

**THE PUDUCHERRY MUNICIPAL DECREE (LEVY AND VALIDATION OF
TAXES, DUTIES, CESSSES AND FEES) ACT, 1973.**

(No. 1 of 1973)

ARRANGEMENT OF SECTIONS

SECTION

1. Short title, extent and commencement.
 2. Definitions.
 3. Levy of taxes, etc., for the purpose of Municipal Decree.
 4. Validation of certain taxes, etc., levied, assessed or collected in Municipal Communes.
 5. Repeal and saving.
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**THE PUDUCHERRY MUNICIPAL DECREE (LEVY AND VALIDATION OF
TAXES, DUTIES, CESSSES AND FEES) ACT, 1973.**

(No. 1 of 1973)

21st March 1973.

AN ACT

to provide for the levy, assessment and collection of taxes, duties, cesses and fees for the purposes of the Municipal Decree dated the 12th March, 1880 and for the validation of taxes, duties, cesses and fees levied thereunder.

BE it enacted by the Legislative Assembly of Puducherry in the Twenty-fourth year of the Republic of India as follows: —

1. Short title, extent and commencement.— (1) This Act may be called the Puducherry Municipal Decree (Levy and Validation of Taxes, Duties, Cesses and Fees) Act, 1973.

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

(3) It shall be deemed to have come into force on the 18th day of January, 1973.

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

(a) 'Government' means the Administrator of the Union territory of Puducherry appointed by the President under article 239 of the Constitution;

(b) 'municipal commune' means a commune mentioned in article 1 of the Municipal Decree;

(c) 'municipal council' means the body constituted to manage the municipal affairs in a municipal commune;

(d) 'Municipal Decree' means the Decree of French Government dated the 12th March, 1880, as amended from time to time.

3. Levy of taxes, etc., for the purpose of Municipal Decree.— Any tax, duty, cess or fee which the Legislature of the Union territory of Puducherry has power to levy may, subject to any general or special order which the Government may make in this behalf, also be levied, assessed and collected for the purposes of the Municipal Decree in accordance with the provisions contained in or made under the Municipal Decree and notwithstanding the provisions of section 7 of the Puducherry (Administration) Act, 1962 (Central Act 49 of 1962), or of any provision of any Act passed by the Legislature of the Union territory of Puducherry, the Municipal Decree shall have, and shall be deemed to have had on and from the 16th day of August, 1962, effect accordingly.

4. Validation of certain taxes, etc., levied, assessed or collected in municipal communes.— Notwithstanding any judgment, decree or order of any court, all taxes, duties, cesses and fees (being taxes, duties, cesses and fees which the Legislature of the Union territory of Puducherry has power to levy) levied, assessed or collected or purporting to have been levied, assessed or collected under the Municipal Decree before the commencement of this Act shall be deemed to have been validly levied,

assessed or collected in accordance with law as if the provisions of section 3 had been in force at all material times when any such tax, duty, cess or fee was levied, assessed or collected; and accordingly,-

(a) all acts, proceedings or things done or taken by the municipal councils or by any other authority, officer or person in connection with the levy, assessment or collection of any such tax, duty, cess, or fee shall, for all purposes, be deemed to be, and to have always been done or taken in accordance with law;

(b) no suit or other proceedings shall be maintained or continued in any court against the municipal councils or any other authority, officer or person whatsoever for the refund of any tax, duty, cess or fee so collected; and

(c) no court shall enforce any decree or order directing the refund of any tax, duty, cess or fee so collected:

Provided that no act or omission on the part of any person shall be punishable as an offence which would not have been so punishable if this Act had not been passed.

5. Repeal and saving. - (1) The Puducherry Municipal Decree (Levy and Validation of Taxes, Duties, Cesses and Fees) Ordinance, 1973, is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under this Act as if this Act was in force on the date on which such thing was done or action taken.

STATEMENT OF OBJECTS AND REASONS FOR ACT 1 OF 1973

Under the Municipal Decree dated 12-3-1880 which continues to be in force by virtue of section 4 of the Puducherry (Administration) Act, 1962 (Act No. 49 of 1962), the municipalities in the Union territory of Puducherry have been levying various taxes, duties, cesses and fees in exercise of the powers conferred on them under article 52 read with article 46 and 47 of the said Municipal Decree.

The High Court at Madras in Writ Petition No. 244 of 1971 (P) held that the Mahe municipal council had no power to provide for the levy of impugned tax and even otherwise, after the Puducherry General Sales Tax Act, 1967 no such powers are available to the municipal council as that subject has been legislated upon by a competent legislature and the municipal council cannot, therefore, invoke the Municipal Decree of 12-3-1880 and impose such a levy. Basically, an identical view was expressed by the High Court in Writ Petition No. 3433 of 1970 (P).

For validating the taxes etc., which have been levied under the Municipal Decree from 16-8-1962 upto now, it is proposed to over-ride section 7 of the Puducherry (Administration) Act, 1962 and to provide expressly that any taxes, duties, cesses and fees which the legislature of the Union territory of Puducherry may levy, may also be levied for the purposes of the Municipal Decree, in accordance with the provisions of the Municipal Decree and to validate the levy, assessment and collection of such taxes, duties, cesses and fees from 16-8-1962 upto now.

This Bill seeks to achieve the above objects.

THE PUDUCHERRY COURT FEES AND SUITS VALUATION ACT, 1972
(No. 6 of 1973)

ARRANGEMENT OF SECTIONS

CHAPTER - I

Preliminary

SECTION

1. Short title, extent and commencement.
2. Application of Act.
3. Definitions.

CHAPTER - II

Liability to fee

4. Levy of fee in Courts and public offices.
5. Fees on documents inadvertently received.
6. Multifarious suits.
7. Determination of market value.
8. Set off or counter-claim.
9. Documents falling under two or more descriptions.

CHAPTER - III

Determination of fee

10. Statement of particulars of subject-matter of suit and plaintiff's valuation thereof.
11. Decision as to proper fee in other Courts.
12. Additional fee on issues framed.
13. Relinquishment of portion of claim.
14. Fee payable on written statements.
15. Fee payable on appeals, etc.
16. Fee payable on petitions, applications, etc.
17. Court-fee Examiners.
18. Inquiry and commission.
19. Notice to Government.

CHAPTER - IV
Computation of fee

20. Fee how reckoned.
21. Fees to be computed to the nearest multiple of five paise.
22. Suits for money.
23. Suits for maintenance and annuities.
24. Suits for movable property.
25. Suits for declaration.
26. Adoption suits.
27. Suits for injunction.
28. Suits relating to trust property.
29. Suits for possession under the Specific Relief Act, 1963.
30. Suits for possession not otherwise provided for.
31. Suits relating to easements.
32. Pre-emption suits.
33. Suits relating to mortgages.
34. Suits relating to kanams.
35. Suits for accounts.
36. Suits for dissolution of partnership.
37. Partition suits.
38. Suits for joint possession.
39. Administration suits.
40. Suits for cancellation of decrees, etc.
41. Suits to set aside attachment.
42. Suits for specific performance.
43. Suits between landlord and tenant.
44. Suits for mesne profits.
45. Suits under the Puducherry Survey and Boundaries Act, 1967.
46. Suits to alter or cancel entry in a register.
47. Suits relating to public matters.
48. Inter pleader suits.
49. Third party proceedings.
50. Suits not otherwise provided for.
51. Fee on memorandum of appeal against order relating to compensation.
52. Appeals.

CHAPTER - V

Valuation of suits

- 53. Suits not otherwise provided for.
- 54. Procedure where objection is taken on appeal or revision that a suit or appeal was not properly valued for jurisdictional purposes.

CHAPTER — VI

Refunds and remissions

- 55. Refund in cases of delay in presentation of plaint, etc.
- 56. Refund in cases of remand.
- 57. Refund where Court reverses or modifies former decision on ground of mistake.
- 58. Refund and settlement before hearing.
- 59. Refund of fee paid by mistake or inadvertence.
- 60. Instruments of partition.
- 61. Exemption of certain documents.
- 62. Power to reduce or remit fees.

CHAPTER — VII

Miscellaneous

- 63. Collection of fees by stamps.
- 64. Stamps to be impressed or adhesive.
- 65. Amended document.
- 66. Cancellation of stamps.
- 67. Deduction to be made.
- 68. Penalty.
- 69. Power of High Court to make rules.
- 70. Power to make rules.
- 71. Continuance in force of existing rules.
- 72. Repeal and saving.

SCHEDULE - I

SCHEDULE - II

THE PUDUCHERRY COURT-FEES AND SUITS VALUATION ACT, 1972**(No. 6 of 1973)**6th July 1973.**AN ACT**

to amend and consolidate the law relating to court fees and valuation of suits in the Union territory of Puducherry.

BE it enacted by the Legislative Assembly of Puducherry in the Twenty-third year of the Republic of India as follows.-

CHAPTER - I**PRELIMINARY**

1. Short title, extent and commencement. - (1) This Act may be called the Puducherry Court Fees and Suits Valuation Act, 1972.

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

(3) It shall come into force on such ¹ date as the Government may, by notification in the Official Gazette, appoint.

2. Application of Act. - (1) The provisions of this Act shall not apply to documents presented or to be presented before an officer serving under the Central Government.

(2) Where any other law contains provisions relating to the levy of fee in respect of proceedings under such other law, the provisions of this Act relating to the levy of fee in respect of such proceedings shall apply subject to the said provisions of such other law.

3. Definitions. - In this Act, unless the context otherwise requires, —

(i) “appeal” includes a cross-objection;

1. The Act came into force on the 1st day of September 1974, *vide* Notification No.7682/69/C dated 22nd August, 1974.

(ii) "Court" means any Civil, Revenue, or Criminal Court and includes a Tribunal or other authority having jurisdiction under any special or local law to decide questions affecting the rights of parties;

(iii) "Government" means the Administrator of the Union territory of Puducherry appointed by the President under article 239 of the Constitution;

(iv) "prescribed" means prescribed by rules made under this Act;

(v) expressions used and not defined in this Act or in the General Clauses Act, 1897 (Central Act 10 of 1897), but defined in the Code of Civil Procedure, 1908 (Central Act 5 of 1908) shall have the meanings respectively assigned to them in the said Code.

CHAPTER - II

LIABILITY TO PAY FEE

4. Levy of fee in Courts and Public offices.- No document which is chargeable with fee under this Act shall,-

(i) be filed, exhibited or recorded in, or be acted on or furnished by, any Court including the High Court, or

(ii) be filed, exhibited or recorded in any public office, or be acted on or furnished by any public officer, unless in respect of such document there be paid a fee of an amount not less than that indicated as chargeable under this Act:

Provided that, whenever the filing or exhibition in a Criminal Court of a document in respect of which the proper fee has not been paid is in the opinion of the Court necessary to prevent a failure of justice, nothing contained in this section shall be deemed to prohibit such filing or exhibition.

5. Fees on documents inadvertently received. - When a document on which the whole or any part of the fee prescribed by this Act has not been paid is produced or has, through mistake or inadvertence, been received in any Court or public office, the Court or the head of the office may, in its, or at his, discretion at any time, allow the person by whom such fee is payable, to pay the fee or part thereof, as the case may be, within such time as may be fixed; and upon such payment, the document shall have the same force and effect as if the full fee had been paid in the first instance.

6. Multifarious suits. - (1) In any suit in which separate and distinct reliefs are sought based on the same cause of action, the plaint shall be chargeable with a fee on the aggregate value of the reliefs:

Provided that, if a relief is sought only as ancillary to the main relief, the plaint shall be chargeable only on the value of the main relief.

(2) Where more reliefs than one based on the same cause of action are sought in the alternative in any suit, the plaint shall be chargeable with the highest of the fees leviable on the reliefs.

(3) Where a suit embraces two or more distinct and different causes of action and separate reliefs based on them are sought, either alternatively or cumulatively, the plaint shall be chargeable with the aggregate amount of the fees with which plaints would be chargeable under this Act if separate suits were instituted in respect of the several causes of action:

Provided that, where the causes of action in respect of reliefs claimed alternatively against the same person arise out of the same transaction, the plaint shall be chargeable only with the highest of the fees chargeable on them:

Provided further that nothing in this sub-section shall be deemed to affect any power conferred upon a Court under rule 6 of Order II of the Code of Civil Procedure, 1908 (Central Act 5 of 1908).

(4) The provisions of this section shall apply *mutatis mutandis* to memoranda of appeals, applications, petitions and written statements.

Explanation. — For the purpose of this section, a suit for possession of immovable property and for mesne profits shall be deemed to be based on the same cause of action.

7. Determination of market value. – (1) Save as otherwise provided, where the fee payable under this Act depends on the market value of any property, such value shall be determined as on the date of presentation of the plaint.

(2) The market value of land in suits falling under section 25(a), 25(b), 27(a), 29, 30, 37(1), 37(3), 38, 45 or 48 shall be deemed to be —

(a) where the land is assessed, thirty times the survey assessment on the land:

Provided that, where the land forms part of a survey field and is not separately assessed to revenue, the value of such part shall be deemed to be thirty times such proportion of the survey assessment as the part bears to the entire survey field.

(b) where the land is a house-site whether assessed to full revenue or not, poramboke land, or any other land not falling under clause (a),— its market value.

8. Set off or counter-claim. – A written statement pleading a set off or counter-claim shall be chargeable with fee in the same manner as a plaint.

9. Documents falling under two or more descriptions. – Subject to the provisions of sections 4 to 8, a document falling within two or more descriptions in this Act shall, where the fees chargeable thereunder are different, be chargeable only with the highest of such fees:

Provided that, where one of such descriptions is special and another general, the fee chargeable shall be the fee appropriate to the special description.

CHAPTER - III DETERMINATION OF FEE

10. Statement of particulars of subject-matter of suit and plaintiff's valuation thereof. - In every suit in which the fee payable under this Act on the plaint depends on the market value of the subject-matter of the suit, the plaintiff shall file with the plaint, a statement in the prescribed form, of particulars of the subject-matter of the suit and his valuation thereof unless such particulars and the valuation are contained in the plaint.

11. Decision as to proper fee in other Courts. - (1) In every suit instituted in any Court other than the High Court, the Court shall, before ordering the plaint to be registered, decide on the materials and allegations contained in the plaint and on the materials contained in the statement, if any, filed under section 10, the proper fee payable thereon, the decision being however subject to review, further review and correction in the manner hereinafter specified in this section.

(2) Any defendant may, by his written statement filed before the first hearing of the suit or before evidence is recorded on the merits of the claim, but, subject to sub-section (3) not later, plead that the subject-matter of the suit has not been properly valued or that the fee paid is not sufficient. All questions arising on such pleas shall be heard and decided before evidence is recorded affecting such defendant, on the merits of the claim. If the Court decides that the subject-matter of the suit has not been properly valued or that the fee paid is not sufficient, the Court shall fix a date before which the plaint shall be amended in accordance with the Court's decision and the deficit fee shall be paid. If the plaint be not amended or if the deficit fee be not paid within the time allowed, the plaint shall be rejected and the Court shall pass such order as it deems just regarding costs of the suit.

(3) A defendant added after issues have been framed on the merits of claim may, in the written statement filed by him plead that the subject-matter of the suit has not been properly valued or that the fee paid is not sufficient. All questions arising on such pleas shall be heard and decided before evidence is recorded affecting such defendant, on the merits of the claim, and if the Court finds that the subject-matter of the suit has not been properly valued or that the fee paid is not sufficient, the Court shall follow the procedure laid down in sub-section (2).

Explanation. — Nothing in this sub-section shall apply to a defendant added as a successor or a representative in interest of a dependant who was on record before issues were framed on the merits of the claim and who had an opportunity to file a written statement pleading that the subject-matter of the suit was not properly valued or that the fee paid was not sufficient.

(4) (a) Whenever a case comes up before a Court of appeal, it shall be lawful for the Court, either of its own motion or on the application of any of the parties, to consider the correctness of any order passed by the lower Court affecting the fee payable on the plaint or in any other proceedings in the lower Court and determine the proper fee payable thereon.

Explanation. — A case shall be deemed to come before a Court of appeal even if the appeal relates only to a part of the subject-matter of the suit.

(b) If the Court of appeal decides that the fee paid in the lower Court is not sufficient, the Court shall require the party liable to pay the deficit fee within such time as may be fixed by it.

(c) If the deficit fee is not paid within the time fixed and the default is in respect of a relief which has been dismissed by the lower Court and which the appellant seeks in appeal, the appeal shall be dismissed, but if the default is in respect of a relief which has been decreed by the lower Court, the deficit fee shall be recoverable as if it were an arrear of land revenue.

(d) If the fee paid in the lower Court is in excess, the Court shall direct the refund of the excess to the party who is entitled to it.

(5) All questions as to value for the purpose of determining the jurisdiction of Courts arising on the written statement of a defendant shall be heard and decided before evidence is recorded affecting such defendant, on the merits of the claim.

Explanation.— In this section, the expression “merits of the claim” refers to matters which arise for determination in the suit, not being matters relating to the frame of the suit, mis-joinder of parties and causes of action, the jurisdiction of the Court to entertain or try the suit or the fee payable but inclusive of matters arising on pleas of *res judicata*, limitation and the like.

12. Additional fee on issues framed.— Where a party becomes liable to pay additional fee by reason of an issue framed in the suit, the provisions of section 11 shall apply to the determination and levy of such additional fee subject to the modification that where the party liable does not pay such additional fee within the time allowed, the Court shall strike off the issue and proceed to hear and decide the other issues in the case.

13. Relinquishment of portion of claim.— A plaintiff who has been called upon to pay additional fee may relinquish a part of his claim and apply to have the plaint amended so that the fee paid would be adequate for the claim made in the plaint as amended. The Court shall allow such application on such terms as it considers just and shall proceed to hear and decide the claim made in the plaint as amended:

Provided that the plaintiff shall not be permitted at any later stage of the suit to add to the claim the part so relinquished.

14. Fee payable on written statements.— Where fee is payable under this Act on a written statement filed by a defendant, the provisions of section 11 shall apply to the determination and levy of the fee payable on such written statement, the defendant

concerned being regarded for the said purpose as the plaintiff and the plaintiff or the co-defendant or the third party against whom the claim is made being regarded as the defendant.

15. Fee payable on appeals, etc. - The provisions of sections 10 to 13 relating to the determination and levy of fee on plaints in suits shall apply *mutatis mutandis* to the determination and levy of fee in respect of a memorandum of appeal, cross-objection or other proceedings in second appeal or in an appeal under the Letters Patent.

16. Fee payable on petitions, applications, etc. - The provisions of sections 10 to 13 shall apply *mutatis mutandis* to the determination and levy of fee in respect of petitions, applications and other proceedings in Courts in the same way as they apply to the determination and levy of fee on plaints in suits.

17. Court-fee Examiners. - (1) The High Court may depute officers to be designated Court-fee Examiners to inspect the records of subordinate Courts with a view to examine the correctness of representations made to, and orders passed by, Courts on questions relating to valuation of subject-matter and sufficiency of fee in respect of proceedings in such Courts.

(2) Questions raised in the reports submitted by such Court-fee Examiners and relating to any suit, appeal or other proceeding pending in a Court shall be heard and decided by such Court; and for the avoidance of doubt, it is hereby declared that in hearing and deciding a question raised in any such report, it shall be lawful for the Court to review an earlier decision given by the Court on the same question.

18. Inquiry and commission. - For the purpose of deciding whether the subject-matter of a suit or other proceeding has been properly valued or whether the fee paid is sufficient, the Court may hold such inquiry as it considers proper and may, if it thinks fit, issue a commission to any proper person directing him to make such local or other investigation as may be necessary and to report thereon to the Court.

19. Notice to the Government. - In any inquiry relating to the fee payable on a plaint, written statement, petition, memorandum of appeal or other document, or to the valuation of the subject-matter of the claim to which the plaint, written statement, petition, memorandum of appeal or other document relates, in so far as such valuation affects the fee payable, the Court may, if it considers it just or necessary to do so, give notice to the Government; and where such notice is given, the Government shall be deemed to be a party to the suit or other proceeding as respects the determination of the question or questions, aforesaid; and the Court's decision on such question or questions shall when it passes a decree or final order in such suit or proceeding, be deemed to form part of such decree or final order.

CHAPTER - IV

COMPUTATION OF FEE

20. Fee how reckoned. - The fee payable under this Act shall be determined or computed in accordance with the provisions of this Chapter, Chapter VII and Schedules I and II.

21. Fees to be computed to the nearest multiple of five paise. - In the determination and computation of the amount of fee payable under this Act, any fraction of five paise less than two and a half paise shall be disregarded and any fraction of five paise equal to, or exceeding, two and a half paise shall be regarded as five paise.

22. Suits for money. - In a suit for money (including a suit for damages or compensation, or arrears of maintenance, of annuities, or of other sums payable periodically), fee shall be computed on the amount claimed.

23. Suits for maintenance and annuities. - In the suits hereinafter mentioned, fee shall be computed as follows: —

(a) in a suit for maintenance, on the amount claimed to be payable for one year;

(b) in a suit for enhancement or reduction of maintenance, on the amount by which the annual maintenance is sought to be enhanced or reduced;

(c) in a suit for annuities or other sums payable periodically, on five times the amount claimed to be payable for one year:

Provided that, where the annuity is payable for less than five years, the fee shall be computed on the aggregate of the sums payable:

Provided further that a suit for enhancement of maintenance shall be instituted in a Court which will have jurisdiction to receive a suit for maintenance at the enhanced rate claimed and one for reduction of maintenance shall be instituted in a Court which will have jurisdiction to receive a suit for maintenance at the rate which is sought to be reduced.

24. Suits for movable property. - (1) In a suit for movable property other than documents of title, fee shall be computed.-

(a) where the subject-matter has a market value, on such value; or

(b) where the subject-matter has no market value, on the amount at which the relief sought is valued in the plaint.

(2) (a) In a suit for possession of documents of title, fee shall be computed on one-fourth of the amount or of the market value of the property secured by the document.-

- (i) where the plaint alleges denial of the plaintiff's title to the money or the property secured by the document, or
- (ii) where an issue is framed regarding the plaintiff's title to the money or the property secured by the document:

Provided that where the allegation in the plaint or the issue framed relates only to a portion of the amount or property, fee shall be computed on one-fourth of such portion of the amount or on one-fourth of the market value of such portion of the property.

(b) In a suit for possession of documents of title where the plaintiff's title to the money or the property secured by the document is not denied, fee shall be computed on the amount at which the relief sought is valued in the plaint.

Explanation.- The expression "document of title" means a document which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, and right, title or interest, whether vested or contingent, in any property.

25. Suits for declaration. - In a suit for a declaratory decree or order, whether with or without consequential relief, not falling under section 26.-

(a) where the prayer is for a declaration and for possession of the property to which the declaration relates, fee shall be computed on the market value of the property or on rupees three hundred whichever is higher;

(b) where the prayer is for a declaration and for consequential injunction and the relief sought is with reference to any immovable property, fee shall be computed on one-half of the market value of the property or on rupees three hundred, whichever is higher;

(c) where the prayer relates to the plaintiff's exclusive right to use, sell, print or exhibit any mark, name, book, picture, design or any other thing and is based on an infringement of such exclusive right, fee shall be computed on the amount at which the relief sought is valued in the plaint or on rupees five hundred, whichever is higher;

(d) in other cases, whether the subject-matter of the suit is capable of valuation or not, fee shall be computed on the amount at which the relief sought is valued in the plaint or on rupees four hundred, whichever is higher;

26. Adoption suits. - In a suit for a declaration in regard to the validity or invalidity of an adoption or the factum of an adoption, fee shall be payable at the following rates, namely.-

(i) In a District Munsif's Court, Rupees fifty.

(ii) In a Sub-Court or a District Court, rupees one hundred if the market value of the property involved in or affected by the relief is ₹10,000 or less and rupees five hundred if it is above ₹10,000.

27. Suits for injunction. - In a suit for injunction -

- (a) where the relief sought is with reference to any immovable property, and
 - (i) where the plaintiff alleges that his title to the property is denied, or
 - (ii) where an issue is framed regarding the plaintiff's title to the property,

fee shall be computed on one-half of the market value of the property or on rupees three hundred, whichever is higher;

(b) where the prayer relates to the plaintiff's exclusive right to use, sell, print or exhibit any mark, name, book, picture, design or other thing and is based on an infringement of such exclusive right, fee shall be computed on the amount at which the relief sought is valued in plaint or on rupees five hundred, whichever is higher;

(c) in any other case, whether the subject-matter of the suit has a market value or not, fee shall be computed on the amount at which the relief sought is valued in the plaint or on rupees four hundred, whichever is higher.

28. Suits relating to trust property. - In a suit for possession or joint possession of trust property or for a declaratory decree, whether with or without consequential relief in respect of it, between trustees or rival claimants to the office of trustee or between a trustee and a person who has ceased to be trustee, fee shall be computed on one-fifth of the market value of the property subject to a maximum fee of rupees two hundred or where the property has no market value, on rupees one thousand:

Provided that, where the property does not have a market value, value for the purpose of determining the jurisdiction of Courts shall be such amount as the plaintiff shall state in the plaint.

Explanation.- For the purpose of this section, property comprised in a Hindu, Muslim or other religious or charitable endowment shall be deemed to be trust property and the manager of any such property shall be deemed to be the trustee thereof.

29. Suits for possession under the Specific Relief Act, 1963. - In a suit for possession of immovable property under section 6 of the Specific Relief Act, 1963 (Central Act 47 of 1963) fee shall be computed on one-half of the market value of the property or on rupees two hundred, whichever is higher.

30. Suits for possession not otherwise provided for. - In a suit for possession of immovable property not otherwise provided for, fee shall be computed on the market value of the property or on rupees four hundred, whichever is higher.

31. Suits relating to easements. - In a suit relating to an easement, whether by the dominant or the servant owner, fee shall be computed on the amount at which the

relief sought is valued in the plaint, which amount shall in no case be less than rupees three hundred:

Provided that, where compensation is claimed besides other relief relating to such easement, fee shall be paid on the amount claimed as compensation in addition to the fee payable on such other relief.

32. Pre-emption suits. - In a suit to enforce a right of pre-emption, fee shall be computed on the amount of the consideration for the sale which the pre-emptor seeks to avoid or on the market value, whichever is less.

33. Suits relating to mortgages. - (1) In a suit to recover the money due on a mortgage, fee shall be computed on the amounts claimed.

Explanation. — It is immaterial that sale of the mortgaged property is not prayed for.

(2) Where, in such a suit, the holder of a prior mortgage or charge is impleaded and he prays in his written statement that the amount due on his mortgage or charge be determined and that the decree contain a direction for the payment of such amount to him, fee shall be payable on the written statement computed on the amount claimed:

Provided that, where the holder of the mortgage or charge has paid a fee in any other proceeding on the claim to which his written statement relates, credit shall be given for the fee paid by him in such other proceeding.

(3) Where, in such a suit, the mortgaged property is sold and the holder of a prior or subsequent mortgage or charge applies for payment to him, out of the sale proceeds of the amount due on his mortgage or charge, such holder of the prior or subsequent mortgage or charge shall pay on his application, a fee computed on the amount claimed by him:

Provided that, where such holder of the mortgage or charge is a party to the suit in which the sale was held and has paid fee on the written statement filed by him in the suit, no fee shall be payable by him on the application for payment out of the sale proceeds:

Provided further that, where the holder of the mortgage or charge, not being a party to the suit in which the sale is held, has paid a fee in any other proceeding on the claim to which his application relates, credit shall be given for the fee paid by him in such other proceeding.

(4) In a suit by a co-mortgagee for the benefit of himself and the other co-mortgagees, fee shall be computed on the amount claimed on the entire mortgage:

Provided that, where a co-mortgagee impleaded as defendant in such suit claims on the entire mortgage a larger sum than is claimed in the plaint, the difference between the fee computed on the entire sum claimed in such defendant's written statement and the fee computed on the entire sum claimed in the plaint shall be payable on the written statement.

Explanation. — Nothing in this sub-section shall be construed as affecting the law of limitation.

(5) (a) In a suit by a sub-mortgagee to recover the amount claimed on the sub-mortgage by sale of the mortgagee's interest in the mortgaged property, fee shall be computed on the amount claimed under the sub-mortgage.

(b) In a suit by a sub-mortgagee, if the prayer is for the sale of the property mortgaged to the original mortgagee and the original mortgagor is also impleaded as a defendant, fee shall be computed on the entire amount claimed on the original mortgage which is sub-mortgaged to him.

(6) Where the holder of a prior or subsequent mortgage or charge is impleaded in a suit by a co-mortgagee to which sub-section (4) applies or in a suit by a sub-mortgagee to which sub-section (5) applies, the provisions of sub-sections (2) and (3) shall apply *mutatis mutandis* to a written statement or an application filed by such holder of mortgage or charge.

(7) Where the original mortgagee who is impleaded in a suit to which the provisions of sub-section (5) (b) apply claims on the mortgage sub-mortgaged by him a larger amount than is claimed in the plaint, the provisions of sub-section (4) shall apply *mutatis mutandis* to the written statement of such mortgagor.

(8) In a suit against a mortgagee for redemption of a mortgage, fee shall be computed on the amount due on the mortgage as stated in the plaint or on one-fourth of the principal amount secured under the mortgage, whichever is higher:

Provided that, where the amount due in the mortgage is found to be more than the amount on which fee has been paid by the plaintiff, no decree shall be passed until the deficit fee is paid:

Provided further that, in the case of a usufructuary or anomalous mortgage, if the plaintiff prays for redemption as well as for account of surplus profits, fee shall be levied separately on the relief for accounts as in a suit for accounts.

(9) In a suit by a mortgagee to foreclose the mortgage or, where the mortgage is made by conditional sale, to have the sale declared absolute, fee shall be computed on the amount claimed in the plaint by way of principal and interest.

34. Suits relating to kanams. - (1) A suit by a landlord for recovery of possession of property transferred by way of kanam or kanam-kuzhikanam shall be deemed to involve the reliefs of redemption and ejectment, and fee shall be levied in respect of each of the reliefs, that is to say, on the kanartham in respect of the relief of redemption and on one year's michavaram or rent in respect of the relief of ejectment.

(2) If in any such suit, arrears of michavaram or rent or damages or both are also sought to be recovered, fee shall be levied also on the amount of such arrears or damages or both:

Provided that, where the plaintiff seeks to set off the kanartham and the value of the improvements due by him to the defendant against arrears of michavaram or rent due to him, fee shall be levied only on the balance claimed; and if the amount ascertained to be due to him exceeds the amount as estimated by the plaintiff, no decree shall be passed until the difference between the fee actually paid and the fee which would have been payable had the suit comprised the whole of the amount so ascertained, is paid. If the additional fee is not paid within such time as the Court may fix, the decree shall be limited to the amount to which the fee paid extends.

35. Suits for accounts. - (1) In a suit for accounts, fee shall be computed on the amount sued for as estimated in the plaint.

(2) Where the amount payable to the plaintiff as ascertained in the suit is in excess of the amount as estimated in the plaint, no decree directing payment of the amount as so ascertained shall be passed until the difference between the fee actually paid and the fee that would have been payable had the suit comprised the whole of the amount so ascertained, is paid. If the additional fee is not paid within such time as the Court may fix, the decree shall be limited to the amount to which the fee paid extends.

(3) Where in any such suit it is found that any amount is payable to the defendant, no decree shall be passed in his favour until he pays the fee due on the amount.

36. Suits for dissolution of partnership. - (1) In a suit for dissolution of partnership and accounts or for accounts of dissolved partnership, fee shall be computed on the value of the plaintiff's share in the partnership, as estimated by the plaintiff.

(2) If the value of the plaintiff's share as ascertained in the suit exceeds the value as estimated in the plaint, no decree, or where there has been a preliminary decree, no final decree, shall be passed in favour of the plaintiff, no payment shall be made out of the assets of the partnership and no property shall be allotted as for the plaintiff's share until the difference between the fee actually paid and the fee that would have been payable had the suit comprised the whole of the value so ascertained, is paid.

(3) No final decree shall be passed, no money shall be paid and no allotment of property shall be made in favour of a defendant in any such suit as, for or on account of, his share of the assets of the partnership, until the fee computed on the amount or value of his share of the assets of the partnership is paid.

37. Partition suits. - (1) In a suit for partition and separate possession of a share of joint family property or of property owned, jointly or in common by a plaintiff who has been excluded from possession of such property, fee shall be computed on the market value of the plaintiff's share.

(2) In a suit for partition and separate possession of joint family property or property owned jointly or in common by a plaintiff who is in joint possession of such property, fee shall be paid at the following rates, namely: --

When the plaint is presented to ---

- (i) a District Munsif's Court: Rupees thirty.
- (ii) a Sub-Court or a District Court: Rupees thirty if the value of plaintiff's share is ₹ 5,000 or less.
- (iii) Rupees one hundred if the value is above ₹ 5,000 but below ₹ 10,000; and
- (iv) Rupees two hundred if the value is ₹ 10,000 and above.

(3) Where, in a suit falling under sub-section (1) or sub-section (2), a defendant claims partition and separate possession of his share of the property, fee shall be payable on his written statement computed on half the market value of his share or at half the rates specified in sub-section (2) according as such defendant has been excluded from possession or is in joint possession.

(4) Where, in a suit falling under sub-section (1) or sub-section (2), the plaintiff or the defendant seeks cancellation of decree or other document of the nature specified in section 40, separate fee shall be payable on the relief of cancellation in the manner specified in that section.

38. Suits for Joint Possession. - In a suit for Joint Possession of joint family property or of property owned, jointly or in common, by a plaintiff who has been excluded from possession, fee shall be computed on the market value of the plaintiff's share.

39. Administration suits. - (1) In a suit for the administration of an estate, fee shall be levied on the plaint at the rates specified in section 50.

(2) Where any amount or share or part of the assets of the estate is found due to the plaintiff, and the fee computed on the amount or the market value of such share or part of the assets exceeds the fee paid on the plaint, no payment shall be made and no decree directing payment of money or confirming title to such share or part of the assets shall be passed until the difference between the fee actually paid and the fee computed on the amount or value of the property is paid.

(3) No payment shall be made, no decree directing payment of money or confirming title to any share or part of the assets of the estate shall be passed in favour of a defendant in a suit for administration until the fee computed on the amount or value of such share or part of such assets is paid by such defendant.

(4) In computing the fee payable by a plaintiff or by a defendant under sub-section (2) or sub-section (3), credit shall be given for the fee if any, paid by such plaintiff or by such defendant in any other proceeding in respect of the claim on the basis of which such amount or share or part of the assets of the estate becomes due to such plaintiff or to such defendant.

40. Suits for cancellation of decrees, etc. - (1) In a suit for cancellation of a decree for money or other property having a money value, or other document which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest in money, movable or immovable property, fee shall be computed on the value of the subject-matter of the suit, and such value shall be deemed to be -

if the whole decree or other document is sought to be cancelled, the amount or value of the property for which the decree was passed on other document was executed;

if a part of the decree or other document is sought to be cancelled, such part of the amount or value of the property.

(2) If the decree or other document is such that the liability under it cannot be split up and the relief claimed relates only to a particular item of property belonging to the plaintiff or to the plaintiff's share in any such property, fee shall be computed on the value of such property or share or on the amount of the decree whichever is less.

Explanation. — A suit to set aside an award shall be deemed to be a suit to set aside a decree within the meaning of this section.

41. Suits to set aside attachment. - (1) In a suit to set aside an attachment by a Civil or Revenue Court of any property, movable or immovable, or of any interest therein or of any interest in revenue, or to set aside an order passed on an application made to set aside the attachment, fee shall be computed on the amount for which the property was attached or on one-fourth of the market value of the property attached, whichever is less.

(2) In a suit to set aside any other summary decision or order of a Civil or Revenue Court, if the subject-matter of the suit has a market value, fee shall be computed on one-fourth of such value, and in other cases, fee shall be payable at the rates specified in section 50.

Explanation. — For the purpose of this section, the Registrar of Co-operative Societies shall be deemed to be a Civil Court.

42. Suits for specific performance. - In a suit for specific performance, whether with or without possession, fee shall be payable.-

(a) in the case of a contract of sale, computed on the amount of the consideration;

(b) in the case of a contract of mortgage, computed on the amount agreed to be secured by the mortgage;

(c) in the case of a contract of lease, computed on the aggregate amount of the fine or premium, if any, and of the average of the annual rent agreed to be paid;

(d) in the case of a contract of exchange, computed on the amount of the consideration, or as the case may be, on the market value of the property sought to be got in exchange;

(e) in other cases, where the consideration for the promise sought to be enforced has a market value, computed on such market value, or where such consideration has no market value, at the rates specified in section 50.

43. Suits between landlord and tenant. - (1) In the following suits between landlord and tenant, namely.-

- (a) for the delivery by a tenant of the counter part of a lease or for acceptance of patta in exchange for a *muchilika*;
- (b) for enhancement of rent;
- (c) for the delivery by a landlord of a lease or for obtaining a patta in exchange for a *muchilika*;
- (d) for recovering occupancy of immovable property from which a tenant has been illegally ejected by the landlord;
- (e) for establishing or disproving a right of occupancy;

fee shall be levied on the amount of rent for the immovable property to which the suit relates, payable for the year next before the date of presenting the plaint.

(2) In a suit for recovery of immovable property from a tenant including a tenant holding over after the termination of a tenancy, fee shall be computed on the premium, if any, and on the rent payable for the year next before the date of presenting the plaint.

Explanation.- "Rent" includes also damages for use and occupation payable by a tenant holding over.

44. Suits for mesne profits. - (1) In a suit for mesne profits or for immovable property and mesne profits, fee shall be in respect of mesne profits be computed, where the amount is stated approximately and sued for, on such amount. If the

profits ascertained to be due to the plaintiff are in excess of the profits as approximately estimated and sued for, no decree shall be passed until the difference between the fee actually paid and the fee that would have been payable had the suit comprised the whole of the profits so ascertained is paid.

(2) Where a decree directs an enquiry as to the mesne profits which have accrued on the property, whether prior or subsequent to the institution of the suit, no final decree shall be passed till the difference between the fee actually paid and the fee which would have been payable had the suit comprised the whole of the profits accrued due till the date of such decree is paid.

(3) Where, for a period subsequent to the date of the decree or final decree, such decree or final decree directs payment of mesne profits at a specified rate, such decree or final decree shall not be executed until the fee computed on the amount claimed in execution has been paid.

45. Suits under the Puducherry Survey and Boundaries Act, 1967. - In a suit under section 12 of the Puducherry Survey and Boundaries Act, 1967 (8 of 1967) fee shall be computed on one half of the market value of the property affected by the determination of the boundary or on rupees three hundred, whichever is higher.

46. Suits to alter or cancel entry in a register. - In a suit to alter or cancel any entry in a register of the names of proprietors of revenue paying estate, the fee payable shall be fifteen rupees.

47. Suits relating to public matters. - In a suit for relief under section 91 or section 92 of the Code of Civil Procedure, 1908 (Central Act 5 of 1908) the fee payable shall be fifty rupees.

48. Inter pleader suits. - (1) In an interpleaded suit, fee shall be payable on the plaint at the rates specified in section 50.

(2) Where issues are framed as between the claimants, fee shall be payable computed on the amount of the debt or the money or the market value of other property, movable or immovable which, forms the subject-matter of the suit. In levying such fee, credit shall be given for the fee paid on the plaint, and the balance of the fee shall be paid in equal shares by the claimants who claim the debt or the sum of money or the property adversely to each other.

(3) Value for the purpose of determining the jurisdiction of Courts shall be the amount of the debt, or the sum of money or the market value of other property to which the suit relates.

48. Third party proceedings. - In third party proceedings, fee shall be levied on one-half of the value of the contribution or indemnity claimed against a third party or against a co-defendant if a claim is made against him:

Provided that, if the suit against the defendant who has filed the third party notice is dismissed, wholly or in part, he shall be entitled to a refund of the whole or a proportionate part of the fee paid by him.

Explanation.- The provisions of this section shall also apply to counter-claims made in third party proceedings.

50. Suits not otherwise provided for. - In suits not otherwise provided for, fee shall be payable at the following rates.-

- (i) In a Revenue Court—Rupees fifteen.
- (ii) In a District Munsif's Court - Rupees thirty.
- (iii) In a Sub-Court or a District Court - Rupees thirty if the value of the subject-matter is ₹ 5,000 or less; Rupees one hundred if the value is above ₹ 5,000 but below ₹ 10,000; and Rupees two hundred if the value is Rupees 10,000 and above.

51. Fee on memorandum of appeal against order relating to compensation. - The fee payable under this Act on a memorandum of appeal against an order relating to compensation under any Act for the time being in force for the acquisition of property for public purposes shall be computed on the difference between the amount awarded and the amount claimed by the appellant.

52. Appeals. - The fee payable in an appeal shall be the same as the fee that would be payable in the Court of first instance on the subject-matter of the appeal:

Provided that, in levying fee on a memorandum of appeal against a final decree by a person whose appeal against the preliminary decree passed by the Court of first instance or by the Court of appeal is pending, credit shall be given for the fee paid by such person in the appeal against the preliminary decree.

Explanation (1). - Whether the appeal is against the refusal of a relief or against the grant of the relief, the fee payable in the appeal shall be same as the fee that would be payable on the relief in the Court of first instance.

Explanation (2). - Costs shall not be deemed to form part of the subject-matter of the appeal except where such costs form themselves the subject-matter of the appeal or relief is claimed as regards costs on grounds additional to, or independent of, the relief claimed regarding the main subject-matter in the suit.

