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புதுச்சேரி மாநில அரசிதழ்
La Gazette de L'État de Poudouchéry
The Gazette of Puducherry

PART - II

சிறப்பு வெளியீடு

EXTRAORDINAIRE

EXTRAORDINARY

அதிகாரம் பெற்ற
வெளியீடு

Publiée par
Autorité

Published by
Authority

எண்	புதுச்சேரி	செவ்வாய்க்கிழமை	2026 ஆம் ஆண்டு	ஆகஸ்ட்	25
No.	48 Poudouchéry	Mardi	25	Août	2026
No.	Puducherry	Tuesday	25th	August	2026
(3 Bhadra 1948)					

GOVERNMENT OF PUDUCHERRY
LEGISLATIVE ASSEMBLY SECRETARIAT

No. XVI-PLA/LAS/REF/2026.

Puducherry, dated 25th August 2026.

In pursuance of rule 140 of the Rules of Procedure and Conduct of Business of the Puducherry Legislature Assembly, 1966, the following Bills viz.,

1. The Puducherry Business Reforms Bill, 2026 (Bill No. 6 of 2026).

which was introduced and passed in the Legislative Assembly on the 25th August, 2026, is hereby published for general information.

J. DAYALANE,
Secretary.

THE PUDUCHERRY BUSINESS
REFORMS BILL, 2026

(As passed by the Puducherry Legislative Assembly)

A

BILL

to provide for replacement of permission-based control with rule-based governance; by affirming that lawful enterprises and occupations are permitted by default; by placing upon the Union territory of Puducherry, the burden of justification where it restricts such activity; and by requiring that public power be exercised through transparent, time-bound, and accountable processes and to transform regulation from a source of uncertainty into a framework of trust, to enable citizens and enterprises to plan, invest, and work with confidence, and to foster Ease of Doing Business and Ease of Living in a manner that generates employment, attracts investment, and sustains long-term economic growth in the Union territory of Puducherry.

BE it enacted by the Legislature of the Union Territory of Puducherry in the Seventy-Seventh year of the Republic of India as follows:—

CHAPTER—I

PRELIMINARY

Short title,
Extent and
Commencement.

1. (1) This Act may be called "The Puducherry Business Reforms Act, 2026";

(2) It extends to the whole of the Union territory of Puducherry;

(3) It shall come into force on the date of its publication in the Official Gazette of the Government of Puducherry;

(4) Upon the commencement of this Act, the Schedules appended hereto shall have effect as part of this Act and shall be enforceable by force of law, except where otherwise expressly provided.

2. In this Act, unless the context otherwise requires,—

Definitions.

(a) 'Acknowledgement Certificate' means a Certificate as defined under section 2 (a) of The Puducherry Micro, Small and Medium Enterprises (Exemption from Approvals to Commence Business) Act, 2024;

Act
No.6
of
2024.

(b) 'Act' means the Puducherry Business Reforms Act, 2026;

(c) 'Appropriate Authority' means Industrial Area Development Authority of an Authority of the Government of Puducherry or any Department / Authority / Board / Corporation/ Society / Co-operative / Autonomous Body of the Union territory of Puducherry;

(d) 'Approval' means acknowledgement or No Objection Certificate or consent or registration or permission or licence or any such other similar instrument by whatever name called, required under any Law or Regulation or practice in any Department of the Union territory of Puducherry and includes the deemed approval or Acknowledgement Certificate;

(e) 'Change in Land Use' means the moment a proposal of an Enterprise is given the Acknowledgement Certificate by the Puducherry Investment Guidance Bureau / Appropriate Authority or approval by the Executive Committee, the change in land use shall

be deemed to have been permitted and the Puducherry Town and Country Planning Act, 1969, Puducherry Building Bye-Laws and Zoning Regulations, 2012, Development Plan governing the use of agricultural land for non-agriculture activities shall cease to operate in so far as that enterprise is concerned;

(f) 'Competent Authority' means the Authorities mentioned in Schedule I of the Act and includes such other Authorities as added from time to time;

(g) 'Declaration of Intent' means a declaration as defined under section 5 of the Puducherry Micro, Small and Medium Enterprises (Exemption from Approvals to Commence Business) Act, 2024;

(h) 'Deemed Approval' means an approval as defined under section 6 of the Puducherry Ease of Doing Business (Service Delivery) Act, 2025;

(i) 'Eligible Enterprise' means a new enterprise or an existing enterprise undertaking expansion;

(j) 'Enterprise' means an enterprise carrying on any industrial, commercial, business, real estate, professional, institutional, educational, hospitality, tourism, trade or any other activity/services in the social sector;

(k) 'Executive Committee' means the Executive Committee as constituted under section 7 of this Act;

(l) 'Existing Enterprise' means an enterprise that has commenced commercial production or operations or service at the time of submitting the Declaration of Intent;

Act
No.6
of
2024.

Act
No.1
of
2026.

(m) 'Government' means the Administrator appointed by the President under Article 239 of the Constitution of India;

(n) 'Industrial Areas' means areas notified as such by the Government of Puducherry in its Development Plan or the Industrial Estates maintained by the Pondicherry Industrial Promotion Development and Investment Corporation or the Industrial Estates maintained by the Directorate of Industries and Commerce, Government of Puducherry or any other area maintained by any other Department or any Public Sector Undertakings of the Government of Puducherry for promotion of any industrial or commercial activity;

(o) 'Industrial Area Development Authority' means Puducherry Investment Guidance Bureau;

(p) 'Mixed Use Occupancy' means a particular site, location or building, used for two or more of the activities like residential, commercial, industrial, institutional, educational purpose or any other purpose;

(q) 'MSME' means an Enterprise as defined under section 7 of the Micro, Small & Medium Enterprises Development Act, 2006;

Act
No.27
of
2006.

(r) 'Non-conforming areas' means land located outside a notified industrial area or in an area which is not ear-marked for the intended enterprise as per the Development Plan;

(s) 'Prescribed' means the provisions prescribed by the rules made under this Act;

(t) 'Puducherry Business Reforms Council' means the Council as constituted under section 5 of this Act;

(u) 'Puducherry Investment Guidance Bureau' means the Bureau as constituted under section 9 of this Act.

CHAPTER-II

**GUIDING PRINCIPLES OF THE
PUDUCHERRY BUSINESS REFORMS ACT**

Guiding
Principles.

3. (1) This Act shall be administered, and all powers exercised thereunder in accordance with the following guiding principles:

(a) **Permission by Exception:** - An Enterprise may undertake any activity other than any such activity which is expressly prohibited by law. No prior permission, approval, or restriction shall be imposed except where justified by law in furtherance of legitimate public interest.

(b) **One State Principle:** - For the purposes of Regulatory Compliance, the Government of Puducherry shall function as a single entity. No Authority shall require duplication of information, documentation, approvals, or processes that are available with, or have already been furnished to, any other authority of the Union territory of Puducherry.

(c) **Proportionality and Risk-based Regulation:** - The nature, intensity, frequency, and form of regulatory scrutiny, compliance, inspection, and enforcement shall not exceed what is necessary to address the material risk posed by the activity to legitimate public interests.

(d) **Reliance and Certainty:** - An enterprise shall be entitled to rely, in good faith, on approvals, deemed approvals, registrations, certificates, and representations issued or made by the Union territory of Puducherry or its Authorities, and shall not be penalised for acting on such reliance, except where such approval or representation was obtained by fraud, misrepresentation material mis-statement, or suppression of material facts.

(e) **Transparency and Predictability:-** All Regulatory requirements, procedures, documentation, fees, timelines, service standards, and grounds for approval, rejection, relaxation, or enforcement shall be published in advance, easily accessible, and applied as published. Any requirement not so published shall not be enforceable against an enterprise.

