

THE PUDUCHERRY MUNICIPALITIES
(AMENDMENT) BILL, 2025
(Bill No. 7 of 2025)

A
BILL

**further to amend the Puducherry Municipalities
Act, 1973.**

BE it enacted by the Puducherry Legislative Assembly in the Seventy-sixth Year of the Republic of India as follows :—

Short title and
commencement.

1. (1) This Act may be called the Puducherry Municipalities (Amendment) Act, 2025.

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

Amendment of
section 348.

2. In the Puducherry Municipalities Act, 1973, (hereinafter referred to as the Principal Act), section 348 shall be omitted.

Amendment of
section 355.

3. In the principal Act, for section 355, the following shall be substituted, namely:—

(1) No business or trade shall be carried on within the jurisdiction of the Municipality without the trade licence issued by the Commissioner. The Government shall make rules to prescribe the procedure to be followed by the Commissioner for issuing of the trade licence.

(2) The trade licence issued shall be valid for a period not exceeding five' years on payment of the trade licence fee as notified by the Government.

(3) The trade licence issued shall be renewed on application by the licence holder and on payment of the licence fee.

(4) If it is found that the licence was obtained by making a false statement or misrepresentation of any material facts, the same shall be revoked as per the prescribed procedure.

(5) Where the existing trade licensee has filed the required application for renewal before the commencement of this Act, within the time provided under the existing provisions of the Act, it shall be considered for renewal under this section.

(6) The provisions contained in this Act or any rules or regulations made thereunder shall continue to apply to the trade licences, in so far as they are not inconsistent with the provisions of this Chapter.

4. In the principal Act, section 356 shall be omitted. Amendment of section 356.

5. In the principal Act, section 378 shall be omitted. Amendment of section 378.

STATEMENT OF OBJECTS AND REASONS

1. The Government of Puducherry intends to provide in an industry, an investment friendly atmosphere in the Union territory of Puducherry by reducing the compliance burden on industries and business establishments and, thereby, create economic and employment opportunities and, therefore, it is considered essential that sections 348, 355 and 356 of the Puducherry Municipalities Act, 1973 need to be revised in accordance with the principles of promoting Ease of Doing Business.

2. The above provisions of the Puducherry Municipalities Act, 1973 aims to regulate the places or buildings used for public resorts, gatherings or entertainment under section 348, trades under section 355 and Factories under section 356. The amendment intends to keep all the businesses under one section.

3. In the principal Act, section 356 necessitates the prior permission of the Commissioners of the Municipalities, for construction of any new factory, workshop or commercial work-place where any machinery or manufacturing plant drawn by steam power, water power, or other mechanical power or electrical power is intended to be installed within the geographical boundaries of a municipality. The said provision is proposed to be omitted.

4. There are other specialized agencies of the Government under the relevant Acts and regulations, like the Planning Authorities, Labour, Industry and the Pollution Control Authorities, Fire Services Department and the Food and Drugs Safety officials *etc.*, who are specifically entrusted with the duties to assess the scientific aspects, given / permissible norms and proscribed activities which are likely to be offensive or dangerous to human life or public health or property. Hence, assessing or examining such aspects at the Municipal level is neither feasible nor desirable and, being redundant, may delay the new businesses affecting both the economic growth and the employment opportunities. Besides, the repetitive processing at the various levels, interferes with the main nature and focus of the Municipalities, which is infrastructure development and maintenance, and provision of sanitation, hygiene and civic services.

5. The Municipalities also do not have any specialized manpower or Authority to assess, regulate or monitor the above aspects.

6. In order to simplify the process of applying for and obtaining the trade licence, this amendment is proposed by the Local Administration Department, Government of Puducherry.

7. The National Human Rights Commission (NHRC) has stated that, section 378 of the Puducherry Municipalities Act, 1973 is found to be discriminatory and constitutes a severe human rights violation of persons affected by Leprosy. Hence, it is proposed to amend section 378 of the Puducherry Municipalities Act, 1973 as recommended by the National Human Rights Commission.

8. The Bill seeks to achieve the above objectives.

N. RANGASAMY,
Chief Minister.

FINANCIAL MEMORANDUM

The proposed Puducherry Municipalities (Amendment) Bill, 2025 does not involve any recurring or non-recurring expenditure from the Consolidated Fund of the Union territory of Puducherry.