Explanation (3). - In claims which include the award of interest subsequent to the institution of the suit, the interest accrued during the tendency of the suit till the date of decree shall be deemed to be part of the subject-matter of the appeal except where such interest is relinquished.

Explanation (4). - Where the relief prayed for in the appeal is different from the relief prayed for or refused in the Court of first instance the fee payable in the appeal shall be the fee that would be payable in the Court of first instance on the relief prayed for in the appeal.

Explanation (5). - Where the market value of the subject-matter of the appeal has to be ascertained for the purpose of computing or determining the fee payable, such market value shall be ascertained as on the date of presentation of the plaint.

CHAPTER - V

VALUATION OF SUITS

53. Suits not otherwise provided for. - (1) In a suit as to whose value for the purpose of determining the jurisdiction of Courts, specific provision is not otherwise made in this Act or in any other law, value for that purpose and value for the purpose of computing the fee payable under this Act shall be the same.

(2) In a suit where fee is payable under this Act at a fixed rate, the value for the purpose of determining the jurisdiction of Courts shall be the market value or where it is not possible to estimate it at a money value such amount as the plaintiff shall state in the plaint.

54. Procedure where objection is taken on appeal or revision that a suit or appeal was not properly valued for jurisdictional purposes. - (1) Notwithstanding anything contained in section 99 of the Code of Civil Procedure, 1908 (Central Act 5 of 1908) an objection that by reason of the over-valuation or under-valuation of a suit or appeal, a Court of first instance or lower appellate Court which had not jurisdiction with respect to the suit or appeal exercised jurisdiction with respect thereto shall not be entertained by an appellate Court, unless.-

(a) the objection was taken in the Court of first instance at or before the hearing at which issues were first framed and recorded, or in the lower appellate Court in the memorandum of appeal to that Court, or

(b) the appellate Court is satisfied, for reasons to be recorded by it in writing, that the suit or appeal was over-valued or under-valued and that the over-valuation or under-valuation thereof has prejudicially affected the disposal of the suit or appeal on its merits.

(2) If the objection was taken in the manner mentioned in clause (a) of sub-section (1), but the appellate Court is not satisfied as to both the matters mentioned in clause (b) of the sub-section and has before it the materials necessary for the determination of the other grounds of appeal to itself, it shall dispose of the appeal as if there had been no defect of jurisdiction in the Court of first instance or lower appellate Court.

(3) If the objection was taken in that manner and the appellate Court is satisfied as to both those matters and has not those materials before it, it shall

proceed to deal with the appeal under the rules applicable to the Court with respect to the hearing of appeals; but if it remands the suit or appeal, or frames and refers issues for trial, or requires additional evidence to be taken, it shall direct its order to a Court competent to entertain the suit or appeal.

(4) The provisions of this section with respect to an appellate Court shall, so far as they can be made applicable, apply to a Court exercising provisional jurisdiction under section 115 of the Code of Civil Procedure, 1908 (Central Act 5 of 1908) or other enactment for the time being in force.

CHAPTER - VI

REFUNDS AND REMISSIONS

55. Refund in cases of delay in presentation of plaint, etc. - (1) Where a plaint or memorandum of appeal is rejected on the ground of delay in its representation, or where the fee paid on a plaint or memorandum of appeal is deficient and the deficiency is not made good within the time allowed by law or granted by the Court, or the delay in payment of the deficit fee is not condoned and the plaint or memorandum of appeal is consequently rejected, the Court shall direct the refund to the plaintiff or the appellant, of the fee paid on the plaint or memorandum of appeal which has been rejected.

(2) Where a memorandum of appeal is rejected on the ground that it was not presented within the time allowed by the law of limitation, one-half of the fee shall be refunded.

56. Refund in cases of remand. - (1) Where a plaint or memorandum of appeal which has been rejected by the lower Court is ordered to be received or where a suit is remanded in appeal for a fresh decision by the lower Court the Court making the order or remanding the appeal may direct the refund to the appellant of the full amount of fee paid on the memorandum of appeal; and, if the remand is on second appeal, also on the memorandum of appeal in the first appellate Court, and, if the remand is in Letters Patent Appeal, also on the memorandum of second appeal and memorandum of appeal in the first appellate Court.

(2) Where an appeal is remanded in Second Appeal or Letters Patent Appeal for a fresh decision by the lower appellate Court, the High Court remanding the appeal may direct the refund to the appellant of the full amount of fee paid on the memorandum of Second Appeal if the remand is in Second Appeal, and of the full amount of fee paid on the memorandum of Second Appeal and the Memorandum of Letters Patent Appeal if the remand is in Letters Patent Appeal:

Provided that, no refund shall be ordered if the remand was caused by the fault of the party who would otherwise be entitled to a refund:

Provided further that, if the order of remand does not cover the whole of the subject-matter of the suit, the refund shall not extend to more than so much fee as would have been originally payable on that part of the subject-matter in the respect whereof the suit has been remanded.

57. Refund where Court reverses or modifies former decision on ground of mistake. - Where an application for a review of judgment is admitted on the ground of some mistake or error apparent on the face of the record, and on the rehearing the Court reverses or modifies its former decision on that ground, it shall direct the refund to the applicant of so much of the fee paid on the application as exceeds the fee payable on any other application to such Court under article 10 (g) of Schedule II.

58. Refund and settlement before hearing. - Wherever by agreement of parties,-

(i) any suit is dismissed as settled out of Court before any evidence has been recorded on the merits of the claim, or

(ii) any suit is compromised ending in a compromise decree before any evidence has been recorded on the merits of the claim, or

(iii) any appeal is disposed of before the commencement of hearing of such appeal, half the amount of court fees paid in respect of the claim or claims in the suit or appeal, as the case may be, shall be ordered by the Court to be refunded to the parties by whom the same have been respectively paid.

Explanation.- The expression "merits of the claim" shall have the meaning assigned to it in section 11.

59. Refund of fee paid by mistake or inadvertence. - The fee paid by mistake or inadvertence shall be ordered to be refunded.

60. Instruments of partition. - Where the final decree in a partition suit has been engrossed on non-judicial stamps furnished by the parties, the Court shall order the refund to the parties of so much of the valued fee paid by them as is equal to the value of the non-judicial stamps furnished by them.

61. Exemption of certain documents. - Nothing contained in this Act shall render the following documents chargeable with any fee.-

(i) mukhtarnama, vakalathnama or other written authority to institute or defend a suit when executed by a member of any of the Armed Forces of the Union not in civil employment;

(ii) memorandum of appearance filed by advocates or pleaders when appearing for persons proceeded against in criminal cases;

(iii) application or petition to a Collector or other Officer making a settlement of land revenue, relating to matters connected with the assessment of land, or with the ascertainment of rights thereto or interest therein, if presented previous to the final confirmation of such settlement;

(iv) application relating to a supply for irrigation of water belonging to Government;

(v) application for leave to extend cultivation or to relinquish land, when presented to an officer of land revenue by a person holding, under a direct engagement with Government, land of which revenue is settled but not permanently;

(vi) application for service of notice of relinquishment of land or of enhancement of rent;

(vii) written authority to an agent to distain;

(viii) first application (other than a petition containing a criminal charge of information) for the summons of a witness or other persons to attend either to give evidence or to produce a document or in respect of the production or filing of an exhibit not being an affidavit made for the immediate purpose of being produced in Court;

(ix) bail bonds in criminal cases, recognizances to prosecute or give evidence and recognizances for personal appearance or otherwise;

(x) petition, application, charge or information respecting any offence when presented, made or laid to or before a Police Officer;

(xi) petition by a prisoner or other person in duress or under restraint of any Court or its officer;

(xii) complaint of a public servant as defined in the Indian Penal Code (Central Act 45 of 1860) or an officer of the Railways;

(xiii) application for permission to cut timber in Government forests or otherwise, relating to such forest, not being applications from forest contractors for extending the period of their leases;

(xiv) application for the payment of money due by the Government to the applicant, other than an application for refund of lapsed deposit made six months after the date on which the amount lapsed to the Government;

(xv) petition of appeal against any municipal tax;

(xvi) application for compensation under any law for the time being in force relating to the acquisition of property for public purposes;

(xvii) petition or appeal by a Government servant when presented to any superior officer of Government against orders of dismissal, reduction or suspension; copies of such orders filed with such appeals, and applications for obtaining such copies.

62. Power to reduce or remit fees. - The Government may, by notification in the Official Gazette, reduce or remit, in the whole or in any part of this Union territory, all or any of the fees chargeable under this Act, and may, in like manner, cancel or vary such notification.

CHAPTER - VII MISCELLANEOUS

63. Collection of fees by stamps. - All fees chargeable under this Act shall be collected by stamps.

64. Stamps to be impressed or adhesive. - The stamps used to denote any fee chargeable under this Act shall be impressed or adhesive or partly impressed and partly adhesive, as the Government may, by notification in the Official Gazette, from time to time direct.

65. Amended document. - Where any document which ought to bear a stamp under this Act is amended in order merely to correct a mistake and to make it conform to the original intention of the parties, it shall not be necessary to impose a fresh stamp.

66. Cancellation of stamps. - (1) No document requiring a stamp under this Act shall be filed or acted upon in any proceeding in any Court or office until the stamp has been cancelled.

(2) Such officer as the Court, or the head of the office may, from time to time, appoint shall, on receiving any such document forthwith effect such cancellation by punching out the figure head so as to leave the amount designated on the stamp untouched, and the part removed by punching shall be burnt or otherwise destroyed.

67. Deduction to be made. - Where allowance is made in this Act for damaged or spoiled stamps or where fee already paid is directed to be refunded to any person by an order of Court, the Collector may, on the application of the person concerned, pay to him the amount of fee or where damaged or spoiled stamps are produced, he may, after satisfying himself about their genuineness, give in lieu thereof the same amount or value in stamps of the same or any other description, or if the applicant so desires, the same amount or value in money provided that in all cases where money is paid in cash, deduction shall be made of five paise for each rupee or fraction thereof. No such deduction shall however be made where refund is claimed in respect of any fee paid in pursuance of an order of Court which has been varied or reversed in appeal.

68. Penalty. - Any person appointed to sell stamps who disobeys any rule made under this Act, and any person, not so appointed who sells or offers for sale any stamps, shall be punishable with imprisonment for a term which extend to six months, or with fine which may extend to five hundred rupees, or with both.

69. Power of High Court to make rules. - (1) The High Court may make rules to provide for or regulate all or any of the following matters, namely: -

(a) the fee payable for serving and executing processes issued by the High Court in its appellate jurisdiction and by the Civil and Criminal Courts subordinate thereto;

(b) the remuneration of persons employed by the Courts mentioned in clause (a) in the service or execution of processes;

(c) the fixing by District and Sessions Judge and District Magistrate of the number of process-servers necessary to be employed for the service and execution of processes issued from their respective Courts and the Courts subordinate thereto;

(d) the display in each Court of a table in the English and in the local language or languages showing the fees payable for the service and execution of processes.

(2) All rules made under sub-section (1) shall be subject to confirmation by the Government and on such confirmation shall be published in the Official Gazette and shall thereupon have effect as if enacted in this Act.

70. Power to make rules. - (1) The Government may make rules to carry out all or any of the purposes of the Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for the following matters, namely:-

(a) the fees chargeable for serving and executing processes issued by the Collector and by the Revenue Courts;

- (b) the remuneration of the persons necessary to be employed for the service and execution of such processes;
- (c) the fixing of the number of persons necessary to be employed for the service and execution of such processes;
- (d) the supply of stamps to be used under this Act;
- (e) the number of stamps to be used for denoting any fee chargeable under this Act;
- (f) the keeping of accounts of all stamps used under this Act;
- (g) the circumstances in which stamps may be held to be damaged or spoiled;
- (h) the circumstances in which, the manner in which, and the authorities by which, allowance for used, damaged or spoiled stamps may be made;
- (i) the regulation of the sale of stamps to be used under this Act, the persons by whom alone such stamps may be sold and the duties and remuneration of such persons; and
- (j) any other matter which is to be or may be prescribed, under this Act.

(3) Every rule made under this Act shall as soon as may be after it is made, be laid before the Legislative Assembly, Puducherry, while it is in session for a total period of fourteen days which may be comprised in one session or in two successive sessions, and if before the expiry of the session in which it is so laid, or the session immediately following, the Legislative Assembly makes any modification in the rule or decides that the rule should not be made or issued, 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 under that rule.

71. Continuance in force of existing rules. - Until rules are framed under sections 69 and 70 and until notifications are issued under section 62, the rules and notifications now in force in respect of matters referred to in those sections, shall, in so far as they are not inconsistent with this Act, continue.

72. Repeal and saving. - (1) The Court Fees Act, 1870 (Central Act 7 of 1870) in its application to the Union territory of Puducherry (except in so far as it relates to fees and stamps relating to documents presented or to be presented before any officer serving under the Central Government), and the Suits Valuation Act, 1887 (Central Act 7 of 1887) in its application to the Union territory of Puducherry are hereby repealed.

(2) All suits and proceedings instituted before the commencement of this Act and all proceedings by way of appeal, revision or otherwise arising there from whether instituted before or after such commencement shall, notwithstanding the repeal of the Court Fees Act, 1870 (Central Act 7 of 1870) and the Suits Valuation Act, 1887 (Central Act 7 of 1887) be governed by the provisions of the said Acts and the rules made thereunder.

SCHEDULE - I
(Section 20)
AD VALOREM FEES

Article (1)	Particulars (2)	Proper fee (3)
1	Plaint or written statement pleading a set off or counter-claim or memorandum of appeal presented to any Court — When the amount or value of the subject-matter in dispute — (i) does not exceed five rupees; (ii) exceeds five rupees, for every five rupees or part thereof, in excess of five rupees, up to one hundred rupees; (iii) exceeds one hundred rupees, for every ten rupees, or part thereof, in excess of one hundred rupees.	Forty paise. Forty paise. Seventy-five paise.
2	(a) Petition under section 26 of the Provincial Insolvency Act, 1920, or application under section 95 of the Code of Civil Procedure, 1908. (b) Appeal against order on a petition or application falling under clause (a).	An amount of one-half of the scale of fee prescribed in article 1 on the amount or Compensation claimed. On the scale prescribed in article 1 on the amount in dispute.
3	(a) Petition under section 53 or 54 of the Provincial Insolvency Act, 1920. (b) Appeal against order on a petition falling under clause (a) whether by the official receiver or by the unsuccessful party.	An amount of one-half of the scale of fee prescribed in article 1 on the market value of the subject-matter subject to a maximum fee of rupees five hundred. An amount of one-half of the scale of fee prescribed in article 1 on the market value of the subject-matter subject to a maximum fee of rupees five hundred.
4	Application for review of judgment.	One-half of the fee payable on the plaint or memorandum of appeal comprising the relief sought in the application for review.

SCHEDULE - II
(Section 20)
AD VALOREM FEES

Article (1)	Particulars (2)	Proper fee (3)
1	(i) Petition in a suit under the Converts Marriage Dissolution Act, 1866. (ii) Petition, plaint or memorandum of appeal when presented to a Court under the Dissolution of Muslim Marriages Act, 1939. If, in a suit falling under any of these clauses, there is a specific claim for damages, separate fee at the rates prescribed in article 1 of Schedule-I shall be charged on the amount of damages claimed.	Ten rupees. Ten rupees.
2	Memorandum of appeal from an order inclusive of an order determining any question under section 47 or section 144 of the Code of Civil Procedure, 1908, and not otherwise provided for when presented — (i) to any Court other than the High Court or to any Executive Officer other than the Chief Controlling Revenue Authority (hereinafter referred to as the Chief Executive Authority; (ii) to the Chief Executive Authority; (iii) to the Government in pursuance of a statutory right to appeal for which no court fee is leviable under any other enactment.	One rupee. Two rupees. Five rupees.
3	Memorandum of appeal under section 39 of the Arbitration Act, 1940*; (i) where the appeal is from an order of a District Munsif's Court or an order of a superior Court in a case where the value for jurisdiction does not exceed ₹ 5,000; (ii) in any other case.	Fifteen rupees. One hundred rupees.

* Now, the Arbitration and Conciliation Act 1996, (Central Act 26 of 1997).

Article (1)	Particulars (2)	Proper fee (3)
4	Copy or translation of a judgment or order not being or having the force of a decree.- When such judgment or order is passed by any Civil Court other than the High Court or by the Presiding Officer of any Revenue Court or Office or by any other Court of judicial or executive authority - (a) if the amount or value of the subject-matter is fifty or less than fifty rupees; (b) if such amount or value exceeds fifty rupees.	Fifty paise. One rupee.
5	Copy of translation of a judgment or order of a Criminal Court.	Fifty paise.
6	Copy of a decree or order having the force of a decree.- When such decree or order is made by any Court other than the High Court- (a) if the amount or value of the subject-matter of the suit wherein such decree or order is made is fifty or less than fifty rupees; (b) if such amount or value exceeds fifty rupees.	Seventy-five paise. One rupee and fifty paise.
7	Copy of any document liable to stamp duty under the Indian Stamp Act, 1899, when left by any party to a suit or proceeding in place of the original withdrawn- (a) When the stamp duty chargeable on the original does not exceed fifty paise; (b) in any other case.	The amount of the duty chargeable on the original. Seventy-five paise.

Article (1)	Particulars (2)	Proper fee (3)
8	Copy of any revenue or judicial proceeding or order not otherwise provided for by this Act or copy of any account, statement, report, or the like taken out of any Court or office of any public officer — For every document	Seventy-five paise.
9	(a) Application or petition presented to officer of land revenue by any person holding temporarily settled land under direct engagement with government and when the subject-matter of the application or petition relates exclusively to such engagement. (b) Application or petition presented to any officer of land revenue relating to the grant of land on assignment. (c) Application to a Collector for lease of land for agricultural or non-agricultural purposes. (d) Application or petition presented to any Executive Officer under any Act for the time being in force for the conservancy or improvement of any place if the application or petition relates solely to such conservancy or improvement. (e) Application or petition presented to any board or Executive Officer for a copy of translation of any order passed by such board or officer or of any other document or record in such office.	Twenty-five paise. Twenty-five paise. Seventy-five paise. Twenty-five paise. Twenty-five paise.

Article (1)	Particulars (2)	Proper fee (3)
	(f) Application to a Forest Officer by a forest contractor for extension of the period of lease — (i) if the value of the subject-matter of the lease is ₹ 5,000 or less; (ii) if such value exceeds ₹ 5,000 for every ₹ 1,000 or part thereof in excess of ₹ 5,000 (g) Application for attestation of private documents intended to be used outside India. (h) Application for lapsed deposit presented after six months after the date on which the amount lapsed to the Government — (i) when the amount or deposit does not exceed ₹ 50; (ii) when the amount or deposit exceeds ₹ 50 but does not exceed ₹ 1,000; (iii) when it exceeds ₹ 1,000. (i) Application or petition presented to the Government and not otherwise provided for — (i) which involves the exercise or non-exercise of power conferred by law or rule having the force of law; (ii) in other cases. (j) Application or petition presented to the Chief Executive Authority and not otherwise provided for — (i) which involves the exercise or non-exercise of power conferred by law or rule having the force of law; (ii) in other cases.	Five rupees. One rupee. One rupee. Fifty paise. One rupee. Two rupees. Two rupees. One rupee and fifty paise. Two Rupees. One rupee and fifty paise.

Article (1)	Particulars (2)	Proper fee (3)
	(k) Application or petition not falling under clause (i) or (j) and presented to a public officer or in a public Office and not otherwise provided for — (i) which involves the exercise or non-exercise of power conferred by law or rule having the force of law; (ii) in other cases.	One rupee. Twenty-five paise.
10.	(a) Application or petition presented to any Court for a copy or translation of any judgment, decree or any proceeding of or order passed by such Court or of any other document or record in such Court. (b) Application or petition presented to any Civil Court other than a Principal Civil Court of Original jurisdiction or to any Court of Small Causes constituted under the Provincial Small Cause Courts Act, 1887, or to a Collector or other officer of revenue in relation to any suit or case in which the amount or value of the subject-matter is less than ₹ 50. (c) Application to any Court that records may be called from another Court, when the Court grants the application and is of opinion that the transmission of such records involves the use of the post. (d) Application for permission to deposit revenue or rent either in the office of the Collector or in the Court. (e) Application or petition presented to a Court for determination of the amount of compensation to be paid by a landlord to his tenant.	Twenty-five paise. Twenty-five paise. Seventy-five paise in addition to the fee leviable on the application. Seventy-five paise. One rupee.

Article (1)	Particulars (2)	Proper fee (3)
	(f) A written complaint or charge of any offence other than an offence, for which a Police Officer may, under the Code of Criminal Procedure, arrest without warrant and presented to any Criminal Court and an oral complaint of any such offence reduced to writing under the Code of Criminal Procedure, 1898*.	One rupee.
	(g) Application or petition presented to any Court or to any Magistrate in his executive capacity and not otherwise provided for in this Act.	Seventy-five paise.
	(h) Application for arrest or attachment before judgment or for temporary injunction when presented to a Civil Court or Revenue Court other than the High Court in relation to any suit of proceeding-	
	(1) if the value of the subject matter is less than ₹ 50;	One rupee.
	(2) if the value is ₹ 50 and above.	Two rupees and fifty paise.
	(i) Application or petition under section 47 and Order XXI, rules 58 and 90 of the Code of Civil Procedure, 1908-	
	(1) when filed in a Revenue Court or a District Munsif's Court;	One rupee.
	(2) when filed in a Sub-Court or a District Court.	Two rupees and fifty paise.
	(j) Application or petition under sections 34, 72, 73 and 74 of the Indian Trusts Act, 1882.	Five rupees.
	(k) Original petitions not otherwise provided for when filed in-	
	(1) a District Munsif's Court;	Five rupees.
	(2) a Sub-Court or a District Court.	Ten rupees.

* Now, the Code of Criminal Procedure, 1973 (Central Act 2 of 1974).

Article (1)	Particulars (2)	Proper fee (3)
	(l) Application to set aside an award under the Arbitration Act, 1940*- (i) when presented to a District Munsif's Court; (ii) when presented to a Sub-Court, a District Court or the High Court- (1) if the value of the subject-matter of the award does not exceed ₹ 5,000, (2) if such value exceeds ₹ 5,000 but does not exceed ₹ 10,000; (3) if such value exceeds ₹ 10,000 (m) Application under section 14 or section 20 of the Arbitration Act, 1940*, for a direction for filing an award or for an order for filing an agreement and application for enforcing foreign awards — (i) when presented to a District Munsif's Court- (ii) when presented to a Sub-Court or a District Court- (1) if the value of the subject-matter of the award does not exceed ₹ 5,000; (2) if such value exceeds ₹ 5,000 but does not exceed ₹ 10,000. (3) if such value exceeds ₹ 10,000. (n) Election petition questioning the election of a person in respect of- (i) the office of member of a Municipal Council; (ii) the office of Mayor of a Municipality.	Twenty-five rupees. Twenty-five rupees. One hundred rupees. Two hundred and fifty Fifteen rupees. Fifteen rupees. One hundred rupees. Two hundred and fifty rupees. Fifty rupees. Two hundred rupees.

* Now, the Arbitration and Conciliation Act, 1996 (Central Act 26 of 1997).

Article (1)	Particulars (2)	Proper fee (3)
11.	Application for leave to sue as a pauper	Seventy-five paise.
12.	Application for leave to appeal as a pauper—when presented to a District Court or a Sub-Court.	One rupee.
13.	Bail bond or other instrument of obligation given in pursuance of an order made by a Court or Magistrate under any section of the Code of Criminal Procedure, 1898*, or the Code of Civil Procedure, 1908, and not otherwise provided for in this Act.	Seventy-five paise.
14.	Every copy of power-of-attorney when filed in any suit or proceeding.	Seventy-five paise.
15.	Mukhtarnama, Vakalatnama or any paper signed by an advocate signifying or intimating that he is retained for a party — When presented — (i) to any Court other than the High Court or to any Collector or Magistrate or other Executive Officer; (ii) to the Chief Executive Authority; (iii) to the Government.	One rupee and fifty paise. Two rupees. Three rupees.
16.	Agreement in writing stating a question for the opinion of the Court under the Code of Civil Procedure, 1908- (i) When presented to a District Munsif's Court in a case where the value of the subject-matter does not exceed ₹ 5,000; (ii) in any other case.	Fifteen rupees. One hundred rupees.
17.	Caveat	Ten rupees.

* Now, the Code of Criminal Procedure, 1973 (Central Act 2 of 1974).

STATEMENT OF OBJECTS AND REASONS

The Court Fees Act, 1870 (Central Act 7 of 1870) as in force in the Union territory of Andaman and Nicobar islands came into force in this Union territory on 18th December, 1968.

Representations have been received since then both inside and outside the Legislature for its replacement by a new legislation on the model of the Tamil Nadu Court Fees and Suits Valuation Act, 1955 (Tamil Nadu Act XIV of 1955) on the ground that the rates of court fees payable specially with reference to small amounts under the Act as extended to this Union territory are greater than the rates of court fees prevailing in the neighboring State of Tamil Nadu.

In the Tamil Nadu Act, the rates of court fees on money suits are uniformly 7 ½ %, whereas the Act as in force in this Union territory provides for a slab, by which the rates get reduced as the money value increases. Consequently, when compared to the fees payable under the Tamil Nadu Act, the fees payable under the present Act are lower upto ₹ 10,000 and higher beyond this level. This is not in keeping with the present policy of the introduction of the socialistic pattern of society. Leaving this apart, taking the overall picture into account, the adoption of the fees in the Bill will argument our revenue by about 20 to 25%. It has, therefore, been decided to enact a new legislation on the model of the Tamil Nadu Court Fees and Suits Valuation Act, 1955.

The Bill seeks to achieve the above objects.

THE PUDUCHERRY CO-OPERATIVE SOCIETIES ACT, 1972

(No. 7 of 1973)

ARRANGEMENT OF SECTIONS

CHAPTER - I

Preliminary

SECTION

1. Short title, extent and commencement
2. Definitions

CHAPTER - II

Registration

3. The Registrar
4. Societies which may be registered
5. Change of liability
6. Conditions of registration
7. Power of Registrar to decide certain questions
8. Application for registration
9. Registration
10. Evidence of Registration
11. Amendment of the by-laws of the registered society
12. Power to direct amendment of by-laws
13. Change of name
14. Amalgamation, transfer or division of societies
15. Power to direct amalgamation
16. Reconstruction of societies
17. Joint ventures of societies
18. Classification
19. Conversion

CHAPTER -III
Membership of Registered Society

- 20. Qualification for membership of society
- 21. Associate members
- 22. Disqualifications for membership of society
- 23. Right of members to services by registered society and application for redress
- 24. Expulsion
- 25. Votes of members
- 26. Rights of member to see book, etc
- 27. Restrictions on transfer of share or interest
- 28. Restrictions on withdrawal of share
- 29. Transfer of interest on death of member
- 30. Liability of past member or of the estate of a deceased member

CHAPTER -IV
Management of Registered Societies

- 31. General meetings
- 32. Appointment of committee
- 33. Appointment of new committee or administrator on failure to constitute committee, etc.
- 34. Disqualifications for membership of committee
- 35. Disqualifications for office bearers
- 36. Removal of disqualification

CHAPTER - V
Duties and privileges of registered Societies

- 37. Address of societies
- 38. Societies to be bodies corporate
- 39. First charge of society
- 40. Charge of immovable property or interest in the land as tenants, of members borrowing loans from certain registered societies
- 41. Charge and set off in respect of shares or interest of members
- 42. Financing bank not to have a claim on certain sums of money
- 43. Shares, interest, etc., not liable to attachment

- 44. Reserve fund and bad debt reserve not liable to attachment
- 45. Deduction from salary or wages
- 46. Exemption from compulsory registration of instruments relating to shares and debentures of registered society
- 47. Right to set off where a registered society purchases immovable property at a sale for any sum due to it
- 48. Power to exempt from stamp duty and registration fee
- 49. Register of members
- 50. Proof of entries in societies book

CHAPTER – VI

State Aid to registered societies

- 51. Investment by Government in registered societies
- 52. Provision of funds by Government to apex society
- 53. Partnership of Government with apex society
- 54. Subsidiary State Partnership Fund
- 55. Approval of Government for purchase of shares
- 56. Liability to be limited in respect of certain shares
- 57. Restrictions on amount of dividend
- 58. Indemnity of apex and central societies
- 59. Disposal of share capital and dividend, etc.
- 60. Disposal of Principal State Partnership Fund and Subsidiary State Partnership Fund on winding up of an apex or central society.
- 61. Principal State Partnership Fund and Subsidiary State Partnership Fund not to form part of assets.
- 62. Agreement by Government and apex society
- 63. Other forms of State aid to registered societies
- 64. Provisions of this Chapter to over-ride other laws.

CHAPTER – VII

Property and Funds of Registered Societies

- 65. Regulation of loan making policy
- 66. Restrictions on borrowings
- 67. Restrictions on other transactions with non-members
- 68. Investment of Funds
- 69. Funds not to be divided among members

- 70. Properties not to be miss-used
- 71. Disposal of net profits
- 72. Contributory Provident Fund
- 73. Gratuity

CHAPTER - VIII

Audit, Inquiry, Inspection, Surcharge and Supersession

- 74. Audit
- 75. Inquiry
- 76. Inspection
- 77. Inspection of books by financing bank
- 78. Costs of inquiry and inspection
- 79. Registered society to pay certain expenses
- 80. Suspension of officer or servant of society
- 81. Registrar's power to give directions in the public interest, etc.
- 82. Surcharge
- 83. Super session of committee

CHAPTER - IX

Settlement of Disputes

- 84. Disputes

CHAPTER - X

Land Development Banks

- 85. Application of chapter to Land Development Banks
- 86. Central Land Development Bank
- 87. Appointment, powers and functions of Trustee
- 88. Issue of debentures
- 89. Guarantee by Government
- 90. Vesting of property in Trustee and debenture Holders' charge on assets
- 91. Powers of Land Development Bank to advance loans and to hold lands.
- 92. Priority of mortgage over other claims
- 93. Verification of encumbrances
- 94. Registration of documents executed on behalf of a Land Development Bank
- 95. Mortgagor's powers to lease
- 96. Mortgages not to be questioned on insolvency of mortgagors
- 97. Right of Land Development Bank to pay prior debts of mortgagor
- 98. Special provision for mortgages executed by managers of Joint Hindu families, Karnavans of Marumakkattayam towards or tavazhis or of Nambudry Illoms, etc.
- 99. Special provisions for mortgages by tenants in the Mahe area
- 100. Powers of Land Development Bank in case the mortgaged property is wholly or partially destroyed or the security is rendered insufficient.
- 101. Distraint-when to be made
- 102. Distraint-How to be effected
- 103. Sale of property distrained

- 104. Power of sale when to be exercised
- 105. Application for sale and manner of sale
- 106. Application to set aside sale on deposit and confirmation of sale in default or on dismissal of such application.
- 107. Distribution of the proceeds of sale
- 108. Certificate to purchaser
- 109. Delivery of property to purchaser
- 110. Right of Land Development Bank to purchase the mortgaged property at sale
- 111. Appointment of Receiver and his powers
- 112. Title of purchaser not to be impeached on the ground of irregularity etc.
- 113. Recovery of sums due to the Land Development Bank
- 114. Officers of Land Development Bank and Sale Officers not to bid at sale
- 115. Powers of Trustee to direct distraint and sale of produce and the sale of mortgaged property
- 116. Service of notice under the Act
- 117. Sections 102, 103 and 104 of the Transfer of Property Act, 1882 to apply to such notices.

CHAPTER - XI **Lift Irrigation Societies**

- 118. Application of Chapter
- 119. Definitions
- 120. Declaration by members of a lift Irrigation Society
- 121. Agreement regarding period of membership, sharing of expenditure, etc.
- 122. Prohibition against withdrawal of membership
- 123. Regulation of supply of water
- 124. Admission of transferees of land and heirs, etc., as members
- 125. Concessions and facilities for the small farmers' lift irrigation society

CHAPTER - XII

Winding up and cancellation of registration of registered societies

- 126. Winding up and cancellation of registration of registered societies
- 127. Liquidator
- 128. Powers of liquidator
- 129. Cancellation of registration
- 130. Bar of legal proceedings
- 131. Restoration of society ordered to be wound up

CHAPTER - XIII

Insured Co-operative Banks

- 132. Power of Reserve Bank of India to give certain directions to co-operative Banks

CHAPTER - XIV

Execution of decrees, decisions, awards and orders

- 133. Power of the Registrar to recover certain sums by attachment and sale of property
- 134. Recovery of debts
- 135. Powers of financing bank to proceed against member of a registered. society for recovery of moneys, due to it from such society.
- 136. Recovery of sums due to agricultural credit society

- 137. Registrar or person empowered by him to be civil court for certain purposes
- 138. Recovery of sums due to Government

CHAPTER - XV **Appeals, Revision and Review**

- 139. Co-operative Tribunal
- 140. Appeals
- 141. Revision
- 142. Review
- 143. Execution of orders passed in appeal, revision or review
- 144. Bar of Jurisdiction of Civil Courts
- 145. Tribunal, Registrar, etc., to have certain powers of Civil Court
- 146. Orders to be pronounced

CHAPTER - XVI **Offences and penalties**

- 147. Punishment for furnishing false information or disobeying summons or other lawful order, requisition or direction
- 148. Punishment for acting in contravention of Section 39, 40 or 120
- 149. Prohibition of the use of word "Co-operative" or its equivalent
- 150. Punishment for failure to give effect to decisions or award in references
- 151. Punishment for misuse of the properties of a registered society
- 152. Corrupt practices
- 153. Registrar and other officers to be public servants
- 154. Punishment for offences not otherwise provided for
- 155. Cognizance of offences
- 156. Securing possession of records

CHAPTER - XVII **Miscellaneous**

- 157. Attachment of property
 - 158. Power to exempt societies from conditions as to registration
 - 159. Exemption of self-reliant societies
 - 160. Power to exempt registered societies
 - 161. Delegation of powers of Government
 - 162. Acts of societies, etc., not to be invalidated by certain defects
 - 163. Certain Acts not to apply
 - 164. Protection of action taken in good faith
 - 165. Duties of Police Officer
 - 166. Constitution of a Co-operative Advisory Council
 - 167. Officers and employees of societies
 - 168. Power of Government to give directions
 - 169. Power to remove difficulties
 - 170. Power to make rules
 - 171. Repeals and savings
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THE PUDUCHERRY CO-OPERATIVE SOCIETIES ACT, 1972.
(No. 7 of 1973)

6-7-1973

AN ACT

to consolidate, amend and unify the laws relating to co-operative societies in the Union territory of Puducherry.

BE it enacted by the Legislative Assembly of Puducherry in the Twenty-third Year of the Republic of India as follows: --

CHAPTER - I
PRELIMINARY

1. Short title, extent and commencement.- (1) This Act may be called the Puducherry Co-operative Societies Act, 1972.

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

(3) It shall come into force on such *date as the Government may, by notification in the Official Gazette, appoint.

2. Definitions.- In this Act, unless the context otherwise requires -

(1) "Apex society" means a society whose area of operations extends to the whole of the Union territory of Puducherry and which has as its principal object the promotion of the principal objects and the provisions of facilities for the operations of other societies affiliated to it and declared as such by the Registrar;

(2) "associate member" means a member who possesses only such privileges and rights of a member and who is subject only to such liabilities of a member as may be specified in this Act, the rules and the by-laws;

(3) "by-laws" means the registered by-laws for the time being in force and includes a registered amendment of the by-laws;

(4) "central society" means a society whose area of operations is confined to a part of Puducherry and which has its principal objects the promotion of the principal objects and the provision of facilities for the operations of other societies affiliated to it;

* The Act came into force on the 1st day of July, 1974, vide Extraordinary Gazette No.78, dated 29th June, 1974.

(5) "Collector means the Chief Officer in charge of Revenue Administration of Puducherry, and includes in relation to any function to be performed by the collector under this Act, such other Gazetted Officer as the Government may, by notification in the Official Gazette, appoint;

(6) "committee" means the governing body of a registered society, to whom the management of its affairs is entrusted;

(7) "Co-operative Advisory Council" means the council constituted under section 166;

(8) "Co-operative bank" means a registered society doing the business of banking and falling under the purview of the Banking Regulation Act, 1949 (Central Act 10 of 1949) (as applicable to co-operative societies);

(9) "Co-operative year" means the period commencing on the *[1st day of April] of any year and ending with the *[31st day of March] of the succeeding year or, in the case of any registered society or class of registered societies, the accounts of which are made up to any other date with the previous sanction of the Registrar, the year ending with such date;

(10) "financing bank" means a registered society which has as its principal object the lending of money to other registered societies;

(11) "Government" means the Administrator appointed by the President under article 239 of the Constitution;

(12) "Land Development Bank" means a Co-operative Land Development Bank registered or deemed to be registered under this Act;

(13) "member" means a person joining in the application for the registration of a society and a person admitted to membership after registration in accordance with this Act, the rules and the by-laws and includes an associate member;

(14) "Officer" includes a President, Vice-President, Chairman, Vice-Chairman, Secretary, Assistant Secretary, treasurer, member of committee, and any other person empowered under the rules or the by-laws to give directions in regard to the business of the society;

* Amended by Act No.7 of 1988 which came into force w. e. f 29.06.1988 and sec. 3 of that Act contains the following provisions, namely:- "3. Savings.- Notwithstanding anything contained in the principal Act, as amended by this Act, the Co-operative Year which has commenced on the 1st day of July immediately before the date of commencement of this Act shall be ending with the 31st day of March of the succeeding year after such commencement of this Act".

(15) "Puducherry" means the Union territory of Puducherry;

(16) "prescribed" means prescribed by rules made under this Act;

(17) "registered society" means a society registered or deemed to be registered under this Act;

(18) "Registrar" means a person appointed to perform the duties of a Registrar of Co-operative Societies under this Act, and includes a person on whom all or any of the powers of a Registrar under this Act, have been conferred under section 3;

(19) "rules" means rules made under this Act;

(20) "Sale Officer" means an officer of the co-operative department empowered by the Registrar by general or special order to attach and sell the property of defaulters or to execute the decisions or award of the Registrar or to execute or carry out any other orders of the Registrar in regard to the attachment and sale of property;

(21) "self-reliant society" means a registered society which does not receive assistance in any form from the Government under Chapter VI or from any registered society receiving such assistance from the Government.

Explanation – A cash credit with a financing bank for the maintenance of fluid resources shall not be regarded as assistance under this clause, notwithstanding that the financing bank receives assistance from the Government;

(22) "society with limited liability" means a registered society the liability of whose members for the debts of the society on its liquidation is limited by its by-laws;

(23) "society with unlimited liability" means a registered society, whose members are, on its liquidation, jointly and severally liable for and in respect of all its obligations and to contribute to any deficit in the assets of the society;

(24) "Tribunal" means a Tribunal constituted under section 139;

(25) "trustee" means the trustee referred to in section 87.

CHAPTER - II REGISTRATION

3. The Registrar.- (1) The Government may appoint a person to be the Registrar of Co-operative Societies for Puducherry.

(2) The Government may also appoint one or more persons to assist such Registrar, and may, by general or special order, confer on any such person or persons all or any of the powers of the Registrar under this Act and such person or persons shall work under the general guidance, superintendence and control of the Registrar.

4. Societies which may be registered.- (1) Subject to the provisions of this Act, a society which has as its object the promotion of the economic interests of its members in accordance with co-operative principles, or a society established with the object of facilitating the operations of such a society, may be registered under this Act with limited or unlimited liability:

Provided that -

(i) the liability of a society of which a registered society is a member shall be limited; and

(ii) an agricultural credit society shall be registered only with limited liability:

Provided further that no society shall be registered if in the opinion of the Registrar it is likely to be economically unsound or the registration of which may have an adverse effect on the co-operative movement.

(2) Whether the liability of the members of a registered society is unlimited or limited by shares, the liability of the Government or of a financing bank, which has taken shares in such registered society, shall be limited to the share capital subscribed by the Government or such financing bank.

5. Change of liability.- (1) Subject to the provisos to sub-section (1) of section 4 and to any rules made in this behalf, a registered society may, by an amendment of its by-laws, change its liability from unlimited to limited:

Provided that -

(i) the society shall give notice in writing of its intention to change its liability to all its members and creditors;

(ii) any member or creditor shall, notwithstanding any by-law or contract to the contrary, have the option of withdrawing his shares, deposits or loans, as the case may be within two months of the service of such notice on him; and

(iii) any member or creditor who does not exercise his option within the period aforesaid, shall be deemed to have assented to the change.

6. Conditions of registration.- (1) No society, other than a society of which a member is a registered society shall be registered under this Act which does not consist of at least twenty-five independent persons residing or owning immovable property in the same town or village or in the same group of villages, save when the Registrar otherwise directs.

Explanation - An independent person is one who is not dependent upon another member for his means of livelihood.

(2) The word "limited" shall be the last word in the name of every society with limited liability registered under this Act.

7. Power of Registrar to decide certain questions.- When any question arises whether for the purposes of this Act any person is an independent person or is a resident of or owns immovable property in a town or village or group of villages, the question shall be decided by the Registrar.

8. Application for registration.- (1) An application for registration shall be made to the Registrar.

(2) The application shall be signed-

(a) in the case of a society of which no member is a registered society, by at least twenty-five persons qualified in accordance with the requirements of sub-section (1) of section 6 and sub-section (1) of section 20 and who are not disqualified for admission as members under sub-section (1) of section 22; and

(b) in the case of a society of which a member is a registered society, by a duly authorised person on behalf of every such registered society, and, where all the members of the society are not registered societies, by twenty-five other members or, when there are less than twenty-five other members, by all of them.