(f) **Presumption of Grant on Lapse of Time:-** Where an application, declaration, or request made under this Act is not disposed of within the prescribed time, the enterprise shall, on expiry of that time, be entitled, as of right, to the relief, permission, registration, licence, service, or other outcome as sought in such application, declaration, or request, and shall not be prejudiced by any silence, inaction, or delay on the part of any Authority.

CHAPTER-III

MANDATORY DUTIES AND RESPONSIBILITIES IN EXERCISE OF POWERS

4. (1) All powers under this Act, including powers relating to-

Duties and
responsibilities

- (a) approvals and deemed approvals,
- (b) relaxations and exemptions,
- (c) inspection controls and moratoriums,
- (d) modification of Schedules,
- (e) overriding or harmonisation of laws,

shall be exercised in accordance with the guiding principles specified in section 3.

(2) Every Order, Notification, or decision under this Act that—

(a) grants or refuses an approval,

(b) relaxes or overrides a regulatory requirement,

(c) initiates coercive action notwithstanding a moratorium, shall record brief reasons demonstrating compliance with the principles in section 3.

(3) No Competent Authority shall,—

(a) require submission of information already available with the Union territory of Puducherry; or

(b) impose compliance requirements not published on the designated single-window portal.

(4) Where a power under this Act admits of more than one lawful outcome, the authority shall prefer the outcome that,—

(a) imposes the least regulatory burden; and

(b) adequately protects interests of the general public and not merely sectional or individual interests;

and shall record in writing, the reasons for its satisfaction that the outcome so preferred complies with clauses (a) and (b) hereinabove.

(5) Failure to comply with this section shall render the decision liable to review or appeal as per the provisions of this Act.

CHAPTER-IV

**PUDUCHERRY BUSINESS REFORMS
COUNCIL (PBRC)**

5. (1) There shall be a Puducherry Business Reforms Council as under:-

Constitution
of
Puducherry
Business
Reforms
Council
(PBRC).

(a) The Chief Minister of the Union territory of Puducherry – Chairman;

(b) The Ministers for the Department of Industries and Commerce, Town and Country Planning, Local Administration, Science, Technology and Environment, Power, Tourism, Planning, Public Works Department and Finance - Members;

(c) The Chief Secretary of the Union territory of Puducherry - Member;

(d) The Secretaries of the Industries and Commerce, Town and Country Planning, Local Administration, Science, Technology and Environment, Power, Tourism, Planning, Public Works Department and Finance Department - Members;

(e) The Secretary to Government, Industrial Development, Trade and Commerce-Member-Secretary.

(2) The Chairman may co-opt such other Secretaries / Ministers / Officers of such other Departments as he may deem necessary.

(3) The Chairman may co-opt such other technical experts as he may deem necessary.

(4) The Chairman may co-opt such representatives of Trade, Commerce and Industry as he may deem necessary.

(5) Two-thirds of Members shall constitute the quorum for any Meeting.

Powers and
Functions
of the
Puducherry
Business
Reforms
Council.

6. (1) Approving the regulations and procedures of the Council, and allocating such functions to the Executive Committee and the Chief Executive Officer, Puducherry Investment Guidance Bureau, which are not otherwise specified;

(2) Consider such proposals as are referred to the Council by the Executive Committee under section 27.

Executive
Committee.

7. (1) There shall be an Executive Committee which shall be responsible for the day-to-day implementation of this Act;

(2) The Executive Committee shall be as under:-

- (a) The Chief Secretary of the Union Territory of Puducherry - Chairman;
- (b) The Secretary (Finance) - Member;
- (c) The Secretary (Town and Country Planning) - Member;
- (d) The Secretary (Local Administration Department) - Member;
- (e) The Secretary (Science, Technology and Environment) - Member;
- (f) The Secretary (Industrial Development, Trade and Commerce)- Member;
- (g) The Secretary (Labour) - Member;
- (h) The Secretary (Power) - Member;
- (i) The Secretary (Health) - Member;

- (j) The Secretary (Revenue) - Member;
- (k) The Secretary (Law) - Member;
- (l) The Secretary (Public Works Department) - Member;
- (m) The Member - Secretary, Puducherry Pollution Control Committee- Member;
- (n) The Director (Industries and Commerce) - Member-Secretary;

(3) The Chairman of the Executive Committee may co-opt such other Officer(s) of such other Departments or Boards or Authorities or Corporation or Co-operative or Autonomous Body of the Union territory of Puducherry or Societies in this Committee;

(4) 2/3rds of the Members shall constitute the quorum for the Meeting of the Committee;

(5) The Executive Committee shall be competent to devise its own procedures;

(6) The Executive Committee, with the approval of the Puducherry Business Reforms Council, may frame its own recruitment regulations, financial regulations, and such other regulations as are necessary to achieve the objectives of the Act.

8. The Executive Committee shall exercise the following powers and functions: -

(a) The Executive Committee shall monitor the functioning of the Puducherry Investment Guidance Bureau and ensure that proposals are not pending at the level of the Puducherry Investment Guidance Bureau;

Power and Functions of the Executive Committee.

(b) The Executive Committee shall monitor the Turn Around Time (TAT) for all licences on the Single Window System and try to reduce the Turn Around Time (TAT) for the burden of compliances to the extent possible;

(c) The Executive Committee shall periodically review the indicative lists mentioned in Schedules II to VI and recommend any addition, omission, modification or rationalisation of any category, approval, regulatory requirement, technical standard, risk classification, form or procedure, to the Government.

CHAPTER-V

Puducherry
Investment
Guidance
Bureau.

9. (1) "Puducherry Investment Guidance Bureau" shall also be known as "Invest Puducherry" and shall function under the overall superintendence, direction and control of the Puducherry Business Reforms Council and shall be guided by the Executive Committee constituted under this Act.

(2) Members of the Puducherry Investment Guidance Bureau shall be as under:

- (a) The Director, Industries and Commerce - Chief Executive Officer;
- (b) The Conservator of Forests/Deputy Conservator of Forests - Member;
- (c) The Director, Local Administration Department - Member;
- (d) The Additional Collector/Sub-Collector - Member;
- (e) The Labour Commissioner/Deputy Labour Commissioner, Labour Department - Member;

-
- (f) The Joint Chief Inspector of Factories and Boilers, Labour Department - Member;
 - (g) The Divisional Fire Officer/Additional Divisional Fire Officer - Member;
 - (h) The Chief Town Planner, Town and Country Planning - Member;
 - (i) The Chief Engineer, Public Works Department - Member;
 - (j) The Member-Secretary, Puducherry Pollution Control Committee - Member;
 - (k) The Superintending-Engineering-*cum*-HOD, Power Department - Member;
 - (l) The Controlling Authority and Licensing Authority, Department of Drugs Control - Member;
 - (m) The Deputy Food Safety Commissioner, Department of Food Safety - Member;
 - (n) The Member-Secretary, Pondicherry State Ground Water Authority - Member;
 - (o) The Member-Secretary, Puducherry Planning Authority - Member;
 - (p) The Member-Secretary, Karaikal Planning Authority - Member;
 - (q) The Member-Secretary, Mahe Planning Authority - Member;
 - (r) The Member-Secretary, Yanam Planning Authority - Member;
 - (s) The General Manager, DIC - Member;

(t) The General Manager, PIPDIC - Member;

(u) The Joint Director/Deputy Director, Industries and Commerce- Member-Secretary;

Quorum - 2/3rd of the Members of the Puducherry Investment Guidance Bureau shall constitute the quorum for any meeting.

Power and Functions of the Puducherry Investment Guidance Bureau.

