitted only in that very form along with that fee.

14. Procedure for disposal.

(1)The applications submitted for clearances shall be disposed of by following such procedure, as may be laid down in the rules.(2)The applications referred to in sub-section (1), shall be disposed of within such period, as may be specified by the State Government keeping in view the nature of clearances.(3)While granting clearances, the competent authority may ask for any additional information from the applicant :Provided that such an additional information shall be sought by the competent authority within the period, stipulated for such clearances :Provided further that any additional information shall be called for only at one time.(4)If no additional information is sought by the competent authority from the applicant, it shall pass orders on the application with regard to clearances before the expiry of the stipulated period.(5)In case, an additional information is sought by the competent authority from the applicant, the application for clearances shall be disposed of within the stipulated period, which shall be counted from the date of receipt of the additional information.

15. Deemed approval.

- The State Government may, by notification, notify the clearances in respect of which, failure by the competent authority to grant clearance or pass final order within the period, specified under sub-section (2) of Section 14, shall be treated as a deemed approval.

16. Review of district level cases.

- Notwithstanding anything contained in any State Law, for the time being in force, the District Committee may, either suo moto or on an application made to it, examine any order passed by the competent authority, rejecting any clearance or approving the same, and pass a revised order, if the District Committee considers that there are valid reasons for doing so. It may also forward such a case to the Empowered Committee for taking necessary action, if it deems appropriate.

17. Review of order by the Empowered Committee.

- Notwithstanding anything contained in any State Law, for the time being in force, the Empowered Committee may, either suo moto or on an application made to it, examine any order passed by the Competent authority, rejecting any clearance or approving the same, and pass a revised order, if the Empowered Committee considers that there are valid reasons for doing so :Provided that where an order of clearance has been passed by the State Government as a competent authority, the same shall be referred to the State Board for appropriate decision.

18. Review of order by the State Board.

- Notwithstanding anything contained in any State Law, for the time being in force, the State Board may, either suo moto or on a reference made to it, examine any order passed by the Empowered Committee, rejecting any clearance or approving the same, and pass a revised order, as it may deem fit and the order so passed, shall be final.

19. Pecuniary jurisdiction of District Committees.

- The State Government may, by notification, specify the investment limit up to which, the applications for clearances shall be made to the District Committees. The applications for clearances beyond the specified investment limit, shall be made to the Empowered Committee.

20. Power to exempt.

- The State Government may, by notification, exempt from the operation of any of the provisions of this Act relating to clearances, if it considers necessary to do so in public interest.

21. Act to override other laws.

- The provisions of this Act shall have overriding effect notwithstanding anything inconsistent therewith contained in any other State Law for the time being in force.

22. Power to remove difficulties.

(1) If any difficulty arises in giving effect to any of the provisions of this Act, the State Government may, by an order published in the Official Gazette, make such provisions, not inconsistent with the provisions of this Act, as may appear to it to be necessary for removing the difficulty :Provided that no such order shall be made after the expiry of a period of two years from the date of commencement of this Act. (2) Every order made under this section, shall be laid, as soon as may be, after it is made, before the Punjab State Legislature.

23. Power to give directions.

- The State Government may from time to time, issue to the Empowered Committee or to the District Committees such general or special directions, as it may deem necessary or expedient for the purpose or carrying out the provisions of this Act and the Empowered Committee or the District Committees, as the case may be, shall be bound to follow and act upon such directions.

24. Merger of existing bodies.

- On and with effect from the date of commencement of this Act, the State Government may, by notification, merge any committee or board, functioning on the matters relating to industries with the District Committees, Empowered Committee or the State Board, as the case may be. Upon such merger, the functions hitherto being performed and the powers being exercised by such committees or board, shall vest in the District Committees or the Empowered Committee or the State Board, as the case may be, in which these are merged.

25. Liberty to an entrepreneur.

- Notwithstanding anything contained in this Act, an entrepreneur, shall be at liberty to apply for clearances direct to the concerned competent authority instead of following the procedure, laid down under this Act.

26. Power to give concessions.

(1)The State Government may, with a view to facilitate the industrial investment in the State of Punjab, give concession to any industrial undertaking or group of industrial undertakings, subject to such conditions, as may be prescribed.(2)While giving such concession, the Government may, relax the relevant rules and regulations, framed under any State Law.

27. Recovery of concession.

(1)In case an industrial undertaking violates any of the conditions, subject to which the concession under Section 26 was given the amount of such concession along with interest at the rate of twelve per cent per annum shall be recovered from the defaulting industrial undertaking as arrears of land revenue.(2)Notwithstanding any agreement executed between the State Government and the industrial undertaking, before the commencement of this Act, regarding grant of concession, the recovery of the amount of such concession, in the event of default, shall be made in accordance with the provisions of this Act and the rules made thereunder.

28. Power to make rules.

(1)The State Government may, by notification, make rules for carrying out the purposes of this Act.(2)In particular, and without prejudice to the generality of the foregoing power, such rules may

provide for all or any of the following matters, namely :-(a)prescription of the form in which the applications for clearances shall be submitted under Section 13;(b)prescription of fee for the submission of form under Section 13;(c)laying down the procedure for disposal of the applications submitted for clearances under Section 14;(d)prescription of conditions for giving concession under sub- section (1) of Section 26; and(e)any other matter which is to be or may be prescribed under this Act.(3)Every rule made under this Act, shall be laid, as soon as may be, after it is made, before the House of the Punjab 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 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, so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done or omitted to be done under that rule.

29. Repeal and saving.

(1)The Punjab Industrial Facilitation Ordinance, 2005 (Punjab Ordinance No. 10 of 2005), is hereby repealed.(2)Notwithstanding such repeal, anything done or any action taken under the Ordinance referred to in sub-section (1) shall be deemed to have been done or taken under the corresponding provisions of this Act.