(3) The application shall be accompanied by a copy of the proposed by-laws of the society and the persons by whom or on whose behalf such application is made shall furnish such information in regard to the society as the Registrar may require.

9. Registration.- (1) If the Registrar is satisfied that-

- (a) the application complies with the provisions of this Act and the rules;
- (b) the objects of the proposed society are in accordance with section 4;
- (c) the proposed by-laws are not contrary to the provisions of this Act and the rules;
- (d) the proposed society complies with the requirements of sound business and has reasonable chances of working successfully; and
- (e) the area of operations of the proposed society does not overlap the area of operations of another society of the same class save as permitted by the Registrar;

he may within three months from the date of receipt of the application register the society and its by-laws:

Provided that if the Registrar is unable to dispose of the application within the aforesaid period, he shall make a report to the Government stating therein the reason for his inability to do so and the Government may allow him such further time as may be considered necessary to dispose of such application.

(2) If the Registrar refuses to register a society and its by-laws, he shall communicate the order of refusal with the reasons for the refusal to any person who has signed the application for the registration of the society and who has been nominated in this behalf by the persons who have signed that application.

10. Evidence of registration.- A certificate of registration signed by Registrar shall be conclusive evidence that the society therein mentioned is duly registered unless it is proved that the registration of the society has been cancelled.

11. Amendment of the by-laws of the registered society.- (1) No amendment of the by-laws of a registered society shall be valid until the same has been registered under this Act.

(2) An application for the registration of an amendment of the by-laws of a registered society shall be made in the prescribed manner, and sent to the Registrar by registered post together with a copy of the amendment of the by-laws.

(3) If the Registrar is satisfied that an amendment of the by-laws is not contrary to this Act or the rules, he shall register the amendment.

(4) If the Registrar refuses to register an amendment of the by-laws of a registered society, he shall after giving the registered society an opportunity of making its representations, communicate to the society by registered post the order of refusal with the reasons therefor.

(5) When the Registrar registers an amendment of the by-laws he shall issue to the registered society a copy of the amendment of the by-laws certified by him, which shall be conclusive evidence that the same is duly registered.

(6) An amendment of the by-laws of a registered society shall take effect from the date, if any, specified in the amendment and where no such date is specified, it shall take effect from the date on which it is registered.

(7) Without prejudice to the provisions of this section, where any amendment of the by-laws proposed by a society involves, in the opinion of the Registrar, a material change in the objects or operations of the society, the amendment shall be registered only subject to such rules as may be made in this behalf.

12. Power to direct amendment of by-laws.- (1) Where the Registrar is satisfied that for the purpose of altering the area of operations of a registered society or for the purpose of improving the services rendered by it or for any other purpose specified in the rules, an amendment of the by-laws is necessary, he may, after consulting in the manner prescribed, the financing bank, if any, to which the society is affiliated by notice in writing, call upon the society to show cause, within such time as may be specified in the notice, why the amendment should not be made.

(2) If, within the time specified in the notice referred to in sub-section (1), the registered society fails to make the amendment, the Registrar may, after giving the society an opportunity of making its representations, register the amendment and issue to the society a copy of such amendment.

(3) Any amendment of the by-laws registered under sub-section (2) shall have the same effect as an amendment of the by-laws registered under section 11 unless the registration is cancelled in pursuance of a decision in appeal.

13. Change of name.- (1) A society may, by resolution passed at a general meeting and with the approval of the Registrar, change its name.

(2) Where a society changes its name, the Registrar shall enter the new name in the register of co-operative societies in the place of the former name and shall also amend the certification of registration accordingly.

(3) The change of the name of a society shall not affect any rights or obligations of the society or render defective any legal proceedings by or against it, and any legal proceedings which might have been continued or commenced by or against the society under its former name may be continued or commenced under its new name.

14. Amalgamation, transfer or division of societies.- (1) A society may, with the previous approval of the Registrar, by resolution passed by two-thirds majority of the members present and voting at a special general meeting held for the purpose, decide.-

- (a) to amalgamate with another society;
- (b) to transfer its assets and liabilities, in whole or in part, to any other society;
- (c) to divide itself into two or more societies:

Provided that, when such amalgamation, transfer, division aforesaid, involves a transfer of the liabilities of a society to any other society, no order on the resolution shall be passed by the Registrar, unless he is satisfied that --

- (i) the society, after passing such resolution, has given notice thereof in such manner as may be prescribed to all its members, creditors and other persons whose interests are likely to be affected (hereinafter, in this section referred to as "other interested persons"), giving them the option, to be exercised within one month from the date of such notice, of becoming members of any of the new societies, or continuing their membership in the amalgamated society or demanding payment of their share or interest or dues, as the case may be;
- (ii) all the members and creditors and other interested persons, have assented to the decision, or deemed to have assented thereto by virtue of any member or creditor or any other interested person failing to exercise his option within the period specified in clause (i) aforesaid; and
- (iii) all claims of members and creditors and other interested persons who exercise the option within the period specified, have been met in full or otherwise satisfied.

(2) Notwithstanding anything contained in the Transfer of Property Act, 1882 (Central Act 4 of 1882), or the Registration Act, 1908 (Central Act 16 of 1908) in the event of division, the registration of the new societies and in the event of amalgamation, on the amalgamation the resolution of the societies concerned with amalgamation, shall in each case be sufficient conveyance to vest the assets and liabilities of the original society or amalgamating societies in the new societies or amalgamated society, as the case may be.

(3) The amalgamation of societies, or division of a society shall not affect any rights or obligation of the societies so amalgamated, or society so divided or render defective any legal proceedings which might have been, continued or commenced by or against the societies which have been amalgamated, or divided; and accordingly, such legal proceedings may be continued or commenced by or against the amalgamated society, or the new societies.

(4) Where two or more societies, have been amalgamated or a society has been divided the registration of such societies or society shall be cancelled on the date of registration of the amalgamated society, or the new societies between which the society may have been divided.

15. Power to direct amalgamation.- (1) Where, in the opinion of the Registrar, the amalgamation of two or more registered societies is necessary or desirable for increasing their strength or usefulness, he may, after consulting the financing bank, if any, to which the societies are affiliated call upon by notice in writing such societies to amalgamate into one society in accordance with the procedure specified in section 14 and within the maximum time limit that may be specified by him.

(2) If the societies fail to amalgamate into one society within a period specified therefor the Registrar may, after giving an opportunity to the committee of each of the societies to state its objections, if any, and may, by order in writing, direct the amalgamation of the societies into one society and furnish to each such society a copy of the by-laws of the amalgamated society, as proposed by him.

(3) Every society so directed shall within one month from the date of receipt by it of the Registrar's direction, give notice of the direction to all its members and creditors in such form and manner as may be specified by the Registrar, and if the society fails to give notice of the direction within the said period, the Registrar or any person authorised by him in this behalf may give such notice.

(4) (a) Any member of any society so directed may notwithstanding any by-law to the contrary, by notice given to the society of which he is a member within a period of one month from the date of receipt by him of the notice of the direction, intimate his intention not to become a member of the amalgamated society.

(b) Any creditor of any society so directed may, notwithstanding any agreement to the contrary, by notice given to the society of which he is a creditor within the period referred to in clause (a), demand a return of the amount due to him.

(5) Any member or creditor who does not exercise his option within the period referred to in sub-section (4) shall be deemed to have assented to the amalgamation.

(6) After the expiry of one month from the date of despatch of the notice of the direction to all the members and creditors of all the societies, the Registrar may, subject to the provisions of section 9, but notwithstanding anything contained in section 8, register the amalgamated society and the by-laws thereof. On such registration, the registration of the original societies shall be deemed to have been cancelled.

(7) The registration of the amalgamated society shall be a sufficient conveyance to vest in it all the assets and liabilities of the original societies and the repayment of the share capital of the members and the satisfaction of the claims of the creditors, if any, referred to in sub-section (4) shall be made by the amalgamated society within such time as the Registrar may fix.

16. Reconstruction of societies.- Where a proposal for a compromise or arrangement-

(a) between a registered society and its creditors; or

(b) between a registered society and its members,

is approved at a special general meeting called for the purpose, the Registrar may, on the application of the society or of any member or of any creditor of the society, or in the case of a society which is being wound up, the Liquidator, order reconstruction, in the prescribed manner, of the society.

17. Joint ventures of societies.- Any two or more registered societies may, with the prior approval of the Registrar, by resolution passed by two-thirds majority of the majority of the members present and voting at a general meeting of each such society, enter into an agreement for carrying out any specific business or businesses:

Provided that each member has had clear ten days written notice of the resolution, and the date of the meeting.

18. Classification.- The Registrar shall, in accordance with the rules made in this behalf, classify registered societies with reference to their objects, area of operations, membership or any other matter specified in the rules.

19. Conversion.- Any registered society may, in accordance with the rules made in this behalf and subject to such conditions as may be specified in the rules, resolve to convert itself into a registered society of a class different from the one to which it belongs:

Provided that where any amendment of the by-laws proposed by a society is in the opinion of the Registrar such as to convert the society into a society of a class different from the one to which it belongs, the Registrar may direct the society to take action under this section.

CHAPTER – III

MEMBERSHIP OF REGISTERED SOCIETY

20. Qualification for membership of society.- (1) Subject to the provisions of section 22, the rules made in this behalf or the by-laws of the society,

- (a) any individual competent to contract under section 11 of the Indian Contract Act, 1872 (Central Act 9 of 1872);
- (b) any registered society;
- (c) the Government,

shall be eligible for admission as a member of a registered society:

Provided that this section shall not apply in the case of a society formed exclusively for the benefit of the students of any college or school:

Provided further that a Hindu undivided family as such shall not be eligible for admission as a member of a registered society:

Provided also that persons who are minors or of unsound mind may be admitted as members of such class of registered societies as may be prescribed and such members shall possess only such privileges and rights of members and be subject only to such liabilities of members as may be prescribed:

Provided also that in a society formed for the promotion of the economic interests of its members, through a specified activity no person other than one who is likely to be benefited directly by such activity may be admitted as a member of such society unless such admission is permitted specifically by the rules:

Provided also that where a society is formed exclusively for the benefit of persons engaged in any particular industry, no person who is not an actual worker in the industry shall be admitted in excess of such percentage of the total membership of the society as may be prescribed:

Provided also that membership in any society other than a society formed for the benefit of the scheduled castes or scheduled tribes shall not be refused merely on the ground that a person belongs or does not belong to a particular religion, race, community, caste, sect or denomination.

(2) (a) Any person qualified for the membership of a society under the provisions of this Act and its by-laws shall, on application made in the form, if any, prescribed for the purpose, be admitted as a member of the society by the Committee within 14 days from the date of receipt of application :

Provided that any member so admitted may be removed from membership by the Committee for reasons to be recorded in the minutes of the meeting to be convened within one month from the date of the order.

(b) If in the opinion of the Committee, an applicant is not qualified for admission, the Committee shall within 14 days from the date of receipt of application communicate to the applicant by registered post, the reasons for not admitting him and invite his representation, if any, within 14 days from the date of receipt of the communication.

(c) On receipt of the representation, or where no representation is received, on the expiry of 14 days from the date of receipt of the communication by the applicant, the committee shall either admit the applicant or for good and sufficient reasons to be recorded, refuse admission to the applicant and the decision refusing admission with the reasons therefor shall be communicated to the applicant by registered post within 7 days from the date of the decision and such person shall have the right to appeal within one month from the date of receipt of the decision.

(d) If at any stage the committee fails to act according to the procedure laid down above, the applicant will have the right to appeal to the Registrar, who shall pass necessary order, presuming that the applicant has been refused admission.

(e) The Registrar shall dispose of any appeal under this sub-section within one month from the date of its receipt.

(3) Notwithstanding anything contained in this section, the Government may declare by notification in the Official Gazette that the provisions of this section shall not apply in the case of a particular society, if its membership has to be restricted on grounds of public interest.

(4) No member of a registered society shall exercise the rights of a member unless and until he has made such payment to the society in respect of membership or acquired such interest in the society as may be prescribed by the rules and the by-laws.

21. Associate members.- (1) Notwithstanding anything contained in section 20, a society of such classes as may be prescribed may admit any person or, with the approval of the Government, any institution as an associate member.

Explanation -- Institution will mean any religious institution, educational institution, medical institution, social organisation, canteen, local body, joint stock company and partnership firm.

(2) An associate member shall not be entitled to any of the privileges of membership, to participate in the general meetings and elections or to become an officer of the society or to any share in any form whatsoever in the assets or profits of the society.

(3) Save as provided in this section, an associate member shall have only such privileges and be subject to such liabilities as may be specified in the rules and the by-laws of the society.

22. Disqualifications for membership of society.- (1) No person shall be eligible for admission as a member of a society, if he-

(a) is an applicant to be adjudicated an insolvent or is an undercharged insolvent; or

(b) has been sentenced for any offence involving moral turpitude, such sentence not having been reversed and a period of five years has not elapsed from the date of the expiration of the sentence; or

(c) is a paid employee of the society or of its financing bank or of any registered society for which it is the financing bank; or

(d) has been expelled from membership under this Act and a period of three years has not elapsed from the date of such expulsion; or

(e) is engaged directly or indirectly in a business or industry or activity similar to that of the society or inconsistent with or prejudicial to the work of the society; or

(f) has resigned from the membership of the society and a period of two years has not elapsed from the date of such resignation; or

(g) is already a member of a society of the same class except as prescribed in the rules.

(2) A member of a registered society shall cease to be a member of the society, if he-

(a) applies to be adjudicated, or is adjudicated an insolvent; or

(b) is sentenced for any such offence as is described in clause (b) of subsection (1):

Provided that where a person ceases to be a member under this clause, he shall be restored to membership if and when the sentence is annulled on appeal or revision; or

(c) becomes a paid employee of the society or of its financing bank or of any registered society for which it is the financing bank; or

(d) is expelled from membership under this Act; or

- (e) undertakes directly or indirectly any business or industry or activity similar to that of the society or inconsistent with or prejudicial to the work of the society; or
- (f) is also a member of another society of the same class:

Provided that if at the commencement of this Act, any person is a member of more than one society of the same class, then at the expiry of a period of ninety days from such commencement, he shall cease to be a member of all such societies, unless he has previously resigned his membership of all but one society.

(3) (a) The provisions of clause (b) of sub-section (1) and clause (b) of sub-section (2) shall not apply to a person seeking admission to, or to a member of, a society exclusively formed for the reclamation of such class of persons as may be prescribed;

(b) The provisions of clause (c) of sub-section (1) and clause (c) of sub-section (2) shall not apply to a person seeking admission to, or to a member of a society which has as its principal object the provision of employment to its members or which is composed exclusively of the employees of the financing bank:

Provided that a member of the society composed exclusively of the employees of the financing bank shall not be eligible for election to the committee of the financing bank.

23. Right of members to services by registered society and application for redress.- (1) Every member of a registered society shall be entitled to the services available to the members of the registered society under the provisions of its by-laws and such services shall, on application made by him, be rendered to him by the committee.

(2) If any member of any registered society is refused any service, or where the decision of the committee on his application for services is not communicated to him within a period of one month from the date of such application, he may apply to the Registrar for redress.

(3) An application to the Registrar under sub-section (2) shall be made within one month from the date of receipt of the decision of the committee refusing the service where any service is refused or within two months from the date of application to the society where the decision of the committee has not been communicated.

(4) If the Registrar is satisfied that the refusal of any service is unreasonable, improper or discriminatory, he may, after giving the committee an opportunity of making its representations, by order, direct the committee to render the service.

(5) Where any service is rendered by the committee in pursuance of an order under sub-section (4), the committee and the member to whom such service is rendered shall have the same rights and be subject to the same liabilities in relation to such service as if no such order has been made.

24. Expulsion.- (1) Any member of a registered society who has acted adversely to the interests of the society may be expelled upon a resolution of the general body passed at a special meeting convened for the purpose by the votes of not less than two-thirds of the total number of the members present and voting at the meeting.

(2) No member shall be expelled under sub-section (1) without being given an opportunity of making his representations and until the resolution referred to in that sub-section is approved by the Registrar. A copy of the resolution expelling the member as approved by the Registrar shall be communicated to the member.

25. Votes of members.- (1) (a) No member of a registered society shall have more than one vote in the affairs of the society.

(b) Every question which may come before a meeting of a registered society or of the committee shall be decided by a majority of the members present and voting at the meeting and in every case of equality of votes, the question shall be deemed not to have been decided:

Provided that:-

(a) in the case of an equality of votes at an election, the choice shall be by casting lots;

(b) the society may by its by-laws restrict the right of a member to vote in any specified matter;

(c) where the Government or a financing bank is a member of the society, every person nominated to the committee of the society by the Government or the financing bank, as the case may be, shall have one vote;

(d) an associate member shall not be entitled to vote;

(e) save as otherwise provided in the by-laws, a member who is a minor or of unsound mind shall not be entitled to vote.

(2) A registered society which has invested any part of its funds in the shares of another registered society may appoint one of its members not disqualified for such appointment under the rules or the by-laws of such other society to vote in the affairs of such other society.

(3) Save as provided in sub-section (1) or sub-section (2), no member of a registered society shall vote by proxy.

26. Rights of member to see book, etc.- (1) Every member of a society shall be entitled to inspect free of cost, at the society's office during office hours, or any time fixed for the purpose by the society, a copy of the Act, the rules and the by-laws, the last audited annual balance sheet, the profit and loss account, a list of members of the committee, a register of members, the minutes of committee meetings and those portions of the books and records in which transactions with the society have been recorded.

(2) A society shall furnish to a member, on request in writing and on payment of such fees as may be prescribed therefor, a copy of any of the documents mentioned in the foregoing sub-section within one month from the date of payment of such fees.

27. Restrictions on transfer of share or interest.- No transfer by a member of any share held by him or his interest in the capital of a registered society or any part thereof shall be valid unless.-

- (a) the member has held such share or interest for not less than one year; and
- (b) the transfer is made to a member of the society with the approval of the committee.

28. Restrictions on withdrawal of share.- Except in the case of death or expulsion or cessation of membership for residing outside the area of operations of the society, the share of a member shall not be refunded, unless-

- (a) the member has held the share for not less than five years; and
- (b) such refund is in accordance with the by-laws of the society.

29. Transfer of interest on death of member.- (1) Subject to the provisions of section 41, on the death of a member of a registered society, the society shall transfer the share or interest of the deceased member in the capital to the person nominated in accordance with the rules, or, if no person has been so nominated, to the heir or legal representative of the deceased member:

Provided that such nominee, heir or legal representative, as the case may be, being eligible for admission, is admitted as a member of the society:

Provided further that nothing in this sub-section shall prevent a minor or a person of unsound mind from acquiring by inheritance or otherwise the share or interest of a deceased member in the capital of the society.

(2) Notwithstanding anything contained in sub-section (1) and subject to such conditions as may be specified in the rules, a registered society may of its own motion and shall, if so required by any such nominee, heir or legal representative, as the case may be, pay to him the value of the share or interest of the deceased member in the capital ascertained in accordance with the rules.

(3) A registered society may pay all other moneys due to the deceased member from the society to such nominee, heir or legal representative, as the case may be.

(4) All transfers and payments made by a registered society in accordance with the provisions of this section shall be valid and effectual against any demand made upon the society by any other person.

30. Liability of past member or of the estate of a deceased member.-

(1) Subject to the provisions of sub-section (2), the liability of a past member or of the estate of a deceased member of a registered society for the debts of the society as they existed-

(a) in the case of a past member, on the date on which he ceased to be a member; and

(b) in the case of a deceased member, on the date of his death, shall continue for a period of two years from such date:

Provided that the liability of the Government or of a financing bank which have or has taken shares in a registered society shall cease on the date on which the Government or the financing bank ceases to be a member.

(2) Where the Registrar has by order in writing under sub-section (1) of section 126 directed a registered society to be wound up, the liability of a past member or of the estate of a deceased member who ceased to be a member or died within two years immediately preceding the date of the order shall continue until the entire liquidation proceedings are completed, but such liability shall extend only to the debts of the society as they existed on the date of his ceasing to be a member or on the date of his death, as the case may be.

CHAPTER - IV MANAGEMENT OF REGISTERED SOCIETIES

31. General meetings.- (1) (a) Subject to the provisions of this Act, the rules and the by-laws, the ultimate authority of a registered society shall vest in the general body of its members:

Provided that nothing contained in this clause shall affect the exercise by the committee or any officer of a registered society of any power conferred on such committee or such officer by this Act or the rules or the by-laws.

(b) Notwithstanding anything contained in clause (a) where the area of operations of a registered society is not less than such area as maybe prescribed, or where the registered society consists of not less than such number of members as may be prescribed, the registered society may, and if so directed by the Registrar shall, provide by an amendment of its by-laws for the constitution of a smaller body consisting of such number of the members of the registered society as may be prescribed, elected in accordance with the rules (hereinafter referred to as the representative general body) to exercise all or any of the powers of the general body as may be specified in the by-laws and any reference, by whatever form of words, in this Act to the general body or a meeting thereof shall, where a representative general body has been constituted under this clause, have effect in respect of the powers exercisable by the representative general body as if such reference were a reference to the representative general body or a meeting thereof, as the case may be:

Provided that the representative general body shall not alter any provision in the by-laws relating to its constitution or powers.

(c) The exercise of any power by the representative general body shall be subject to such restrictions and conditions as may be prescribed by the rules or the by-laws.

(2) (a) A general meeting of a registered society shall be held once in a year for the purpose of-

(i) approval of the budget for the ensuing year with reference to the programmed of the activities of the society prepared by the Committee;

(ii) consideration of the audit report and the annual report;

(iii) disposal of the net profits;

(iv) reviewing the loans given to the members of the committee and their near relatives and directing action for recovery of dues in case of default;

(v) consideration of any other matters which may be brought forward in accordance with the provisions of the Act or by-laws of the society.

(b) The Registrar or any other person deputed by him shall have the right to attend the committee or general body meeting of any society.

(3) (a) The committee may, at any time, call a special general meeting of the registered society, and shall call such a meeting within one month of the date of a requisition in that behalf from-

(i) such number of the members or proportion of the total number of members as may be specified in the by-laws; or

(ii) the Committee of the financing bank to which the society is affiliated; or

(iii) any other registered society of such class as may be prescribed for the purpose; or

(iv) the Registrar.

(b) The requisition referred to in clause (a) shall be in writing and shall specify the subjects that shall be placed for consideration at the special general meeting.

(4) (a) If the committee refuses or fails to call a meeting in accordance with a requisition under clause (a) of sub-section (3), or if, in the opinion of the Registrar, there is no committee or officer competent under this Act or the rules or the by-laws to call a meeting, or if there be a dispute regarding the competence of the committee to function, the Registrar may call the meeting himself.

(b) (i) If, at a special general meeting of the registered society called in pursuance of such requisition or by the Registrar himself under clause (a) of this sub-section the quorum is not present, the meeting shall stand adjourned to such other day and at such other time as the committee or the Registrar as the case may be, may determine.

(ii) If, at the adjourned meeting also, a quorum is not present for holding the meeting, the members present shall be the quorum.

(iii) In respect of any meeting called under clause (a) of this sub-section, the Registrar may, notwithstanding anything contained in the by-laws of the society, determine the period of notice for such meeting, the time and place of the meeting and the subjects to be considered thereat and may preside over such meeting or authorise any person to so preside.

(5) The Registrar may order that the expenses incurred in calling the special general meeting shall be paid out of the funds of the society or any other registered society at whose instance such meeting was called or by such person as, in the opinion of the Registrar, was responsible for the refusal or failure to call the meeting under sub-section (4).

32. Appointment of committee.- (1) The management of a registered society shall vest in a committee constituted in accordance with the Act, the rules and the bye-laws. It shall exercise such powers and perform such duties as may be conferred or imposed respectively by the Act, the rules and the by-laws:

Provided that, in the case of a society registered after the commencement of this Act, the persons who have signed the application to register the society may appoint a committee to conduct the affairs of the society for a period of three months from the date of registration or for such further period not exceeding nine months as the Registrar may consider necessary; but the Committee appointed under this proviso shall cease to function as soon as a committee has been constituted in accordance with the by-laws.

(2) Where the by-laws so provide, the Government or the Registrar may nominate all or any of the members of the Committee for such period as may be specified in the by-laws:

Provided that the entire Committee may be nominated for a total period not exceeding three years from the commencement of the society and thereafter not more than one-third of the Committee may be nominated for a further period not exceeding three years and the remaining by election.

*["(3) (i) The committee shall consist of not less than seven and not more than fifteen members in a registered society classified as a primary society and not less than nine and not more than twenty-one members in a registered society classified as a central or an apex society.

(ii) Out of the total number of members of the committee, not less than two, shall be reserved for women and for weaker sections among the members of such class of societies and in such manner as may be prescribed.

(iii) Every registered primary society, other than a society which is formed exclusively for the benefit of students or fishermen or members belonging to the scheduled castes, shall provide one seat in a committee which has a membership of not more than nine members and two seats in a committee which has a membership exceeding nine members for the members belonging to scheduled castes, who shall be elected by and from among the members of such society:

Provided that, if no member belonging to the scheduled castes is elected to the committee of a registered primary society under this clause, then such committee shall co-opt the members of the scheduled castes from among the members of the society to the membership of the committee:

Provided further that, a casual vacancy, arising out of resignation, death or otherwise of such member shall be filled up by way of co-option from among the members of the society belonging to scheduled castes.

(iv) Nothing contained in clauses (ii) of (iii) shall prevent the women members or members belonging to weaker sections or scheduled castes from being elected to the non-reserved seats in the committee."]

(4) (a) Where the Government or a financing bank has taken shares in, or given financial or other assistance to a registered society, the Government or the financing bank, as the case may be, may nominate one member to the Committee of the society, if it is classified as a primary society or a central society and not more than 2 members to the Committee of the society if it is classified as an apex society.

(b) Whether the Government or the financing bank or both should make the nominations shall be determined by the Government.

(c) Where the Government nominates, the nominee shall be a Government servant.

(d) The Government or the financing bank may, at any time, withdraw any person or persons so nominated and fill up the vacancy or vacancies by fresh nomination.

(5) (a) All the members of any committee constituted under this Act, shall hold office for a term of three years from such date as may be specified. All the members of the Committee including those elected or co-opted in casual vacancies caused by death or resignation or otherwise, shall vacate their office on the expiry of the term. The election of all the members of the Committee shall be completed one week before the date of expiry of the term:

Provided that, in the case of the first election of the members of the Committee under this Act, all the members on any Committee constituted before the commencement of this Act, shall vacate their office on such date as may be notified, irrespective of the period or periods for which they might have been elected.

(b) If for any unavoidable reason election to a committee is not held before the expiry of its term, the Registrar may, for reasons to be recorded in writing, direct that the term of office of the members of the committee shall extend upto such date as he may fix, provided that such extension shall not be for a period exceeding six months.

(c) The term of office of a member of any committee nominated thereto by the Government, the Registrar or the financing bank, if such member is a non-official,

* Substituted vide Act No. 9 of 2010 and enforced w. e. f 15th November 2011 vide Notification issued under GO Ms. No.2/Co-op dated 11.11.2011

shall be for a period not exceeding three years and shall expire with the expiry of the term of office of the elected members.

(6) The election of the members of the Committee shall be by ballot in such manner as may be prescribed:

Provided that, any casual vacancy in the office of a member of the Committee shall be filled in such manner as may be specified in the rules or the by-laws and a member of the committee filling a casual vacancy shall hold office so long only as the member of the committee whose place he takes would have been entitled to hold office if the vacancy had not occurred.

(7) (a) A meeting of the committee shall be held at least once in three months. The President shall convene the meetings of the committee. He may, at any time, call a special meeting of the committee, and shall call such a meeting within fifteen days of the date of a requisition in this behalf from-

(i) not less than one-third of the members of the committee:

or

(ii) the committee of the financing bank to which the society is affiliated; or

(iii) the Register.

(b) The requisition referred to in clause (a) shall be in writing and shall specify the subjects that shall be placed for consideration at the special meeting of the committee.

33. Appointment of new committee or administrator on failure to constitute committee, etc.- (1) Where the term of office of a committee has expired and a new committee has not been constituted or where the Registrar is satisfied-

(a) that a new committee cannot be constituted before the expiry of the term of office of the existing committee, or

(b) that a new committee fails to enter upon office on the date on which the term of office of the existing committee expires, the Registrar may, either of his own motion or on the application of any member of the society, after consulting the financing bank, by order appoint-

(i) a new committee consisting of not more than three members of the society; or

(ii) one or more administrator or administrators who need not be a member or members of the society to manage the affairs of the society till a new committee enters upon office:

Provided that, before making such order, the Registrar shall publish a notice on the notice board of the head office of the society inviting objections to the making of the order within a period specified in the notice and consider such objections:

Provided further that, it shall not be necessary to publish such notice in cases where the Registrar is satisfied that it is not reasonably practicable to do so.

(2) The committee or administrator or administrators appointed under sub-section (1) shall, subject to the control of the Registrar and to such instructions as he may from time to time give, have power to exercise all or any of the functions of the committee or any officer of the society and take all such action as may be required in the interest of the society.

(3) The committee or administrator or administrators shall arrange for the constitution of a new committee or for the entering upon office of the new committee, as the case may be.

34. Disqualifications for membership of committee.- (1) No person shall be eligible for being elected or appointed as a member of a committee if he-

- (a) is such near relation as may be prescribed of a paid employee of the registered society; or
- (b) (i) is in default to the society or to any other registered society or if he is a representative of a society, which is in default to the financing bank or to any other registered society, in respect of any sum of money due by him or by the society, which he represents for a period exceeding three months:

Provided that, a member of the committee who has ceased to hold office as such under this sub-clause shall not be eligible for a period of one year from the date on which he ceased to hold office, for re-election as a member of the committee, of the registered society of which he was a member or for election to the committee of any other registered society; or

(ii) is a person against whom any decree, decision, award or order referred to in section 133 has been obtained or a representative of a society against which such decree, decision, award or order has been obtained; or

(iii) is a person against whom an application has been made for the recovery of debts under section 134 or for the sale of the mortgaged property or any part thereof under section 105:

Provided that a member of the committee who has ceased to hold office, as such under sub-clauses (ii) and (iii) shall not be eligible for a period of three years from the date on which the dues involved in such decree, decision, award, order or as application have been fully discharged for re-election as a member of the committee of the registered society of which he was a member or a representative, or for election to the committee of any other registered society; or

(c) is interested directly or indirectly in any contract made with the society, or in any sale or purchase made by the society privately or in any auction or in any contract or transaction of the society (other than investment and borrowing) involving financial interest; or

(d) is interested as a member of the committee, in any such contract, sale, purchase or transaction and a period of five years has not elapsed from the date of completion of such contract, sale, purchase or transaction:

Provided that, clauses (c) and (d) shall not apply to such class of contracts, sales, purchases or transactions as may be prescribed; or

(e) is employed as legal practitioner on behalf of the registered society or against the registered society or on behalf of or against any other registered society which is a member of the former registered society; or

(f) is an associate member; or

(g) is a minor or of unsound mind; or

(h) has been sentenced for any offence under this Act, such sentence not having been reversed and a period of three years has not elapsed from the date of the expiration of the sentence; or

(i) has been removed from the office of the member of the committee of the registered society or of any other registered society or disqualified under section 35.

(2) No person shall be eligible for being elected or appointed as a member of a committee, if he had held office as a member of the committee for two consecutive terms unless a period of three years has elapsed from the date on which his last term of office expired:

Provided that, a person elected as a member of a committee for a term of three years shall be deemed to have held office for the full term, even if there be any break in that term through resignation or other cause:

Provided further that, a member elected or co-opted for not less than one year against a casual vacancy during the term of a committee, shall be deemed to have held office for a full term.

(3) Any person elected to the committee of a society for the first term after the commencement of this Act shall not be eligible for election to the committee of that society for the second term, if he had already served or had been elected for a period not less than three years immediately before the commencement of this Act.

(4) No person shall be eligible for being elected or appointed as a member of the committee,

(a) of any registered society, if he is not able to read and write;
and

(b) of a registered society classified as a central or an apex society, if he has not been a member of a society for a period not less than three years.

(5) (a) No person shall, at the same time, be a member of the committees of more than three registered societies.

(b) Subject to the provisions of clause (a), no person shall, at the same time, be a member of the committees of more than one registered society classified as an apex society or of the committees of more than one registered society, classified as a central society.

(c) If any person, is on the date of his election or appointment as a member of the committee-

(i) a member of the committees of three registered societies;

or

(ii) a member of the committee of a registered society classified as an apex society or a central society, and the committee to which he is elected or appointed on that date is the committee of any such apex society or, as the case may be, central society; then his election or appointment on the date aforesaid shall be void.

(d) If any person is at the commencement of this Act, a member of the committees of more than three registered societies, then at the expiry of the period of ninety days from such commencement, he shall cease to be a member of the committees of all such registered societies, unless he has previously resigned his membership of the committees of all but three of those societies.

(6) A member of the committee shall cease to hold his office as such if he-

(a) becomes subject to any of the disqualifications mentioned in sub-section (1):

Provided that, where a member of the committee ceases to hold his office as such by reason of having been sentenced for any offence under this Act, he shall be restored to office for such portion of the period for which he was elected or appointed as may remain unexpired at the date of such restoration if and when the sentence is annulled on appeal or revision and any person elected or appointed to fill the vacancy in the interim shall on such restoration vacate office; or

(b) ceases to be a member of the registered society; or

(c) purchases directly or indirectly any property of another member brought to sale for recovery of any money due from such other member to the society.

(7) (a) No member of a committee which has been superseded shall be eligible for election or appointment to the committee of that society or to a committee of any other registered society for a period of three years from the date of expiry of the period of supersession.

(b) No member of a committee in respect of which proceedings for supersession under section 83 are pending shall be eligible for election or appointment to the committee of that society or to a committee of any other registered society till the termination of those proceedings.

(8) Nothing in this section shall apply to a member nominated to the committee by the Government or the Registrar.

(9) Any question as to whether a member of the committee was or has become subject to any of the disqualifications mentioned in this section, shall be decided by the Registrar.

***35. Disqualifications for office bearers-** (1) A member of the committee shall not hold any of the offices of President, Chairman, Vice-President, Secretary, Assistant Secretary, Treasurer, or an office of any other designation in more than one registered society.

(2) If any member of a committee is at the commencement of this Act, an office-bearer of more than one registered society, then at the expiry of the period of ninety days from such commencement, he shall cease to be an office-bearer of all such registered societies, unless he has previously resigned his office in all but one of the societies.

36. Removal of disqualification.- (1) Where in the course of an audit under section 74 or an inquiry under section 75, or an inspection under section 76 or section 77, it appears that a person who is, or was, a member of a committee has misappropriated or fraudulently retained any money or other property or been guilty of breach of trust in relation to the society or of gross mismanagement of the affairs of the society or of misfeasance or default in carrying out his obligations and functions under the law, the Registrar may, without prejudice to any other action that may be taken against such member, by order in writing remove such person from the office of member of committee, if he holds such office or disqualify him from holding in future the office of a member of the committee, if he has ceased to hold such office.

(2) No person shall be removed or disqualified under sub-section (1) without being given an opportunity of making his representations. A copy of the order removing or disqualifying him shall be communicated to him.

* As per Notification in GO. Ms. No. 9 dt. 31.12.81 of the Development (Co-operation) Department, Puducherry and in exercise of the power conferred by section 160 of the Puducherry Cooperative Societies Act, 1972 (Act No. 7 of 1973), the Lieutenant Governor, Puducherry hereby directs that sub-section (1) of section 35 of the said Act shall apply, with immediate effect, to the Puducherry Cooperative Milk Producers' Union and the Primary Milk Producers' Cooperative Societies registered under the said Act in the following modified form, namely:-

" 35. (1) A member of the committee shall not hold any of the offices of President, Chairman, Vice-President, Secretary, Assistant Secretary, Treasurer, or an office of any other designation in more than one registered society:

Provided that nothing in this sub-section shall prevent a member of the committee of a Primary Milk Producers' Co-operative Society from holding any such office in the committee of the Puducherry Cooperative Milk Producers' Union".

CHAPTER - V

DUTIES AND PRIVILEGES OF REGISTERED SOCIETIES

37. Address of societies.- Every registered society shall have an address registered in accordance with the rules, to which all notices and communications may be sent, and shall send to the Registrar notice of every change thereof within thirty days of such change.

38. Societies to be bodies corporate.- The registration of a society shall render it a body corporate by the name under which it is registered, with perpetual succession and a common seal and with power to hold property, to enter into contracts, to institute and defend suits and other legal proceedings and to do all things necessary for the purposes for which it was constituted.

39. First charge of society.- (1) Subject to the prior claim, if any, of the Government in respect of land revenue or any money recoverable as land revenue, any debt or outstanding demand due to a registered society from any member or past member or the estate of a deceased member shall be a first charge-

(i) upon the crops or other agricultural produce of such member; for the raising of which the loan was taken from the registered society by such member; and

(ii) upon any cattle, fodder for cattle, agricultural or industrial implements or machinery, or raw materials for manufacture supplied or purchased in whole or in part out of the loan of money given by the registered society, or on any articles manufactured from raw materials so supplied, or purchased or on any workshop, godown, or place of business constructed or purchased out of any such loan.

(2) No property or interest in property which is subject to a charge in favour of a registered society under sub-section (1) shall be sold or otherwise transferred or converted in any manner without the previous written permission of the society.

(3) A member or a past member of the nominee, heir or legal representative of a deceased member of a registered society shall, if so required by the society, deposit with, or entrust to the custody of, the society, such property as is subject to a charge under sub-section (1) at such place and in such manner as may be prescribed until the debt or outstanding demand due to the society is fully paid and shall also pay towards all expenses incidental to the removal, transport or maintenance of the property so deposited or entrusted to custody. The charges connected with the removal, transport or maintenance of such property shall be recovered from the member or past member or the estate of the deceased member as the case may be, in accordance with such scale as may be prescribed.

(4) Notwithstanding anything contained in any law for the time being in force, any transaction made in contravention of sub-section (2) shall be null and void.

(5) The charge created by sub-section (1) in favour of a registered society shall be available as against any claim of the Government arising from a loan granted under the Land Improvement Loans Act, 1883, (Central Act 19 of 1883), after the grant of the loan by the society.

40. Charge of immovable property or interest in the land as tenants, of members borrowing loans from certain registered societies.- Notwithstanding anything contained in this Act, or in any other law for the time being in force-

(i) a member who makes an application for a loan to a registered society of which the majority of the members are agriculturists shall, if he owns land, or other immovable property or has interest in any land as a tenant make a declaration in the form prescribed, if any, that he hereby creates a charge upon such land or other immovable property or such portion thereof or the interest in the land as a tenant as may be specified in the declaration, in respect of the loan which the society may make to the member on the application and future loans, if any, that may be made to him, from time to time, by the society together with interest on such loan or loans;

(ii) a declaration made under clause (i) may be varied or cancelled at any time by the member with the previous written permission of the society in favour of which such charge has been created;

(iii) no member shall alienate the whole or any part of the land or other immovable property or interest therein or of the interest in the land as a tenant, specified in the declaration made under clause (i) until the said declaration is cancelled; and any transaction made in contravention of this clause shall be null and void:

Provided that it shall be lawful to a member to mortgage such land or any part thereof in favour of a land development bank.

(iv) subject to the claims of the Government in respect of land revenue and to the claims of the land development bank in respect of any money payable under a mortgage in favour of the land development bank, there shall be first charge in favour of the society on such land or interest specified in the declaration made under clause (i) for and to the extent of the dues owing by him on account of the loan;

(v) the declaration made under clause (i) or any variation or cancellation thereof under clause (ii), shall be sent by registered post by the society to the sub-registrar having jurisdiction over the area in which the land or the other immovable property is situated;

(vi) on receipt of the declaration or variation or cancellation, the sub-registrar shall register such declaration or variation or cancellation and issue a copy thereof to the registered society;

(vii) any declaration made under clause (i) or any variation or cancellation thereof under clause (ii) which has not been registered under clause (vi) shall be null and void.

41. Charge and set off in respect of shares or interest of members.- A registered society shall have charge upon the share or interest in the capital and on the deposits of a member or past or deceased member and upon any dividend, bonus or profits payable to a member or a past member or the estate of a deceased member in respect of any debt due from such member or past member or the estate of such deceased member to the society, and may set off any sum credited or payable to a member or past member or deceased member or the estate of a deceased member in or towards payment of any such debt.

42. Financing bank not to have a claim on certain sums of money.- No financing bank shall have a charge upon or be entitled to set off towards any debt due from a registered society -

(i) any sum invested by a registered society with it out of the reserve fund; or

(ii) any sum invested with it by such society out of the provident fund established under section 72 or the gratuity established under section 73.

43. Shares, interest, etc., not liable to attachment.- Subject to the provisions of section 41, the share or interest of a member in the capital of a registered society or the amount to the credit of an employee of the society in the provident fund established under section 72, including contributions, if any, made to the fund by the society or any sum invested by the society from out of the provident fund accumulations on the amount to the credit of a member in the thrift deposit held by the society shall not be liable to attachment or sale under any decree or order of a court in respect of any debt or liability incurred by such member or employee of the society, as the case may be, and the official Assignee under the Presidency Towns Insolvency Act, 1909 (Central Act 3 of 1909) nor a Receiver under the Provincial Insolvency Act, 1920 (Central Act 3 of 1920) shall be entitled to or have any claim on such share, interest, amount or sum.