- (3) (a) The Puducherry Investment Guidance Bureau shall function as a single point of contact for investors and in coordination with the Competent Authorities, ensure all necessary approvals in a time-bound manner; for this purpose it shall be competent for the Puducherry Investment Guidance Bureau to on-board (a) professional consultancy firm(s) to carry out the functions of coordination if it so deems necessary;
- (b) To facilitate the process of filing the Declaration of Intent and issuance of Acknowledgment Certificate for any enterprise;
- (c) Where any application of an enterprise is rejected by the Competent Authority at the Department level, or an approval is not given to an enterprise in a time-bound manner, the Puducherry Investment Guidance Bureau shall be empowered to over-rule the said Competent Authority and grant the approval to the enterprise;

- (d) To monitor the Competent Authorities at the Department level to ensure that these Authorities provide the necessary approval as per timelines indicated in section 17;
 - (e) To ensure that all the approvals as defined under section 2 (d) of this Act are given to the enterprise;
 - (f) Where any existing enterprise has not been allowed to expand/operate its business, activity, factory, *etc.*, the enterprise may apply directly to the Puducherry Investment Guidance Bureau who shall consider the matter;
 - (g) To ensure that every Department level approvals/services are provided to enterprises within the time as prescribed under the rules;
 - (h) Any other function so assigned by the Executive Committee or the Puducherry Business Reforms Council; and
 - (i) To establish a Puducherry Investment Guidance Bureau Cell to carry out the day-to-day operational activities, supported by necessary manpower and infrastructure support.
- (4) Power to review: Where a new fact is brought before the Puducherry Investment Guidance Bureau either by the enterprise or by Competent Authority, it shall be empowered for the Council to review its earlier Order of acceptance/rejection.

Appeals
against
Orders of
Puducherry
Investment
Guidance
Bureau.

10. (1) The Executive Committee shall be the Appellate Forum for the decisions taken by the Puducherry Investment Guidance Bureau.

(2) Any enterprise or Competent Authority aggrieved at the decision of the Puducherry Investment Guidance Bureau may file an appeal before the Executive Committee within a period of 30 days from the date of the Order;

(3) The Executive Committee may itself hear the appeal or authorise any Member of the Committee to hear a particular appeal;

(4) Such Member shall hear the appeal and dispose of the same within 30 days of the filing of the appeal. Such Member shall invite the concerned stakeholders including Competent Authorities and after hearing all the stakeholders will dispose of the appeal under intimation to the Executive Committee; and

(5) The hearing of appeals may be in person or through video conferencing.

CHAPTER-VI

EASE OF DOING BUSINESS

Prohibition
of certain
activities.

11. The Government of Puducherry shall, by amending the Puducherry Building Bye-law and Zoning Regulations, 2012 issue a negative list of activities for all land-use categories whereby, an enterprise is free to undertake any activity in any location unless it is specifically prohibited.

Harmonization
of duration
of licences
etc.

12. The Government of Puducherry shall be competent, by way of a notification, to fix a common validity period/duration of various licences,

permits, NOCs in connection with any enterprise so as to ensure that the enterprise concerned may pursue the renewal *etc.*, of these licences at a particular time and after a particular duration. Validity periods for different classes of enterprises or categories of licences can be prescribed, having regard to their nature or risk.

13. (1) The Government of Puducherry shall allow any Enterprise to undertake such activity as permitted under the laws of the Union territory of Puducherry and that of the Government of India. In order to encourage enterprises, particularly MSMEs, the Union territory of Puducherry shall ease restrictions relating to Floor Area Ratio (FAR), setbacks, ground coverage, and height restrictions to the extent possible and legally permissible.

Easing of
Restrictions
on
Enterprises,
Particularly
MSMEs.

(2) The Government of Puducherry shall be competent to ease or relax Puducherry Building Bye-Laws and Zoning Regulations, 2012 by way of such notifications or orders as the Government of Puducherry may deem necessary. Accordingly, the concerned Puducherry Building Bye-Laws and Zoning Regulations, 2012, Fire Safety Regulations/ Notifications shall stand amended to the extent indicated in the said Notification.

(3) The Government of Puducherry shall, by notification, allow enterprises, shops, establishments, *etc.*, to operate 24×7, subject to such compliance as may be prescribed.

14. (1) The Government of Puducherry shall be competent to ease or relax, by Notification, any restriction relating to,—

Easing of
Restrictions
on Private
Schools.

(a) Minimum land requirement, either on purchase, lease or rent, to set up private schools from Kindergarten to Class 12;

(b) Requirement of infrastructure like playgrounds, labs, equipment, classroom sizes, built-up areas, computers, libraries, books *etc.*, for private schools; and

(c) Requirement of keeping a minimum-security deposit or minimum endowment fund by a private school.

(2) Any prevailing Rules or Regulations relating to private schools shall stand amended to the extent indicated in the Notification issued under sub-section (1) above.

(3) The Government of Puducherry shall be competent to allow the private schools to enter into an arrangement with any Government / private entity for use, on sharing basis, of such facilities like playgrounds, libraries, computer labs, common service centres *etc.*, subject to such payments.

Easing of
Restrictions
on Private
Higher
Education
Institutions.

15. (1) The Government of Puducherry shall be competent to ease or relax, by way of a Notification, any restriction relating to,-

(a) Minimum land requirement, either on purchase, rent or lease to set up a private University or any higher Education Institution;

(b) Requirement of infrastructure like playgrounds, labs, equipment, classroom sizes, built-up areas, computers, libraries, books *etc.*, for any other private higher education institution; and

(c) Requirement of keeping a minimum-security deposit or minimum endowment fund by a private higher education institution.

(2) Any prevailing Rules or Regulations relating to private Universities shall stand amended to the extent indicated in the notification issued under sub-section (1) above.

(3) The Government of Puducherry shall be competent to allow the private higher education institutions to enter into an arrangement with any Government / private entity for use, on a sharing basis, of such facilities like playgrounds, libraries, computer labs, common service centres, *etc.*, subject to such payments and safety, academic and accreditation standards.

16. (1) Certain activities shall not be allowed in residential areas, commercial areas, transit-oriented development zones, eco-sensitive areas, heritage properties and such other areas as are essential to safeguard public health, environmental integrity and conformity with urban planning.

Negative
List.

(2) The 'Indicative Negative List' activities are as mentioned in Schedule-II.

(3) However, the negative list of activities shall not be applicable to the notified industrial estates or industrial areas or industrial parts:

Provided that the exemption under sub-section (2) above shall not apply to high-risk activities, unless such activities are specifically permitted under the applicable laws and subject to such safeguards, conditions and approvals as may be prescribed by the concerned Competent Authority.

Explanation.— For the purposes of this sub-section, "high-risk activities" shall include activities involving fire safety, structural safety, environmental protection, pollution control, hazardous substances, public health, labour safety, groundwater extraction, wetland areas, coastal regulation, heritage conservation, or any other activity notified as high-risk by the Government.

Amendment
to the
Puducherry
Micro,
Small and
Medium
Enterprises
(Exemption
from
Approvals
to
Commence
Business)
Act, 2024

17. (1) Substitution of clause (d) in Section 2.—

(i) In the Puducherry Micro, Small and Medium Enterprises (Exemption from Approvals to Commence Business) Act, 2024, (hereinafter referred to as the Act, 2024), for clause (d) of section 2, the following clause shall be substituted, namely:— Act No.6 of 2024.

"(d) "Puducherry Investment Guidance Bureau" means the Puducherry Investment Guidance Bureau as defined in the Puducherry Business Reforms Act, 2026".

Insertion of clause (ga) in Section 2

(ii) In the said Act, 2024, in section 2, after clause (g), the following clause (ga) shall be inserted, namely:— Act No.6 of 2024.

