

THE PUDUCHERRY VILLAGE AND COMMUNE  
PANCHAYATS (AMENDMENT) BILL, 2025  
(Bill No. 8 of 2025)

A  
BILL

**further to amend the Puducherry Village and  
Commune Panchayats 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  
Village and Commune Panchayats  
(Amendment) Act, 2025.
- (2) It shall come into force on and from the  
date of its publication in the Official  
Gazette.

Amendment of  
section 121.

2. In Puducherry Village and Commune Panchayats  
Act, 1973 (here after referred to as the principal Act,) for section 121, the following shall be substituted, namely:—

(1) No business or trade shall be carried on within the jurisdiction of the Commune Panchayat 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 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 the provisions of the Act.

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

3. In the principal Act, section 122 shall be omitted. Amendment of section 122.

4. (1) In the principal Act, in section 123 in sub-section (1) the clause (c) shall be omitted. Amendment of section 123.

(2) In the said section, the sub-section (2) and the proviso clause thereunder, shall be omitted.

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## STATEMENT OF OBJECTS AND REASONS

1. The Government of Puducherry intends to provide 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 121, 122, 123 (1) (c) and (2) of the Puducherry Village and Commune Panchayats Act, 1973, needs to be revised in accordance with the principles of promoting the Ease of Doing Business.

2. The above existing provisions of the Puducherry Village and Commune Panchayats Act, 1973 aims to regulate industry or trades which are likely to be offensive or dangerous to human life or public health or property. This Act mandates the prior permission of the Government of Puducherry to construct any new factory, workshop or commercial work-place where any machinery or manufacturing plant driven by steam power, water power, or other mechanical power or electrical power may be installed within the geographical boundaries of a Commune Panchayat.

3. There are other specialized agencies of 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 Commune Panchayats 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 development activities and the focus of the Commune Panchayats.

4. The Commune Panchayats also do not have any specialized manpower or Authority to assess, regulate or monitor the above aspects.

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

6. The above Bill seeks to achieve the above objectives.

**N. RANGASAMY,**  
Chief Minister.

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#### FINANCIAL MEMORANDUM

The proposed Puducherry Village and Commune Panchayats (Amendment) Bill, 2025 does not involve any recurring or non-recurring expenditure from the consolidated fund of the Union territory of Puducherry.

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