44. Reserve fund and bad debt reserve not liable to attachment.- The reserve fund or the bad debt reserve of registered society invested by such society in accordance with the provisions of section 68 shall not be liable to attachment under any decree or order of a court in respect of any debt or liability incurred by the society.

45. Deduction from salary or wages.- (1) A member of a registered society may execute an agreement in favour of that society providing that his employer or the officer disbursing his salary or wages shall be competent on a requisition in writing from the society, to deduct every month from the salary or wages payable to him such amount as may be specified in the requisition towards the amount due by him to the society, in respect of any debt or other demand owing by the member to the society from time to time:

Provided that the said agreement shall also include a clause that if the member ceases to be an employee of the establishment, the balance of the dues shall be deductible from the gratuity payable to him.

(2) (a) Where any such agreement as is referred to in sub-section (1) has been executed by a member of a registered society, the employer or the officer disbursing the salary or wages of such member shall, on receipt of a requisition from the society, make the deduction from the salary or wages payable to the member in accordance with the requisition, and pay, within such time as may be specified in the rules in respect of any society or class of societies, the amount so deducted to the society.

(b) Where the amount to be deducted in any month in accordance with the requisition made by a society, or where a requisition has been made by two or more societies in respect of the same person, the total amount to be deducted in accordance with all the requisitions, exceeds one-half of his salary or wages actually payable to him for the month, the employer or the officer disbursing the salary or wages shall deduct from such salary or wages a sum representing one-half of such salary or wages. The amount deducted shall, where deductions have been made against requisitions received from two or more societies, be paid by the employer or the officer disbursing the salary or wages to all the societies in proportion to the amounts to be deducted according to their requisitions:

Provided that where any amount is due to such class of registered societies as may be specified in the rules, the entire salary or wages for the month or such portion thereof as may be specified in the rules in respect of any such class of societies may be deducted and paid as aforesaid.

(3) The employer or the officer disbursing the salary or wages shall maintain such registers as may be prescribed.

(4) The provisions of this section shall also apply to all such agreements-

(a) of the nature referred to in sub-section (1) as are in force at the commencement of this Act; and

(b) as are executed by the members of any society registered in any other State.

(5) The provisions of this section shall apply notwithstanding any law to the contrary for the time being in force.

(6) If any employer or the officer disbursing the salary or wages of any such member as is referred to in sub-section (1), fails without reasonable cause to comply with any of the provisions of this section, he shall be punishable with fine which may extend to five hundred rupees.

(7) Nothing contained in this section shall apply to establishments under a railway administration operating any railway as defined in clause (20) of article 366 of the Constitution.

46. Exemption from compulsory registration of instruments relating to shares and debentures of registered society.- Nothing contained in any law for the time being in force in Puducherry relating to registration of documents involving transfer of immovable properties shall apply to-

(a) any instrument relating to shares in a registered society, notwithstanding that the assets of such society consist in whole or in part of immovable property; or

(b) any debenture issued by any such society and not creating, declaring, assigning, limiting or extinguishing any right, title, or interest to or in immovable property except in so far as it entitles the holder to the security afforded by a registered instrument whereby the society has mortgaged, conveyed or otherwise transferred the whole or part of its immovable property or any interest therein to trustees upon trust for the benefit of the holders of such debentures; or

(c) any endorsement upon or transfer of any debenture issued by any such society.

47. Right to set off where a registered society purchases immovable property at a sale for any sum due to it.- (1) Where, under this Act or any rule made thereunder, any sum due to a registered society from any person is recoverable as an arrear of land revenue and the immovable property of such person is brought to sale and the society is the purchaser at such sale, the sum due to the purchaser shall be set off, in whole or in part, against the purchase money and the remainder, if any, of the purchase money shall be paid to the Collector or other officer empowered by the Collector in that behalf within thirty days of the date of sale.

(2) Where the purchaser refuses or omits to complete the payment of the remainder, if any, of the purchase money, the property shall be resold at the expense and hazard of such purchaser and the amount of all loss or expense which may attend such refusal or omission shall be recoverable from such purchaser in the same manner as arrears of public revenue. Where the property, on the second sale, sells for a higher price than at the first sale, the difference or increase shall be the property of him on whose account the said first sale was made.

48. Power to exempt from stamp duty and registration fee.- The Government, by notification in the Official Gazette, may, in the case of any registered society or class of registered societies, remit-

(a) the stamp duty with which, under any law for the time being in force, instruments executed by or on behalf of or in favour of a registered society or by an officer or member and relating to the business of such society or any class of such instruments or decisions awards or orders of the Registrar or arbitrators under this Act are respectively chargeable; and

(b) any fee payable under the law of registration for the time being in force:

Provided that such power to remit shall not be exercised in relation to stamp duty in respect of bills of exchange, cheques, promissory notes, bills of lading, letters of credit, policies of insurance, transfer of shares, debentures, proxies and receipts, and in relation to any other stamp-duty chargeable and falling within entry 96 in List-I in the Seventh Schedule to the Constitution.

49. Register of members.- Any register or list of members or shares kept by any registered society shall be prima facie evidence of any of the following particulars entered therein:-

(a) the date on which the name of any person was entered in such register or list as a member; and

(b) the date on which any such person ceased to be a member.

50. Proof of entries in societies book.- (1) A copy of any entry in a book of a registered society regularly kept in the course of business shall, if duly certified in such manner as may be prescribed, be received in any suit or legal proceedings as prima facie evidence of the existence of such entry, and shall be admitted as evidence of the matters, transactions and accounts therein recorded in every case where, and to the same extent as, the original entry itself is admissible.

(2) No officer or liquidator of a registered society and no officer in whose office the books of a registered society are deposited after liquidation shall, in any legal proceedings to which the society or the liquidator is not a party, be compelled to produce any of the society's books the contents of which can be proved under sub-section (1), or to appear as a witness to prove the matters, transactions, and accounts therein recorded, unless by order of the court or the arbitrator made for a special cause.

CHAPTER - VI

STATE AID TO REGISTERED SOCIETIES

51. Investment by Government in registered societies.- (1) The Government may subscribe directly to the share capital of a registered society.

(2) Notwithstanding any agreement to the contrary, the Government shall not be entitled to any dividend on the shares taken by them with any such registered society at a rate higher than that at which such dividend is payable in respect of any other share in that society.

52. Provision of funds by Government to apex society.- The Government may, subject to appropriation by law, provide moneys to the apex society for the purchase of shares in other registered societies.

53. Partnership of Government with apex society.- (1) An apex society which is provided with moneys by the Government under section 52 shall, with such moneys, establish a fund to be called the "Principal State Partnership Fund".

(2) An apex society shall utilise the Principal State Partnership Fund for the purpose of:-

(a) directly purchasing shares in other registered societies;

(b) providing moneys to a registered society (hereinafter in this chapter referred to as the central society) to enable that society to purchase shares in other registered societies (hereinafter in this chapter referred to as the primary societies);

(c) making payments to the Government in accordance with the provisions of this chapter; and for no other purpose.

54. Subsidiary State Partnership Fund.- (1) A central society which is provided with moneys by an apex society from the Principal State Partnership Fund shall, with such moneys, establish a fund to be called the 'Subsidiary State Partnership Fund'.

(2) A central society shall utilise the Subsidiary State Partnership Fund for the purpose of-

(a) purchasing shares in primary societies;

(b) making payments to the apex society in accordance with the provisions of this chapter; and for no other purpose.

55. Approval of Government for purchase of shares.- No shares shall be purchased in a registered society from the moneys in the Principal State Partnership Fund or the Subsidiary State Partnership Fund except with the previous approval in writing of the Government.

56. Liability to be limited in respect of certain shares.- Where shares are purchased in a registered society by-

- (a) the Government; or
- (b) an apex society or a central society from the Principal State Partnership Fund or the Subsidiary State Partnership Fund, as the case may be;

the liability in respect of such shares shall, in the event of the registered society being wound up, be limited to the amount paid in respect of such shares.

57. Restrictions on amount of dividend.- An apex society which has purchased shares in other registered societies from the moneys in the Principal State Partnership Fund and a central society which has purchased shares in primary societies from the moneys in the Subsidiary State Partnership Fund shall be entitled only to such dividend on the said shares as is declared by the society concerned and payable to other shareholders of that society.

58. Indemnity of apex and central societies.- (1) If a registered society in which shares are purchased from the Principal State Partnership Fund is wound up or is dissolved, the Government shall not have any claim against the apex society which purchased the shares in respect of any loss arising from such purchase.-

Provided that the apex society shall remit to the Government any money received from the liquidator of the dissolved society in repayment of the share capital invested in the society from the said Partnership Fund and any dividend paid on such share capital.

(2) If a registered society in which shares are purchased from the Subsidiary State Partnership Fund is wound up or is dissolved, neither the Government nor the apex society shall have any claim against the central society which purchased the shares in respect of any loss arising from such purchase:

Provided that the central society shall credit to the Subsidiary State Partnership Fund and remit to the apex society to the credit of the Principal State Partnership Fund any money received from the liquidator of the dissolved society in repayment of the share capital invested in the society from the Subsidiary State Partnership Fund.

59. Disposal of share capital and dividend etc.- (1) All moneys received by an apex society in respect of shares of other registered societies purchased from the money in the Principal State Partnership Fund on redemption of such shares or by way of dividends or otherwise shall be credited to that Fund.

(2) All moneys received by a Central society in respect of shares of primary societies purchased from the moneys in the Subsidiary State Partnership Fund on redemption of such shares or by way of dividends or otherwise, shall in first instance be credited to that Fund and then transferred to the apex society which shall credit them to the Principal State Partnership Fund.

(3) All moneys and dividends referred to in sub-section (1) and sub-section (2) shall, notwithstanding that the shares stand in the name of the apex society or the central society, as the case may be, be paid to the Government.

(4) Save as provided in sub-section (3), the Government shall not be entitled to any other return on the moneys provided by them to an apex society under section 52.

60. Disposal of Principal State Partnership Fund and Subsidiary State Partnership Fund on winding up of an apex or central society.- (1) If an apex society which has established a Principal State Partnership Fund is wound up or is dissolved, all moneys to the credit of, or payable to that fund shall be paid to the Government.

(2) If a central society which has established a Subsidiary State Partnership Fund is wound up or is dissolved, all moneys to the credit of, or payable to that Fund shall be paid and credited to the Principal State Partnership Fund from which it received moneys under clause (b) of sub-section (2) of section 53.

61. Principal State Partnership Fund and Subsidiary State Partnership Fund not to form part of assets.- Any amount in a Principal State Partnership Fund or a Subsidiary State Partnership Fund shall not form part of the assets of the apex society or the central society, as the case may be.

62. Agreement by Government and apex society.- Subject to the foregoing provisions of this Chapter –

(a) the Government may enter into an agreement with an apex society setting out the terms and conditions on which they shall provide moneys to the apex society for the purpose specified in sub-section (2) of section 53.

(b) an apex society may, with the previous approval of the Government enter into an agreement with a central society, setting out the terms and conditions on which it shall provide moneys to that society from the Principal State Partnership Fund for the purpose specified in clause (b) of sub-section (2) of section 53.

63. Other forms of state aid to registered societies.- Notwithstanding anything contained in this Act or any other law for the time being in force, the Government may-

- (a) grant loans or make advances to any registered society;
- (b) guarantee the repayment of principal and payment of interest on debentures issued by registered society;
- (c) guarantee the repayment of share capital of a registered society and dividends thereon at such rates as may be specified by the Government;
- (d) guarantee the repayment of principal and payment of interest on loans and advances to a registered society;
- (e) guarantee the repayment of deposits received by a registered society and payment of interest on such deposits; and
- (f) give financial assistance in any other form including subsidies, to any registered society.

64. Provisions of this chapter to over-ride other laws.- The provisions of sections 52 to 62 shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force.

CHAPTER - VII

PROPERTY AND FUNDS OF REGISTERED SOCIETIES

65. Regulation of loan making policy.- (1) No society shall make a loan to any person other than a member, or on the security of its own shares, or on the security of any person who is not a member-

Provided that, with the special sanction of the Registrar a registered society may make loans to another registered society:

Provided further that a registered society may make such loans as may be specified in the by-laws to any of its paid employees.

- (2) Notwithstanding anything contained in sub-section (1)-
 - (a) a registered society may make a loan to a depositor on the security of his deposit;

(b) a financing bank may provide overdraft to or discount bills and cheques of depositors subject to such limits and conditions as may be prescribed by the Government; and

(c) a financing bank may advance loans on the pledge of gold jewels subject to such limits and conditions as may be prescribed by the Government.

(3) If in the opinion of the Government, it is necessary in the interest of the society or societies concerned to do so, the Government may, by general or special order, prohibit, restrict or regulate the lending of money by any society or class of societies on the security of any property.

(4) The Registrar may, for ensuring safety of the funds of the society or societies concerned, for proper utilisation of such funds in furtherance of their objects and for keeping them within the loan making limits laid down in the rules and by-laws with the approval of the financing bank, by general or special order, regulate the extent, conditions and manner of making loans by any society or class of societies to its members or other societies.

66. Restrictions on borrowings.- (1) A registered society shall receive deposits and loans only to such extent and subject to such conditions as may be prescribed by the rules or the by-laws.

(2) If, in the opinion of the Registrar, it is necessary so to do for ensuring safety of the funds obtained under sub-section (1), for proper utilisation of such funds in furtherance of the objects of the society or societies concerned and for keeping them within the borrowing limits as laid down in the rules and by-laws, the Registrar may, by general or special order, impose additional conditions on any society or class of societies, subject to which and the extent up to which such society or such class of societies may receive deposits, issue debentures or raise loans from any creditor other than a financing bank.

67. Restrictions on other transactions with non-members.- Save as is provided in sections 65 and 66 the transactions of a society with persons other than members shall be subject to such restrictions, if any, as may be prescribed.

68. Investment of Funds.- Subject to the provisions of sub-sections (3) and (4) of section 65, a registered society may invest or deposit its funds.-

(a) in the Government Savings Bank; or

(b) in any of the securities specified in section 20 of the Indian Trusts Act, 1882 (Central Act 2 of 1882); or

(c) in the shares or securities of any other registered society, provided that no such investment shall be made in the shares of any society with unlimited liability except with the general or special sanction of the Registrar and subject to such limits as may be specified by him from time to time; or

(d) with any bank or person carrying on the business of banking, approved for this purpose by the Registrar; or

(e) in any other mode permitted by the rules.

69. Funds not to be divided among members.- (1) No part of the funds of a registered society, except net profits as declared by the Registrar for the purposes of this Act, shall be divided by way of bonus or dividend or otherwise among its members:

Provided that payment may be made to a member for work done by him as Secretary or as clerk on such scale as may be prescribed by the by-laws.

(2) Save as provided in sub-section (1), no payment shall be made out of the funds of a registered society to the President or to any officer of the society by way of honorarium for any service rendered by him to the society.

70. Properties not to be miss-used.- Any property, movable or immovable, in the possession of a society shall not be used or allowed to be used except in accordance with the procedure laid down in the rules and the by-laws.

71. Disposal of net profits.- The net profits of any registered society as declared by the Registrar for the purposes of this Act in respect of any Co-operative Year shall be appropriated-

first, for being credited to a Reserve Fund, the amount so credited being not less than twenty-five per cent of the net profits;

secondly, towards contribution to the Co-operative Education Fund at such rate not exceeding two per cent of the net profits as may be prescribed;

thirdly, towards contribution to such other funds and at such rates as may be prescribed;

fourthly, towards payment of dividend on shares to members or transfer to the dividend fund as may be prescribed;

fifthly, towards payment of bonus to members and paid employees of the registered society at such rate and subject to such conditions as may be prescribed;

sixthly, towards contribution to such other funds or such purposes and at such rates as may be specified in the by-laws;

seventhly, towards contribution to the common good fund at such rate not exceeding ten per cent of the net profits as may be prescribed; and

eighthly, the balance, if any, of the net profits being credited to the Reserve Fund.

72. Contributory Provident Fund.- (1) A registered society shall establish a contributory provident fund for the benefit of its employees to which shall be credited all contributions made by the employees and the society in accordance with the rules and by-laws or the Employees Provident Funds Act, 1952 (Central Act 19 of 1952) whichever is more beneficial.

(2) A contributory provident fund established by a registered society under sub-section (1)-

- (a) shall not be used in the business of the society;
- (b) shall not form part of the assets of the society;
- (c) shall not be liable to attachment or be subject to any other process of any court or other authority;
- (d) shall be invested in the financing bank.

73. Gratuity.- The employees of a society shall be entitled to gratuity at such rates and on such conditions as may be prescribed and such gratuity accruing annually shall be invested in the financing bank.

CHAPTER - VIII

AUDIT, INQUIRY, INSPECTION, SURCHARGE AND SUPERSESSION

74. Audit.- (1) The Registrar shall audit or cause to be audited by some person authorised by him by general or special order in writing in this behalf the accounts of every registered society once at least in every year:

Provided that the accounts of any apex society or central society, or of any society under Sugar Mills or Spinning Mills, or any Urban Bank with deposits of not less than fifty lakhs of rupees, shall be audited by a Chartered Accountant authorised by the Registrar in consultation with the committee of such society.

(2) The audit under sub-section (1) shall include an examination of overdue debts, if any, the verification of the cash balance and securities and a valuation of the assets and liabilities of the society.

(3) The Registrar or the person authorised by him under sub-section (1), shall, at all reasonable times, have free access to the books, accounts, documents, securities, cash and other properties belonging to or in the custody of the society and may summon any person in possession of, or responsible for, the custody of any such books, accounts, documents, securities, cash or other properties to produce the same at any place at the headquarters of the society or any branch thereof.

(4) Every person who is, or has at any time been, an officer or employee of the society and every member and past member of the society shall furnish such information in regard to the transactions and working of the society as the Registrar or the person authorised by him may require.

(5) If at the time of audit, the accounts of a society are not complete, the Registrar or the person authorised by him under sub-section (1) to audit may cause the accounts to be written up at the expense of the society.

(6) Every registered society shall pay to the Government such fee for the audit of its accounts for each co-operative year as may be fixed by the Registrar in accordance with the rules made in this behalf and the fee levied for audit shall be recoverable in the manner specified in section 138:

Provided that the Government may, by general or special order, exempt any society or class of societies from the payment of the whole or any part of the fee payable for audit for any co-operative year.

(7) (a) If the result of the audit discloses defects and irregularities, the society shall within three months from the date of receipt of the audit memorandum take steps to rectify the defects and remedy the irregularities and report to the Registrar the action taken by it thereon.

(b) The Registrar may also make an order directing the society or its officers to take such action as may be specified in the order to remedy the defects within the time specified therein.

75. Inquiry.- (1) The Registrar may, of his own motion and shall, on the application of a majority of the committee or of not less than one-third of the members or on the request of the Collector, or the financing bank, hold an inquiry, or direct some person authorised by him by order in writing in this behalf to hold an inquiry into the constitution, working and financial condition of a registered society.

(2) The Registrar or the person authorised by him under sub-section (1) shall have the following powers, namely:-

(a) (i) He shall at all reasonable times have free access to the books, accounts, documents, securities, cash and other properties belonging to, or in custody of the society and may summon any person in possession of, or responsible for, the custody of any such books, accounts, documents, securities, cash or other properties to produce the same at any place at the headquarters of the society or any branch thereof;

(ii) Where a person summoned under sub-clause (i) fails or refuses to produce any record or property of the society specified in the summons, any magistrate of the first class in whose jurisdiction the person concerned reside shall, on a complaint from the Registrar or the officer holding the inquiry that the person summoned has been evading or willfully delaying the production of such records or property, issue a warrant for the production of the records and properties of the society to such Registrar or the officer holding the inquiry:

Provided that no such complaint shall be made by the officer holding the inquiry without the previous sanction of the Registrar.

(b) He may seize the books, accounts, or documents of the society, if he considers that such seizure is necessary to ensure the safety of such books, accounts or documents or to facilitate his inquiry, and shall give the person from whose custody the books, accounts or documents have been seized a receipt for the same:

Provided that the books, accounts or documents so seized shall be retained by him only for so long as may be necessary for their examination and for the purpose of inquiry:

Provided further that the books, accounts or documents shall not be retained for more than sixty days at a time except with the permission of the next higher authority.

(c) He may summon any person who, he has reason to believe, has knowledge of any of the affairs of the society and may examine such person on oath and may summon any person to produce any books, accounts or documents belonging to him or in his custody if the Registrar or the person authorised as aforesaid has reason to believe that such books, accounts or documents contain any entry relating to transactions of the society.

(d) (i) He may, notwithstanding any rule or by-law prescribing the period of notice for a general meeting of the society or for a meeting of the committee, require any officer or officers of the society to call a general meeting or a meeting of the committee at such time and place at the headquarters of the society or any branch thereof to consider such matters as may be specified by him and the provisions of sub-clauses (i) and (ii) of clause (b) of sub-section (4) of section 31 shall

apply to any meeting called under this sub-clause as if it were a meeting called in pursuance of a requisition under clause (a) of sub-section (3) of that section.

(ii) If the officer or officers of the society refuses or refuse or fails or fail to call such meeting or if in the opinion of the Registrar there is no committee or officer or officers competent under this Act, the rules or the by-laws to call such meeting, or if there be a dispute regarding the competence of the committee, officer or officers to call such meeting, the Registrar or the person authorised by him under sub-section (1) shall have power to call the meeting himself and the provisions of clause (b) of sub-section (4) of section 31 and sub-section (5) of that section shall apply to such meeting as if it were a meeting called under clause (a) of the said sub-section (4).

(3) When an inquiry is held under this section, the Registrar shall communicate the result of the inquiry-

(i) in case the Government have subscribed directly to the share capital of the registered society or in case any moneys are due from the registered society either to the Principal State Partnership Fund or to the Subsidiary State Partnership Fund referred to in Chapter VI, to the Government or to any officer appointed by the Government in this behalf;

(ii) to the financing bank, if any, to which the society is affiliated;
and

(iii) to the society concerned.

(4) The Registrar may, by order in writing, direct any officer of the society or its financing bank to take such action as may be specified in the order to remedy, within such time as may be specified therein, the defects, if any, disclosed as a result of the inquiry.

76. Inspection.- (1) The Registrar may, of his own motion, or on the application of a credit of a registered society, inspect or direct any person authorised by him in this behalf by general or special order in writing to inspect the books of the society and the person so authorised shall have all the powers of the Registrar when holding an inquiry under section 75:

Provided that no such inspection shall be made or directed on the application of a creditor, unless the creditor-

(a) satisfies the Registrar that the debt is a sum then due and that he has demanded payment thereof and has not received satisfaction within a reasonable time; and

(b) deposits with the Registrar such sum as security for the costs of the proposed inspection as the Registrar may require.

(2) Where an inspection is made under sub-section (1), the Registrar shall communicate the results of such inspection-

- (a) where the inspection is made on his own motion to the society; and
- (b) where the inspection is made on the application of a creditor, to the creditor and to the financing bank, if any, to which society is affiliated.

(3) The Registrar may, by order in writing, direct any officer, of the society to take such action as may be specified in the order to remedy within such time as may be specified therein the defects, if any, disclosed as a result of the inspection.

77. Inspection of books by financing bank.- (1) A financing bank shall have the right to inspect through an officer or a member of its paid staff the books of any registered society which is its member or a society financed by such member.

(2) An officer or member of the paid staff of the financing bank inspecting the books of a society shall at all reasonable times have free access to the books, accounts, documents, securities, cash and other properties belonging to or in the custody of the society and may also call for such information, statements and returns as may be necessary to ascertain the financial condition of the society.

(3) An officer of the financing bank shall also have power to summon any person in possession of or responsible for the custody of any books, accounts, documents, securities, cash and other properties referred to in that sub-section to produce the same for inspection or verification at any place at the headquarters of the society or any branch thereof.

78. Costs of inquiry and inspection.- Where an inquiry is held under section 75 or an inspection is made under section 76, the Registrar may, after giving the parties an opportunity of making their representations, apportion the costs, or such part of the costs as he may think right, between the society, the members or creditors demanding an inquiry or inspection, the officers or former officers of the society. Costs may also be awarded by the Registrar to the financing bank in the case of inspection under section 77, by the financing bank.

79. Registered society to pay certain expenses.- Every registered society shall pay to the Government such sum as may be determined in the prescribed manner in respect of any special or additional staff employed by the Government for the purpose of the society.

80. Suspension of officer or servant of society.- (1) Where in the course of an audit under section 74 or an inquiry under section 75 or an inspection under section 76 or section 77, it is brought to the notice of the Registrar that a paid officer or servant of a registered society has committed or has been otherwise responsible for misappropriation, breach of trust or other offence, in relation to the society, the Registrar may, if in his opinion, there is prima-facie evidence against such paid officer or servant and the suspension of such paid officer or servants is necessary in the interests of the society, direct the committee of the society pending the investigation and disposal of the matter, to place or cause to be placed such paid officer or servant under suspension from such date and for such period as may be specified by him.

(2) On receipt of a direction from the Registrar under sub-section (1), the committee of the registered society shall, notwithstanding any provision to the contrary in the by-laws, place or cause to be placed the paid officer or servant under suspension forthwith.

(3) The Registrar may direct the committee to extend from time to time, the period of suspension and the paid officer or servant suspended shall not be reinstated except with the previous sanction of the Registrar.

81. Registrar's power to give directions in the public interest, etc.- (1) Subject to the rules made in that behalf, where the Registrar is satisfied that in the public interest or for the purposes of securing proper implementation of co-operative production and other development programmes, approved or undertaken by the Government or to secure the proper management of the business of the society generally, or for preventing the affairs of the society being conducted in a manner detrimental to the interests of the members, or of the depositors or the creditors thereof, it is necessary to issue directions to any class of societies generally or to any society or societies in particular, he may issue directions to them from time to time, and all societies or the society concerned, as the case may be, shall be bound to comply with such directions:

Provided that in so far as co-operative banks are concerned, the Registrar shall exercise the powers only with prior consultation with the Reserve Bank of India.

(2) The Registrar may modify or cancel any directions issued under sub-section (1) and in modifying or cancelling such directions may impose such conditions as he may deem fit.

82. Surcharge.- (1) Where in the course of an audit under section 74 or an inquiry under section 75 or an inspection under section 76 or section 77 or the winding up of a society, it appears that any person, who is or was entrusted with the organisation or management of the society or any past or present officer or servant of the society has misappropriated or fraudulently retained any money or other property or been guilty of breach of trust in relation to the society or has caused any deficiency in the assets of the society by breach of trust or willful negligence or has made any payment which is not in accordance with this Act, the rules or the by-laws, the Registrar himself or any person specially authorised by him in this behalf, of his own motion or on the application of the committee, liquidator or any creditor or contributory, may inquire into the conduct of such person or officer or servant and make an order requiring him to repay or to restore the money or property or any part thereof with interest at such rate as the Registrar or the person authorised as aforesaid thinks just or to contribute such sum to the assets of the society by way of compensation in respect of misappropriation, misapplication of funds, fraudulent retainer, breach of trust or willful negligence or payments which are not in accordance with this Act, the rules or by-laws as the Registrar or the person authorised as aforesaid thinks just:

Provided that no such inquiry shall be held after the expiry of six years from the date of any act or omission referred to in this sub-section:

Provided further that no order shall be passed against any person referred to in this sub-section unless the person concerned has been given an opportunity of making his representations.

(2) Any sum ordered under this section to be repaid to a registered society or recovered as a contribution to its assets may be recovered in the same manner as arrears of land revenue.

(3) This section shall apply notwithstanding that such person or officer or servant may have incurred criminal liability by his act.

83. Supersession of committee.- (1) (a) If, in the opinion of the Registrar the committee of any registered society is not functioning properly or wilfully disobeys or wilfully fails to comply with any lawful order or direction issued the Registrar under this Act or the rules he may, after giving the committee an opportunity of making its representations by order in writing, dissolve the committee and appoint either a person (hereinafter referred to as the special officer) or a committee of two or more persons (hereinafter referred to as the managing committee) to manage the affairs of the society for a specified period not exceeding two years.

(b) The period specified in such order may, at the discretion of the Registrar, be extended from time to time provided that such order shall not remain in force for more than four years in the aggregate.

(2) Where a special officer is appointed, the Registrar may appoint an advisory board consisting of not more than five persons to advise the special officer in such matters as may be specified by him.

(3) The special officer or the managing committee appointed under sub-section (1) shall, subject to the control of the Registrar and to such directions as he may, from time to time, give, have power to exercise all or any of the functions of the committee or of any officer of the society and to take such action as may be required in the interests of the society.

(4) The Registrar may fix the remuneration payable to the special officer or the managing committee appointed under sub-section (1). The amount of remuneration so fixed and such other expenditure incidental to the management of the society during the period of supersession as may be approved by the Registrar shall be payable from the funds of the society.

(5) The special officer or the managing committee appointed under sub-section (1) shall, at the expiry of the period of his or its appointment arrange for the constitution of a new committee in accordance with the provisions of this Act, the rules and the by-laws.

(6) Before taking any action under sub-section (1) in respect of any registered society, the Registrar shall inform the financing bank to which the society is indebted and before passing any order, he shall consult the aforesaid bank.

(7) Nothing contained in this section shall be deemed to affect the power of the Registrar to order the winding up of the society under section 126.

(8) An order under sub-section (1) shall take effect from the date specified therein unless stayed by an order of the Government. Where an order under sub-section (1) is reversed on appeal, the special officer, or the managing committee, as the case may be, appointed under sub-section (1) shall forthwith hand over the management of the society to the committee.

(9) Notwithstanding anything contained in the preceding sub-sections, it shall not be necessary to give an opportunity to the committee to state its objections and to consult the financing bank, in cases where the Registrar is of the opinion that it is not reasonably practicable to do so, subject however to the condition that in such cases the period of supersession shall generally be for six months and in case a new committee cannot be constituted or enter upon office in accordance with the by-laws of the society within the period of supersession the period may be extended for a further period not exceeding six months.

CHAPTER - IX

SETTLEMENT OF DISPUTES

84. Disputes.- (1) If any dispute touching the constitution of the committee or the management or the business of a registered society (other than a dispute regarding disciplinary action taken by the society or its committee against a paid servant of the society) arises.-

(a) among members, past members and persons claiming through members, past members and deceased members; or

(b) between a member, past member or person claiming through a member, past member or deceased member and the society, its committee or any officer, agent or servant of the society; or

(c) between the society or its committee and any past committee, any officer, agents or servants, or any past officer, past agent or past servant, or the nominee, heirs or legal representatives of any deceased officer, deceased agent, or deceased servant of the society; or

(d) between the society and any other registered society;
such dispute shall be referred to the Registrar for decision.

Explanation: For the purposes of this section, a dispute shall include.-

(i) a claim by a registered society for any debt or demand due to it from a member, past member or the nominee, heir or legal representative of a deceased member whether such debt or demand be admitted or not; and

(ii) a claim by a registered society against a member, past member or the nominee heir or legal representative of a deceased member for the delivery of a possession to the society of land or other immovable property resumed by it for breach of the conditions of assignment or allotment of such land or other immovable property:

Provided that no dispute relating to, or in connection with, any election to a committee shall be referred under this sub-section till the date of the declaration of the result of such election.

(2) The Registrar may, on receipt of such reference.-

(a) decide the dispute himself or transfer it for disposal to any person subordinate to and empowered by him; or

(b) subject to such rules as may be prescribed, refer it for disposal to an arbitrator or arbitrators.

(3) Subject to such rules as may be prescribed, the Registrar may withdraw any dispute referred under sub-section (1) to any person subordinate to him or transferred under clause (a) or referred under clause (b) of sub-section (2) by the Registrar or any person subordinate to him and-

- (a) decide the dispute himself; or
- (b) transfer it for disposal to any person subordinate to and empowered by him; or
- (c) refer it for disposal to an arbitrator or arbitrators, or
- (d) re-transfer the same for disposal to the person from whom it was withdrawn; or
- (e) refer it for disposal to the arbitrator or arbitrators from whom it was withdrawn.

(4) If a question arises, whether for the purposes of this section, any person is or was a member of a registered society, or whether any dispute referred for decision is a dispute touching the constitution of the committee, or the management or the business of the society, such question shall be decided by the Registrar.

(5) Where any dispute referred to the Registrar under sub-section (1) or withdrawn by him under sub-section (3) relates to immovable property, the Registrar or the person or the arbitrator or arbitrators to whom it is transferred, referred or re-transferred under sub-section (2) or sub-section (3) may, on the application of a party to the dispute, direct that any person who is interested in such property whether such person be a member or not, be included as a party to the dispute and any decision that may be passed on the reference by the Registrar, the person, the arbitrator or arbitrators aforesaid, as the case may be, shall be binding on the party so included, provided that he shall be liable only to the extent of such property.

(6) The Registrar may pass such interlocutory orders as he may deem fit in the interests of justice.

(7) The provisions of the Arbitration Act, 1940 (Central Act 10 of 1940)* shall not apply to proceedings under this chapter.

CHAPTER - X

LAND DEVELOPMENT BANKS

85. Application of chapter to Land Development Banks.- This chapter shall apply to.-

- (a) Co-operative banks advancing loans, other than short-term loans, for the purposes herein enumerated (hereinafter referred to as "Land Development Banks"), that is to say.-

* Now, the Arbitration and Conciliation Act, 1996 (Central Act 26 of 1997).

- (i) land improvement and productive purposes;
- (ii) the erection, rebuilding or repairing of houses for agricultural purposes;
- (iii) to acquire land for the formation of economic holding and other like purposes;
- (iv) to discharge debts.

Explanation-1: For the purpose of this section, short-term loans means loans repayable from the sale proceeds of the next harvest as soon as they are realised or within one year from the date of the grant of the loan whichever period is longer.

Explanation-2: Land improvement and productive purposes mean any work, construction or activity which adds to the productivity of the land, and in particular, includes the following that is to say-

(a) construction and repair of wells (including tube wells) tanks and other works for the storage, supply or distribution of water for the purpose of agriculture, for the use of men and cattle employed in agriculture;

(b) renewal or reconstruction of any of the foregoing works, or alterations therein, or additions thereto;

(c) preparation of land for irrigation;

(d) drainage, reclamation from rivers or other waters or protection from floods or from erosion or other damage by water, or land used for agricultural purposes, or waste land which is cultural;

(e) bunding and similar improvements;

(f) reclamation, clearance and enclosure or permanent improvement of land for agricultural purposes;

(g) horticulture;

(h) purchases of oil engines, pumping sets and electrical motors for any of the purposes mentioned herein;

(i) purchase of tractors or other agricultural machinery;

(j) works undertaken by lift irrigation societies or electricity supply societies for productive purposes;

(k) increase of the productive capacity of land by addition to it of special variety of soil;

(l) construction of permanent farm houses, cattle sheds, and sheds for processing of agricultural produce at any stage; and

(m) such other purposes as the Government may, from time to time by notification in the Official Gazette declare to be improvement or productive purpose for the purpose of this Chapter.

86. Central Land Development Bank.- (1) There shall be a Central Land Development Bank for the entire Union territory of Puducherry.

(2) A reference to Land Mortgage Bank in any law, or instrument for the time being in force in Puducherry, shall, with effect from the commencement of this Act, be construed as a reference to a Land Development Bank within the meaning of this Chapter.

(3) With effect from the commencement of this Act, and until such time as the name of the Land Mortgage Bank functioning in Puducherry at the commencement of this Act is changed into the Central Land Development Bank, all acts done by it or mortgages and other documents executed by it, or in its favour, and all suits and other proceedings filed by or against it shall be deemed to have been done, executed or filed, as the case may be, by or against it as Land Development Bank.

87. Appointment, powers and functions of Trustee.- (1) The Registrar, or any other person appointed by the Government in this behalf, shall be the Trustee for the purpose of securing the fulfillment of the obligations of the Central Land Development Bank to the holders of debentures issued by it.

(2) The Trustee shall be a corporation sole by the name of the Trustee for the debentures in respect of which he is appointed, and shall have perpetual succession and a common seal, and in his corporate name may sue and be sued.

(3) The powers and functions of the Trustee shall be governed by the provisions of this Act, and the instrument of trust executed between the Central Land Development Bank and the Trustee, as modified from time to time by mutual agreement between the Central Land Development Bank and the Trustee.

88. Issue of debentures.- (1) With the previous sanction of the Government and the Trustee, and subject to such terms and conditions as the Government may impose the Central Land Development Bank in the discharge of its functions as a Land Development Bank may issue debentures of such denominations, for such period and at such rates of interest, as it may deem expedient on the security of mortgages, or mortgages to be acquired or partly on mortgages held and partly to be acquired, and properties and other assets of the Land Development Bank.

(2) Such debentures may contain a term fixing a period not exceeding thirty years from the date of issue before which they shall be redeemable, or reserving to the committee the right to redeem at any time in advance of the date fixed for debenture not less than three months' notice in writing.

(3) The total amount due on the debentures issued by the Land Development Bank and outstanding at any time shall not exceed-

(a) where debentures are issued against mortgages held, the aggregate of-

(i) the amounts due on the mortgages; and

(ii) the amounts paid under the mortgages aforesaid and the unsecured amounts remaining in the hands of the Central Land Development Bank or the Trustee at the time;

(b) where debentures are issued otherwise than on mortgages held, the total amount as calculated under clause (a) increased by such portion of the amount obtained on the debentures as is not covered by a mortgage.

89. Guarantee by Government.- The principal of and interest on the debentures issued under section 88 or any specified portion thereof, may carry the guarantee of the Government, subject to such maximum amount as may be fixed by the Government, and subject to such conditions as the Government may think fit to impose.

90. Vesting of property in Trustee and debenture Holders' charge on assets.- Upon the issue of debentures under the provisions of section 88, the mortgage properties and other assets referred to in sub-section (3) of that section held by the Central Land Development Bank, shall vest in the Trustee, and the holders of debentures shall have a floating charge on all such mortgages and assets, and on the amount paid under such mortgages, and remaining in the hands of the Central Land Development Bank or of the Trustee.

91. Powers of Land Development Bank to advance loans and to hold lands.- Subject to the provisions of this Act and the rules made thereunder, it shall be competent for the Land Development Bank to advance loans for the purposes referred to in section 85, and to hold lands the possession of which is transferred to it under the provisions of this Chapter.

92. Priority of mortgage over other claims.- (1) A mortgage executed in favour of a Land Development Bank, shall have priority over any claim of the government arising from a loan granted after the execution of the mortgage under the Land Improvement Loans Act, 1883 (Central Act 19 of 1883) or under any other law for the time being in force.

(2) Without prejudice to the provisions of sub-section (1), and notwithstanding anything contained in this Act or in any other law for the time being in force, a mortgage executed in favour of a land development bank, after commencement of this Act, shall subject to the claims of the Government in respect of land revenue, have priority over all other claims against the property secured by such mortgage.

93. Verification of encumbrances.- The Land Development Bank shall, before advancing any loan on the security of any immovable property verify encumbrances, if any, for a period of thirteen years immediately preceding the date of advance of such loan affecting such immovable property.

94. Registration of documents executed on behalf of a Land Development Bank.- (1) Notwithstanding anything contained in the Registration Act, 1908, (Central Act 16 of 1908) it shall not be necessary for any member of the committee, Secretary or other officer of Land Development Bank to appear in person or by agent at any registration office in any proceeding connected with the registration of any instrument executed by him in his official capacity or to sign as provided in section 58 of that Act.

(2) Where any instrument so executed, the registering officer to whom such instrument is present for registration, may, if he thinks fit refer to such member of the committee, Secretary or officer for information respecting the same and on being satisfied on the execution thereof shall register the instrument.

95. Mortgagor's powers to lease.- Notwithstanding any thing contained in the Transfer of Property Act, 1882 (Central Act 4 of 1882), or any other law for the time being in force the duration of any lease executed by a mortgagor of property mortgaged shall in no case exceed five years.

96. Mortgages not to be questioned on insolvency of mortgagors.- Notwithstanding anything contained in the Provincial Insolvency Act, 1920 (Central Act 5 of 1920) or any corresponding law for the time being in force, a mortgage, executed in favour of Land Development Bank, shall not be called in question in any insolvency proceedings on the ground that it was not executed in good faith for valuable consideration, or on the ground that it was executed in order to give the bank a preference over the creditors of the mortgagor.

97. Right of Land Development Bank to pay prior debts of mortgagor.-
 (1) Where a mortgage is executed in favour of a land development bank for payment of prior debts of the mortgagor, the bank may, notwithstanding the provisions of sections 83 and 84 of the Transfer of Property Act, 1882 (Central Act 4 of 1882), by notice in writing require any person to whom any such debt is due to receive payment of debt or part thereof from the bank at its registered office within such period as may be specified in the notice.

(2) Where any such person fails to receive such notice or such payment, such debt or part thereof, as the case may be, shall cease to carry interest from the expiration of the period specified in the notice:

Provided that where there is a dispute as regards the amount of any such debt the person to whom such debt is due shall be bound to receive payment of the amount offered by the Land Development Bank towards the debt, but such receipt shall not prejudice the right, if any, of such person, to recover the balance claimed by him.