"(ga) "moratorium period" means the period of five years for which an enterprise is exempted from approval by the Puducherry Investment Guidance Bureau by issuing the Acknowledgement Certificate".

(2) Amendment to Section 3

In the Act, 2024, in section 3, for the words and figures "Puducherry Industrial Guidance Bureau (PIGB)", the words "Puducherry Investment Guidance Bureau" shall be substituted. Act No.6 of 2024.

(3) Substitution of sub-section (2) in Section 5

Act
No.6
of
2024. (i) In the Act, 2024, for sub-section (2) of section 5, the following sub-section shall be substituted, namely:—

"(2) On receipt of a declaration of intent, Puducherry Investment Guidance Bureau shall, forthwith, issue an Acknowledgment Certificate, in the prescribed Form within 15 days to the person who furnished the declaration under sub-section (1)."

Addition of sub-section (3) in Section 5

(ii) In the Act, 2024, after sub-section (2) of section 5, the following sub-section (3) shall be added, namely:—

"(3) If, the Puducherry Investment Guidance Bureau fails to issue the Acknowledgement Certificate within the stipulated period specified in sub-section (2) of section 5, the Acknowledgement Certificate shall be auto-generated, and the concerned enterprise shall have the facility to download the Acknowledgement Certificate from the portal."

(4) Amendment in sub-section (1) of Section 6—

Act
No.6
of
2024. (i) In the Act, 2024, in sub-section (1) of section 6, for the words "period of three years", the words "moratorium period", shall be substituted.

Addition of second proviso to sub-section (2) of Section 6

(ii) In the Act, 2024, in sub-section (2) of section 6, after the existing proviso clause, the following proviso clause shall be added, namely:-

Act
No.6
of
2024.

"Provided further that the Competent Authority shall be empowered to undertake an inspection through Inspecting Officers during the moratorium period in cases where complaints are received and in such a case where the Competent Authority decides it to be of a serious nature.

Addition of sub-sections in Section 6

(iii) In the Act, 2024, after sub-section (2) of section 6, the following sub-sections shall be added, namely:-

Act
No.6
of
2024.

"(3) The Competent Authority may designate any officer or a team of officers as the Inspecting Authorities.

(4) The Inspection Report shall be made available online to the enterprise and the Department concerned within forty-eight hours after the inspection.

(5) Where upon an inspection conducted, it is found that,-

(a) any enterprise has submitted false or fraudulent information in the application; or

(b) any enterprise has undertaken construction/ demolition/alteration in violation of the prevailing rules and regulations; or

(c) any enterprise has not followed the minimum fire safety standards;

Puducherry Investment Guidance Bureau shall be competent to,—

(i) revoke the Acknowledgement Certificate and issue an order to demolish the said unauthorised construction at the cost of the owner; or

(ii) regularise the said violations, subject to the owner paying such penalty to the concerned Department as imposed by the Puducherry Investment Guidance Bureau or Appropriate Authority, and making such changes in the premises / building of the enterprise as may be directed to bring it in compliance with the rules:

Provided that no order for revocation of the Acknowledgement Certificate, demolition of any construction, or regularisation of any violation shall be passed unless the enterprise has been given a notice in writing, a reasonable opportunity of being heard, and the concerned Competent Authority or statutory authority has been consulted, and reasons for such order have been recorded in writing:

Provided further that where the Puducherry Investment Guidance Bureau or the Competent Authority is satisfied that immediate action is necessary to prevent imminent danger to life, public health, fire safety or environment, it may pass such interim order as may be necessary, subject to giving the enterprise a post-decisional hearing within such period as may be prescribed."

(5) Amendment to Section 7

(i) In the Act, 2024, in section 7, for the words "period of three years" the words "moratorium period" shall be substituted. Act No.6 of 2024.

Numbering of sub-section (1) in section 7

(ii) In the Act, 2024, in section 7 the existing entries shall be numbered as sub-section (1). Act No.6 of 2024.

Addition of sub-sections in section 7

(iii) In the Act, 2024, sub-section(1) of section 7 as renumbered, the following sub-sections shall be added, namely:- Act No.6 of 2024.

"(2) The Puducherry Investment Guidance Bureau is empowered to extend the moratorium period by one additional year, based on the request along with the self-certification of the entrepreneur on the progress in obtaining statutory licences.

(3) The exemptions of the Acknowledgement Certificate shall be optional, and an enterprise may choose to avail the regular approvals from the Departments concerned at any point of time."

CHAPTER-VII

**RESTRICTIONS OF DEVELOPMENT PLANS
AND LAND USE.**

Development
Plan Areas.

18. (1) If any enterprise wishes to establish an enterprise which is either in conformity or not in conformity with the Development Plan or

outside the notified industrial areas, the Puducherry Investment Guidance Bureau or Appropriate Authority is empowered to relax the conditions of the Development Plan and consider approving the proposal provided the Enterprise is not located in the areas mentioned in the Negative List;

(2) Where the approval of the Puducherry Investment Guidance Bureau or Appropriate Authority is obtained, the Change in Land Use (CLU), if any, shall be deemed to have occurred as defined in section 2 (e), subject to payment of such fee/charges as directed by the Puducherry Investment Guidance Bureau or Appropriate Authority;

(3) Notwithstanding anything contained in their Development Plan or Puducherry Building Bye-laws and Zoning Regulations, 2012 or the Puducherry Town and Country Planning Act, 1969 or any other Act, Rules or Regulations in force, the Competent Authorities shall be required to allow the entities to carry on their activities so long as they do not violate the Negative List; and

(4) Approval, when the Development Plan is under preparation:- There may be a case where the next Development Plan of the Union territory of Puducherry or a City is under preparation. In that case, Puducherry Investment Guidance Bureau or Appropriate Authority and the Executive Committee shall continue to grant approvals as per the old Development Plan or the Policies.

CHAPTER-VIII

PROFESSIONALS

Healthcare
Professionals
and Other
Empanelled
Professionals.

19. (1) A Medical Practitioner / Healthcare Professional registered in any other State / Union Territory shall be deemed to have been registered in the Union territory of Puducherry. Such deemed registration shall allow the said professional to conduct his profession in this Union territory of Puducherry.

(2) The Government of Puducherry, shall nominate one agency in the Health Sector as a single point of contact for multiple licences required for a healthcare enterprise and the Puducherry Investment Guidance Bureau or Appropriate Authority shall be competent to onboard a Third Party private professionals.

CHAPTER-IX

MULTIPLE COMPETENT AUTHORITIES

approvals
to be
Binding on
Other
Competent
Authorities.

20. (1) Where any approval has been given by any Competent Authority, then it shall be equally binding on the other Competent Authorities, and they shall provide such facilities as they are lawfully required;

(2) The Competent Authorities shall endeavour to work towards achieving the objectives of this Act. More particularly, they shall be required to approve / grant permissions with regard to land, building, housing, factory, shops, commercial complexes, high-rise buildings *etc.*, in their jurisdiction in a time-bound manner and as per the provisions of this Act and rules made thereunder;

(3) Where an enterprise has been registered under the FSSAI Act, for such enterprises any trade licence from the Local Administration Department or Local Municipal Body or under the Puducherry Shops & Establishments Act, 1964 of the Government of Puducherry, shall be auto-generated on the online portal on submission of the application and on making requisite payments.

(4) Any other Enterprise, not covered under Food Safety and Standards Authority of India and if, the said enterprise is registered with the Goods and Service Tax Authorities, for such enterprises any trade licence from the Local Administration Department or Local Municipal Body or under the Puducherry Shops & Establishments Act, 1964 of the Government of Puducherry, shall be auto-generated on the online portal on submission of the application and on making requisite payments.