98. Special provision for mortgages executed by managers of Joint Hindu Families, Karnavans of Marumakkattayam tarwards or tavazhis or of Nambudry illoms, etc.- (1) Where a mortgage executed in favour of the Land Development Bank either before or after the commencement of this Act is called in question on the ground that it was executed by the manager of a Joint Hindu Family or the Karnavan of a Marumakkatayam Tarward or Tavazhi or of a Nambudri Illom, or the Manager of a Thiyya or Ezhava family, or the Ejaman or Ejamanthi of an Aliasantana family, for a purpose not binding on the members thereof, whether majors or minors, the burden of proving the same shall, notwithstanding any law to the contrary be on the party raising it.

(2) A mortgage executed in favour of the Land Development Bank by the manager of a Joint Hindu Family or the Karnavan of a Marumakkatayam Tarward or Tavazhi or of a Nambudry Illom or the Manager of a Thiyya or Ezhava Family or the Ejaman or Ejamanthi of an Aliasantana family shall be binding on the members thereof, whether major or minors, if the loan secured by the mortgage was granted for any of the following purposes, namely.-

- (a) the improvement of agricultural land or of the methods of cultivation; and
- (b) the purchase of land.

99. Special provisions for mortgages by tenants in the Mahe area.- Tenants in Mahe region who have got fixity of tenure under the provisions of the Mahe Land Reforms Act, 1968 (Act No. 1 of 1968) shall be entitled to get loans from the Land Development Bank by mortgaging such lands in their possession, as tenants, to the Bank, subject to such conditions and restrictions as may be prescribed.

100. Powers of Land Development Bank in case the mortgaged property is wholly or partially destroyed or the security is rendered insufficient.- Where any property mortgaged to the Land Development Bank is wholly or partially destroyed or for any reason the security is rendered insufficient and the mortgager, having been given a reasonable opportunity by the committee of the Land Development Bank, to provide further security enough to render the whole security sufficient or to repay such portion of the loan as may be determined by the committee, has failed to provide such security or to repay such portion of the loan, the whole of the loan shall be deemed to fall due at once and the committee shall be entitled to take action against the mortgager under section 101 or section 103 for the recovery thereof.

Explanation: A security shall be deemed insufficient within the meaning of this section unless the value of the mortgage property including improvements made thereon exceeds the amount for the time being due on the mortgage by such proportion as may be specified in the by-laws of the Land Development Bank.

101. Distraint-When to be made.- (1) If any instalment payable under a mortgage executed in favour of the Land Development Bank or any part of such instalment has remained unpaid for more than one month from the date on which it fell due, the committee may, in addition to any other remedy available to the bank apply to the Registrar or to any person appointed by the Government under section 3, to assist the Registrar, for the recovery of such instalment or part by distraint and sale of the produce of the mortgaged land including the standing crops thereon. On receipt of such application, the Registrar or such person may, notwithstanding anything contained in the Transfer of Property Act, 1882(Central Act 4 of 1882), take such action as is necessary to distraint and sell such produce:

Provided that no distraint shall be made after the expiry of twelve months from the date on which the instalment fell due.

(2) The distress shall not be excessive; the value of the property distrained shall be, as nearly as possible, equal to the amount due and the expenses of the distraint and the costs of sale.

102. Distraint-How to be affected.- (1) Before or at the time when a distraint is made under section 101, the distrainer shall serve or cause to be served upon the defaulter a written demand specifying the amount for which the distraint is made.

(2) The demand shall be dated and signed by the distrainer and shall be served upon the defaulter by delivering a copy to him or to some adult male member of his family at his usual place of abode or to his authorised agent, or when such service cannot be effected by affixing a copy of the demand on some conspicuous part of his abode and of his land.

103. Sale of property distrained.- (1) If, within 15 days from the date of service of the demand referred to in section 102, the defaulter does not pay the amount for which the distraint was effected, the distrainer may sell in auction the distrained property or such part thereof as may in his opinion be necessary to satisfy the demand together with the expenses of the distraint and the cost of the sale.

(2) From the proceeds of such sale, a deduction shall be made at a rate not exceeding six paise in the rupee on account of the cost of the sale.

(3) From the balance shall be deducted the expenses incurred by the distrainer on account of the distraint.

(4) The remainder, if any, shall be applied to the discharge of the amount for which the distraint was made.

(5) The surplus, if any, shall be delivered to the person whose property has been sold and he shall be given a receipt for the amount discharged from the proceeds of the sale.

104. Power of sale when to be exercised.- (1) Notwithstanding anything contained in the Transfer of Property Act, 1882(Central Act 4 of 1882), where a power of sale without the intervention of the Court is expressly conferred on the Land Development Bank by the mortgage deed, the committee of such bank or any person authorised by such committee in this behalf shall, in case of default of payment of the mortgage money or any part thereof have power, in addition to any other remedy available to the bank, to bring the mortgaged property to sale without the intervention of the court.

(2) No such power shall be exercised unless and until;

(a) the committee has previously authorised the exercise of the power conferred by sub-section (1), after hearing the objections, if any, of the mortgagor or mortgagors;

(b) notice in writing requiring payment of such mortgage money or part has been served upon:

- (i) the mortgagor or each of the mortgagors;
- (ii) any person who has any interest in or charge upon the property mortgaged or in or upon the right to redeem the same;
- (iii) any surety for the payment of the mortgage debt or any part thereof; and
- (iv) any creditor of the mortgagor who has in a suit for the administration of his estate obtained a decree for sale of the mortgaged property;

(c) default has been made in payment of such mortgage money or part for three months after such service.

105. Application for sale and manner of sale.- (1) In exercise of the powers of sale conferred by section 104, the committee of the Land Development Bank or any person duly authorised by such committee may apply to the sale officer appointed in that behalf to sell the mortgaged property or any part thereof and such officer shall, after giving notice in writing to all the persons referred to in section 104, sell such property in the manner prescribed.

(2) The sale shall be by public auction and shall be held in the village where the mortgaged property is situated or at the nearest place of public resort if the sale officer is of opinion that the property is likely to sell to better advantage there.

106. Application to set aside sale on deposit and confirmation of sale in default or on dismissal of such application.- (1) When a mortgaged property has been sold under this Chapter, the mortgagor or any person having a right or interest therein affected by the sale, may at any time within thirty days from the date of sale, apply to the committee of the Land Development Bank to have sale set aside on his depositing at the office of such bank-

(a) for payment to the Land Development Bank, the amount specified in the proclamation of sale together with subsequent interest and the cost, if any, incurred by the bank in bringing the property to sale; and

(b) for payment to the purchaser, a sum equal to five per cent of the purchase money.

(2) If such deposit is made, the committee shall make an order setting aside the sale.

(3) Where no application is made under sub-section (1) or where such application is made and disallowed, the committee shall apply to the Registrar or the person authorised by him to make an order confirming the sale, and on such confirmation it shall become absolute.

107. Distribution of the proceeds of sale .- (1) The proceeds of every sale under this Chapter shall be applied by the sale officer, first in payment of all costs, charges and expenses properly incurred by him as incident to the sale or any attempted sale; secondly, in payment of all interest due on account of the mortgage in consequence whereof the mortgaged property was sold; thirdly, in payment of the principal money due on account of the mortgage; and lastly, the residue, if any, shall be paid to the person proving himself interested in the property sold or if there are more such persons than one, then to such persons according to their respective interests therein or upon their joint receipt.

(2) (a) Any person dissatisfied with the decision of the sale officer in regard to the distribution of such residue may, within thirty days of the communication to him of such decision, institute a suit in a court to establish the right he claims.

(b) The sale officer shall not distribute such residue until thirty days have elapsed from the communication of his decision to all the persons concerned or if a suit has been instituted within the said period of thirty days by any such person until the suit is disposed of or otherwise than in accordance with the decision of the Court therein.

Explanation: In this sub-section "Court" means the Civil Court which would have jurisdiction to entertain a suit to enforce the mortgage and within the limits of whose jurisdiction the property sold is situated.

108. Certificate to purchaser.- Where a sale of mortgaged property has become absolute, the sale officer shall grant a certificate specifying the property sold and the name of the person who at the time of the sale is declared to be the purchaser. Such certificate shall bear date, the day on which the sale became absolute.

109. Delivery of property to purchaser.- (1) Where the mortgaged property sold is in the occupancy of the mortgagor or of some person on his behalf or of some person claiming under a title other than a lease for a period not exceeding five years created by the mortgagor subsequent to the mortgage in favour of the Land Development Bank and a certificate in respect thereof has been granted under section 108, the Court shall, on the application of the purchaser, order delivery to be made by putting such purchaser or any person whom he may appoint to receive delivery on his behalf, in possession of the property.

(2) Where the property sold is in the occupancy of a tenant or other person entitled to occupy the same and a certificate in respect thereof has been granted under section 108, the Court shall on the application of the purchaser, and after notice to such tenant or other person, order delivery to be made by affixing a copy of the certificate of sale in some conspicuous place on the property and proclaiming to the occupant by beat of drum or other customary mode at some convenient place that the interest of the mortgagor has been transferred to the purchaser.

(3) In regard to the cases dealt within sub-sections (1) and (2) the provisions of rules 97 to 103 of order XXI of the First Schedule to the Code of Civil Procedure, 1908(Central Act 5 of 1908), shall, *mutatis mutandis* and so far as may be, apply.

Explanation: In this section, "Court" shall have the same meaning as in section 107.

110. Right of Land Development Bank to purchase the mortgaged property at sale.- It shall be competent to a Land Development Bank to purchase the mortgaged property sold under this Chapter, but the property so purchased shall be disposed of by the bank by sale within such period as may be fixed by the Trustee.

111. Appointment of Receiver and his powers.- (1) The Committee of the Land Development Bank under circumstances in which the power of sale conferred by section 104 may be exercised, appoint in writing a receiver of the produce and income of the mortgaged property or any part thereof and such receiver shall be entitled either to take possession of the property or collect its produce and income as the case may be, to retain out of any money realised by him, his expenses of management including his remuneration, if any as fixed by the committee, and to apply the balance in accordance with the provisions of sub-section (8) of section 69-A of Transfer of Property Act, 1882(Central Act 4 of 1882).

(2) A receiver appointed under sub-section (1) may for sufficient cause and on application made by the mortgager, be removed by the committee.

(3) A vacancy in the office of the receiver may be filled up by the committee.

(4) Nothing in this section shall empower the committee to appoint a receiver where the mortgaged property is already in the possession of a receiver appointed by a Civil Court.

112. Title of purchaser not to be impeached on the ground of irregularity, etc.- (1) When a sale has been made in professed exercise of a power of sale under section 104, and has been confirmed under sub-section (3) of section 106, the title of the purchaser shall not be impeachable on the ground that no case had arisen to authorize the sale or that, due notice was not given or that the power was otherwise improperly or irregularly exercised, but any person dignified by an unauthorized or improper or irregular exercise of the power shall have his remedy in damages against the Land Development Bank.

113. Recovery of sums due to the Land Development Bank.- (1) Without prejudice to any other mode of recovery which is being taken or may be taken, any sum due to Land Development Bank may be recovered as if it were an arrear of land revenue and for the purposes of such recovery the Registrar shall have the powers of a Collector under the Puducherry Revenue Recovery Act, 1970 (Act No. 14 of 1970).

(2) Where any sum due to Land Development Bank is recoverable from any debtor and the immovable property of such debtor is brought to sale and the land development bank is the purchaser at such sale, the provisions of section 36 of the said Act shall apply thereto as if for the clause (iii) thereof, the following clause was substituted, namely.-

"(iii) The sum due to the purchase shall be set off, in whole or in part, against the purchase money and the remainder, if any, of the purchase money shall be paid to the Collector or other officer empowered by the Collector in that behalf within thirty days of the date of Sale".

114. Officers of Land Development Bank and Sale Officers not to bid at sale.- At any sale of movable or immovable property, held under the provisions of this Chapter, no officer or employee of the Land Development Bank, except on behalf of the bank of which he is an officer or an employee, and no person having any duty to perform in connection with such sale, shall either directly or indirectly bid for or acquire or attempt to acquire any interest in such property.

115. Power of Trustee to direct distraint and sale of produce and the sale of mortgaged property.- (1) The Trustee may direct the committee of Land Development Bank to take action against a defaulter under section 100 or section 101 or section 104 and if the committee neglects or fails to do so, the Trustee may take such action.

(2) Where such action is taken by the Trustee, the provisions of this Chapter and any rules or regulations made thereunder shall apply in respect thereto as if all references to the Land Development Bank or to its committee in the said provisions are reference to the Trustee.

116. Service of notice under the act.- Whenever under the provisions of this Chapter, notice is required to be given to any person in writing, it shall be sufficient to send such notice by registered post.

117. Sections 102, 103 and 104 of the Transfer of Property Act, 1882 to apply to such notices.- The provisions of sections 102 and 103 of the Transfer of Property Act, 1882 (Central Act 4 of 1882) and of any rules made by the High Court under section 104 of that Act for carrying out purposes of the said sections, shall apply, so far as may, in respect of all notices to be served under the provisions of this Chapter.

CHAPTER - XI

LIFT IRRIGATION SOCIETIES

118. Application of Chapter.- This Chapter shall apply only to lift irrigation societies.

119. Definitions.- In this Chapter, unless the context otherwise requires –

(1) "lift irrigation society" means a society the principal object of which is to supply water by lift irrigation mainly for agricultural purposes;

(2) "small farmers' lift irrigation society" means a lift irrigation society of which no member owns more than such extent of land as may be prescribed.

120. Declaration by members of a Lift Irrigation Society.-
(1)(a) Notwithstanding anything contained in this Act or in any other law for the time being in force, every person making an application for admission as a member of a lift irrigation society shall specify in such application, the particulars of the lands for which he desires supply of water by the lift irrigation society and, if the by-laws of such society so require, also make a declaration in the form prescribed, authorising the lift irrigation society to mortgage the lands specified in the application as security for any loan to be taken by the lift irrigation society in connection with, or to facilitate, the operation of such society.

(b) Where a declaration referred to in clause (a) is made by any person and such person is admitted as a member of the lift irrigation society, such society shall be entitled to mortgage the lands specified in the declaration or any portion thereof in favour of the Government, any Land Development Bank or any other financing institution from which such society takes a loan (hereinafter in this section referred to as the creditor) and such mortgage shall be binding on the person who made the declaration and his successors-in-interest in such lands.

(c) Any lift irrigation society taking a loan from any financing institution (other than the Government and any Land Development Bank) shall obtain the prior approval of the Registrar.

(2) No declaration made under sub-section (1) shall be varied or cancelled by a member without the previous written permission of the lift irrigation society and the lift irrigation society shall not give such permission without the approval of the creditor.

(3) (a) No land in respect of which a declaration has been made under sub-section (1) or any part of such land or any interest in such land shall be sold or otherwise transferred without the previous written permission of the lift irrigation society, and such permission shall not be given by the lift irrigation society, and such permission shall not be given by the lift irrigation society without the approval of the creditor.

(b) Notwithstanding anything contained in any law for the time being in force, any transaction made in contravention of clause (a) shall be null and void.

(4) The declaration made under sub-section (1) or any variation or cancellation thereof shall be sent by registered post by the lift irrigation society to the sub-registrar having jurisdiction over the area in which the lands are situated.

(5) On receipt of the declaration, variation or cancellation, the sub-registrar shall, notwithstanding anything contained, in any law for the time being in force, register such declaration, variation or cancellation and issue a copy thereof to the lift irrigation society.

(6) Any declaration made under sub-section (1) or any variation or cancellation thereof which has not been registered under sub-section (5) shall, notwithstanding anything contained in this Act or in any other law for the time being in force, be null and void.

121. Agreement regarding period of membership, sharing of expenditure, etc.- (1) Notwithstanding anything contained in this Act, or in any other law for the time being in force, every person on being admitted as a member of lift irrigation society, shall, in addition to the declaration, if any, made under sub-section (1) of section 120 execute an agreement with the lift irrigation society specifying

(i) that he shall continue as a member of such society so long as he continues to own the land for which water is supplied by the lift irrigation society or any portion thereof;

(ii) that he agrees to pay his share of the capital expenditure and the maintenance charges for providing supply of water (including overhead charges and depreciation) as may be determined by the committee from time to time with the approval of the Registrar; and

(iii) such other matters as may be prescribed.

(2) The agreement executed under sub-section (1) shall be sent by registered post by the lift irrigation society to the sub-registrar having jurisdiction over the area in which the lands are situated.

(3) On receipt of the agreement, the sub-registrar shall, notwithstanding anything contained in any law for the time being in force register such agreement and issue a copy thereof to the lift irrigation society.

(4) Any agreement executed under sub-section (1) which has not been registered under sub-section (3) shall, notwithstanding anything contained in this Act or in any other law for the time being in force, be null and void.

(5) The lift irrigation society shall be entitled to collect any sum due to the society under the agreement executed under sub-section (1) or on any account whatsoever, by any member or past or deceased member.

122. Prohibition against withdrawal of membership.- Notwithstanding anything contained in this Act or in any other law for the time being in force, no member of a lift irrigation society shall, so long as he continues to own the land for which water is supplied by the lift irrigation society or any portion thereof, be entitled to withdraw his membership:

Provided that the lift irrigation society may subject to such conditions as may be prescribed, permit any member to withdraw.

123. Regulation of supply of water.- The Committee of a lift irrigation society shall have the right to regulate the supply of water from the works of the society in accordance with such regulations as may be made by the committee in this behalf with the approval of the Registrar.

124. Admission of transferees of land and heirs, etc., as members.- Where a member of a lift irrigation society-

(i) sells or otherwise transfers any land for which water is supplied by the lift irrigation society or any portion thereof; or

(ii) dies;

the transferee, or the heir or the legal representative, as the case may be, shall, if he is qualified for membership of such society, on application made, in the form, if any, prescribed for the purpose, be admitted by the committee as a member of the lift irrigation society:

Provided that the membership of any person admitted under this section may, with the approval of the Registrar, be terminated by the committee; and any application for obtaining such approval shall be made within two months from the date of admission of such member.

125. Concessions and facilities for the small farmers' lift irrigation society.- Without prejudice to the provisions of Chapter VI, a small farmers' lift irrigation society shall be entitled to such special concessions and facilities as may be prescribed.

CHAPTER - XII

WINDING UP AND CANCELLATION OF REGISTRATION OF REGISTERED SOCIETIES

126. Winding up and cancellation of Registration of registered societies.-

(1) If the Registrar, after an inquiry has been held under section 75 or an inspection has been made under section 76 or section 77, or on receipt of an application made by not less than three-fourths of the members of a registered society, is of opinion that the society ought to be wound up, he may, after giving the society an opportunity of making its representations, by order in writing direct it to be wound up and a copy of the order shall forthwith be communicated to the society by registered post.

(2) The Registrar may, by order in writing, direct the winding up of a registered society-

(a) where it is a condition of the registration of the society that the society shall consist of at least twenty-five members and the number of members has been reduced to less than twenty-five; or

(b) where the society has not commenced working within the prescribed period or has ceased to work; or

(c) where in the opinion of the Registrar the society has no longer genuinely as its objects one or more of the objects specified in sub-section (1) of section 4 of this Act and has been working mainly for promoting the interests of any individual or group of individuals and not of the members generally.

127. Liquidator.- (1) Where the Registrar has made an order under section 126 for the winding up of a registered society he may, in consultation with the financing bank appoint a liquidator for the purpose and fix his remuneration.

(2) A liquidator shall, on appointment, take into his custody or under his control all the property, effects and actionable claims to which the society is or appears to be entitled and shall take such steps as he may deem necessary or expedient, to "prevent loss or deterioration of, or damage to", such property effects and claims.

(3) Where an appeal is preferred under clause (a) of sub-section (2) of section 140, an order or winding up of a registered society made under sub-section (1) of section 126 shall not operate thereafter until the order is confirmed in appeal:

Provided that the liquidator shall continue to have custody or control of the property, effects and actionable claims mentioned in sub-section (2) and have authority to take the steps referred to in that sub-section.

(4) Where an order of winding up of a registered society is set aside in appeal, the property, effects and actionable claims of the society shall rivets in the society.

128. Powers of liquidator.- (1) Subject to any rules made in this behalf the whole of the assets of a registered society in respect of which an order for winding up has been made, shall vest in the liquidator appointed under section 127 from the date on which the order takes effect and the liquidator shall have power to realize such assets by sale or otherwise.

(2) Subject to the control of the Registrar, such liquidator shall also have power.-

(a) to institute and defend suits and other legal proceedings on behalf of the registered society by his name of office;

(b) to determine from time to time the contribution (including debts due) to be made or remaining to be made by the members or past members or by the estates or nominees, heirs or legal representatives of deceased members or by any officers or former officers, to the assets of the society;

(c) to investigate all claims against the registered society, and subject to the provisions of this Act, to decide questions of priority arising between claimants;

(d) to summon and enforce the attendance of witnesses and to compel the production of any books, accounts, documents, securities, cash or other properties belonging to or in the custody of the society by the same means and so far as may be in the same manner as is provided in the case of a civil court under the provisions of law relating to civil procedure for the time being in force in Puducherry.

(e) subject to any rules made in this behalf, to pay claims against the registered society including interest upto the date of winding up according to their respective priorities, if any, in full or ratably as the assets of the society may permit; to apply the surplus, if any, remaining after payment of the claims for the payment of interest from the date of such order of winding up at a rate fixed by him but not exceeding the contract rate in any case.

(f) to determine by what persons and in what proportions the costs of the liquidation are to be borne;

(g) to determine whether any person is a member, past member or nominee of deceased member;

(h) to give such directions in regard to the collection and distribution of the assets of the society as may appear to him to be necessary for winding up the affairs of the society;

(i) to carry on the business of the society so far as may be necessary for the beneficial winding up of the same;

(j) with the previous approval of the prescribed authority to make any compromise or arrangement with creditors or persons having any claim, present or future, whereby the society may be rendered liable;

(k) with the previous approval of the prescribed authority, to compromise all calls or liabilities to any calls and debts and liabilities capable of resulting in debts, and all claims, present or future, certain or contingent, subsisting or supposed to subsist between the society and alleged contributory or other debtor or a contributory or person apprehending liability to the society and all questions anyway relating to or affecting the assets or the winding up of the society on such terms as may be agreed and take any security for the discharge of any such call, liability, debt or claim and give a complete discharge in respect thereof.

(3) Any sum ordered under this section to be recovered as a contribution to the assets of a registered society or as costs of liquidation may be recovered, on a requisition be made in this behalf by the Registrar to the Collector in the same manner as arrears of land revenue.

(4) Save as provided in sub-section (3), orders made under this section shall, on application, be enforced by any civil court having local jurisdiction in the same manner as a decree of such court.

(5) When the affairs of a registered society have been wound up, the liquidator shall make a report to the Registrar and deposit the records of the society in such place as the Registrar may direct.

129. Cancellation of registration.- Where the affairs of a registered society have been completely wound up, the registrar shall make an order canceling the registration of the society. On the cancellation of its registration, the society shall cease to exist as a corporate body from the date of such order of cancellation.

130. Bar of legal proceedings.- Save in so far as is expressly provided in this Act, no civil court shall take cognizance of any matter connected with the winding up or cancellation of the registration of a registered society under this Act, and when a liquidator has been appointed, no suit or other legal proceeding shall lie or be proceeded with against the liquidator as such or against the society or any member thereof on any matter touching the affairs of the registered society, except by leave of the Registrar and subject to such terms as he may impose.

131. Restoration of society ordered to be wound up.- Where, in the opinion of the Registrar, a registered society which has been ordered to be wound up may be restored to a committee constituted in accordance with the provisions of this Act, the rules and the by-laws, he may, at any time, before the affairs of the society have been completely wound up, cancel or withdraw the order of winding up and direct the liquidator to constitute a committee in accordance with the provisions of this Act, the rules and the by-laws and hand over the management of the registered society to such committee.

CHAPTER - XIII

INSURED CO-OPERATIVE BANKS

132. Power of Reserve Bank of India to give certain directions to Co-operative Banks.- Notwithstanding anything contained in this Act, in the case of an insured Co-operative bank-

(i) an order for the winding up, or an order sanctioning a scheme of compromise or arrangement or of amalgamation or reconstruction (including division or reorganisation), of the bank may be made only with the previous sanction in writing of the Reserve Bank of India;

(ii) an order for the winding up of the bank shall be made by the Registrar if so required by the Reserve Bank of India in the circumstances referred to in section 13 D of the Deposit Insurance Corporation Act, 1961 (Central Act 47 of 1961);

(iii) If so required by the Reserve Bank of India in the public interest or for preventing the affairs of the bank being conducted in a manner detrimental to the interests of the depositors or for securing the proper management of the bank, an order shall be made for the supersession (removal) of the committee of management or other managing body (by whatever name called) of the bank and the appointment of an administrator therefor for such period or periods, not exceeding five years in the aggregate, as may from time to time be specified by the Reserve Bank of India, and the administrator so appointed shall, after the expiry of his term of office, continue in office until the day immediately preceding the date of the first meeting of the new committee;

(iv) no appeal, revision or review shall lie or be permissible against an order such as is referred to in clauses (i), (ii) or (iii) made with the previous sanction in writing or on the requisition of the Reserve Bank of India and such order or sanction shall not be liable to be called in question in any manner;

(v) the liquidator or the insured co-operative bank or transferee bank, as the case may be, shall be under an obligation to repay the Deposit Insurance Corporation established under the Deposit Insurance Corporation Act, 1961 in the circumstances, to the extent and in the manner referred to in section 21 of that Act.

Explanation: For the purpose of this section-

(i) "a co-operative bank" means a bank as has been defined in the Deposit Insurance Corporation Act, 1961(Central Act 47 of 1961);

(ii) "Insured co-operative bank" means a society which is an insured bank under the provisions of the Deposit Insurance Corporation Act, 1961(Central Act 47 of 1961);

(iii) "Transferee bank" in relation to an insured co-operative bank means a co-operative bank;

- (a) with which such insured co-operative bank is amalgamated,
or
- (b) to which the assets and liabilities of such insured co-operative bank are transferred; or
- (c) into which such insured co-operative bank is divided or converted under the provisions of section 14, 15 or 16.

CHAPTER - XIV

EXECUTION OF DECREES, DECISIONS, AWARDS AND ORDERS

133. Power of the Registrar to recover certain sums by attachment and sale of property.- The Registrar or any person subordinate to him empowered by the Registrar in this behalf may, subject to the rules and without prejudice to any other mode of recovery provided by or under this Act, recover-

(a) any sum due under a decree or an order of a civil court, a decision or an award of the Registrar or any person subordinate to and empowered by the Registrar or, arbitrator or, arbitrators or an order of the Registrar; or

(b) any sum due from a registered society or from an officer, former officer, member or past or deceased member of a registered society as such to the Government including any costs awarded to the Government in any proceedings under this Act; or

(c) any sum ordered to be paid towards the expenses of a general meeting of a registered society called under sub-section (4) of section 31 or sub-clause (ii) of clause (d) of sub-section (2) of section 75; or

(d) any sum-awarded by way of costs under section 78 to a registered society including a financing bank; or

(e) any sum ordered under section 128 to be recovered as a contribution to the assets of a registered society or as costs of liquidation; or

(f) any sum ordered under section 82 to be repaid to a registered society or recovered as a contribution to its assets;

together with the interest, if any, due on such sum and the costs of process by the attachment and sale or by the sale without attachment of the property of the person against whom such decree, decision, award or order, has been obtained or passed.

134. Recovery of debts.- Notwithstanding anything contained in this Act or in any other law for the time being in force and without prejudice to any other mode of recovery which is being taken or may be taken, the Registrar or any person subordinate to him empowered by the Registrar in this behalf, may, subject to the rules and on application from a registered society for the purpose, recover any debt or outstanding demand due to the society by any member or past or deceased member by sale of the property or interest in property which is subject to a charge under sub-section (1) of section 39:

Provided that no sale shall be ordered under this section unless the member or past member or the nominee, heir or legal representative of the deceased member has been served, in the manner prescribed, with a notice of the application to sell and has failed to pay the debt or outstanding demand within seven days from the date of such service.

135. Powers of financing bank to proceed against member of a registered society for recovery of moneys due to it from such society.- (1) If a registered society is unable to pay its debts to a financing bank by reason of its members committing default in the payment of the moneys due by them, the financing bank may direct the committee of such society to proceed against such member under section 84 or section 133 as the case may be, and if the committee fails to do so within a period of ninety days from the date of receipt of such direction, the financing bank itself may proceed against such members under section 84 or section 133, in which case, the provisions of this Act, the rules or the by-laws shall apply as if all references to the society or its committee in the said provisions were references to the financing bank.

(2) Where a financing bank has obtained a decree or award against a society in respect of moneys due to it from the society, the financing bank may proceed to recover such moneys firstly from the assets of the society and secondly from the members to the extent of their debts due to the society.

136. Recovery of sums due to agricultural credit society.- Without prejudice to any other mode of recovery which is being taken or may be taken, any sum due to an agricultural credit society, may, if so resolved by the committee of the society, be recovered as if it were an arrear of land revenue and for the purposes of such recovery the Registrar shall have the powers of a Collector under the Puducherry Revenue Recovery Act, 1970 (Act 14 of 1970).

137. Registrar or person empowered by him to be civil court for certain purposes.- The Registrar or any person empowered by him in that behalf shall be deemed, when exercising any power under this Act for the recovery of any amount by the attachment and sale or by the sale without attachment of any property, or when passing any orders on any application made to him for such recovery, to be a civil court.

138. Recovery of sums due to Government.- (1) All sums due from a registered society or from an officer, former officer, member or past or deceased member of a registered society as such to the Government including any costs awarded to the Government in any proceeding under this Act may be recovered in the same manner as arrears of land revenue.

(2) Sums due from a registered society to the Government and recoverable under sub-section (1) may be recovered, first, from the property of the registered society, secondly, in the case of a society the liability of the members of which is limited, from the members, past members or the estates of deceased members subject to the limit of their liability and, thirdly, in the case of other societies, from the members, past members or the estates of deceased members:

Provided that the liability of past members and of the estates of deceased members shall in all cases be subject to the provisions of section 30.

CHAPTER - XV

APPEALS, REVISION AND REVIEW

139. Co-operative Tribunal.- (1) The Government may constitute as many Tribunals as may be necessary for the purposes of this Act.

(2) Each Tribunal shall consist of one person only who shall be a judicial officer not below the rank of a subordinate Judge.

(3) Each Tribunal shall have such jurisdiction and over such area, as the Government may, by notification from time to time, determine.

140. Appeals.- (1) Any person aggrieved by--

(a) any decision passed or order made under sub-section (1) of section 82, section 83, sub-section (2), sub-section (3) or sub-section (4) of section 84, section 126, section 133 or section 157; or

(b) any award of an arbitrator or arbitrators under sub-section (2) or sub-section (3) of section 84,

may appeal to the tribunal:

Provided that nothing contained in clause (a) or clause (b) of this sub-section shall apply to-

(i) any decision, order or award under sub-section (2), sub-section (3) or sub-section (4) of section 84 in respect of any matter relating to or in connection with the constitution of a committee including any election thereto; or

(ii) any order of transfer, reference, withdrawal or retransfer of a dispute under sub-section (2) or sub-section (3) of section 84.

(2) (a) Any person aggrieved by any decision under section 7, section 9, section 11, section 12, section 14, section 24, section 34, section 35, section 120, section 121, section 123, or section 124, may appeal, if such decision, refusal, registration, approval or order is that of --

(i) the Registrar of Co-operative societies for Puducherry, to the Government; or

(ii) any other person, to the Registrar.

Explanation - For the purpose of this clause "person aggrieved" means in relation to section 11 or section 12, or section 14, the registered society.

(b) Any person, who is refused admission to a registered society under section 20 or who is aggrieved by any order of the liquidator under sections 128 may appeal to the Registrar.

(3) Any appeal under sub-section (1) or sub-section (2) shall, subject to the other provisions of this Act, be preferred within two months from the date of the decision, order, award, refusal, registration or approval complained of:

Provided that the appellate authority may admit an appeal preferred after the said period of two months, if it is satisfied that the appellant had sufficient cause for not preferring appeal within the said period.

(4) In disposing of an appeal under this section, the appellate authority may, after giving the parties an opportunity of making their representations, pass such order thereon as the appellate authority may deem fit.

(5) The decision or order of the appellate authority on appeal shall be final.

(6) The appellate authority may pass such interlocutory orders pending the decision on the appeal as the appellate authority may deem fit.

(7) The appellate authority may award costs in any proceedings before the appellate authority to be paid either out of the funds of the registered society or by such party to the appeal as the appellate authority may deem fit.

141. Revision.- (1) The Registrar may, of his own motion or on application, call for and examine the record of any officer subordinate to him and the Government may of its own motion or on application call for and examine the record of the Registrar, in respect of any proceeding not being a proceeding in respect of which an appeal to the tribunal is provided by sub-section (1) of section 140, to satisfy himself or itself as to the legality, regularity or propriety of any decision passed or order made therein; and if, in any case, it appears to the Registrar or the Government, as the case may be, that any such decision or order should be modified, annulled, reversed or remitted for reconsideration, he or it may pass orders accordingly:

Provided that every application to the registrar or to the Government for the exercise of the powers under this section shall be preferred within three months from the date on which the proceedings, decision or order to which the application relates was communicated to the applicant.

(2) No order prejudicial to any person shall be passed under sub-section (1) unless such person has been given an opportunity of making his representation.

(3) The Registrar or the Government, as the case may be, may suspend the execution of the decision or order pending the exercise of his or its power under sub-section (1) in respect thereof.

(4) The Registrar or the Government may award costs in proceedings under this section to be paid either out of the funds of the society or by such party to the application for revision as the Registrar or the Government may deem fit.

142. Review.- (1) The appellant or the applicant for revision or the respondent may apply for the review of any order passed under section 140 or section 141 on the basis of the discovery of new and important facts which, after the exercise of due diligence, were not then within his knowledge or could not be produced by him when the order was made, or on the basis of some mistake or error apparent on the face of the record or for any other sufficient reason:

Provided that no application for review shall be preferred more than once in respect of the same order.

(2) Every application for review shall be preferred within such time and in such manner as may be prescribed.

(3) The decision or order passed on the application in review shall be final.

(4) The authority competent to pass order on an application for review may pass such interlocutory orders pending the decision on the application for review as that authority may deem fit.

(5) The authority referred to in sub-section (4) may award costs in any proceedings for review to be paid either out of the funds of the registered society or by such party to the application for review as it may deem fit.

143. Execution of orders passed in appeal, revision or review.- Any order passed by the Tribunal, the Registrar or the Government under section 140, 141 or 142 shall be enforced by such authority and in such manner as may be prescribed.

144. Bar of jurisdiction of Civil Courts.- No order or award passed, decision or action taken or direction issued under this Act by an arbitrator, a liquidator, the Registrar or an officer authorised or empowered by him, the Tribunal or the Government or any officer subordinate to them, shall be liable to be called in question in any court.

145. Tribunal, Registrar, etc., to have certain powers of Civil Court.- (1) In exercising the functions conferred on it or him by or under this Act, the Tribunal, the Registrar, the arbitrator or any other person deciding a dispute and the liquidator of a society shall have all the powers of a civil court while trying a suit under the Code of Civil Procedure, 1908 (Central Act 5 of 1908) in respect of the following matters, namely.-

(a) summoning and enforcing the attendance of any person and examining him on oath;

(b) requiring the discovery and production of any document;

(c) receiving evidence on affidavits; and

(d) issuing commissions for the examination of witnesses.

(2) In the case of any affidavit, any officer appointed by the Tribunal, the Registrar, the arbitrator or any other person deciding a dispute or the liquidator, as the case may be, may administer the oath to the deponent.

146. Orders to be pronounced.- In cases where parties have been heard, the order, decision or award made or given by the Registrar or any officer or other person or a liquidator shall be pronounced on the day on which the case is finally heard or on some future day of which due notice shall be given to the parties.

CHAPTER - XVI

OFFENCES AND PENALTIES

147. Punishment for furnishing false information or disobeying summons or other lawful order, requisition or direction.- The committee of a registered society which, or an officer, employee, or a paid servant or any member of the society, who, wilfully makes a false return or furnishes false information, or any person who wilfully or without any reasonable excuse, disobeys any summons, requisition or other lawful order or direction issued under the provisions of this Act, or who wilfully withholds or fails to furnish any information lawfully required from him by a person authorised in this behalf under the provisions of this Act, shall be punishable with fine which may extend to two hundred rupees.

148. Punishment for acting in contravention of section 39, 40 or 120.- Any person who acts in contravention of sub-section (2) of section 39 or fails to deposit or entrust to custody, property subject to a prior charge in favour of any registered society when required to do so by the society under sub-section (3) of that section or who acts in contravention of clause (iii) of section 40 or sub-section (3) of section 120 shall be punishable with imprisonment for a term which may extend to six months or with fine which may extend to five hundred rupees or with both.

149. Prohibition of the use of the word "co-operative" or its equivalent.-
(1) No person other than a registered society shall trade or carry on business under any name or title of which the word "co-operative" or its equivalent in any regional language forms part of it without the sanction of the Government.

(2) Whoever contravenes the provisions of sub-section (1) shall be punishable with fine which may extend to two hundred rupees and in the case of a continuing offence with further fine of fifty rupees for each day on which the offence is continued after conviction therefor.

150. Punishment for failure to give effect to decisions or award in references.- The Committee of any registered society or an officer or an employee or a paid servant thereof who fails to give effect to any order passed on the appeal filed under sub-section (2) of section 20 or sub-section (4) of section 23 or to any decision or award under section 84 or, where an appeal against such decision or award has been filed, to the order passed by the appropriate appellate authority, such decision or award or order not being a money decree, shall be punishable with fine which may extend to five hundred rupees.

151. Punishment for misuse of the properties of a registered society.- The committee of any registered society or an officer or an employee thereof who uses or allows the use of the properties of the society otherwise than in the manner prescribed in the rules and the by-laws or contravenes the provisions of section 70 in any manner shall be punishable with fine which may extend to five hundred rupees.

152. Corrupt practices.- (1) The following shall be deemed to be corrupt practices for the purposes of this Act-

- (i) receipt or sanction of a benami loan;
- (ii) receipt of illegitimate gratification in cash or in kind in the course of dealings on behalf of the society;
- (iii) signing of the minutes of the committee meeting without attending the meeting; and
- (iv) misuse of any money of the society.

(2) A person found guilty of any corrupt practice shall be punishable with fine which may extend to five hundred rupees or imprisonment for not more than one year or both.

(3) A person convicted under sub-section (2) shall be disqualified to hold office in any society for a period of six years from the date of such conviction.

(4) If any person collecting the share money for a society-in-information does not deposit the same in the financing bank, a Postal Savings Bank or in any other bank approved by the Registrar within 14 days of its receipt, he shall be punishable with fine which may extend to five hundred rupees.

(5) If any person collecting the share money for a society-in-information makes use of the funds so raised for conducting any trade or business in the name of the society to be registered or otherwise, he shall be punishable with fine which may extend to five hundred rupees.

(6) The provisions of this section shall be without prejudice to any action that may be taken against the offenders under any other law for the time being in force.

153. Registrar and other officers to be public servants.- (1) The Registrar or a person exercising the powers of the Registrar or any person authorised by him under any provisions of this Act shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code (Central Act 45 of 1860).

(2) Every paid officer or employee of a registered society shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code (Central Act 45 of 1860).

154. Punishment for offences not otherwise provided for.- Any registered society or any officer or member thereof or any other person guilty of an offence under this Act for which no punishment is expressly provided herein shall be punishable with fine not exceeding fifty rupees.

155. Cognizance of offences.- (1) No court inferior to that of a Sub-divisional Magistrate shall try any offence under this Act.

(2) Every offence under this Act shall, for the purpose of the Code of Criminal Procedure, 1898 (Central Act 5 of 1898)*, be deemed to be non-cognizable.

(3) No prosecution shall be instituted under this Act without the previous sanction of the Registrar.

156. Securing possession of records.- (1) Where the committee of a registered society is reconstituted at a general meeting of the society, or is superseded by the Registrar and a special officer or managing committee is appointed under section 83 or where the society is ordered to be wound up and a liquidator is appointed under section 127 and such reconstituted committee, special officer, managing committee or liquidator as the case may be is resisted in or prevented from, obtaining possession of the books, accounts, document, securities, cash and other properties, whether movable or immovable, of the society (hereinafter in this section referred to as the records and properties of the society) by the committee which has been reconstituted or superseded or by the society which has been ordered to be wound up or by any person who is not entitled to be in possession of the records and properties of the society, any Sub-divisional Magistrate in whose jurisdiction the office of the society or the records and properties of the society is or are situated shall, on application by the reconstituted committee, special officer, managing committee or liquidator and on production of a certificate from the Registrar in the prescribed form setting forth that the committee of the society has been reconstituted or superseded or that society has been ordered to be wound up and that a special officer or managing committee or liquidator has been appointed as aforesaid, direct delivery to the reconstituted committee, special officer, managing committee or liquidator, as the case may be, of the possession of the records and properties of the society.

(2) No certificate shall be issued by the Registrar under sub-section (1) without making such inquiry as he deems necessary.

* Now, the Code of Criminal Procedure, 1973 (Central Act 2 of 1974).

(3) For the purpose of the proceedings under sub-section (1), the certificate aforesaid shall be conclusive evidence that the records and properties to which it relates belong to the registered society.

(4) The Sub-divisional Magistrate referred to in sub-section (1) may, pending disposal of an application for directing delivery to the reconstituted committee, special officer, managing committee or liquidator of the possession of the records and properties of the society mentioned in the certificate by the Registrar, appoint a Receiver to take possession of such records and properties or such portion thereof as may be necessary. The remuneration, if any, paid to the Receiver and other expenses incurred by him shall be paid out of the funds of the registered society concerned.