(5) Where an enterprise has been registered or licensed under the Puducherry Micro, Small and Medium Enterprises (Exemption from Approvals to Commence Business) Act, 2024 or any of the four Central Labour Codes, for such enterprises any trade licence from the Local Administration Department or Local Municipal Body or under the Puducherry Shops and Establishments Act, 1964 of the Government of Puducherry, shall be auto-generated on the online portal on submission of the application and on making requisite payments.

(6) The Local Administration Department, Local Municipal Body, or any other Department or Appropriate Authority under the Government of Puducherry may, where any enterprise referred to in sub-sections (3), (4) and (5) of section 20 is found to be in violation of any applicable law or rule, empower the Local Administration Department, Local Municipal Body, or any other Department or Appropriate Authority, as the case may be, to cancel, or revoke the auto-generated trade licence or any other licence issued under the said sub-sections.

CHAPTER-X

INDUSTRIAL AREAS

Power to
relax the
Puducherry
Building
Bye-Laws
and Zoning
Regulations.

21. (1) The Government of Puducherry, Industrial Area Development Authority or Appropriate Authority may, by Notification or Order, ease or relax any of the provisions of the Puducherry Building Bye-laws and Zoning Regulations, 2012 in respect of units located inside notified Industrial Areas, including norms relating to Floor Area Ratio (FAR), setbacks, ground coverage and height, subject to structural safety, fire safety, environmental norms, access, utilities, traffic, disaster management requirements and other applicable laws:

Provided that any such relaxation shall be granted in such manner and subject to such conditions, safeguards and limitations as may be prescribed or specified in the Notification or Order:

Provided further that for enterprises located outside the Industrial Areas, the Government of Puducherry may, by Notification or Order, authorise the Appropriate Authority to ease or relax such regulations for such units, subject to the safeguards and conditions specified in this sub-section;

(2) It shall be open for the enterprise to use a portion of its plot for the purpose of residential houses for the workers;

(3) The Government of Puducherry, or Industrial Area Development Authority or Appropriate Authority may allow residential facilities, including allied educational / health / commercial facilities, within the industrial areas for housing low-income groups and economically weaker sections;

(4) The Appropriate Authority shall provide or facilitate common infrastructure and common services for entities located inside notified Industrial Areas, including fire-fighting infrastructure, common effluent treatment plants, worker amenities, solid waste management facilities, internal roads, drainage, water supply, power supply and such other common environmental or utility infrastructure as may be prescribed:

Provided that where such common infrastructure or common facilities are provided by the Appropriate Authority, each individual enterprise shall not be required to create duplicate facilities at its respective premises, and shall only be required to comply with such activity-specific operational, safety, environmental and maintenance conditions as may be applicable to it under the relevant laws:

Provided further that the Appropriate Authority may levy such one-time or recurring charges from the entities as may be prescribed for providing, maintaining or operating such common infrastructure or amenities; and

(5) For entities outside the industrial areas:-

A group of entities may pool together their resources in order to fulfil certain commitments like workers amenities, workers welfare, fire safety, effluent treatment plants and other environmental commitments or meet such other obligations as are required by the Competent Authorities.

Exit Route.

22. (1) Where an enterprise is unable to start the intended enterprise, it shall be lawful for the enterprise to change it to any new business under intimation to the Appropriate Authority, provided it meets environmental norms; and

(2) Where an enterprise is unable/unwilling to start or continue with the enterprise, it shall be lawful for the enterprise to surrender the plot or a portion thereof, to the Appropriate Authority and claim such refund as prescribed by the Appropriate Authority;

Public-
Private
Partnership,
Lease,
Reassignment
of Lease,
Sub-leasing
etc.

23. (1) The Industrial Area Development Authority or Appropriate Authority shall be competent to enter into ventures with the private sector under Public Private Partnership (PPP) and may provide for the grant of long-term leases of land up to 99 years for the development of Industrial estates to provide the common facilities for the industries or for any industrial or any commercial activities in any area by any enterprise subject to the financial rules and approval of the Competent Authority.

(2) Where an enterprise or an existing enterprise has been allotted a piece of plot in the Industrial Area by the Appropriate Authority, the enterprise may be allowed by the concerned Authority to sub-lease or reassign the lease of the plot or a part thereof, to any other enterprise subject to such payment of fee as may be levied by the Authority.

24. (1) Upon the request of the enterprise, the Appropriate Authority may allow freehold conversion of the land with the enterprise for payment of such amount as may be prescribed.

Freehold
conversion
etc.

(2) Where an Enterprise is unable/unwilling to start or continue with the Enterprise, it shall be lawful for the Enterprise to transfer the plot to such other enterprise with the approval of the Appropriate Authority and on payment of such charges as may be prescribed.

(3) Subject to such conditions, the enterprise may be allowed to transfer the enterprise to any of its affiliates or joint ventures.

CHAPTER XI

AUTO APPEAL SYSTEM

25. (1) Substitution of sub-section (1) in Section 7,

In the Puducherry Ease of Doing Business (Service Delivery) Act, 2025, for sub-section (1) of section 7, the following sub-section shall be substituted namely:—

Amendment
to the
Puducherry
Ease of
Doing
Business
(Service
Delivery)
Act, 2025.

"(1) In case of rejection of the application by the Designated Officer, the online system shall have provision for making auto appeal within one business day. In case of offline application, the copy of the rejection order of the designated officer received by the Competent Authority shall be treated as an application for appeal. Intimation of such auto appeal shall be provided to applicants."

CHAPTER-XII

OVER RIDING EFFECT

26. (1) Notwithstanding anything inconsistent with any other law or regulation of the Union territory of Puducherry, the provision of this Act shall prevail.

(2) Any provisions of the laws or regulations of the Union territory of Puducherry which are repugnant or contradictory to the provisions of this Act shall either cease to prevail within the Union territory of Puducherry or deemed to stand amended to the extent of this Act or notifications issued under this Act.

(3) A list of such Acts and Regulations that are likely to be affected or overridden by the provisions of this Act is indicated in Schedule-VII.

Omnibus
Clause:
Power to
Remove,
Reduce
Compliance
Burdens on
Entities.

27. Where it comes to the notice of the Executive Committee that any procedural compliance requirement under any enactment, rule, regulation, bye-law, notification or order, not mentioned in Schedule-VII, is duplicative, obsolete, disproportionate

or causes avoidable compliance burden on enterprises, the Executive Committee may, after consultation with the concerned Department / Competent Authority and the Law Department, recommend to the Government through the Puducherry Business Reforms Council for its simplification, rationalisation or removal:

Provided that nothing under this section shall affect any substantive statutory obligation prescribed under the relevant Central law, Court Order or requirement relating to public safety, fire safety, structural safety, environmental protection, pollution control, labour safety, public health or land rights:

Provided further that where any such simplification, rationalisation or removal requires amendment of any Act, rule, regulation, bye-law or notification, the same shall be carried out only in accordance with the procedure applicable to such Act, rule, regulation, bye-law or notification.

28. The Government of Puducherry may, by Notification in the Official Gazette, delegate all or any of its powers under this Act to the Puducherry Business Reforms Council, the Executive Committee, the Puducherry Investment Guidance Bureau or any officer or authority, subject to such conditions and limitations as may be specified:

Power to Delegate.

Provided that matters involving rule-making, amendment or relaxation of any Act, rule, regulation or bye-law, removal of difficulties or substantive statutory rights or obligations shall be placed

before the Government for approval and shall be dealt with in accordance with the applicable laws.

Power to
Make Rules.

29. (1) The Government of Puducherry shall by Notification in the Official Gazette, make rules to carry out the provisions of this Act.