(5) Where the Registrar or any other officer not below the rank of Co-operative Sub-Registrar authorised by him in this behalf in the course of audit, inspection, inquiry or supervision is of opinion that there is room to suspect gross negligence of duties, misappropriation or misuse of funds of the society or irregularity in recording proceedings or keeping accounts or books or is satisfied that the records, registers or the account books of a society are likely to be tampered with or destroyed and the funds and property of a society are likely to be misappropriated or misapplied he shall have power to take possession of any or all the books, registers securities or documents, cash in hand or accounts books of the society and remove such seized records and property and to deal with them in any manner as may be directed by the Registrar.

(6) The Registrar or other officer seizing the records and property of a society under sub-section (5) shall prepare an inventory of the records and property seized in duplicate with his signature and require the officer, employee or member of the society from whose custody the records and property are seized to affix his signature in witness thereof and, if such officer or employee or member refuses to sign, then the Registrar or other officer seizing the records and property shall cause two or more persons to sign the inventory as witnesses to the correctness thereof. A copy of the inventory prepared under this section shall be delivered to the officer, employee or member of the society from whose custody the records and property were seized.

CHAPTER - XVII

MISCELLANEOUS

157. Attachment of property.- Where the Registrar is satisfied on the application of a registered society in respect of a reference made to him under sub-section (1) of section 84 or on the application of a liquidator appointed under section 127 in respect of the proceedings of such liquidator for determining the contribution to be made by a person to the assets of the society under clause (b) of sub-section (2) of section 128 or on the application of the committee or liquidator or any creditor to

the society or otherwise in respect of any inquiry ordered into the conduct of any person under section 82 that any party to the reference or the person, as the case may be, is about to dispose of or remove from the local limits of jurisdiction of the Registrar the whole or any part of his property with intent to defeat or delay the execution of any decision that may be passed on the reference or of any order that may be passed against him by the liquidator or the Registrar as the case may be, the Registrar may, unless adequate security is furnished, direct the conditional attachment of the said property or such part thereof as he thinks necessary and such attachment shall have the same effect as if it had been made by a competent civil court.

158. Power to exempt societies from conditions as to registration.- Notwithstanding anything contained in this Act, the Government may by special order in each case and subject to such conditions, if any, as it may impose, exempt under special circumstances to be prescribed any society from any of the requirements of this Act as to registration.

159. Exemption of self-reliant societies.- Nothing contained in section 23, or section 32 shall apply to any self-reliant society or class of self-reliant societies which complies with such conditions as the Government may, by general or special order, specify.

160. Power to exempt registered societies.- Without prejudice to the power conferred by section 159, the Government may, by general or special order with effect from such date as may be referred to in the said order exempt under special circumstances to be prescribed any registered society from any of the provisions of this Act or may direct that such provisions shall apply to such society with such modification as may be specified in the order.

161. Delegation of powers of government.- (1) The Government may, by notification in the Official Gazette, authorise any authority or officer to exercise any of the powers vested in it by this Act except the power to make rules and may in like manner withdraw such authority.

(2) The exercise of any power delegated under sub-section (1) shall be subject to such restrictions and conditions as may be prescribed or as may be specified in the notification and also subject to control and revision by the Government or by such officer as may be empowered by the Government in this behalf. The Government shall also have power to control and revise the acts or proceedings of any officer so empowered.

162. Acts of societies etc., not to be invalidated by certain defects.- No Act of a registered society or any committee or of any officer of the society shall be deemed to be invalid merely on the ground-

(a) of any vacancy or defect in the organisation of the society or the formation of the general body or the constitution of the representative general body or of the committees;

(b) of any defect or irregularity in the election or appointment of a member of the committee or an officer of the society or of any disqualification of such member or officer; or

(c) of any defect or irregularity in such act or proceeding not affecting the merits of the case.

163. Certain Acts not to apply.- The provisions of the Companies Act, 1956 (Central Act 1 of 1956), the Puducherry Shops and Establishments Act, 1964 (Act 9 of 1964) and the Puducherry Catering Establishments Act, 1964 (Act 6 of 1964) shall not apply to registered societies.

164. Protection of action taken in good faith.- No suit, prosecution or other legal proceeding shall lie against any officer or servant of the Government for anything which is in good faith done or intended to be done under this Act or any rule or by-law made hereunder.

165. Duties of Police Officer.- (1) It shall be the duty of every police officer to assist the Registrar or any person sub-ordinate to the Registrar reasonably demanding his aid for the lawful exercise of any power vesting in the Registrar or such persons under this Act or any rule, or by-law made thereunder.

(2) Any police officer who omits or refuses to perform any duty imposed on him under sub-section (1) shall be deemed to have committed an offence under section 29 of the Police Act, 1861 (Central Act 5 of 1861).

166. Constitution of a Co-operative Advisory Council.- (1) There shall be Council to be called Puducherry Co-operative Advisory Council consisting of the following members, namely.-

- | | | | |
|--------|---|-----|----------|
| (i) | Minister in-charge of the department dealing with co-operative societies in the Union territory of Puducherry | ... | CHAIRMAN |
| (ii) | President of the apex societies | ... | MEMBER |
| (iii) | Six members to be nominated by the Government out of which one shall be a woman | ... | MEMBER |
| (iv) | Three members to be nominated by the Government from the Puducherry Legislative Assembly | ... | MEMBER |
| (v) | The Secretary to Government in the Department dealing with co-operative societies | ... | MEMBER |
| (vi) | The Registrar of Co-operative Societies, Puducherry | ... | MEMBER |
| (vii) | The Director of Agriculture, Puducherry | ... | MEMBER |
| (viii) | The Director of Industries, Puducherry | ... | MEMBER |
| (ix) | The Director of Fisheries, Puducherry | ... | MEMBER |
| (x) | The Director of Animal Husbandry, Puducherry | ... | MEMBER |

(2) Such officer as the Government may appoint in this behalf shall act as the Secretary to the Council.

(3) The functions of the council so constituted shall be as follows, namely.-

- (a) to advise the Government on all general questions relating to co-operative movements;
- (b) to review the co-operative movement and to suggest ways of co-ordinating the activities of co-operative societies;
- (c) to suggest ways and means to remove the difficulties experienced by the co-operatives societies;
- (d) to make recommendations to the Government in regard to any matter relating to the administration of co-operative societies;
- (e) to report to the Government on such matters as may be referred to it by the Government for its opinion.

(4) The Government may, by general or special order, provide for –

- (a) the calling of the meetings of the Council and the procedure at meetings;
- (b) the duties of the Secretary to Council;
- (c) the sub-committees of the Council;
- (d) the term of office of nominated members of the Council and traveling allowance and daily allowance admissible to the members of the Council.

167. Officers and employees of societies.- The Government may, in consultation with the Council.-

(a) make rules for regulating the qualifications, duties and responsibilities, remuneration, allowances and other conditions of service of the officers and servants of different classes of societies;

(b) constitute boards for the recruitment of officers and servants required by the societies and to advise on matters relating to service conditions; and

(c) direct any apex or central society to constitute and maintain a pool or common cadre of personnel to work as officers in the affiliated societies.

168. Power of Government to give directions.- (1) The Government may, by order, direct the Registrar to make an inquiry or to take appropriate proceedings under this Act in any case specified in the order; and the Registrar shall report to the Government in due course the result of the inquiry made or the proceedings taken by him.

(2) In any case, in which a direction has been given under sub-section (1), the Government may, notwithstanding anything contained in this Act, call for and examine the record of the proceedings of the Registrar and pass such orders in the case as it may think fit:

Provided that before passing any order under this sub-section, the person likely to be affected by such order shall be given an opportunity of making his representations.

169. Power to remove difficulties.- If any difficulty arises in giving effect to the provisions of this Act, the Government may make such order, not inconsistent with the provisions of this Act, as may appear to it to be necessary for the purpose of removing the difficulty:

Provided that no such order shall be made under this section after the expiration of two years from the commencement of this Act.

170. Power to make rules.- (1) The Government may, for the whole or any part of Puducherry and for any registered society or class of such societies, make rules to carry out all or any of the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may –

(i) prescribe the forms to be used and the conditions to be complied with in the making of applications for the registration of a society and the procedure in the matter of such applications;

(ii) prescribe the procedure to be followed when societies change their form of liability;

(iii) prescribe the matters in respect of which a society may make by-laws, the procedure to be followed in making, altering and abrogating by-laws and the conditions to be satisfied prior to such making, alteration or abrogation;

(iv) prescribe the conditions to be complied with by persons applying for admission or admitted as members, and provide for the election, admission and removal of members;

(v) provide for the payment to be made and the interests to be acquired before the exercise of the right of membership;

(vi) regulate the manner in which funds may be raised by means of shares or debentures or otherwise;

(vii) prescribe in the case of a financing bank the proportion of individual members to society members in the constitution of its general body or its committee, and the maximum number of members of its committee;

(viii) provide for general meetings of the members and for the procedure at such meetings and the powers to be exercised by such meetings;

(ix) provide for the appointment, suspension and removal of the members of the committee and other officers (not being a paid officer) and for the procedure at meetings of the committee and for the powers to be exercised and the duties to be performed by the committee and other officers;

(x) prohibit a society from appointing a defaulting member of any society to its committee or to the committee of any other society and allowing him to exercise his rights of membership in the society or to represent it in another society and vote;

(xi) provide for the prescription by the Registrar of the accounts and books to be kept and maintained by a society, the form in which accounts and books shall be kept and maintained and in case of failure to do so for the levy of expenses of writing up such accounts and books;

(xii) provide for the periodical publication of a balance sheet showing the assets and liabilities of a society;

(xiii) provide for the prescription by the Registrar of the returns to be submitted by a society to the Registrar, the person by whom and the form in which such returns shall be submitted and in case of failure to submit any such return, for the levy of the expenses of preparing it;

(xiv) provide for the persons by whom and the form in which copies of entries in books of societies may be certified and for the charges to be levied for the supply of such copies;

(xv) provide for the formation and maintenance of a register of members and, where the liability of the members is limited by shares, of a register of shares;

(xvi) provide for –

- (a) the appointment of an arbitrator or arbitrators to decide disputes;
- (b) the procedure to be followed in proceedings before the Registrar, arbitrator or arbitrators or other person deciding disputes including the appointment of a guardian for a party to the dispute, who is a minor or who by reason of unsoundness of mind or mental infirmity is incapable of protecting his interests;
- (c) the levy of the expenses incidental to such proceedings; and
- (d) the enforcement of the decisions or awards in such proceedings;

(xvii) provide for the withdrawal of members and for the payments, if any, to be made to members who withdraw and for the liabilities of past members or the estates of deceased members;

(xviii) prescribe the prohibitions and restrictions subject to which societies may trade with persons who are not members;

(xix) provide for the mode in which the value of a deceased member's interest shall be ascertained and for the nomination of a person to whom such interest may be paid or transferred;

(xx) prescribe the payments to be made and the conditions to be complied with by members applying for loans, the periods for which loans may be made and the amount which may be lent, to an individual member;

(xxi) provide for the formation and maintenance of reserve funds and the objects to which such funds may be applied and for the investment of any funds under the control of a society;

(xxii) prescribe the extent to which a society may limit the number of its members;

(xxiii) prescribe the conditions under which profits may be distributed to the members of a society with unlimited liability and the maximum rate of dividend which may be paid by societies;

(xxiv) prescribe the procedure to be followed by a liquidator appointed under section 127 and provide for the disposal of the surplus assets, if any, of the society;

(xxv) prescribe the procedure to be followed in presenting and disposing of all appeals and applications for revision and review under this Act and the fees to be paid in respect of such appeals and applications;

(xxvi) prescribe the period for which and the terms under which aid may be given by the Government to co-operative societies and the terms under which the Government may guarantee the payment of interest on debentures issued or deposits received by co-operative societies;

(xxvii) provide for the custody of property attached under this Act;

(xxviii) provide for the issue and service of processes and for proof of service thereof;

(xxix) provide for the levy of fees for granting certified copies of documents in the Registrar's office;

(xxx) provide for the investigation of claims and objections that may be preferred against any attachment effected by the Registrar or any person empowered by him;

(xxxi) provide for the recovery of costs awarded against the Government in cases under section 82;

(xxxii) prescribe the procedure for the attachment and sale of property under section 133;

(xxxiii) prescribe the procedure and the disposal of the business of the Tribunal;

(xxxiv) prescribe the procedure to be followed and provide for other matters dealt with in Chapter X of this Act; and

(xxxv) provide for all matters expressly required or allowed by this Act to be prescribed by rules.

(3) All rules made under this Act shall be published in the Official Gazette and unless they are expressed to come into force on a particular day, shall come into force on the day on which they are so published.

(4) All rules made under this Act shall, as soon as may be after it is made, be laid before the Legislative Assembly of Puducherry while it is in session for a total period of not less than fourteen 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 sessions aforesaid, the Assembly makes any modifications in the rule or decides that the rules should not be made, the rules 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 under that rule.

171. Repeals and savings.- (1) On the commencement of this Act, the Puducherry Co-operative Societies Act, 1965 (Act 11 of 1965) and the Madras Co-operative Land Mortgage Banks Act, 1934 (Madras Act 10 of 1934) as in force in the Union territory of Puducherry shall stand repealed.

(2) The repeal by sub-section (1) of the corresponding law shall not affect-

(i) the previous operation of the corresponding law or anything done or duly suffered thereunder; or

(ii) any right, privilege, obligation or liability acquired, accrued or incurred under the corresponding law; or

(iii) any penalty, forfeiture or punishment incurred in respect of any offence committed against the corresponding law; or

(iv) any investigation, legal proceedings or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid and any such investigation, legal proceeding or remedy may be instituted, continued or enforced and any such penalty, forfeiture or punishment may be imposed as if this Act had not been passed.

(3) Subject to the provisions of sub-section (2), anything done or any action taken, including any appointment or delegation made, notification, order, instruction or direction issued, or any rule or regulation made or form prescribed, certificate granted or registration effected, under the corresponding law shall be deemed to have been done or taken under this Act and shall continue to have effect accordingly, unless and until superseded by anything done or any action taken under this Act.

(4) Notwithstanding the repeal of the enactments referred to in sub-section (1), any society existing in the Union territory of Puducherry on the date of the commencement of this Act which has been registered or deemed to be registered under the repealed enactments shall be deemed to be registered under this Act and the by-laws of such society shall so far as they are not inconsistent with the provisions of this Act, continue in force until altered or rescinded.

STATEMENT OF OBJECTS AND REASONS FOR ACT NO. 7 OF 1973

The Cooperative Societies in this Union territory are governed by the Puducherry Co-operative Societies Act, 1965 which was enacted on the lines of the Madras Cooperative Societies Act, 1961. When the Bill was sent to the Government of India for obtaining the assent of the President, they made various useful suggestions on some of the provisions. These suggestions were worth considering. Since then, the Cooperative movement received increasing attention and fresh impetus and its expansion was greatly accelerated, thereby creating many difficult problems, the more important being reorganization of agricultural credit societies, mobilization of resources within the movement, effectiveness of the cooperative legislation for ensuring active participation of members, prevention of excessive influence by particular individuals in affairs of societies, extension of special aids to weaker sections of the community, arrangements for quick and efficient audit and steps to improve the managerial efficiency of the cooperatives. The Tamil Nadu Government appointed a Committee under the Chairmanship of Thiru K. Santhanam in February 1968 to study the working of the movement and formulate proposals for improving its efficiency and performance. The report submitted by the above committee contained a number of recommendations concerning amendment of the existing Act, most of which were found to be acceptable and could be given effect to in this Union Territory also with such modification as are necessary to suit local conditions.

The Conference of Chief Ministers and State Ministers of Cooperation held at Madras on 12.6.1968 urged legislative measures to curb the growth of vested interests in cooperatives, consolidation of the movement through revitalization programme, orientation of loaning policy to serve the small farmer and weaker sections, simplification of procedure for liquidation of bogus societies etc. The Government of India made numerous suggestions in this regard the implementation of which involve further amendments to the existing legislation on cooperation.

The Cooperative Banks in this Union Territory are at present outside the purview of the Deposit insurance Scheme the benefits of which will accrue to the Cooperative Banks only after necessary amendments suggested by the Reserve Bank of India are made in the state Cooperative Societies Acts, so as to enable the Reserve Bank to exercise powers of supervision; reconstitution and liquidation of Cooperative Banks.

The Land Mortgage Bank in Puducherry at present governed by a separate legislation viz. the Madras Cooperative Land Mortgage Bank Act, 1934 as extended to Puducherry. The Tamil Nadu Government had since carried out a number of amendments to this Act. It was at first felt that a fresh legislation should be enacted to regulate the working of the Land Mortgage Banks in Puducherry. However it was subsequently considered that a separate legislation was not necessary and that it would be sufficient if a chapter was separately included in the existing Puducherry Cooperative Societies Act in the place of Farming Societies. This is also in consonance with the suggestion of the Santhanam Committee in Cooperation.

The progress made in giving effect to the various progressive measures suggested by the Government of India was once again reviewed by the conference of State Ministers of Cooperation held at Bangalore in June 1969. With a view to expediting the implementation of the recommendations of the conference, it has been decided to bring forward amendments to the existing Act on the pattern of the legislation already enacted by the Kerala Government to give effect to the recommendations.

As the Implementation of all the above proposals would involve framing of numerous amendments which would materially affect the scope and content of the Puducherry Cooperative Societies Act, 1965, it is considered desirable to bring forward a new legislation altogether to replace the existing Act.

Hence this Bill.

STATEMENT OF OBJECTS AND REASONS FOR ACT NO.7 OF 1988

According to sub-section (9) of section 2 of the Puducherry Co-operative Societies Act, 1972, the expression, the Co-operative Year has been defined to mean the period commencing on the 1st day of July of any year and ending with the 30th day of June of the succeeding year. With a view to synchronize the Co-operative Year with the accounting year followed for tax purposes, it is proposed to adopt the financial year i.e. the period between 1st day of April and 31st day of March as the Co-operative Year. It is proposed to amend the clause (9) of section 2 of the Puducherry Co-operative Societies Act, 1972 for this purpose. With a view to facilitate transition from the existing Co-operative Year to the proposed Co-operative Year, it is proposed to extend the period of Co-operative commencing on the 1st day of July immediately preceding the commencement of the proposed amendment till the 31st day of March of the succeeding year after such commencement.

The Bill seeks to achieve the above objects.

STATEMENT OF OBJECTS AND REASONS FOR ACT NO. 9 OF 2010

Request have been received from different quarters, including from the past and present members of the Puducherry Legislative Assembly and from various associations of scheduled castes, for providing reservation of seats for the scheduled castes in the committee of management of Co-operative Societies.

The Puducherry Co-operative Societies Act, 1972 has not provided for reservation of seats for the scheduled castes in the committee of Co-operative Societies.

In view of the above, it is proposed to provide one seat for the members of the scheduled castes in the committee of registered Primary Co-operative Societies which has a membership of not more than nine members and two seats in a committee having a membership exceeding nine members, by way of amending sub-section (3) of section 32 of the said Act. Further, it is also proposed to increase the minimum and maximum number of members of the Committee of the Primary Co-operative Societies by one, so that the existing structure is not affected.

The salient features of the proposal are.-

(i) the committee of management of Primary Co-operative Societies, other than a society which is formed exclusively for the benefit of the students or the fishermen or members belonging to the scheduled castes, shall provide for seats for members of the scheduled castes in such committee as above; and

(ii) if such member from scheduled castes is not elected to the committee, the committee shall co-opt the members of the scheduled castes from the members of the society to the membership of the committee. Thus, representation of scheduled caste members in the committee is ensured.

The Bill seeks to achieve the above objects.

THE PUDUCHERRY MUNICIPALITIES ACT, 1973
(No. 9 of 1973)

ARRANGEMENT OF SECTIONS

CHAPTER - I
PRELIMINARY

Section

1. Short title, extent and commencement.
2. Definitions.

CHAPTER - II
CONSTITUTION AND ABOLITION OF MUNICIPALITIES

3. Constitution of municipalities.
4. Townships.
5. Abolition of municipalities.

CHAPTER - III
CONSTITUTION OR APPOINTMENT OF MUNICIPAL AUTHORITIES

6. The municipal authorities.

(a) Council

7. Constitution of municipal council.
8. Incorporation of municipal council.
9. Reservation of seats for Scheduled Castes.
10. Duration of municipal councils.
11. Procedure when no councillor is elected.

(b) Chairman

12. Chairman and Vice-Chairman of council.
- 12-A. Election of Chairman.
- 12-B. Election of Vice-Chairman.
- 12-C. Cessation of office of Chairman and Vice-Chairman.
13. Chairman, Vice-Chairman or councillors not to receive remuneration.

(c) Commissioner

14. Commissioner and personal assistant to the Commissioner.

CHAPTER - IV ELECTIONS

(a) Election of councillors

- 15. Definitions.
- 15-A. Election of Municipal councils.
- 16. Election of municipal councillors.
- 17. Election to more than one seat.
- 18. Qualification for inclusion in electoral roll for municipality and publication thereof.
- 19. Power to re-arrange and republish electoral roll.

(b) Qualification for membership of council

- 20. Qualification of candidates.
- 21. Disqualification of candidates.
- 22. Disqualification of councillors.
- 23. Decision on questions of disqualification.
- 24. Oath or affirmation to be made by councillors.

(c) Corrupt practices.

- 25. Corrupt practices.

(d) Electoral offences

- 26. Maintenance of secrecy of voting.
- 27. Promoting enmity between classes in connection with election.
- 28. Prohibition of public meeting on the day preceding the election day and on the election day.
- 29. Disturbances at election meetings.
- 30. Restrictions on the printing of pamphlets, posters, etc.
- 31. Officers, etc., at elections not to act for candidates or to influence voting.
- 32. Prohibition of canvassing in or near polling stations.
- 33. Penalty for disorderly conduct in or near polling stations.
- 34. Penalty for misconduct at the polling station.
- 35. Penalty for illegal hiring or procuring of conveyances at elections.
- 36. Breaches of official duty in connection with election.
- 37. Penalty for municipal and Government servants, etc., for acting as election agent, polling agent or counting agent.
- 38. Removal of ballot papers from polling stations to be an offence.
- 39. Other offences and penalties therefor.
- 40. Prosecution regarding certain election offences.

(e) Requisitioning of property for election purposes.

- 41. Requisitioning of premises, vehicles, etc., for election purposes.
- 42. Payment of compensation.
- 43. Power to obtain information.
- 44. Power of entry into and inspection of premises, etc.
- 45. Eviction from requisitioned premises.
- 46. Release of premises from requisition.
- 47. Penalty for contravention of any order regarding requisitioning.

(f) Dispute regarding elections.

- 48. Election petition.
- 49. Parties to the petition.
- 50. Contents of the petition.
- 51. Relief that may be claimed by the petitioner.
- 52. Election tribunal.
- 53. Powers of the tribunal.
- 54. Decision of the tribunal.
- 55. Other orders to be made by the tribunal.
- 56. Grounds for declaring election to be void.
- 57. Grounds for which a candidate other than the returned candidate may be declared to have been elected.
- 58. Procedure in case of an equality of votes.
- 59. Communication of the orders of the tribunal and the transmission of the records of the case to the election authority.
- 60. Appeal against the order of the tribunal.
- 61. Orders of the tribunal to be final and conclusive.
- 62. Orders when to take effect.
- 63. Disqualification of persons convicted of election offences.

(g) Miscellaneous

- 64. Publication of the results of election.
- 64-A. Special procedure for preventing personation of electors.
- 64-B. Voting machines at elections.
- 65. Power to make rules regulating elections.
- 66. Jurisdiction of civil courts barred.

CHAPTER - V
POWERS AND FUNCTIONS OF MUNICIPAL AUTHORITIES
 (a) Council

67. Vesting of municipal administration in the council.
68. Council's power to call for records in Commissioner's custody.
69. Council's power to call for records of committees.
70. Appointment of committees.
71. Appointment of special committees.
72. Provisions in regard to meeting of council, etc.
73. Appointment of joint committee.
74. Acts of municipal council, etc., not to be invalidated by informality, etc.
75. Vesting of public streets and appurtenances in the municipal council.
76. Prohibition against removal of or causing damage to trees growing on public streets.
77. Duty of municipal council in respect of public streets withdrawn.
78. Vacant lands belonging to Government situated in the municipality to be in the possession or under the control of the council.
79. Power of Government to transfer control of endowment to council.
80. Collected sewage, etc., to belong to municipal council.
81. Inventory of municipal property.
82. Limitation of power to accept property in trust.
83. Objects not provided for by this Act.
84. Procedure for acquisition of immovable property under the Land Acquisition Act, 1894.
85. Authority competent to contract and contractual powers of persons appointed by Government.
86. Rules regarding the conditions on which contracts may be made.
87. Mode of executing contracts.
88. Motion of no-confidence in Chairman or Vice-Chairman.
89. Annual administration report.

(b) Chairman and councillors

90. Powers and functions of the Chairman.
91. Privileges of the Chairman regarding records and correspondence.
92. Chairman to be member of every committee of the council.
93. Delegation and devolution of functions of Chairman.
94. Presidency of Council.
95. Councillor when to abstain from taking part in discussion and voting.

- 96. Duties and powers of individual Councillors.
- 97. Resignation of Chairman, Vice-Chairman or Councillor.

(c) Commissioner

- 98. Functions of the Commissioner.
- 99. Emergency powers of Commissioner.
- 100. Power of Commissioner to incur petty contingent expenditure.
- 101. Rights and duties of the Commissioner.

CHAPTER - VI
CONTROLLING AUTHORITIES AND THEIR POWERS

- 102. Power of Government and Director for purposes of control.
- 103. Director's power to enforce execution of resolutions.
- 104. Power to suspend or cancel resolution, etc.
- 105. Emergency powers of Director.
- 106. Government's power to appoint officers to supervise municipalities.
- 107. Government's power to direct the taking of action and to appoint a person to take action in default at expense of the Council and to undertake works for Council.
- 108. Power of Government to remove Chairman.
- 108-A. Power of Government to remove Vice-Chairman.
- 109. Dissolution of Council.
- 110. Power of officers acting for or in default of municipal council and liability of municipal fund.

CHAPTER - VII
MUNICIPAL ESTABLISHMENT

- 111. Appointment of municipal health officer, and municipal engineer.
- 112. Government's power to regulate the method of recruitment, conditions of service, etc., of officers appointed under section 111.
- 113. Provincialisation of any class of municipal officers or servants.
- 114. Establishment of the municipal council,
- 115. Power of Government to transfer officers and servants of municipalities.
- 116. Power to grant leave to establishment.
- 117. Special provisions regarding officers and other employees of the Government lent to council.

CHAPTER - VIII TAXATION

- 118. Taxes to be imposed.
- 119. Resolution of council determining to levy tax.
- 120. Notification of new taxes.

The property tax

- 121. Description and classes of property tax.
- 122. Appointment of authorised valuation officer.
- 123. Method of assessment of property.
- 124. General exemptions.
- 125. Taxation to be uniform.
- 126. Preparation of assessment list.
- 127. Authorised valuation officer to check assessment.
- 128. Publication of notice of assessment list.
- 129. Public notice of time fixed for lodging objections.
- 130. Objection how to be dealt with.
- 131. Authentic list how far conclusive.
- 132. Amendment of assessment list.
- 133. Assessment to be done after every five years.
- 134. Property tax a first charge on property.
- 135. Primary responsibility for property taxes on whom to rest.
- 136. Apportionment of responsibility for property tax when the premises assessed are let or sublet.
- 137. Person primarily liable for a property tax entitled to credit if he is a rent payer.
- 138. Person primarily liable for a property tax how to be designated if his name cannot be ascertained.
- 139. Vacancy remission.
- 140. Obligation of transferor and transferee to give notice of transfer.
- 141. Notice to be given to the Commissioner of the construction, reconstruction or demolition of building.
- 142. Remission of tax in areas included or excluded in the middle of a half-year.
- 143. Power of Commissioner to call for information.

The profession tax

- 144. Profession tax.
- 145. Liability of members of firms, associations and joint Hindu families to profession tax.
- 146. Liability of servants or agents to profession tax.

- 147. Service of notice on failure of payment of tax.
- 148. Statements, returns, etc. to be confidential.
- 149. Owner or occupier to furnish list of persons liable to tax.
- 150. Requisition on employers or their representatives to furnish list.
- 151. Deduction of profession tax from salary or wages or other sum.

Tax on advertisements other than advertisements
published in the newspaper.

- 152. Tax on advertisements.
- 153. Prohibition of advertisements without written permission.
- 154. Permission of the Commissioner to become void in certain cases.
- 155. Owner or person in occupation to be deemed responsible.
- 156. Removal of unauthorised advertisements.
- 157. Collection of tax on advertisement.

Duty on transfers of property

- 158. Method of assessment of duty on transfer of property.
- 159. Provisions applicable on the introduction of transfer duty.
- 160. Power to make rules regarding assessment and collection of transfer duty.

Entertainments tax.

- 161. Tax on payment for admission to entertainment.
- 161-A. Tax on Television exhibition.
- 162. Additional tax on cinematograph exhibition.
- 163. Composition and consolidated payment of tax.
- 164. Admission to entertainment.
- 165. Manner of payment of tax.
- 166. Returns.
- 167. Entertainment exempted from payment of tax.
- 168. Inspection.
- 169. Exemption from payment for admission.
- 170. Powers of entry, search and seizure.
- 171. Power to make rules.

Duty on toddy trees

- 172. Levy of duty on toddy trees.
Additional tax on buildings and lands
- 173. Levy of additional tax on buildings and lands used for certain purposes.
- 174. Additional tax on buildings and lands used for certain purpose when payable.

Recovery of taxes, fees, cesses and other dues.

- 175. Mode of recovery of taxes, fees, cesses and other dues.
- 176. Mode of collection.
- 177. Distraint and sale movable property.
- 178. Power of entry by force under special order.
- 179. Inventory and notice of distress and sale.
- 180. Property of defaulter may be distrained wherever found.
- 181. Sale of property.
- 182. When occupier may be held liable for payment of property tax.
- 183. Certain amount to be recovered as arrears of land revenue.
- 184. Imposition of fine.

General provisions regarding taxation.

- 185. Power to exempt from taxes,
- 186. Assessment of various taxes, etc.,
- 187. Power to write off irrecoverable taxes, etc.
- 188. Payment of interest in case of default of payment of taxes.
- 189. Appeals.
- 190. Procedure in appeal.
- 191. Power of Government to call for records and pass orders.
- 191-A. Exclusion of jurisdiction and pending proceedings.
- 192. Bar of other proceedings.

CHAPTER - IX
FINANCE

- 192-A. Finance commission.
- 193. Constitution of the municipal fund.
- 194. Municipal fund to be in Government Treasury, etc. and operation of accounts.
- 195. Payments not to be made unless covered by a budget-grant.
- 196. Procedure when money not covered by a budget-grant is expended.
- 197. Application of money received and expenditure from fund.
- 198. Expenditure from municipal fund.
- 199. Budget estimates.
- 200. Revised or supplemental budget.
- 201. Reduction or transfer of budge grants.
- 202. Re-adjustment of income and expenditure to be made by the council during the course of year, whenever necessary.
- 203. Powers of the Government over budget.
- 204. Provisions as to unexpended budget grant.
- 205. Appointment of auditors of accounts.
- 206. Powers of auditors.
- 207. Defect and irregularities to be rectified by the Commissioner.

- 208. Remarks of the council on the final statement of the audit.
- 209. Audit, surcharge and disallowance.
- 210. Appeal against the decision of the auditors.
- 211. Recovery of amount certified to be due.
- 212. Powers of the Government to waive.
- 213. Contributions to expenditure by other local authorities.
- 214. Recovery of loans and advances made by the Government.
- 215. Grant by Government to the municipal fund.

CHAPTER - X

WATER SUPPLY, LIGHTING AND DRAINAGE

Water supply

- 216. Vesting of works in municipal councils.
- 217. Construction and maintenance of water works.
- 218. Constitution of water boards for local authorities.
- 219. Trespass on premises connected with water supply.
- 220. Prohibition of building over water mains.

Supply for domestic use

- 221. Council to provide water for domestic use.
- 222. Control over house connections.
- 223. Private water supply for consumption and domestic use and powers of Commissioner to enforce provision of water supply.

Private water supply for non-domestic purposes

- 224. Power of Commissioner to supply water for non-domestic purposes.
- 225. Power of council to make bye-laws for water supply.
- 226. Supply outside the municipality.

Cutting off water supply

- 227. Power to cut off water supply.
- 228. Non-liability of council for reduction or stoppage of supply in certain cases.

Lighting

- 229. Provision for lighting public street.

Public drainage

- 230. Maintenance of system of drainage by council.

Private drainage

- 231. Control over house-drains, privies and cess-pools and connection of house drains with public drains.
- 232. Commissioner may close or limit the use of existing private drains
- 233. Power of Commissioner to drain premises in combination.
- 234. Building, etc., not to be erected without permission over drains.
- 235. Construction of culverts or drain-coverings by owner or occupier.
- 236. Maintenance of troughs and pipes for catching water.

Public latrines.

- 237. Provision of public latrines.

Private Latrines.

- 238. Provision of flush-out or other latrines by owner or occupier.,
- 239. Provisions of flush-out or other latrines for labourers.
- 240. Provision of flush-out or other latrines for markets, cart-stands cattle-sheds, choultry, etc.,
- 241. Flush-out or other latrines to be screened from view and kept clean.

General Powers.

- 242. Power to carry wire, pipes, drains, etc., through private property subject to causing as little inconvenience as possible and paying for direct damage.
- 243. Prohibition against making connection with mains without permission.
- 244. Powers in respect of works outside the Municipality.

CHAPTER - XI

Scavenging

- 245. Municipality to arrange for the removal of rubbish and filth.
- 246. Contribution from persons having control over places of pilgrimage, etc.
- 247. Prohibition of improper disposal of carcasses, rubbish and filth.
- 248. Prohibition against keeping filth on premises too long, etc.
- 249. Prohibition against allowing outflow of filth.
- 250. Prohibition against using any cart without cover in the removal of filth. etc.
- 251. Prohibition against throwing rubbish or filth into drains.

CHAPTER - XII

Streets

Public streets

- 252. Maintenance and repair of streets.
- 253. Powers of Municipal authorities.
- 254. Power to dispose of permanently closed streets.
- 255. Acquisition of land and buildings for improvement of streets.

- 256. Powers to declare any street a public street, subject to objections by owners.
- 257. Powers to prescribe building line and street alignment.
- 258. Buildings not to be constructed within street alignment or building line.
- 259. Setting back projecting buildings walls.
- 260. Setting buildings forward to improve line of street.
- 261. Projected streets.
- 262. Watering of streets.
- 263. Temporary closure of streets.
- 264. Protection of appurtenances and materials of streets.
- 265. Power of Municipality to recover expenses caused by extraordinary traffic.

Private streets.

- 266. Owner's obligation to make a street when disposing of land as building sites.
- 267. Making of new private streets.
- 268. Application of sections 257, 258 and 269 to private streets.
- 269. Alteration or demolition of street made in breach of section 267.
- 270. Power of Commissioner to order work to be carried out or to carry it out himself in default.
- 271. Right of owners to require street to be declared public.
- Encroachment in streets.
- 272. Prohibition against obstructions in or over streets.
- 273. Prohibition and regulation of doors, ground-floor windows and bars opening outwards.
- 274. Removal of encroachments.
- 275. Power to allow certain projections, etc.
- 276. Power of council to set up hoardings and levy fees.
- 277. Precautions during repair of street.
- 278. Prohibition against removal of bars and lights.
- 279. Prohibition against making holes and causing obstruction.
- 280. Licence for work on buildings likely to cause obstruction.
- 281. Clearing of debris of fallen houses, etc., by occupiers.

Naming of streets.

- 282. Naming or numbering of public streets.
- Numbers on buildings.
- 283. Numbering of buildings.
- 284. Prohibition of plying hand-carts without licence.

CHAPTER - XIII

Building Regulations

General Powers

- 285. Building rules.
- 286. Building site and construction or re-construction of buildings.

- 287. Power of council to regulate future construction of certain classes of buildings in particular streets or localities.
- 288. Building at corner of streets.
- 289. Prohibition against use of inflammable materials for buildings without permission.
- 290. Prohibition against constructing doors, ground floor, windows and bars so as to open out-wards.

Buildings other than huts

- 291. Application to construct or reconstruct buildings.
- 292. Necessity for previous approval of site.
- 293. Prohibition against commencement of work without permission.
- 294. Period within which Commissioner is to signify approval or disapproval.
- 295. Period within which Commissioner is to grant or refuse to grant permission to execute work.
- 296. Reference to council if Commissioner delays grant or refusal of approval or permission.
- 297. Grounds on which approval of site for, or permission to construct or reconstruct, building may be refused.
- 298. Lapse of permission.
- 299. Inspection by Commissioner.
- 300. Power of Commissioner to require alteration of work.
- 301. Stoppage of work endangering human life.
- 302. Completion certificates.
- 303. Restrictions on uses of buildings.

Wells

- 304. Application of certain sections to wells.

Huts

- 305. Application to construct or reconstruct huts.
- 306. Prohibition against commencement of work without permission.
- 307. Period within which Commissioner is to grant or refuse to grant permission to execute the work.
- 308. Reference to the standing committee, or council if Commissioner delays passing orders.
- 309. Grounds on which permission to construct or reconstruct hut may be refused.
- 310. Lapse of permission.

General

- 311. Restriction on the power to refuse approval or permission for construction of buildings or huts.

External walls, alterations and additions.

- 312. Maintenance of external walls in repair.
- 313. Application of provisions to alterations and additions.

Powers of the Commissioner

- 314. Demolition or alteration of building work unlawfully commenced, carried on or completed.
- 315. Power of Commissioner to impose penalty in the case of unauthorised constructions or alterations.

Exemptions

- 316. Exemptions.

CHAPTER - XIV
NUISANCES

Dangerous structures, trees and places,

- 317. Precautions in case of dangerous structures.
- 318. Precautions in case of dangerous trees.
- 319. Precautions in case of dangerous tanks, wells, holes, etc.
- 320. Power to stop dangerous quarrying.
- 321. Precautions against fire.

Control over waters etc.

- 322. Prohibition of construction wells, tanks, etc., without the permission of Commissioner.
- 323. Filling in of pools, etc., which are a nuisance.
- 324. Regulation or prohibition of certain kinds of cultivation.
- 325. Cleansing of insanitary private tank or well used for drinking.
- 326. Duty of council in respect of public well or receptacle of stagnant water.
- 327. Prohibition against or regulation of washing animals or cloths or drinking in public water-courses, tanks, etc.
- 328. Provision of public wash-house.
- 329. Prohibition against washing by washermen at unauthorised places.
- 330. Prohibition against defiling water of tanks, etc., whether public or private.

Control over abandoned lands, untrimmed hedges, etc.

- 331. Untenanted buildings or lands.
- 332. Removal of filth or noxious vegetation.
- 333. Fencing of buildings or lands and pruning of hedges and trees.

Control over insanitary buildings

- 334. Lime washing and cleaning of buildings.
- 335. Further powers with reference to insanitary building.
- 336. Buildings unfit for human habitation.
- 337. Abatement of overcrowding in dwelling house or dwelling place.

Control over certain animals

- 338. Prohibition against feeding certain animals on filth.
- 339. Prohibition against keeping animals or bird so as to be dangerous or a nuisance.
- 340. Power to destroy stray pigs and dogs.

General

- 341. Powers of Commissioner to use or sell materials of dangerous structure taken down, etc., and procedure when there is no owner or occupier.
- 342. Limitation of compensation.

CHAPTER - XV

Licences and Fees

General provisions as to licences

- 343. Government not to obtain licences and permissions.
- 344. Conditions precedent to grant or renewal of licence.

Keeping of animals

- 345. Licences for places in which animals are kept.
- 346. General powers of control over stables, cattle-sheds and cow-houses.
- 347. Power to direct discontinuance of use of buildings as stable, cattle-shed or cow-house.

Places of public resort and entertainment.

- 348. Licences for use of enclosed place or buildings for public resort or entertainment.
- 349. Application and grant of licence.
- 350. Revocation or suspension of licence.
- 351. Appeal against order under section 350.
- 352. Power to enter place of public resort to inspect licence or to prevent further use.
- 353. Government may revise any proceedings under this Act.
- 354. Prohibition of smoking in certain places where entertainments are held.

Trades, industries and factories.

- 355. Purpose for which places may not be used without licence.
- 356. Applications to be made for construction, establishment or installation of factory, workshop or work-place in which steam or other power is to be employed.
- 357. Council may issue directions for abatement of nuisance caused by steam or other power.
- 358. Power of the Government to pass orders or give directions to Municipal Councils.
- 359. Power of Commissioner to enter any factory, workshop or work place.
- 360. Prohibition of corruption of water by chemicals, etc.

Slaughtering

- 361. Provisions of Municipal slaughter houses.
- 362. Licence for slaughter houses.
- 363. Slaughter of animals during festivals and ceremonies.
- 364. Slaughter of animals for sale as food.
- 365. Sections 363 and 364 to be subject to Act 8 of 1965.