(2) The Government of Puducherry shall, by Notification in the Official Gazette, make rules, including rules prescribing the procedure, manner, timelines and conditions for the grant, renewal, modification, suspension, or withdrawal of any No Objection Certificate (NOC), licence, permission, approval, Standard Operating Procedure (SOP), or notification required under this Act or the Schedules thereto.

(3) All rules made under this Act shall be laid, as soon as may be, after they are so made, before the Legislative Assembly.

Power to
Remove
Difficulties.

30. If any difficulty arises in giving effect to the provisions of this Act, the Puducherry Business Reforms Council may, with the approval of the Government of Puducherry, issue such clarification or order, not inconsistent with the provisions of this Act, as may be necessary for removing such difficulty.

Power to
Issue
Directions.

31. The Government of Puducherry may issue any direction to the Executive Committee or the Puducherry Investment Guidance Bureau or any Department / Authority / Board / Corporation / Society / Co-operative / Autonomous Body of the Union territory of Puducherry in matters connected with the provisions of this Act.

32. No suit, prosecution or other legal proceedings shall lie against any officer or any employee of the Government or the Puducherry Business Reforms Council or Executive Committee or Puducherry Investment Guidance Bureau or any Appropriate Authority / Competent Authority for anything which is done in good faith or intended to be done in good faith under this Act for the facilitation of Ease of Living and Ease of Doing Business.

Protection
of Action
Taken in
Good Faith.

SCHEDULE-I**COMPETENT AUTHORITIES**

1. The District Collector/Additional Collector/
Sub-Collector.
2. The Commissioner/Deputy Labour
Commissioner, Labour Department.
3. The Managing Director, PIPDIC.
4. The Director, Directorate of Industries and
Commerce.
5. The Conservator of Forest / Deputy Conservator
of Forest.
6. The Director, Local Administration Department.
7. The Divisional Fire Officer / Additional Divisional
Fire Officer.
8. The Chief Town Planner, Town and Country
Planning.
9. The Chief Engineer, Public Works Department.
10. The Member-Secretary, Puducherry Pollution
Control Committee.
11. The Superintending Engineer *cum* HOD,
Electricity Department.
12. The Controlling Authority and Licensing
Authority, Department of Drugs Control.
13. The Deputy Food Safety Commissioner,
Department of Food Safety.
14. The Member-Secretary, Pondicherry State
Ground Water Authority.

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15. The Member-Secretary, Puducherry Planning Authority.
 16. The Member-Secretary, Karaikal Planning Authority.
 17. The Member-Secretary, Mahe Planning Authority.
 18. The Member-Secretary, Yanam Planning Authority.
 19. Head of any Department or Agency of the Government or Local Authority, Statutory Body, Government owned Corporation, Municipality, Commune Panchayat, or any other Authority or Agency constituted or established by or under any other Law prevailing or under the administrative control of the Government of Puducherry which is entrusted with the powers or responsibilities to grant or issue approval for establishment or operation of an Enterprise in the Union Territory.

SCHEDULE-II**Indicative Negative List**

The Union territory of Puducherry may implement the Indicative Negative List of activities that may not be permitted or may be permitted subject to restrictions in the respective land-use categories by making necessary amendments to the applicable laws/bye-laws/rules/regulations/notifications.

(Activities in Column 2 would not be allowed to be undertaken in the Areas mentioned in Column 1)

Nature of the land and Categorization	Activities not permitted
Column 1	Column 2
Residential	(i) Industries categorized under Red, Orange and Green (ii) Slaughter houses (iii) Animal rearing for commercial purpose (iv) Storage of inflammable commodities (v) Burial grounds / crematoria
Commercial & TOD Zones	(i) Industries categorized under Red and Orange (ii) Slaughter houses (iii) Burial grounds / crematoria
Mixed use (part residential, part commercial)	(i) Industries categorized under Red, Orange and Green (ii) Slaughter houses (iii) Animal rearing for commercial purpose (iv) Storage of inflammable commodities (v) Burial grounds / crematoria

Notified Industrial areas or areas marked for industries in the Master Plan	No activity is prohibited
Eco-Sensitive zones as declared under section 3 of The Environment (Protection) Act, 1986 & heritage areas as notified by appropriate Government	No enterprise is permitted unless due prior approvals are in place

SCHEDULE- III**Indicative list of activities for which No Licence /
Permission / Approval from any Competent
Authority is required**

This Schedule contains the Indicative List of activities that the Government of Puducherry may implement, having regard to the nature of the activity, level of risk, public safety, environmental considerations and applicable planning standards; prescribe the applicable regulatory framework, self-certification, third-party certification, licensing, registration, or any other regulatory requirement, by making necessary amendments to the applicable laws / bye-laws / rules / regulations / notifications.

Sl. No.	Activity	For height upto	Maximum land coverage permissible	Maximum FAR permissible	Built-up area	CTO/ CTE	Building Plan	Fire NOC
1	2	3	4	5	6	7	8	9
1	Residential houses including multi-storied residential houses	24 meter	No Restriction	No Restriction	Up to 5,000 Sq. mtrs.	Self-certification / 3rd party certification	Self-certification / 3rd party certification	Self-certification / 3rd party certification
2	Malls, Commercial Shops & Establishments	24 meter	No Restriction	No Restriction	Up to 5,000 Sq. mtrs.	Self-certification / 3rd party certification	Self-certification / 3rd party certification	Self-certification / 3rd party certification
3	Factories and Industries in the White List whether inside or outside the industrial area / Development plan	15 meter	No Restriction	No Restriction	Up to 5,000 Sq. mtrs.	Self-certification / 3rd party certification	Self-certification / 3rd party certification	Self-certification / 3rd party certification
4	Schools / Universities and such other educational institutional buildings	9 meter	No Restriction	No Restriction	Up to 5,000 Sq. mtrs.	Self-certification / 3rd party certification	Self-certification / 3rd party certification	Self-certification / 3rd party certification
5	Sports / Leisure amenities like swimming pool, gym, spa, stadium	9 meter	No Restriction	No Restriction	Up to 5,000 Sq. mtrs.	Self-certification / 3rd party certification	Self-certification / 3rd party certification	Self-certification / 3rd party certification
6	Hospitals, clinics, laboratories, diagnostic centers and other utilities in the health sector	15 meter	No Restriction	No Restriction	Up to 5,000 Sq. mtrs.	Self-certification / 3rd party certification	Self-certification / 3rd party certification	Self-certification / 3rd party certification

SCHEDULE- IV**Indicative list of activities for which Licence /
Permission / Approval is required**

This Schedule contains the Indicative List of activities that the Government of Puducherry may implement, having regard to the nature of the activity, level of risk, public safety, environmental considerations and applicable planning standards; prescribe the applicable regulatory framework, including exemption from prior approval, self-certification, third-party certification, prior approval, licensing, registration, inspection or any other regulatory requirement, by making necessary amendments to the applicable laws / bye-laws / rules / regulations / notifications.

Sl. No.	Activity	Maximum height permissible	Maximum land coverage permissible	Maximum FAR permissible	Built-up area
1	Multi-storied residential houses above 24 meters whether inside or outside the Development Plan	No Restriction	No Restriction	No Restriction	No Restriction
2	Malls, Commercial shops & establishments above 24 meters	No Restriction	No Restriction	No Restriction	No Restriction
3	Factories and Industries above 15 meters in the white category, whether inside or outside the industrial area / development plan	No Restriction	No Restriction	No Restriction	No Restriction
4	Factories and Industries in the green, orange and red categories, whether inside or outside the industrial area / development plan	No Restriction	No Restriction	No Restriction	No Restriction
5	Schools, Universities and such other educational buildings above 9 meters whether inside or outside the Development Plan	No Restriction	No Restriction	No Restriction	No Restriction
6	Hospitals, clinics, laboratories, diagnostic centres and other facilities in the health sector, above 15 meters whether inside or outside the Development Plan	No Restriction	No Restriction	No Restriction	No Restriction

SCHEDULE- V
Indicative list of NOCs

This Schedule contains an Indicative List of regulatory approvals, licences, permits, registrations and No Objection Certificates applicable to enterprises that the Government of Puducherry may implement by making necessary amendments to the applicable laws / bye-laws / rules / regulations / notifications.

S.No.	NOC / Department	Action required
1	2	3
1	Fire NOC	3 rd Party certification
2	Tree felling and tree transit Permits	Certification through online
3	Consent to Establish (Pollution Control Board)	3 rd Party certification
4	Sewage connection NOC	Not required
5	PWD NOC (Road cutting)	Not required
6	Jail NOC	Not required
7	Renewable Energy NOC (setting up renewable energy production business)	Not required
8	Revenue Department NOC for land near water bodies or nalas	Not required
9	Power connection (DISCOMS) NOC	Self-Certification
10	Power supply Authorities NOC	Self-certification

11	Police (Commercial Construction) NOC assessing traffic feasibility	Not required
12	Factory NOC	Not required
13	Police (Religious Construction) NOC	Not required
14	Solid Waste Management NOC	Not required
15	Storm Water Drains NOC	Not required
16	Estate and Land Management NOC	Not required
17	Parking NOC by municipal bodies	Not required
18	Water connection NOC (Hydraulic Engineer NOC)	Self-certification
19	Pest Control NOC (by local municipality)	Not required
20	Excavation/transportation of sand/earth NOC (by District / Municipal Administration)	Not required
21	Lift NOC (by electrical Inspectorate)	Self-certification
22	Mechanical and Electrical NOC (by electrical Inspectorate)	Self-certification
23	District Collector NOC for development on wet land	Not required
24	Nazool Land / Improvement Trust / Urban ceiling surplus land	Not required

25	Traffic NOC	Not required
26	Ground Water Extraction NOC	Self-certification
27	Irrigation Department NOC for sites near canals	Not required
28	Licenses under Weights & Measures Act	3 rd party certification

SCHEDULE- VI**Format for NOCs/Licenses/Registration/
Rejection Order****Letter / Licence No.:** [FILE / REFERENCE NUMBER]**Date:** [DD. MM. YYYY.]**NO OBJECTION CERTIFICATE (NOC) / LICENCE /
REGISTRATION CERTIFICATE / REJECTION
ORDER**

To

[Name & Designation of Addressee]

[Name of Office / Organisation / Applicant]

[Street, Area]

[City / Town] - [PIN CODE]

Sir / Madam,

Sub: [DEPT ABBREVIATION] - **[NOC / Licence /
Registration / Rejection of NOC] for [Setting up of
Industry / Expansion of Industry / Factory Licence /
Consent to Establish / Consent to Operate /
Storage / Construction / Other activity]** in the name
of **M/s. [ENTITY NAME]**, represented by **[Proprietor /
Partner / Director Name] -reg.****Ref :**

1.[Reference 1]

2.[Reference 2]

Details of Applicant and Proposed / Existing Industrial Unit

Name of Applicant	[Full name of proprietor / partner / director / authorised signatory] <i>As per application/ identity proof</i>
Name of Entity / Industry	[M/s. Entity Name - Proprietary / Partnership / Pvt. Ltd. / LLP]
Nature of Activity	[Setting up of new industry / Expansion of existing unit / Other] <i>New unit = fresh establishment; Expansion = increase in capacity, area, or product range</i>
Type of Industry / Product	[Products manufactured / stored / processed, e.g., PET Preform & PET Bottle / Chemical / Textile]
Industry Category	[Micro / Small / Medium / Large] - [Green / Orange / Red / White category as per PPCC] <i>Category as per Pollution Control norms / MSME classification</i>
Purpose of Application	[NOC for setting up / Consent to Establish (CTE) / Consent to

	Operate (CTO) / Factory Licence / Labour Registration / Revenue Patta / TCP approval / Fire NOC]
Installed/ Proposed Power Capacity	[5/ 10/ 20 HP]

Details of Land / Premises

Survey / R.S. Number(s)	[R.S. No. / Survey No., e.g., R.S. Nos. 38/2, 38/3pt] <i>Enter all subdivision numbers if multiple plots are involved</i>
Village	[Revenue Village name, e.g., Perungalur Village]
Revenue Village	[Revenue Village (if different), e.g., Perungalur Revenue Village]
Commune Panchayat / Municipality	[Commune Panchayat / Municipality / Town Panchayat name, e.g., Villianur Commune Panchayat]
Total Extent of Land	[Total extent, e.g., 0.52 Acres / 2104 Sq. m. / 22,648 Sq. ft.] <i>State extent in all applicable units. Mention plinth area separately if relevant.</i>

Plinth Area (Built-up)	[Plinth / built-up area, e.g., 800 Sq. m. / 8,611 Sq. ft.] [OR 'Not Applicable']
Nature of Land / Premises	[Own land / Leased premises / Government land / PIPDIC shed / Rented building] <i>Attach ownership document / lease deed reference if required</i>

NOC GRANTED

With reference to the above, this Authority has **No Objection** for the [activity, e.g., setting up of Industry/expansion of the existing unit] in the name and style of M/s. [ENTITY NAME], represented by [APPLICANT NAME], at the industrial premises situated at Survey No(s). [SURVEY NOs.], [Village], [Commune Panchayat / Municipality], Puducherry, measuring [TOTAL EXTENT], for the [manufacture / storage / processing / other activity] of "[PRODUCT(S) / PURPOSE]".

LICENCE / REGISTRATION CERTIFICATE GRANTED

In exercise of the powers conferred under [applicable Act / Rule, e.g., Section (No.) of the Factories Act, 1948 / Section (No.) of the Water (Prevention and Control of Pollution) Act, 1974 / Shops & Establishments Act as applicable], and with reference to the above, the [DESIGNATION OF ISSUING AUTHORITY] hereby grants the following Licence / Registration / Consent to M/s. [ENTITY NAME]:

Type of Licence / Certificate	[Factory Licence / Consent to Establish (CTE) / Consent to Operate (CTO) / Trade Licence / Registration Certificate]
Licence / Certificate Number	[LICENCE NUMBER/ CERTIFICATE NUMBER]
Valid From	[DD.MM.YYYY.]
Valid Until	[DD.MM.YYYY.] (to be renewed before expiry)
Authorised Capacity / Scale	[e.g., Maximum 50 workers / 100 HP installed power / 500 MT/ annum production capacity]

APPLICATION REJECTED

With reference to the above, the application submitted by M/s. **[ENTITY NAME] / [APPLICANT NAME]** for grant of **[NOC / Licence / CTE / CTO / Other]** for the **[activity/purpose]** at the premises described above has been examined by this Authority and is found **not in order** for the following reasons:

- (a) [Reason 1]
- (b) [Reason 2]

In view of the foregoing, the application is hereby **REJECTED**. The applicant is informed accordingly.

Yours faithfully,

([FULL NAME OF SIGNATORY])

(DESIGNATION)

SCHEDULE- VII**The Acts / Regulations that stand amended /
annulled to the extent mentioned in the
Puducherry Business Reforms Act**

1. The Puducherry Micro, Small and Medium Enterprises (Exemption from Approvals to Commence Business) Act, 2024.
2. The Puducherry Ease of Doing Business (Service Delivery) Act, 2025.