The Milk trade

- 366. Regulation of milk trade.
 - Markets, butchers, fish-mongers, hawkers
- 367. Public markets.
- 368. Powers in respect of public market.
- 369. Control of the Commissioner over public market.
- 370. Licence for private market.
- 371. Fee for licence.
- 372. Sale in unlicensed private markets.
- 373. Power of council in respect of private market.
- 374. Suspension or refusal of licence in default.
- 375. Prohibition against nuisances in private markets.
- 376. Power to close private markets.
- 377. Acquisition of rights of private persons to hold private market.
- 378. Duty of expelling persons suffering from leprosy, etc., from markets and power to expel disturbers.
- 379. Butcher's, fish-monger's and poultry's licence.
- 380. Power to prohibit or regulate sale of articles in public streets.
- 381. Decision of disputes as to whether places are markets.
 - Cart-stands.
- 382. Provision of public cart-stand, etc.
- 383. Prohibition of use of public place or sides of public streets as cart stand, etc.
- 384. Recovery of cart-stand fees, etc.
- 385. Licence for private cart-stand.
- 386. Acquisition of right of person to keep private cart stands.
 - Porters.
- 387. Licensing of porters.
 - Inspection of places for sale, etc.,
- 388. Duty of Commissioner to inspect.
- 389. Powers of Commissioner for purposes of inspection.
- 390. Preventing inspection by Commissioner.
- 391. Power of Commissioner to seize diseased animals, noxious food, etc.
- 392. Removing or interfering with articles seized.
- 393. Power to destroy article seized.
- 394. Production of articles, etc., seized before Magistrate and powers of Magistrate to deal with them.
 - Disposal of the dead.
- 395. Registration or closing of ownerless places for disposal of dead.
- 396. Licensing of places for disposal of dead.
- 397. Provision of burial and burning grounds and crematoria within Municipality.
- 398. Register of registered, licensed and provided places and prohibition of use of other places.
- 399. Report of burials and burnings.

- 400. Prohibition against use of burial and burning grounds dangerous to health or overcrowded with graves.
- 401. Prohibition in respect of corpses.
- 402. Certificate for disposal of the dead.
- 403. Fencing, etc., of private burial grounds.
- 404. Grave-digger's licence.

CHAPTER - XVI

CATTLE-POUNDS

- 405. Cattle-trespass Act to cease to apply to Municipalities.
- 406. Power to establish cattle-pounds and appoint pound-keepers.
- 407. Duties of pound-keepers.
- 408. Impounding cattle.
- 409. Delivery of cattle claimed.
- 410. Security in respect of impounded cattle.
- 411. Sale of cattle not claimed.
- 412. Pound-fees and expenses chargeable to be fixed.
- 413. Complaints of illegal seizure or detention.

CHAPTER - XVII

EVICTON OF PERSONS FROM MUNICIPAL PREMISES

- 414. Definitions.
- 415. Issue of notice to show cause against order of eviction.
- 416. Eviction of unauthorised occupants.
- 417. Disposal of property or property left on Municipal premises by unauthorised occupants.
- 418. Power to recover rent or damages in respect of Municipal premises as arrears of land revenue.
- 419. Power of Commissioner.
- 420. Appeal.
- 421. Finality of orders.
- 422. Offences and penalties.
- 423. Power to make rules.

CHAPTER - XVIII

The Prevention of disease

Infectious diseases.

- 424. Definition of "infectious disease".
- 425. Obligation of medical practitioner or owner or occupier to report infectious disease.
- 426. Power of entry into suspected places.
- 427. Disinfection of buildings and articles.
- 428. Provision of places for disinfection and power to destroy infected articles.
- 429. Prohibition against transfer of infected articles.
- 430. Power of council to prohibit use of water likely to spread infection.
- 431. Commissioner may order removal of patients to hospital.

- 432. Prohibition against infected person carrying on occupation.
- 433. Prohibition against diseased person entering public conveyance.
- 434. Letting of infected buildings.
- 435. Power to order closure of public entertainment.
- 436. Minor suffering from infectious disease not attend school or college.

Small-pox

- 437. Compulsory vaccination.
- 438. Obligation to give information of small-pox.
- 439. Restriction on entry of persons inoculated for small-pox.

CHAPTER - XIX

Rules, Bye-laws and Regulations

Rules

- 440. Power of Government to make rules.
- 441. Power of Government to alter Schedule III.
- 442. Procedure for the issue of notification under section 441.

Bye-laws

- 443. Power of council to make bye-laws.
- 444. Power to give retrospective effect to certain bye-laws.
- 445. Penalty for breaches of by-laws.
- 446. Conditions precedent to making bye-laws.
- 447. Confirmation of bye-laws by Government.
- 448. Publication of regulations.

CHAPTER - XX

Penalties

- 449. Punishment for certain offences.
- 450. Penalty for acting as councillor, Chairman or Vice-Chairman when disqualified.
- 451. Penalty for continuing meeting in contravention of rules, etc.
- 452. Penalty for acquisition by Municipal Officer of interest in contract or work.
- 453. Penalty for unlawful building.
- 454. Notice to scavengers before discharge and penalty for withdrawal without notice.
- 455. Wrongful restraint of Commissioner and his delegate.
- 456. Penalty for not giving information or for giving false information.

CHAPTER - XXI

Procedure and Miscellaneous

Licences and permissions

- 457. General provisions regarding licences and permissions.
- 458. Appeals from Commissioner.
- 459. Limitation of time for appeal.
- 460. Power of persons conducting election and other inquiries.
- 461. Summons to attend and give evidence or produce documents.

Notices, etc

- 462. Form of notices and permissions.
- 463. Signature on documents.
- 464. Publication of notifications.
- 465. Publication of bye-laws, notices, orders, etc.
- 466. Notice of prohibition or setting apart of places.
- 467. Method of serving documents.

Relation of occupier to owner

- 468. Recovery by occupier of sum leviable from owner.
- 469. Obstruction of owner by occupier.
- 470. Execution of work by occupier in default of owner.

Power of entry and inspection of the Commissioner

- 471. Power of entry to inspect, survey or execute the work.
- 472. Power of entry on lands adjacent to work.
- 473. Inspection and stamping of weights and measures.
- 474. Consequences of failure to obtain licences, etc., or of breach of the same.
- 475. Time for complying with order and power to enforce in default.
- 476. Recovery of expense from persons liable and limitation of liability of occupier.
- 477. Relief to agent and to trustees.
- 478. Power of Commissioner to agree to receive payment of expenses in installments.

Payment of compensation etc., by and to the Municipality

- 479. Power of Municipality to pay compensation.
- 480. Limitation for recovery of dues.
- 481. Procedure in dealing with surplus sale proceeds.
- 482. Persons empowered to prosecute.
- 483. Imprisonment in default of payment and application costs, etc.
- 484. Payment of compensation for damage to municipal property.

Legal proceedings

- 485. Institution of suits against municipal authorities, officers and servants.
- 486. Provision respecting institution, etc., of civil and criminal actions and obtaining of legal advice.
- 487. Power of election authority to defend himself if sued.
- 488. Injunctions not to be granted in election or assessment proceedings.
- 489. Indemnity of the Government, Director, Municipal authorities, officers and agents.

- 490. Liability of Chairman, members and Commissioner for loss, waste or misapplications.
- 491. Sanction for prosecution of Chairman, councillor or Commissioner.
- 492. Assessments, etc., not to be impeached.
- 493. Police.
- 494. Power of police officers to arrest persons.
- 495. Exercise of powers of police officers by municipal servants.

Miscellaneous

- 496. Application of term "public servant" to agents and sub-agents.
- 497. Prohibition against obstruction of municipal authorities, servants and contractors.
- 498. Prohibition against removal of mark.
- 499. Prohibition against removal or obliteration of notice.
- 500. Prohibition against unauthorised dealings with public place or materials.
- 501. Delegation of powers by the Government.
- 502. Revision.
- 503. Offences by companies.
- 504. Power of Government to make suitable provisions by order when a municipality is created or altered.

CHAPTER - XXII

Repeals and Transitory Provisions

- 505. Repeal and savings.
- 506. Special provisions regarding the term of councillors of existing council whose term is due to expire.
- 507. Consequences of replacement of existing councils.
- 507-A. Persons by whom certain functions or duties are to be performed or discharged.
- 508. Provisions as to employees existing before the commencement of this Act.
- 509. Obligation to carry out certain duties and functions of existing councils.
- 510. Adjudication of disputes between local authorities.
- 511. Power to exempt.
- 512. Power to remove difficulties.
- 512-A. Power, authority and responsibilities of Municipalities.
- 513. Amendment of the Puducherry Motor Vehicles Taxation Act, 1967.

SCHEDULES

- I. Omitted.
 - II. Names of successor municipal council in respect of existing municipal council or municipal committee.
 - III. Purposes the use for which of any building or land renders such building or land liable to tax under section 118 and purposes for which places may not be used with out a licence under section 355.
 - IV. Maximum rate of profession tax,
 - V. Maximum and minimum rate of entertainment tax.
 - VI. Maximum and minimum rates of additional tax on cinematograph exhibition.
 - VII. Maximum rate of tax on advertisements other than advertisements published in the newspapers.
 - VIII. Description of instrument and the amount on which duty on transfer of immovable property should be levied.
 - IX. Maximum rate of surcharge on duty on toddy trees.
 - X. Form of distraint warrant.
 - XI. Form of inventory and notice.
 - XII. Table of fees payable on distraint.
 - XIII. Penalties.
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Enforcement Notifications of the Principal Act

GOVERNMENT OF PUDUCHERRY
LOCAL ADMINISTRATION DEPARTMENT
(G.O Ms. No. 16/74/LAD, dated 16th January, 1974/ 26 Pausa, 1895).
NOTIFICATION

In exercise of the powers conferred by sub-section (3) of section 1 of the Puducherry Municipalities Act, 1973 (No. 9 of 1973), the Lieutenant Governor, Puducherry, hereby appoints the 26th day of January, 1974 as the date on which the provisions of the said Act in so far as they relate to chapters and sections and schedules specified in the Tables below, shall come into force in the whole of the Union territory of Puducherry.

TABLE I

Chapter		Sections	
		From	To
		(Both inclusive)	
Chapter - I	..	1	2
Chapter - II	..	3	5
Chapter - III	..	6	14
Chapter - V	..	67	101
Chapter - VI	..	102	110
Chapter - VII	..	111	117
Chapter - VIII	..	175	184
Do.	..	189	192
Chapter - IX	..	193	215
Chapter - X	..	229	..
Do.	..	237	244
Chapter - XI	..	245	251
Chapter - XII	..	252	284
Chapter - XIV	..	317	342
Chapter - XV	..	343	354
Do.	..	361	394
Chapter - XVI	..	405	413
Chapter - XVII	..	414	423
Chapter - XVIII	..	424	439
Chapter - XIX	..	440	..
Do.	..	443	448
Chapter - XX	..	449	456
Chapter - XXI	..	457	504
Chapter - XXVII	..	507	513

TABLE II

Schedule		Extent of enforcement
Schedule - I	..	Entire schedule.
Schedule - II	..	Do.
Schedule - X	..	Do.
Schedule - XI	..	Do.
Schedule - XII	..	Do.
Schedule - XIII	..	Only so much part of the schedule as is relatable to sections included in Table I.

(by order of the Lieutenant-Governor)

GOVERNMENT OF PUDUCHERRY
LOCAL ADMINISTRATION DEPARTMENT
(G.O. Ms. No. 173, dated 11th September 1974)

NOTIFICATION

In exercise of the powers conferred by sub-section (3) of section 1 of the Puducherry Municipalities Act, 1973 (No. 9 of 1973), the Lieutenant-Governor, Puducherry hereby appoints the 12th day of September 1974 as the date on which the provisions of the said Act in so far as they relate to chapters and sections and schedules specified in the Tables below, shall come into force in the whole of the Union territory of Puducherry.

TABLE - I

Chapter	Sections	
	From	To
	(Both inclusive)	
Chapter IV	15	66
Chapter XIII	285	316
Chapter XV	355	360

TABLE - II

Schedule	Extent of enforcement
Schedule III	Only so much part of the schedule as is relatable to sections included in Table - 1.
Schedule XIII	Do.
(By order of the Lieutenant-Governor)	

GOVERNMENT OF PUDUCHERRY
LOCAL ADMINISTRATION DEPARTMENT
(G.O Ms. No. 222, dated 27th July 1976.)

NOTIFICATION

In exercise of the powers conferred by sub-section (3) of section 1 of the Puducherry Municipalities Act, 1973 (No. 9 of 1973) the Lieutenant-Governor, Puducherry hereby appoints the 1st day of August, 1976 as the date on which the provisions of the said Act in so far as they relate to Chapters and Section and Schedule specified in the Tables below, shall come into force in the whole of the Union territory of Puducherry.

TABLE - I

Chapter	Sections	
	From	To
	(Both inclusive)	
Chapter VIII	118	174
Chapter VIII	185	188
Chapter X	216	228
Chapter X	230	236
Chapter XV	395	404
Chapter XIX	441	442
Chapter XXII	505	-

TABLE - II

Schedule	Extent of enforcement
Schedules III, IV, V, VI, VII, VIII, IX and XIII	Entire Schedules
(By order of the Lieutenant-Governor)	

THE PUDUCHERRY MUNICIPALITIES ACT, 1973.
(No. 9 of 1973)

(13.08.1973)

AN ACT

to consolidate and amend the law relating to municipalities in the Union territory of Puducherry.

BE it enacted by the Legislative Assembly of Puducherry in the Twenty-fourth Year of the Republic of India as follows.-

CHAPTER - I
Preliminary

1. Short title, extent and commencement.- (1) This Act may be called the Puducherry Municipalities Act, 1973.

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

(3) It shall come into force on such *date as the Government may, by notification, appoint:

Provided that different dates may be appointed for different provisions of this Act or for different areas, and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

***2. Definitions.--** In this Act, unless the context, otherwise requires, ---

¹[(1) "Administrator" means the Administrator of the Union territory of Puducherry appointed by the President of India under article 239 of the Constitution.]

²(1-A) "appoint" includes to appoint temporarily or in an officiating capacity;

+ The section came into force on the 26th day of January 1974 *vide* Extraordinary Gazette No.11 dated 17th January 1974.

* The section came into force on the 26th day of January 1974 *vide* Extraordinary Gazette No.11 dated 17th January 1974.

1. Inserted by Act 4 of 1994, section 2, with effect from 23-4-1994.

2. Renumbered by Act 4 of 1994, section 2, with effect from 23-4-1994.

(2) “appointed day” in relation to an area means the date on which the relevant provisions of this Act come into force in that area;

(3) “appointment” includes temporary and officiating appointments;

(4) “Assembly” means the Legislative Assembly of the Union territory of Puducherry;

(5) “building” includes —

- (a) a house, out-house, stable, shop, hut, latrine, godown, shed, wall (other than a boundary wall not exceeding two and a half metres in height) and any other structure whether of masonry, bricks, mud, wood, metal or any other material whatsoever;
- (b) a structure on wheels or simply resting on the ground without foundations; and
- (c) a ship, vessel boat, tent, van and any other structure used for human habitation or used for keeping or storing any article or goods;

(6) “building-line” means a line which is in rear of the street-alignment and to which the main wall of a building abutting on a street may lawfully extend and beyond which no portion of the building may extend except as prescribed in the rules or bye-laws;

(7) “carriage” means any wheeled vehicle with springs or other appliances acting as springs and includes and kind of bi-cycle, tricycle, rickshaw and palanquin, but does not include any motor vehicle within the meaning of the Motor Vehicles Act, 1939 (Central Act 4 of 1939).

(8) “cart” includes any wheeled vehicles which is not a carriage but does not include any motor vehicle within the meaning of the Motor Vehicles Act, 1939 (Central Act 4 of 1939);

(9) “casual vacancy” means a vacancy occurring otherwise than by efflux of time and “casual election” means an election held on the occurrence of a casual vacancy;

¹[(9-A) “Chairman” and “Vice-Chairman” shall respectively mean, the “Chairperson” and “Vice-chairperson” of a Municipal Council;]

1. Inserted by Act 4 of 1994, section 2, with effect from 23-4-1994.

(10) "Commissioner" means the Commissioner of a municipality appointed under section 14;

(11) "commune" means the commune constituted under the French Decree dated 12th March, 1880;

(12) "company" means any company as defined in the Companies Act, 1956 (Central Act 1 of 1956), and includes —

- (a) any foreign company within the meaning of section 591 of that Act;
- (b) any co-operative society registered or deemed to be registered under the law relating to co-operative societies for the time being in force; and
- (c) any body corporate, or any firm or association carrying on business in the Union territory whether incorporated or not and whether its principal place of business is situated in the Union territory or not;

(13) "council" or "Municipal council" means a municipal council constituted under section 7;

(14) "dairy" includes-

- (a) any farm, cattle-shed, milk store, milk shop, or other place from which milk is sold or supplied for sale, or in which milk is kept for sale or manufactured for sale into butter, ghee, cheese, cream, curd, butter-milk or dried, sterilized or condensed milk and;
- (b) In relation to a dairyman who does not occupy any premises for the sale of milk, any place in which he keeps the vessels used by him for the storage or sale of milk, but does not include-
 - (i) a shop or place in which milk is sold for consumption on the premises only; or
 - (ii) a shop or place from which milk is sold or supplied for sale in airtight and hermetically sealed and unopened receptacles in the same original condition in which it was first received in such shop or place;

(15) "dairyman" includes any occupier of dairy, any cow-keeper who trades in milk, or any seller of milk whether wholesale or by retail;

(16) "dairy produce" includes milk, butter, ghee, cheese, cream, curd, butter-milk and any other product of milk;

(17) "Director" means the Director appointed under sub-section (1) of section 106;

¹[(18) "Election Authority or Election Commission" means the Commission consisting of the Election Commissioner appointed by the Administrator and referred to in section 15-A;]

(19) "filth" includes.-

(a) night soil and other contents of latrines, cess-pools and drains;

(b) dung and refuse or unless or offensive material thrown out in consequence of any process of manufacture, industry or trade; and

(c) putrid and putrefying substances;

(20) "food" means any article used as food or drink for human consumption other than drugs and water and includes—

(a) any article which ordinarily enters into, in or is used in the composition or preparation of human food; and

(b) any flavoring matter or condiments;

(21) "Government" means the Government of Puducherry;

(22) "hut" means any building which is constructed principally of wood, mud, leaves, grass, thatch or metallic sheets and includes any temporary structure of whatever size or any small building of whatever material made, which the council may declare to be a hut for the purpose of this Act;

(23) "latrine" means a place set apart from defecating or urinating or both and includes a closet of the dry or water-carriage type and urinal;

(24) "local authority" means a municipality or village panchayat or commune panchayat council, as the case may be, constituted under any law for the time being in force in the Union territory;

1. Substituted by Act 4 of 1994, section 2, with effect from 23-4-1994.

(25) “market” includes any place where persons assemble for the sale of, or for the purpose of exposing for sale, live-stock or food for live-stock or meat, fish, fruit, vegetables, drinks, animals intended for human food or any other articles of human food whatsoever with or without the consent of the owner of such place, notwithstanding that there may be no common regulation of the concourse of buyers and sellers and whether or not any control is exercised over the business of or the persons frequenting the market by the owner of the place or any other person;

(26) “milk” means the milk of a cow, buffalo, goat, ass or other animals and includes cream, skimmed milk, separated milk and condensed, sterilized or desiccated milk or any other produce of milk;

¹[(26-A) “Municipal area” means any local area declared to be a municipality under section 3;]

(27) municipal office” means the principal office of any municipal council;

(28) “notification” means a notification published in the Official Gazette;

(29) “nuisance” includes any act, omission, place or thing which causes or is likely to cause injury, danger, annoyance or offence to the sense of sight, smell or hearing or disturbance to rest or sleep or which is or may be dangerous to life or injurious to the health or property of the public or the people in general who dwell or occupy property in the vicinity, or persons who may have occasion to use any public right;

(30) “occupier” includes-

- (a) any person who for the time being is paying or is liable to pay to the owner the rent or any portion of the rent of the land or building in respect of which such rent is paid or is payable;
- (b) an owner living in or otherwise using his land or building;
- (c) a rent-fee tenant;
- (d) a licensee in occupation of any land or building; and
- (e) any person who is liable to pay to the owner damages for the use and occupation of any land or building;

1. Inserted by Act 4 of 1994, section 2, with effect from 23-4-1994.

(31) “ordinary vacancy” means a vacancy occurring by efflux of time and “ordinary election” means an election held on the occurrence of an ordinary vacancy;

(32) “owner” includes-

- (a) the person for the time being receiving or entitled to receive whether on his own account or on behalf of another person as agent, trustee, guardian, manager or receiver or for any religious or charitable purpose the rent or profits of the property in connection with which the word is used; and
- (b) the person for the time being in charge of the animal or vehicle in connection with which the word is used;

(33) “palanquin” includes tonjons, manchils and chairs carried by men by means of posts, but not slings or cots used for the conveyance of children or aged or sick persons;

¹ [(33-A) “Panchayat” means a Panchayat constituted under the Puducherry Village and Commune Panchayats Act, 1973 (Act No. 10 of 1973);]

* [(33-AA) “Place of pilgrimage” means any place being a place of religious worship as may be specified by the Government by notification in the Official Gazette;]

¹ [(33-B) “Population” means the population as ascertained at the last preceding census of which the relevant figures have been published;]

(34) “prescribed” means prescribed by rules made under this Act;

(35) “private street” means any street, road, square, court, alley, passage or riding-path, which is not a “public street”, but does not include a path-way made by the owner of premises on his own land to secure access to or the convenient use of, such premises;

(36) “public street” means any street, road, square, court, alley, passage or riding-path over which the public have a right of way, whether a thoroughfare or not, and includes —

- (a) the roadway over any public bridge or causeway;

1. Inserted by Act 4 of 1994, section 2 with effect from 23-4-1994.

* Inserted by Act 9 of 2002 w.e.f 16.05.02

- (b) the footway attached to any such street, public bridge or causeway;
- (c) the drains attached to any such street, public bridge or causeway and the land, whether covered or not by any pavement, verandah, or other structure, which lies on either side of the roadway up to the boundaries of the adjacent property whether that property is private property or property belonging to the Central Government or any State Government; and
- (d) any street which under the provisions of this Act, becomes or is declared a public street;

(37) "public water-courses, springs, wells and tanks" include those used by the public to such an extent as to give a prescriptive right to such use;

(38) "reconstruction" of a building includes —

- (a) the re-erection wholly or partially of a building after more than one-half of its cubical contents has been taken down or burnt down, or has fallen down whether at one time or not;
- (b) the re-erection wholly or partially of any building of which an outer wall has been taken down or burnt down or has fallen down to or within three metres of the ground adjoining the lowest storey of the building, and of any frame building which has so far been taken down or burnt down or has fallen down as to leave only the frame work of the lowest storey;
- (c) the conversion into a dwelling-house or a place of public worship of any building not originally constructed for human habitation or for public worship, as the case may be, or the conversion into more than one dwelling-house of a building originally constructed as one dwelling-house only or the conversion of a dwelling-house into a factory;
- (d) the re-conversion into a dwelling-house or a place of public worship or a factory of any building which has been discontinued as, or appropriated for any purpose other than, a dwelling-house or a place of public worship or a factory as the case may be;

(39) "registration officer" means the Electoral Registration Officer appointed by the ¹ [Election Commission] by notification;

(40) "residence" — "reside" — a person is deemed to have his "residence" or to "reside" in any house if he sometimes uses any portion thereof as a sleeping apartment and a person is not deemed to cease to reside in any such house merely because he is absent from it or has elsewhere another dwelling in which he resides, if he is at liberty to return to such house at any time and has not abandoned his intention of returning;

(41) "rubbish" includes dust, ashes, broken bricks, mortar, broken glass, garden or stable refuse and any other refuse which is not 'filth';

(42) "salary" means pay and acting pay or payment by way of commission and includes exchange compensation allowances, but not allowances for house-rent, carriage-hire or travelling expenses;

(43) "scavenger" means a person employed in collecting or removing rubbish or filth or in cleansing drains, latrines or slaughter-house or in driving carts used for the removal of rubbish or filth;

(44) "Scheduled Castes" means such castes, races or tribes or parts of, or groups within, such castes, races or tribes as are deemed to be Scheduled Castes in relation to the Union territory under article 341 of the Constitution;

(45) "Street-alignment" means a line dividing the lands comprised in and forming part of a street from the adjoining land;

² [(45-A) "tourist resort" means any place of tourist attraction as may be specified by the Government by notification in the Official Gazette;]

(46) "Union territory" means the Union territory of Puducherry;

(47) "Water-course" includes any river, stream or channel whether natural or artificial;

(48) "Water-connection" includes —

- (a) any tank, cistern, hydrant, stand-pipe, meter or tap situated on a private property and connected with a water-main or pipe belonging to the council; and
- (b) the water-pipe connecting such tank, cistern, hydrant, stand-pipe, meter or tap with such water-main or pipe;

1. Substituted by Act 4 of 1994, section 2 with effect from 23-4-1994.

2. Inserted by Act No. 9 of 2002, w.e.f 16.05.2002.

(49) "water work" includes a lake, stream, spring, well, pump, reservoir, cistern, tank, duct, whether covered or open, sluice, main-pipe, culvert, engine, water truck, hydrant, stand-pipe, conduit, and machinery, land, building or thing for supplying or used for supplying water or for protecting sources of water supply;

(50) "year" means the financial year.

CHAPTER - II

Constitution and abolition of Municipalities

***3. Constitution of municipalities.-** (1) The ¹[Administrator] may, after making such inquiry as he deems fit, by notification, declare any local area to be a Municipality.

(2) Every notification issued under sub-section (1) shall define the limits of the Municipality to which it relates.

(3) Before the publication of a notification under sub-section (1), ¹[The Administrator] shall cause to be published in the Official Gazette and also in at least one newspaper having circulation in the area to be specified in the notification, a proclamation announcing the intention of the ¹[Administrator] to issue such notification and inviting any resident or tax payer of a local area in respect of which any such proclamation has been published who desires to object to anything thereon contained to submit the same in writing with the reasons therefor to the ¹[Administrator] within two months from the publication of the proclamation in the Official gazette and the ¹[Administrator] shall take all such objections into consideration.

(4) (a) The ¹[Administrator] may, by notification,—

- (i) alter the limits of a municipality so as to include therein any local area in the vicinity thereof or to exclude therefrom any local area comprised therein, as may be specified in the notification;
- (ii) amalgamate two or more municipalities so as to form one municipality;
- (iii) split up any municipality into two or more municipalities:

* The section came into force on the 26th day of January 1974 *vide* Extraordinary Gazette No.11, dated 17th January 1974.

1. Substituted by Act 4 of 1994, section 3, with effect from 23-4-1994.

Provided that no notification under this sub-section shall be issued without previously intimating in writing to the municipal council or councils and other local authority concerned the grounds upon which such proposal is made and considering the explanations and objections, if any, which may be made within a reasonable period to be fixed by the ¹ [Administrator.].

(b) Prior to the publication of a notification under this sub-section, the procedure prescribed in sub-section (3) shall be followed.

(5) Where any local area which is within the jurisdiction of any other local authority is constituted as or included in a municipality, the ¹ [Administrator] may pass such orders as he may deem fit as to the transfer to the council of such municipality or disposal otherwise, of the assets or institutions of any such local authority in the local area and as to the discharge of the liabilities, if any, of such local authority relating to such assets or institutions.

(6) Where any local area is excluded from a municipality and included within the jurisdiction of any local authority, the ¹ [Administrator] may pass such orders as he may deem fit, as to the transfer to such local authority or disposal otherwise, of the assets or institutions of such municipality in the local area and as to the discharge of the liabilities, if any, of such municipality relating to such assets or institutions.

**4. Townships.* (1) The Government may, by notification, declare any municipality or any specified area therein to be a township if it is an industrial labour or institutional colony or a health resort.

(2) In regard to any municipality or any area declared to be a township under sub-section (1), the Government shall, by notification, constitute a township committee.

(3) The notification issued by the Government under sub-section (2) may direct that any functions vested in a municipal council by or under this Act shall be transferred to and performed by the township committee and shall provide for-

* The section came into force on the 26th day of January 1974 *vide* Extraordinary Gazette No. 11, dated 17th January 1974.

1. Substituted by Act 4 of 1994, section 3, with effect from 23-4-1994.

- (i) the total number of members of the township committee;
- (ii) the persons who shall be members of the township committee or the manner in which they shall be chosen;
- (iii) the person who shall be the Chairman of the township committee or the manner in which he shall be elected or appointed;
- (iv) the term of office of members and the Chairman;
- (v) the restrictions and conditions subject to which the township committee may perform its function; and
- (vi) the procedure to be followed by the township committee.

(4) The Government may, by notification, direct that any of the provisions of this Act or of any rules made thereunder or of any other enactment for the time being in force elsewhere in the Union territory, but not in the municipality or specified area therein referred to in sub-section (1) shall apply to that municipality or area to such extent and subject to such modifications, additions and restrictions as may be specified in the notification.

Explanation.- In this section, the term "industrial labour or institutional colony" means any area wherein the majority of the inhabitants are engaged in any industry or are workmen or are connected with any institutions in the area in any manner whatsoever.

***5. Abolition of municipalities.** — (1) The ¹[Administrator] may, by notification, abolish any municipality to which this Act applies:

Provided that —

- (a) the ¹[Administrator] shall, before he issues such notification, communicate to the municipal council the grounds on which the ¹[Administrator] proposes to do so, fix a reasonable period for the municipal council to show cause against the proposal and consider the explanations and objections, if any;
- (b) the notification shall contain a statement of the reasons for abolishing the municipality.

* The section came into force on the 26th day of January 1974 *vide* Extraordinary Gazette No.11, dated 17th January 1974.

1. Substituted by Act 4 of 1994, section 5, with effect from 23-4-1994.

(2) From such date as may be specified in such notification.-

- (a) the provisions of this Act, and all notifications, rules, bye-laws, regulations, orders, directions and powers issued, made or conferred under this Act, shall cease to apply to the municipality;
- (b) the balance of the municipal fund and all other property vested in the municipal council and all its liabilities shall stand transferred to the Government or to such local or other authority or to such officer or other person as the ¹[Administrator] may, by order, direct;
- (c) all suits, prosecutions and other legal proceedings instituted or which might have been instituted by or against the municipality may be continued or instituted by or against the Government or such local or other authority or such officer or other person aforesaid.

CHAPTER - III

Constitution or appointment of Municipal Authorities

6. *The municipal authorities.- The municipal authorities charged with carrying out the provisions of this Act are.-

- (a) a council;
- (b) a Chairman; and
- (c) a Commissioner.

(a) Council

7. *Constitution of municipal council. - (1) There shall be constituted for every municipality a municipal council having authority over the municipality and consisting of such number of councillors as may be notified by the Government ²[omitted]:

Provided that when any municipal area is altered when an existing council which was functioning immediately before the appointed day is deemed to have been succeeded by the municipal council, the number of councillors for each of the municipal councils shall be such as may be determined by the Government by order notified in the Official Gazette.

³[(2) A municipal council shall consist of.-

* The section came into force on the 26th day of January 1974 *vide* Extraordinary Gazette No.11, dated 17th January 1974.

2. Omitted by Act 4 of 1994, section 5, with effect from 23-4-1994.

1 & 3. Substituted by Act 4 of 1994, section 5, with effect from 23-4-1994.

- (a) persons chosen by direct election from the territorial constituencies in the municipality and for this purpose each municipality shall be divided into territorial constituencies to be known as wards;
- (b) two persons, who are not less than 25 years of age and who have special knowledge or experience in municipal administration to be nominated by the Government;
- (c) the member of the House of the People and the members of the Legislative Assembly of the Union territory representing constituencies which comprise wholly or partly the municipality; and
- (d) the member of the Council of States who is registered as an elector within a municipality:

Provided that the persons referred to in clause (b) shall not have the right to vote in the meetings of the municipal council.].

*** 8. *Incorporation of municipal council.***- The council constituted under section 7 shall by the name of the municipality, be a body corporate, shall have perpetual succession and a common seal and subject to any restriction or qualification imposed by this or any other enactment, shall be vested with the capacity of suing or being sued in its corporate name, of acquiring, holding and transferring property movable or immovable, of entering into contracts and of doing all things necessary for the purpose of its constitutions.

¹**[9. *Reservation of seats.***- (1) There shall be reservation of seats for the Scheduled Castes in every municipal council and the number of seats so reserved shall bear, as nearly as may be, the same proportion to the total number of seats to be filled by direct election in that municipal council as the population of the Scheduled castes in the Municipality bears to the total population of that area. The number of such reserved seats shall be determined by the Government by notification published in the Official Gazette.

(2) One-third of the total number of seats reserved under sub-section (1) shall be reserved for women belonging to the Scheduled Castes.

* The section came into force on the 26th day of January 1974 *vide* Extraordinary Gazette No.11, dated 17th January 1974.

1. Substituted by Act 4 of 1994, section 6, with effect from 23-4-1994.

(3) One-third (including the number of seats reserved for women belonging to the Scheduled Castes) of the total number of seats to be filled by direct election in every municipal council shall be reserved for women.

(4) The offices of chairpersons in the municipal councils shall be reserved for the Scheduled Castes and women:

Provided that the number of offices of chairpersons reserved for the Scheduled Castes in the municipal council shall bear, as nearly as may be, the same proportion to the total number of such offices in municipal councils as the population of the Scheduled Castes in all the municipalities, bears to the total population of all the municipalities, the number of such reserved offices being determined by the Government by notification published in the Official Gazette:

Provided further that as nearly as may be one-third of the total number of offices of chairpersons in the municipal councils shall be reserved for women:

Provided also that while determining the number of reserved seats for women under sub-sections (2), (3) and (4) fraction, if any shall be counted as one.]

¹[(5) The allotment of reserved seats under sub-sections (1), (2) and (3) and the allotment of reserved offices of chairpersons under sub-section (4) shall be made by the Election Commission, once in five years, by rotation to different constituencies in a municipal council or to offices of chairpersons of different municipal councils, as the case may be. Such allotment shall be made in accordance with such procedure as may be prescribed and in such manner that a constituency in a municipal council or an office of chairperson of a municipal council is reserved again only after exhausting such reservation in respect of every other constituency or office of chairperson, as the case may be.]

(6) The reservation of seats under sub-sections (1) and (2) and the reservation of offices of chairpersons (other than reservation for women) under sub-section (4), shall cease to have effect on the expiration of the period specified in article 334 of the Constitution.

(7) Nothing contained in this section shall be deemed to prevent the members of Scheduled Castes and women from standing for election to the non-reserved seats and the non-reserved offices of chairpersons in the municipal councils.

1. Substituted by Act 3 of 1996 section 2, with effect from 30-8-1996.

(8) The Government may prescribe for reservation of seats in any municipality in the municipal councils in favour of backward class of citizens:

Provided that nothing shall be deemed to prevent the backward class of citizens from standing for election to the non-reserved seats.]

***[10. Duration of municipal councils.-** (1) Every municipal council unless sooner dissolved under any law for the time being in force, shall continue for five years from the date appointed for its first meeting and no longer:

Provided that a municipal council shall be given a reasonable opportunity of being heard before its dissolution.

(2) An election to constitute a municipal council shall be completed-

- (a) before the expiry of its duration specified in sub-section (1); and
- (b) before the expiration of a period of six months from the date of its dissolution:

Provided that where the remainder of the period for which the dissolved municipal council would have continued is less than six months, it shall not be necessary to hold any election under this sub-section for constituting the municipal council for such period.

(3) A municipal council constituted upon the dissolution of a municipal council before the expiration of its duration shall continue only for the remainder of the period for which the dissolved municipal council would have continued under sub-section (1), had it not been so dissolved.

(4) A casual vacancy of a councillor shall be filled, subject to the provisions of sub-section (2), at a casual election as soon as possible.].

****11. Procedure when no councillor is elected.-** (1) If at an ordinary or casual election held under section 10 no councillor is elected, a fresh election shall be held on such days as the election authority may fix.

(2) If at such fresh election no councillor is elected, the council shall elect a qualified person to fill the vacancy in the manner prescribed.

* Substituted by Act 4 of 1994, section 7, with effect from 23-4-1994.

** The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No.11 dated 17th January 1974.

(3) The term of office of a councillor elected under this section shall expire at the time at which it would have expired if he had been elected at the ordinary or casual election, as the case may be.

(b) Chairman

¹[12. *Chairman and Vice-Chairman of council.*- There shall be a Chairman and Vice-Chairman for every municipal council.]

²[12-A. *Election of Chairman.*- (1) (a) The Chairman shall be elected by the persons whose names appear in the electoral roll for the municipal council from among themselves in accordance with such procedure as may be prescribed:

Provided that no person shall be eligible for election as Chairman unless he has attained the age of twenty-five years.

(b) If at any an ordinary or casual election no Chairman is elected, a fresh election shall be held:

Provided that a person who contests for election as a councillor shall not be eligible to contest for election as Chairman:

Provided further that no councillor shall be eligible for election as Chairman.

(2) Election of the Chairman may be held ordinarily at the same time and in the same places as the ordinary election of the members of the council is held.

(3) The term of office of the Chairman who is elected at an ordinary election shall, save as otherwise expressly provided in sub-section (4), be five years beginning at noon of the day on which the ordinary vacancy occurs.

(4) Any casual vacancy in the office of the Chairman shall be filled by fresh election and a person elected as Chairman in any such vacancy shall enter upon office forthwith and hold office only so long as the person in whose place he is elected would have been entitled to hold office, if the vacancy had not occurred.

(5) Unless the Election Commissioner otherwise directs, no causal vacancy in the Office of the Chairman shall be filled within six months before the date on which the ordinary election of the Chairman under sub-section (1), is due.

1. Substituted by Act 3 of 1996, section 3, with effect from 30-8-1996.

2. Inserted by Act 3 of 1996, section 4 w.e.f. 30.08.1996.

(6) The provisions of sections 15 to 66 of Chapter IV shall, as far as may be, apply in relation to the office of the Chairman as they apply in relation to the office of an elected member of the municipal council.

(7) The Chairman shall have all the rights and privileges of an elected member of the municipal council.

12-B. *Election of Vice-Chairman.* — (1) The Vice-Chairman shall be elected by and from amongst the elected members of the municipal council in accordance with such procedure as may be prescribed.

(2) if at an election held under sub-section (1), no Vice-Chairman is elected, a fresh election shall be held for electing a Vice-Chairman.

12-C. *Cessation of office of Chairman and Vice-Chairman.* —The Chairman or Vice-Chairman shall cease to hold office as such, —

(a) in the case of the Chairman, on his becoming disqualified for holding the office or on his removal from office or on the expiry of his term of office or in the event of dissolution of the council or on his otherwise ceasing to be a Chairman; and

(b) in the case of Vice-Chairman, on the expiry of his term of office as a councillor or in the event of dissolution of council or on his otherwise ceasing to be a councillor.]

*13. *Chairman, Vice-Chairman or councillors not to receive remuneration.* — (1) No Chairman, Vice-Chairman or councillor shall, save as provided in sub-section(2), receive or be paid, from the funds at the disposal or under the control of the council, any salary or other remuneration for services rendered by him in any capacity whatsoever.

(2) A municipal council may, subject to such rules as may be made in this behalf, pay.-

- (a) a conveyance allowance to the Chairman and Vice-Chairman; and
- (b) the expenses of the Chairman, and other members of the council travelling on business connected with the municipality.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No.11 dated 17th January 1974.

(c) Commissioner

***14. Commissioner and personal assistant to the Commissioner.-** (1) (a) There shall be a Commissioner for each municipality.

(b) There shall be a personal assistant to the Commissioner for such class of municipalities as may be notified by the Government in this behalf.

(2) The Commissioner and the personal assistant to the Commissioner shall be appointed by the Government.

(3) The Commissioner and the personal assistant to the Commissioner shall be whole-time officers of the municipality and shall not undertake any work unconnected with their offices without the sanction of the municipal council and the Government.

(4) The Government may recover from the municipal council concerned the whole of the salary and allowances paid to any Commissioner and the personal assistant to the Commissioner, if any, appointed under sub-section (1) and such contribution towards the leave allowances, pension and provident fund as the Government may, by general or special order, determine.

(5) The Government shall have power to regulate the method of recruitment, conditions of service, pay and allowances and discipline and conduct of the Commissioner, and the personal assistant to the Commissioner.

CHAPTER - IV

Elections

(a) Election of councillors

****15. Definitions. –** In this Chapter, unless the context otherwise requires,-

(1) “candidate” means a person who has been or claims to have been duly nominated as a candidate at any election and any such person shall be deemed to have been a candidate as from the time when, with the election in prospect, he began to hold himself out as a prospective candidate;

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No.11 dated 17th January 1974.

** The sections came into force on the 12th day of September, 1974 vide Extraordinary Gazette No.122 dated 12th September 1974.

(2) “costs” means all costs, charges and expenses of, or incidental to, a trial of an election petition;

(3) “electoral right” means the right of a person to stand or not to stand as, or to withdraw or not to withdraw from being, a candidate, or to vote or refrain from voting at an election;

(4) “returned candidate” means a candidate whose name has been published under section 64 as duly elected;

(5) “tribunal” means an election tribunal appointed under section 52.

¹15-A. [*Election to municipal councils.*- The superintendence, direction and control of the preparation of electoral rolls for, and the conduct of, all elections to the municipal councils shall be vested in the Election Commission consisting of an Election Commissioner appointed under section 9A of the Puducherry Village and Commune Panchayats Act. 1973 (Act No. 10 of 1973)]

²[16. *Election of municipal councilors.*- (1) For the purposes of election of councillors to a municipal council, the Government, after previous publication and hearing objections, if any, may by notification, divide the municipality into wards.