STATEMENT OF OBJECTS AND REASONS

1. The Union territory of Puducherry aspires to become a Viksit State by 2047 by enlarging the space for productive economic activity, enabling broad-based employment and ensuring that growth translates into improved living standards for all persons. A prosperous and just society is built upon the everyday virtues of Enterprise - initiative, responsibility, trust, innovation, and honest risk-taking - which generate employment, widen opportunity, and sustain long-term economic growth.

2. Avoidable regulatory friction, manifested in excessive documentation, duplicative approvals, discretionary delays and uncertain processes, imposes real costs on enterprise, discourages investment, and undermines confidence in public institutions. The existing framework, which treats Enterprise as a privilege to be dispensed through prior permissions, requires fundamental transformation into a system where lawful business activity is permitted by default and the Union territory of Puducherry bears the burden of justification where it restricts such activity.

3. The Proposed Bill therefore establishes a set of statutory guiding principles - Permission by Exception, the One State Principle, Proportionality and Risk-based Regulation, Reliance and Certainty, Transparency and Predictability, and Presumption of Grant on Lapse of Time - which shall govern all exercise of regulatory power under this Act. These principles together transform regulation from a source of uncertainty into a framework of trust, enabling citizens and Enterprises to plan, invest, and work with confidence.

4. The Proposed Bill establishes the Puducherry Business Reforms Council (PBRC), chaired by the Chief Minister, as the apex policy body, along with an Executive Committee chaired by the Chief Secretary for day-to-day implementation. Puducherry Investment Guidance Bureau is designated as the single point of contact for investors, with powers to coordinate approvals, overrule unreasonable rejections by Department-Level Authorities, and ensure time-bound clearances for all enterprises.

5. The Proposed Bill provides that enterprises are free to undertake any activity in any location unless specifically prohibited under the Indicative Negative List set out in Schedule II. It empowers the Government to harmonise

the validity periods of various licences, permits, and NOCs, and to ease Building Bye-Laws, zoning regulations and FAR and setback norms for enterprises, particularly MSMEs, inside and outside notified industrial areas. It further empowers the Government to relax infrastructure and land requirements for setting up private schools and higher educational institutions.

6. The Proposed Bill provides for an auto-appeal mechanism whereby any rejection of an application by a Designated Officer automatically triggers an appeal, removing the burden on the applicant to initiate appeal proceedings. It also introduces an Omnibus Clause empowering the Puducherry Business Reforms Council to direct that compliance burdens under any enactment not covered by the Schedules shall cease to operate in respect of enterprises, upon recommendation by the Executive Committee.

7. The Proposed Bill amends the Puducherry Micro, Small and Medium Enterprises (Exemption from Approvals to Commence Business) Act, 2024 to extend the moratorium period to five years, with provision for a further one-year extension on self-certification, and to make the Acknowledgement Certificate auto-generated where Puducherry Investment Guidance Bureau fails to issue it within the stipulated period. It also amends the Puducherry Ease of Doing Business (Service Delivery) Act, 2025 to provide for the auto-appeal system.

8. The Bill has an overriding effect over all other laws and regulations of the Union territory of Puducherry that are repugnant or contradictory to its provisions. It further provides for protection of action taken in good faith by officers and employees acting under the Act for the facilitation of Ease of Living and Ease of Doing Business.

9. The Bill seeks to achieve the above objects.

MALLADI KRISHNA RAO,
Minister for Industries and Commerce.

FINANCIAL MEMORANDUM

The Proposed Bill provides for the constitution of the Puducherry Business Reforms Council and the Executive Committee, with Puducherry Investment Guidance Bureau functioning as the single point of contact for investors. The proposed "The Puducherry Business Reforms Bill, 2026" seeks to establish a comprehensive deregulation and ease of doing business framework for the Union territory of Puducherry and thereby increase the investment in Puducherry. This will create more employment opportunity and a positive financial implication.

This Bill does not involve any recurring or non-recurring financial expenditure from the Consolidated Fund of the Union territory of Puducherry.

MEMORANDUM REGARDING DELEGATED LEGISLATION

1. Clause 8(1) of the Bill seeks to empower the Executive Committee shall periodically review the indicative lists mentioned in Schedules II to VI and recommend any addition, omission, modification or rationalisation of any category, approval, regulatory requirement, technical standard, risk classification, form or procedure, to the Government.

2. Clause 12(1) of the Bill seeks to empower the Government, by way of notification, to fix a common validity period or duration of various licences, permits and NOCs in connection with any enterprise, and to prescribe validity periods for different classes of enterprises or categories of licences having regard to their nature or risk.

3. Clause 13(2) and 13(3) of the Bill seeks to empower the Government to ease or relax Puducherry Building Bye-Laws and Zoning Regulations, 2012, as well as fire safety regulations and notifications, by way of such notifications or orders as the Government may deem fit, and to allow enterprises, shops, or establishments to operate 24×7 by notification, subject to such compliance as may be prescribed.

4. Clauses 14(1) and 15(1) of the Bill seek to empower the Government to ease or relax, by way of notification, restrictions relating to minimum land requirements, infrastructure requirements and minimum security deposit or

endowment fund requirements for setting up private schools (Kindergarten to Class 12) and private higher education institutions, including private universities, with any prevailing Acts, Rules, or Regulations relating to such institutions standing amended to the extent indicated in the said notification.

5. Clause 21(1) of the Bill seeks to empower the Government of Puducherry, the Industrial Area Development Authority or Appropriate Authority to ease restrictions regarding Puducherry Building Bye-Laws and Zoning Regulations, 2012 for units located inside notified industrial areas and, by notification, to authorise the Appropriate Authority to ease such regulations for units located outside industrial areas as well.

6. Clause 27 of the Bill seeks where it comes to the notice of the Executive Committee that any procedural compliance requirement under any enactment, rule, regulation, bye-law, notification or order, not mentioned in Schedule VII, is duplicative, obsolete, disproportionate or causes avoidable compliance burden on enterprises, the Executive Committee may, after consultation with the concerned Department / Competent Authority and the Law Department, recommend to the Government through the Puducherry Business Reforms Council for its simplification, rationalisation or removal.

7. Clause 28 of the Bill seeks to empower the Government of Puducherry may, by notification in the Official Gazette, delegate all or any of its powers under this Act to the Puducherry Business Reforms Council, the Executive Committee, the Puducherry Investment Guidance Bureau or any officer or authority, subject to such conditions and limitations as may be specified.

8. Sub-clause (1) of Clause 29 of the Bill seeks to empower the Government to make rules by notification in the Official Gazette to carry out the provisions of this Act.

9. Sub-clause (2) of Clause 29 of the Bill seeks to empower the Government to make rules by notification in the Official Gazette prescribing the procedure, manner, timelines, and conditions for the grant, renewal, modification, suspension, or withdrawal of any NOC, licence, permission, approval, Standard Operating Procedure, or notification required under this Act or the Schedules thereto.

10. Clause 30 of the Bill seeks that if any difficulty arises in giving effect to the provisions of this Act, the Puducherry Business Reforms Council may, with the approval of the Government of Puducherry, issue such clarification or order, not inconsistent with the provisions of this Act, as may be necessary for removing such difficulty.

11. Clause 31 of the Bill seeks to empower the Government to issue directions to the Executive Committee, Puducherry Investment Guidance Bureau, or any Department, Authority, Board, Corporation, Society, Co-operative, or Autonomous body of the Union territory of Puducherry in matters connected with the provisions of this Act.

12. The matters in respect of which notifications or orders may be issued or rules may be made are matters of procedure and are of routine and administrative character. Further, the rules made under this Act are required to be laid before the Legislative Assembly as soon as may be after they are made. The delegation of legislative power is therefore of a normal character.

13. The powers delegated are normal and not of an exceptional character.