(2) The Election Commission shall, after previous publication in the prescribed manner, determine the wards in which the seats, if any, as determined under section 9 are to be reserved for the Schedule Castes and or for the women.

(3) All the electors of a ward, irrespective of their community or sex, shall be entitled to vote at an election to any seat in that ward, whether reserved or not].

^{*}17. *Election to more than one seat.*- (1) If, a person is elected to more than one seat in one or more municipal councils, then unless he resigns all but one of the seats by writing under his hand addressed to the election authority within the time specified in sub-section (2), all the seats shall become vacant.

1. Inserted by Act 4 of 1994, section 9, with effect from 23-4-1994.

2. Substituted by Act 4 of 1994, section 10, with effect from 23-4-1994.

* The section came into force on the 12th day of September 1974 *vide* Extraordinary Gazette No.122 dated 12th September 1974.

(2) Such resignation shall be made.-

- (a) where the dates of declaration of the person elected to more than one seat is on the same day, fourteen days from that date; and
- (b) where the dates of declaration of the person elected to more than one seat are different, fourteen days from the last of such dates.

***18. Qualifications for inclusion in electoral roll for municipality and publication thereof.-** (1) Every person who is qualified to be included in such part of the electoral roll for any Assembly constituency as relates to the municipality or any portion thereof shall be entitled to be included in the electoral roll for the municipality and no other person shall be entitled to be included therein:

Provided that any person who is entitled to be included in a separate part of the electoral roll for such Assembly constituency by virtue of a statement referred to in section 20 of the Representation of the People Act, 1950, shall not be eligible for being included in the electoral roll for the municipality prepared for the purposes of this Act, unless he makes an application giving the particulars of his address in the municipality to the person authorised under sub-section (2) for such inclusion.

Explanation.- Where, in the case of an Assembly constituency there is no distinct part of the electoral roll relating to the municipality, all persons who are qualified to be included in such roll under the registration area comprising the municipality and whose addresses are situated in the municipality shall be entitled to be included in the electoral roll for the municipality prepared for the purposes of this Act.

¹[(2) the electoral rolls for a municipal council shall be prepared and published under the superintendence, direction and control of the Election Commission].

(3) The electoral roll for the municipality shall be divided into separate parts of each ward.

* The section came into force on the 12th day of September 1974 *vide* Extraordinary Gazette No.122 dated 12th September 1974.

1. Substituted by Act 4 of 1994, section 11, with effect from 23-4-1994.

(4) Every person whose name appears in the electoral roll for the municipality shall so long as it remains in force and subject to any revision thereof which might have taken place and subject also to the other provisions of this Act, be entitled to vote at an election; and no person whose name does not appear in such roll shall vote at an election:

Provided that no person shall vote at an election of members if he –

- (a) has been adjudged to be of unsound mind, or is a deaf-mute, or
- (b) has voluntarily acquired the citizenship of a foreign State, or
- (c) has been sentenced by a criminal court for an electoral offence punishable under section 27 or section 38 or clause (a) of sub-section (2) of section 39 or has been disqualified from exercising any electoral right on account of corrupt practices in connection with an election, and five years have not elapsed from the date of such sentence or disqualification, provided that the disqualification under this clause may at any time be removed by the Government if it thinks fit.

Explanation.- In this section, the expression “Assembly constituency” shall mean a constituency provided by law for the purpose of elections to the Legislative Assembly of Puducherry.

***19. Power to rearrange and republish electoral roll.-** Where, after the electoral roll for a municipality or any alterations thereto have been published under sub-section (2) of section 18 the municipality is divided into wards for the first time or the division of the municipality into wards is altered or the limits of the municipality are varied, ¹[the Election Commission] shall, in order to give effect to the division of the municipality into wards or to the alteration of wards or to the variation of the limits, as the case may be, ¹[cause] a rearrangement and republication of the electoral roll for the municipality or any part of such roll, in such manner as ¹[it] may direct.

* The section came into force on the 12th day of September 1974 *vide* Extraordinary Gazette No.122 dated 12th September 1974.

1. Substituted by Act 4 of 1994, section 12, with effect from 23-4-1994.

(b) *Qualifications for membership of council.*

***20. Qualification of candidates.-** (1) No person shall be qualified for election as a councillor unless the name of such person appears on the electoral roll of the municipality and in the case of a seat reserved for Schedule Castes ¹[and or women, he is himself a member of any of the Scheduled Castes, and or is a woman.].

(2) No officer or servant of the Central Government or of any State Government or of a local authority or of any institution or class of institutions notified by the Government in this behalf shall be qualified for election or for holding office as a councillor:

Provided that this prohibition shall not apply to the holder of any office which does not involve both of the following incidents, namely, that the incumbent--

(a) is a whole-time servant of the Central Government or any State Government or of any local authority or of any institution so notified; and

(b) is remunerated either by salary or fees:

Provided further that if any question arises either before or after an election whether any person is or is not disqualified under this sub-section, the question shall be referred to the Government whose decision shall be final.

***[21. Disqualification of candidates.-** ²(1) A person who has been convicted and sentenced by a criminal court to imprisonment for any offence involving moral delinquency or for an offence punishable under the Protection of Civil Rights Act, 1955 (Central Act 22 of 1955), shall be disqualified for election as a councillor while undergoing the sentence and for five years from the date of the expiration of the sentence]."

(2) Notwithstanding anything contained in sub-section (1), the Government may direct that such sentence shall not operate as a disqualification.

* The section came into force on the 12th day of September 1974 *vide* Extraordinary Gazette No.122 dated 12th September 1974.

1. Substituted by Act 4 of 1994, section 13, with effect from 23-4-1994.
2. Substituted by Act 3 of 1978, section 2, with effect from 30-3-1978.

(3) A person shall be disqualified for election as a councillor if such person is at the last date for filing of nomination or at the date of election —

- (a) of unsound mind, or a deaf-mute;
- (b) an applicant to be adjudicated an insolvent or an undischarged insolvent;
- (c) interested in a subsisting contract made with, or any work being done for the municipal council except as a share holder (other than a director) in a company:

Provided that a person shall not be deemed to have any interest in such contract or work by reason only of his having a share or interest in —

- (i) any lease, sale or purchase of immovable property or any agreement for the same; or
- (ii) any agreement for the loan of money or any security for the payment of money only; or
- (iii) any newspaper in which any advertisement relating to the affairs of the council is inserted; or
- (iv) the sale to the council of any articles in which he regularly trades, or the purchase from the council of any article to a value in either case not exceeding fifteen hundred rupees in the aggregate in any year during the period of the contract or work;
- (d) employed as paid legal practitioner on behalf of the council or as legal practitioner against the council or has paid legal practitioner on behalf of the Government;
- (e) all officers or servants holding office under this Act, or any Honorary Magistrate having jurisdiction over the municipality or any part thereof;
- (f) already a councillor whose term of office as such will not expire before his fresh election can take effect; or has already been elected a councillor whose term of office has not yet commenced;
- (g) a person who having held any office under the Central Government or any State Government or any local authority has been dismissed and is disqualified for further employment in any such office;

- (h) debarred from practicing as a legal practitioner; or
- (i) in arrears of any kind due by him (otherwise than in a fiduciary capacity) to the municipality up to and inclusive of the previous years, in respect of which a bill or notice has been duly served upon him and the time if any specified therein for payment has expired;
- (j) a person who has voluntarily acquired the citizenship of a foreign State or is under any acknowledgement of allegiance or adherence to a foreign State.

***22. Disqualification of councillors.-** ¹[A person shall be disqualified for being chosen as, and for being, a councillor, if he. —]

- (a) is sentenced by a criminal court to such punishment and for such offence as is described in sub-section (1) of section 21, unless the Government directs that such sentence shall not operate as a disqualification;
- (b) becomes of unsound mind, or a deaf-mute;
- (c) applies to be adjudicated or is adjudicated as an insolvent;
- (d) subject to the proviso to clause (c) of sub-section (3) of section 21, acquires any interest in any subsisting contracts made with, or work being done for, the council except as a share holder (other than director) in a company;
- (e) is employed as paid legal practitioner on behalf of the council or accepts employment as legal practitioner against the council or as paid legal practitioner on behalf of the Government.
- (f) is appointed as an officer or servant under this Act or as an Honorary Magistrate having jurisdiction over the municipality or any part thereof.
- (g) accepts employment under any other council.
- (h) ceases to reside in the municipality or within three and a quarter kilometres thereof.

* The section came into force on the 12th day of September 1974 *vide* Extraordinary Gazette No.122 dated 12th September 1974.

1. Inserted by Act 4 of 1994, section 14, with effect from 23-4-1994.

- (i) fails to pay arrears of any kind due by him (otherwise than in a fiduciary capacity) to the municipality within three months after a bill or notice has been served upon him under this Act, or where in the case of any arrear this Act does not require the service of any bill or notice within three months after a notice requiring payment of the arrear (which notice it shall be the duty of the Commissioner to serve at the earliest possible date) has been duly served upon him by the Commissioner, or
- (j) absents himself from the meetings of the council for a period of six consecutive months reckoned from the date of commencement of his term of office, or of the last meeting which he attended or of his restoration to office as councillor under sub-section (4), as the case may be, or if within the said period less than three meetings have been held, absents himself from three consecutive meetings held after the said date:

Provided that no meeting from which a councillor absents himself shall be counted against him under this clause if —

- (i) due notice of that meeting was not given to him, or
 - (ii) the meeting was held after giving shorter notice than that prescribed for an ordinary meeting,
 - (iii) the meeting was held on a requisition of members.
- ¹(k) is so disqualified by or under any law for the time being in force for the purposes of elections to the Legislative Assembly of the Union territory:

Provided that no person shall be disqualified on the ground that he is less than twenty-five years of age, if he has attained the age of twenty-one years; and

- (l) is so disqualified by or under any law made by the Legislative Assembly of the Union territory].

(2) where a person ceases to be a councillor under clause (a) of sub-section (1) or under section 63 he shall be restored to office for such portion of the period for which he was elected as may remain unexpired at the date of such restoration, if and when the sentence or order is annulled on appeal or revision or the disqualification caused by the sentence or incurred under section 63, is removed by an order of the Government and any person elected to fill the vacancy in the interim shall, on such restoration, vacate office.

1. Inserted by Act 4 of 1994, section 14, with effect from 23-4-1994.

(3) Where a person ceases to be a councillor under clause (j) of sub-section (1), the Commissioner shall at once intimate the fact in writing to such person and report the same to the council at its next meeting. If such person applies for restoration of his own motion to the council on or before the date of its next meeting or within fifteen days of the receipt by him of such intimation, the council may, at the meeting next after the receipt of such application, restore him to his office of councillor:

Provided that a councillor shall not be so restored more than twice during his term of office.

***23. Decision on question of disqualification.-** (1) Whenever it is alleged that any person who has been elected as a councillor is disqualified under sub-section (1) of section 20, section 21, section 22, section 24 or section 63 and such person does not admit the allegation or whenever any councillor is himself in doubt whether or not he has become disqualified for office under section 22 or section 24 or section 63, such councillor or any other councillor may, and the Commissioner at the request of the council shall, apply to the Subordinate Judge having jurisdiction over the municipality or if no Subordinate Judge has such jurisdiction to the District Munsif having such jurisdiction.

(2) The said Subordinate Judge or District Munsif, after making such inquiry as he deems necessary, shall determine whether or not such person is disqualified under sub-section (1) of section 20, section 21, section 22, section 24 or section 63.

(3) Pending such decision, the councillor shall be entitled to act as if he is not disqualified.

(4) Against any decision under sub-section (2) the councillor may, and the Commissioner, at the request of the council, shall within thirty days from the date of such decision, appeal to the District Judge:

Provided that the District Judge may entertain an appeal after the expiry of the said period of thirty days if he is satisfied that the appellant had sufficient cause for not preferring the appeal in time.

(5) where an appeal has been preferred under sub-section (4), the District Judge may, on sufficient cause being shown, stay the operation of the decision appealed from and in such a case, the decision appealed from shall be deemed never to have taken effect.

* The section came into force on the 12th day of September 1974 *vide* Extraordinary Gazette No.122 dated 12th September 1974.

(6) The decisions of the District Judge on appeal under sub-section (4), and subject only to such decision, the decision of the Subordinate Judge or the District Munsif under sub-section (2) shall be final.

***24. Oath or affirmation to be made by councilors.-** (1) Every person, who is elected to be a councillor shall, before taking his seat, make and subscribe before the Director or some person appointed in that behalf by him an oath or affirmation in the following form, namely: –

I, A.B., having been elected a councillor of the municipal council, do

swear in the name of God
solemnly affirm

that I will bear true faith and allegiance to the Constitution of India as by law established, that I will uphold the sovereignty and integrity of India and that I will faithfully discharge the duty upon which I am about to enter.

(2) Any person who, having been elected to be a councillor, fails, to make within three months of the date on which his term of office commences or at one of the first three meetings held after the said date, whichever is later, the oath or affirmation laid down in sub-section (1) shall cease to hold his office and his seat shall be deemed to have become vacant.

(3) Any person who has been elected to be a councillor shall not take his seat at a meeting of the council or do any act as such councillor unless he has made the oath or affirmations laid down in sub-section (1).

(4) Notwithstanding anything contained in sub-section (3), a Chairman or a member of a committee constituted under this Act who has not made the oath or affirmation as councillor shall be entitled to act as such Chairman or member.

Provided that he makes the oath or affirmation and takes his seat at the first meeting of the council which he attends within two months after he is elected as, or becomes entitled to exercise the functions of, the Chairman or member, as the case may be.

Explanation. – For the purposes of this section, “Chairman” includes Vice-Chairman exercising the functions of the Chairman under sub-section (7) of section 12, the member appointed to be Chairman under sub-section (2) of that section and the officer appointed by the Director to be *ex-officio* Chairman under sub-section (8) of that section.

* The section came into force on the 12th day of September 1974 *vide* Extraordinary Gazette No.122 dated 12th September 1974.

(c) *Corrupt practices*

25. *Corrupt practices.— The following shall be deemed to be corrupt practices for the purposes of this Act.—

(1) “bribery”, that is to say, —

- (A) Any gift, offer or promise by a candidate or his agent or by any other person with the consent of a candidate or his election agent, of any gratification, to any person whomsoever, with the object, directly or indirectly, of including —
 - (a) a person to stand or not to stand as, or to withdraw or not to withdraw from being a candidate at an election; or
 - (b) an elector to vote or refrain from voting at an election, or as a reward to —
 - (i) a person for having so stood or not stood or for having withdrawn or not having withdrawn his candidature; or
 - (ii) an elector for having voted or refrained from voting.
- (B) the receipt of, or agreement to receive, any gratification, whether as a motive or a reward —
 - (a) by a person for standing or not standing as, or for withdrawing or not withdrawing from being a candidate; or
 - (b) by any person whomsoever for himself or any other person for voting or refraining from being voting or inducing or attempting to induce any elector to vote or refrain from voting, or any candidate to withdraw or not to withdraw his candidature.

Explanation. — For the purpose of this clause, the term “gratification” is not restricted to pecuniary gratifications or gratifications estimable in money and it includes all forms of entertainment and all forms of employment for reward but it does not include the payment of any expenses *bona fide* incurred at, or for the purpose of, any election.

* The section came into force on the 12th day of September 1974 *vide* Extraordinary Gazette No.122 dated 12th September 1974.

(2) “undue influence” that is to say, any direct or indirect interference or attempt to interfere on the part of the candidate or his agent, or of any other person with the consent of the candidate or his election agent with the free exercise of any electoral right:

Provided that ---

- (a) without prejudice to the generality of the provision of this clause any such person as is referred to therein who ---
 - (i) threatens any candidate or any elector, or any person in whom a candidate or an elector is interested, with injury of any kind including social ostracism and excommunication or expulsion from any caste or community, or
 - (ii) induces or attempts to induce a candidate or an elector to believe that he, or any person in whom he is interest, will become or will be rendered an object of divine displeasure or spiritual censure, shall be deemed to interfere with the free exercise of the electoral right of such candidate or elector within the meaning of this clause;
- (b) a declaration of public policy, or a promise of public action, or the mere exercise of a legal right without intent to interfere with an electoral right shall not be deemed to be interference within the meaning of this clause.

(3) The appeal by a candidate or his agent or by any other person with the consent of a candidate or his election agent to vote or refrain from voting for any person on the ground of his religion, race, caste, community or language or the use of, or appeal to religious symbols, or the use of, or appeal to , national flag or the national emblem, for the furtherance of the prospects of the election of that candidate or for prejudicially affecting the election of any candidate.

(4) The promotion of, or attempt to promote feelings of enmity or hatred between different, classes, of the citizens of India on grounds of religion, race, caste, community or language, by a candidate or his agent or any other person with the consent of a candidate or his election agent for the furtherance of the prospects of the elections, of that candidate or for prejudicially affecting the election of any candidate.

(5) The publication by a candidate or his agent or by any other person, with the consent of a candidate or his election agent, of any statement of fact which is false, and which he either believes to be false or does not believe to be true, in relation to the personal character or conduct of any candidate or in relation to the candidature, or withdrawal of any candidate being a statement reasonably calculated to prejudice the prospects of that candidate’s election.

(6) The hiring or procuring, whether on payment or otherwise, of any vehicle or vessel by a candidate or his agent or by any other person with the consent of a candidate or his election agent, or the use of such vehicle or vessel for the free conveyance of any elector (other than the candidate himself, the members of his family or his agent) to or from any polling station or a place fixed for the poll:

Provided that the hiring of a vehicle or vessel by an elector or by several electors at their joint costs for the purpose of conveying him or them to and from any such polling station or place fixed for the poll shall not be deemed to be a corrupt practice under this clause, if the vehicle or vessel so hired is a vehicle or vessel not propelled by mechanical power:

Provided further that the use of any public transport vehicle or vessel or railway carriage by any elector at his own cost for the purpose of going to or coming from any such polling station or place fixed for the poll, shall not be deemed to be a corrupt practice under this clause.

Explanation.- In this clause, the expression "vehicle" means any vehicle used or capable of being used for the purpose of road transport, whether propelled by mechanical power or otherwise and whether used for drawing other vehicles or otherwise.

(7) The obtaining or procuring or abetting or attempting to obtain or procure by a candidate or his agent or by any other person with the consent of a candidate or his election agent, any assistance (other than the giving of vote) for the furtherance of the prospects of that candidate's election from any person in the service of any municipality or any other local authority or the Central Government or any State Government and belonging to any of the following classes, namely.-

- (a) gazetted officers;
- (b) stipendiary Judges and Magistrates;
- (c) members of the Armed Forces of the Union;
- (d) members of the police forces;
- (e) excise officers; and
- (f) such other class of persons as may be prescribed.

Explanation. 1.- In this section, the expression "agent" includes an election agent, a polling agent and any person who is held to have acted as an agent in connection with the election with the consent of the candidate.

Explanation. 2.- For the purposes of clause (7), a person shall be deemed to assist in the furtherance of the prospects of a candidate's election if he acts as an election agent of that candidate.

(d) Electoral offences

***26. Maintenance of secrecy of voting.-** (1) Every officer, clerk, agent or other person who performs any duty in connection with the recording or counting of votes at an election shall maintain, and aid in maintaining, the secrecy of voting and shall not (except for some purposes authorised by or under any law) communicate to any person any information calculated to violate such secrecy.

(2) Any person who contravenes the provisions of sub-section (1) shall be punishable with imprisonment for a term which may extend to six months, or with fine, or with both.

***27. Promoting enmity between classes in connection with election.-** Any person who in connection with an election under this Act promotes or attempts to promote on grounds of religion, race, caste, community or language, feelings of enmity or hatred, between different classes of the citizens of India shall be punishable with imprisonment for a term which may extend to three years, or with fine, or with both.

28. Prohibition of public meeting on the day preceding the election day and on the election day.- (1) No person shall convene, hold or attend any public meeting in any polling area during the period of forty-eight hours ending with the hours fixed for the conclusion of the poll for any election in that polling area.

(2) Any person who contravenes the provisions of sub-section (1) shall be punishable with fine which may extend to two hundred and fifty rupees.

* The section came into force on the 12th day of September 1974 *vide* Extraordinary Gazette No.122 dated 12th September 1974.

***29. Disturbances at election meetings.-** (1) Any person who at a public meeting to which this section applies acts, or incites others to act, in a disorderly manner for the purpose of preventing the transaction of the business for which the meeting was called together, shall be punishable with fine which may extend to two hundred and fifty rupees.

(2) This section applies to any public meeting of a political character held in any ward between the date of the issue of notification calling upon the ward to elect a member and the date on which such election is held.

(3) If any police officer reasonably suspects any person of committing an offence under sub-section (1), he may, if requested so to do by the Chairman of the meeting, require that person to declare to him immediately his name and address and if that person refuses or fails so to declare his name and address or if the police officer reasonably suspects him of giving a false name or address, the police officer may arrest him without warrant.

***30. Restrictions on the printing of pamphlets, posters, etc. ---** (1) No person shall print or publish or cause to be printed or published, any election pamphlet or poster which does not bear on its face the names and addresses of the printer and the publisher thereof.

(2) No person shall print or cause to be printed any election pamphlet or poster.-

- (a) unless a declaration as to the identity of the publisher thereof, signed by him and attested by two persons to whom he is personally known is delivered by him to the printer in duplicate; and
- (b) unless, within a reasonable time after the printing of the document, one copy of the declaration is sent by the printer, together with one copy of the documents, where it is printed in the Puducherry region to the election authority; and in any other region to such authority as may be prescribed.

(3) For the purposes of this section.-

* The section came into force on the 12th day of September 1974 *vide* Extraordinary Gazette No.122 dated 12th September 1974.

- (a) any process for multiplying copies of a document, other than copying it by hand, shall be deemed to be printing and the expression 'printer' shall be construed accordingly; and
- (b) "election pamphlet or poster" means any printed pamphlet, hand-bill or other document distributed for the purposes of promoting or prejudicing the election of a candidate or group of candidates or any placard or poster having reference to an election, but does not include any hand-bill, placard or poster merely announcing the date, time, place and other particulars of an election meeting or routine instructions to election agents or workers.

(4) Any person who contravenes any of the provisions of sub-section (1) or sub-section (2) shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to two thousand rupees, or with both.

**31. Officers etc., at elections not to act for candidates or influence voting.* - (1) No person who is a returning officer, or an assistant returning officer, or a presiding officer or polling officer at an election, or an officer or clerk appointed by the returning officer or the presiding officer to perform any duty in connection with an election shall in the conduct or the management of the election do any act (other than the giving of vote) for the furtherance of the prospects of the election of a candidate.

(2) No such person as aforesaid, and no member of a police force, shall endeavor.-

- (a) to persuade any person to give his vote at an election, or
- (b) to dissuade any person from giving his vote at an election, or
- (c) to influence the voting of any person at an election in any manner.

(3) Any person who contravenes the provisions of sub-section (1) or sub-section (2) shall be punishable with imprisonment which may extend to six months or with fine or with both.

(4) An offence punishable under sub-section (3) shall be cognizable.

* The section came into force on the 12th day of September 1974 *vide* Extraordinary Gazette No.122 dated 12th September 1974.

***32. Prohibition of canvassing in or near polling stations.-** (1) No person shall, on the date or dates, on which a poll is taken at any polling station, commit any of the following acts within the polling station or in any public or private place within a distance of one hundred metres of the polling station, namely.-

- (a) canvassing for votes; or
- (b) soliciting the vote of any elector; or
- (c) persuading any elector not to vote for any particular candidate; or
- (d) persuading any elector not to vote at the election; or
- (e) exhibiting any notice or sign (other than an official notice) relating to the election.

(2) Any person who contravenes the provisions of sub-section (1) shall be punishable with fine which may extend to two hundred and fifty rupees.

(3) An offence punishable under this section shall be cognizable.

***33. Penalty for disorderly conduct in or near polling stations.-** (1) No person shall, on the date or dates on which a poll is taken at any polling station.-

- (a) use or operate within or at the entrance of the polling station, or in any public or private place in the neighbourhood thereof, any apparatus for amplifying or reproducing the human voice, such as megaphone or a loudspeaker; or
- (b) shout, or otherwise act in a disorderly manner within or at the entrance of the polling station or in any public or private places in the neighbourhood thereof, so as to cause annoyance to any person visiting the polling station for the poll, or so as to interfere with the work of the officers and other persons on duty at the polling station.

(2) Any person who contravenes, or wilfully aids or abets the contravention of, the provisions of sub-section (1) shall be punishable with imprisonment which may extend to three months or with fine or with both.

* The section came into force on the 12th day of September 1974 vide Extraordinary Gazette No.122 dated 12th September 1974.

(3) If the presiding officer of a polling station has reason to believe that any person is committing or has committed an offence punishable under this section, he may direct any police officer to arrest such person, and thereupon the police officer shall arrest him.

(4) Any police officer may take such steps and use such force, as may be reasonably necessary for preventing any contravention of the provisions of sub-section (1) and may seize any apparatus used for such contravention.

34. *Penalty for misconduct at the polling station.- (1) Any person who during the hours fixed for the poll at any polling station misconducts himself or fails to obey the lawful directions of the presiding officer may be removed from the polling station by the presiding officer or by any police officer on duty or by any person authorised in this behalf by such presiding officer.

(2) The powers conferred by sub-section (1) shall not be exercised so as to prevent any elector who is otherwise entitled to vote at a polling station from having an opportunity of voting at that station.

(3) If any person who has been so removed from a polling station re-enters the polling station without the permission of the presiding officer, he shall be punishable with imprisonment for a term, which may extend to three months, or with fine, or with both.

(4) An offence punishable under sub-section (3) shall be cognizable.

35. *Penalty for illegal hiring or procuring of conveyances at elections.- If any person is guilty of any such corrupt practice as is specified in clause (6) of section 25 at or in connection with an election, he shall be punishable with fine which may extend to one thousand rupees.

36. *Breaches of official duty in connection with election.- (1) If any person to whom this section applies is without reasonable cause guilty of any act or omission in breach of his official duty, he shall be punishable with fine which may extend to five hundred rupees.

(2) An offence punishable under sub-section (1) shall be cognizable.

(3) No suit or other legal proceeding shall lie against any such person for damages in respect of any such act or omission as aforesaid.

* The section came into force on the 12th day of September 1974 *vide* Extraordinary Gazette No.122 dated 12th September 1974.

(4) The persons to whom this section applies are the returning officers, assistant returning officers, presiding officers, polling officers and any other persons appointed to perform any duty in connection with receipt of nominations or withdrawal of candidatures, or the recording or counting of votes at an election; and the expression "official duty" shall, for the purposes of this section, be construed accordingly, but shall not include duties imposed otherwise than by or under this Act.

37. *Penalty for municipal and Government servants, etc., for acting as election agent, polling agent or counting agent.- If any person in the service of the Central Government or of any State Government or of a local authority or of any institution or class of institutions notified by the Government in this behalf, acts as an election agent or a polling agent or a counting agent of candidate at an election, he shall be punishable with imprisonment for a term which may extend to three months, or with fine, or with both.

38. *Removal of ballot papers from polling stations to be an offence.- (1) Any person who at any election fraudulently takes or attempts to take, a ballot paper out of a polling station, or wilfully aids or abets the doing of any such act shall be punishable with imprisonment for a term which may extend to one year, or with fine which may extend to five hundred rupees, or with both.

(2) If the presiding officer of a polling station has reason to believe that any person is committing or has committed an offence punishable under sub-section (1), such officer may, before such person leaves the polling station, arrest or direct a police officer to arrest such person and may search such person or cause him to be searched by a police officer:

Provided that when it is necessary to cause a woman to be searched, the search shall be made by another woman with strict regard to decency.

(3) Any ballot paper found upon the person arrested on search shall be made over for safe custody to a police officer by the presiding officer, or when the search is made by a police officer, shall be kept by such officer in safe custody.

(4) An offence punishable under sub-section (1) shall be cognizable.

* The section came into force on the 12th day of September 1974 *vide* Extraordinary Gazette No.122 dated 12th September 1974.

***39. Other offences and penalties therefor.-** (1) A person shall be guilty of an electoral offence if at any election, he.-

- (a) fraudulently defaces or fraudulently destroys any nomination paper; or
- (b) fraudulently defaces, destroys or removes any list, notice or other document affixed by or under the authority of a returning officer; or
- (c) fraudulently defaces or fraudulently destroys any ballot paper or the official mark on any ballot paper or any declaration of identity or official envelope used in connection with voting by postal ballot; or
- (d) without due authority supplies any ballot paper to any person or receives any ballot paper from any person or is in possession of any ballot paper; or
- (e) fraudulently puts into any ballot box anything other than the ballot paper which he is authorised by law to put in; or
- (f) without due authority destroys, takes opens or otherwise interferes with any ballot box or ballot papers then in use for the purposes of the election; or
- (g) fraudulently or without due authority as the case may be, attempts to do any of the foregoing acts or wilfully aids or abets the doing of any such acts.

(2) Any person guilty of an electoral offence under this section shall –

- (a) if he is a returning officer or an assistant returning officer or a presiding officer at a polling station or any other officer or clerk employed on official duty in connection with the election, be punishable with imprisonment for a term which may extend to two years, or with fine, or with both.
- (b) if he is any other person, be punishable with imprisonment for a term which may extend to six months, or with fine, or with both.

* The section came into force on the 12th day of September 1974 *vide* Extraordinary Gazette No.122 dated 12th September 1974.

(3) For the purposes of this section, a person shall be deemed to be on official duty if his duty is to take part in the conduct of an election or part of an election including the counting of votes or to be responsible after an election for the used ballot papers and other documents in connection with such election, but the expression "official duty" shall not include any duty imposed otherwise than by or under this Act.

(4) An offence punishable under sub-section (2) shall be cognizable.

***40. Prosecution regarding certain election offences.-** No court shall take cognizance of any offence punishable under section 31 or under section 36 or under clause (a) of sub-section (2) of section 39 except on a complaint in writing made by order of, or under authority from, the Government.

(e) Requisitioning of property for election purposes

***41. Requisitioning of premises, vehicles, etc., for election purposes.-** (1) If it appears to the Government or to an officer authorised by it (which Government or the officer is hereinafter referred to as the requisitioning authority) that in connection with an election under this Act.-

(a) any premises other than residential buildings actually occupied are needed or are likely to be needed for the purpose of being used as a polling station or for the storage of ballot boxes after a poll have been taken; or

(b) any vehicle, vessel or animal is needed or is likely to be needed for the purpose of transport of ballot boxes to or from any polling station, or transport of members of the police force for maintaining order during the conduct of such election, or transport of any officer or other person for performance of any duties in connection with such election, the requisitioning authority may, by order in writing requisition such premises, or such vehicle, vessel or animal, as the case may be, and may make such further orders as may appear to it to be necessary or expedient in connection with such requisitioning:

Provided that no vehicle, vessel or animal which is being lawfully used for a candidate or his agent for any purpose connected with the election of such candidate shall be requisitioned under this sub-section until the completion of the poll at such election.

* The section came into force on the 12th day of September 1974 *vide* Extraordinary Gazette No.122 dated 12th September 1974.

(2) The requisition shall be effected by and order in writing addressed to the person deemed by the requisitioning authority to be the owner or person in possession of the property, and such order shall be served in the manner specified for the service of a notice under section 467 on the person to whom it is addressed.

(3) Whenever any property is requisitioned under sub-section (1), the period of such requisition shall not extend beyond the period for which such property is required for any of the purposes mentioned in that sub-section.

(4) In this section.-

- (a) "premises" means any land, building or part of a building and includes a hut, shed or other structure or any part thereof;
- (b) "vehicle" means any vehicle used or capable of being used for the purpose of road transport, whether propelled by mechanical power or otherwise.

***42. Payment of compensation.-** (1) Whenever in pursuance of section 41 the requisitioning authority requisitions any premises, the municipal council shall pay to the persons interested compensation, the amount of which shall be determined by the requisitioning authority by taking into consideration the following, namely.-

- (i) the rent payable in respect of the premises or if no rent is so payable, the rent payable for similar premises in the locality;
- (ii) if in consequence of the requisition of the premises the person interested is compelled to change his place of business, the reasonable expenses, if any, incidental to such change:

Provided that where any person interested, being aggrieved by the amount of compensation so determined makes an application to the Government within one month from the date of service of the order determining the compensation for referring the matter to an arbitrator, the amount of compensation to be paid shall be such as the arbitrator appointed in this behalf by the Government may determine:

* The section came into force on the 12th day of September 1974 *vide* Extraordinary Gazette No.122 dated 12th September 1974.

Provided further that where there is any dispute as to the title to receive the compensation or as to the apportionment of the amount of compensation it shall be referred by the requisitioning authority to an arbitrator appointed in this behalf by the Government for determination, and shall be determined in accordance with the decision of such arbitrator.

Explanation. – In this sub-section, the expression “person interested” means the person who was in actual possession of the premises requisitioned under section 41 immediately before the requisition, or where no person was in such actual possession, the owner of such premises.

(2) Whenever in pursuance of section 41 the requisitioning authority requisitions any vehicle vessel or animal, there shall be paid by the municipal council to the owner thereof compensation, the amount of which shall be determined by the requisitioning authority on the basis of the fares or rates prevailing in the locality for the hire of such vehicle, vessel or animal:

Provided that where the owner of such vehicle vessel or animal being aggrieved by the amount on compensation so determined, makes an application to the requisitioning authority within one month from the date of service of the order determining the compensation for referring the matter to an arbitrator, the amount of compensation to be paid shall be such as the arbitrator appointed in this behalf by the Government may determine:

Provided further that where immediately before the requisitioning, the vehicle or vessel was by virtue of a hire purchase agreement in the possession of a person other than the owner, the amount determined under this sub-section as the total compensation payable in respect of the requisition shall be apportioned between that person and the owner in such manner as they may agree upon, and in default of agreement, in such manner as an arbitrator appointed by the Government in this behalf may decide.

***43. Power to obtain information.**– The requisitioning authority may, with a view to requisitioning any property under section 41 or determining the compensation payable under section 42 by order, require any person to furnish to such authority as may be specified in the order such information in his possession relating to such property as may be so specified.

* The section came into force on the 12th day of September 1974 *vide* Extraordinary Gazette No.122 dated 12th September 1974.

***44. Power of entry into and inspection of premises etc.-** (1) Any person authorised in this behalf by the requisitioning authority may enter into any premises and inspect such premises and any vehicle, vessel or animal therein for the purpose of determining whether, and if so in what manner, an order under section 41 should be made in relation to such premises, vehicle, vessel or animal or with a view to securing compliance with any order made under that section.

(2) In this section, the expressions 'premises' and 'vehicle' have the same meanings as in section 41.

***45. Eviction from requisitioned premises.-** (1) Any person remaining in possession of any requisitioned premises in contravention of any order made under section 41 may be summarily evicted from the premises by any officer empowered by the requisitioning authority in this behalf.

(2) Any officer so empowered may, after giving to any woman not appearing in public reasonable warning and facility to withdraw, remove or open any lock or blot or break open any door of any building or do any other act necessary for effecting such eviction.

***46. Release of premises from requisition.-**(1) When any premises requisitioned under section 41 are to be released from requisition, the possession thereof shall be delivered to the person from whom possession was taken at the time when the premises were requisitioned, or if there were no such person, to the person deemed by the requisitioning authority to be the owner of such premises, and such delivery of possession shall be a full discharge of the requisitioning authority from all liabilities in respect of such delivery, but shall not prejudice any right in respect of the premises which any other person may be entitled by due process of law to enforce against the person to whom possession of the premises is so delivered.

(2) Where the person to whom possession of any premises requisitioned under section 41 is to be given under sub-section (1) cannot be found or is not readily ascertainable or has no agent or any other person empowered to accept delivery on his behalf, the requisitioning authority shall cause a notice declaring that such premises are released from requisition to be affixed on some conspicuous part of such premises and publish the notice in the Official Gazette.

* The section came into force on the 12th day of September 1974 vide Extraordinary Gazette No.122 dated 12th September 1974.

(3) When a notice referred to in sub-section (2) is published in the Official Gazette, the premises specified in such notice shall cease to be subject to requisition on and from the date of such publication and be deemed to have been delivered to the person entitled to possession thereof and the requisitioning authority shall not be liable for any compensation or other claim in respect of such premises for any period after the said date.

**47. Penalty for contravention of any order regarding requisitioning.* – If any person contravenes any order made under section 41 or section 43, he shall be punishable with imprisonment for a term which may extend to one year, or with fine, or with both.

(f) Dispute regarding elections.

**48. Election petition.-* (1) No election held under this Act shall be called in question except by an election petition which shall be presented in such manner as may be prescribed.

(2) An election petition calling in question any election may be presented on one or more of the grounds specified in sub-section (1) of section 56 and section 57 to the tribunal by any candidate at such election or by any person entitled to vote at such election, within thirty days from, but not earlier than the date of election of the returned candidate or if there are more than one returned candidates at the election and the dates of their election are different, the later of those two dates.

**49. Parties to the petition.-* A petitioner shall join as respondents to his petition.-

(a) where the petitioner claims a declaration under clause (b) of section 51 all the contesting candidates other than the petitioner and in any other case all the returned candidates; and

(b) any other candidate against whom allegations of any corrupt practice are made in the petition.

* The section came into force on the 12th day of September 1974 *vide* Extraordinary Gazette No.122 dated 12th September 1974.

***50. Contents of the petition.-** (1) An election petition.-

- (a) shall contain a concise statement of the material facts on which the petitioner relies;
- (b) shall set forth full particulars of any corrupt practice that the petitioner alleges, including as full a statement as possible of the names of the parties alleged to have committed such corrupt practice and the date and place of the commission of each such practice; and
- (c) shall be signed by the petitioner and verified in the manner laid down in the Code of Civil Procedure, 1908 (Central Act 5 of 1908) for the verification of pleadings:

Provided that where the petitioner alleges any corrupt practice, the petition shall also be accompanied by a affidavit in the prescribed form in support of the allegation of such corrupt practice and the particulars thereof.

(2) Any schedule or annexure to the petition shall also be signed by the petitioner and verified in the same manner as the petition.

***51. Relief that may be claimed by the petitioner.-** A petitioner may claim all or any of the following declarations, namely.-

- (a) that the election of all or any of the returned candidates is void; or
- (b) that the election of all or any of the returned candidates is void and that he himself or any other candidate has been duly elected;
- (c) that the election as a whole is void.

***52. Election tribunal.-** The Government shall appoint, by notification, any member of the judicial service not below the rank of the Subordinate Judge as an election tribunal for the trial of petitions in respect of an election under this Act. The tribunal shall deal with such petitions and proceedings in connection therewith in the prescribed manner.

* The section came into force on the 12th day of September 1974 *vide* Extraordinary Gazette No.122 dated 12th September 1974.

***53. Powers of the tribunal.-** The tribunal shall have all the powers which are vested in a court under the Code of Civil Procedure, 1908 (Central Act 5 of 1908), when trying a suit in respect of the following matters, namely .-

- (a) discovery and inspection;
- (b) enforcing the attendance of witnesses and requiring the deposit of their expenses;
- (c) compelling the production of documents;
- (d) examining witnesses on oath;
- (e) granting adjournments;
- (f) reception of evidence taken on affidavit; and
- (g) issuing commissions for the examination of the witnesses, and may summon and examine *suo motu* any person whose evidence appears to it to be material, and shall be deemed to be a civil court within the meaning of sections 480 and 482 of the Code of Criminal Procedure 1898** (Central Act 5 of 1898).

54. Decision of the tribunal.- At the conclusion of the trial of an election petition, the tribunal shall make an order.-

- (a) dismissing the election petition, or
- (b) declaring the election of all or any of the returned candidates to be void, or
- (c) declaring the election of all or any of the returned candidates to be void and the petitioner or any other candidate to have been duly elected; or
- (d) declaring the election to be wholly void.

***55. Other orders to be made by the tribunal.-** At the time of making an order under section 54 the tribunal shall also make an order.-

(a) where any charge is made in the petition of any corrupt practice having been committed at the election, recording.-

- (i) a finding whether any corrupt practice has or has not been proved to have been committed at the election and the nature of that corrupt practice; and

* The section came into force on the 12th day of September 1974 *vide* Extraordinary Gazette No.122 dated 12th September 1974.

** Now, Sections 345 (1) and 346 of the Code of Criminal Procedure, 1973 (Central Act 2 of 1974).

- (ii) the names of all person, if any, who have been proved at the trial to have been guilty of any corrupt practice and the nature of that practice; and

(b) fixing the total amount of costs payable and specifying the persons by and to whom costs shall be paid:

Provided that a person who is not a party to the petition shall not be named in the order under sub-clause (ii) of clause (a) unless -

- (i) he has been given notice to appear before the tribunal and to show cause why he should not be so named, and
- (ii) if he appears in pursuance of the notice, he has been given an opportunity of cross-examining any witness who has already been examined by the tribunal and has given evidence against him, of calling evidence in his defence and of being heard.

***56. Grounds for declaring election to be void.-** (1) Subject to the provisions of sub-section (2) if the tribunal is of opinion.-

- (a) that on the date of his election a returned candidate was not qualified, or was disqualified, to be elected as a councillor under this Act; or
- (b) that any corrupt practice has been committed by a returned candidate or his election agent or by any other person with the consent of a returned candidate or his election agent; or
- (c) that any nomination has been improperly rejected; or
- (d) that the result of the election, in so far as it concerns a returned candidate, has been materially affected, ---
 - (i) by the improper acceptance of any nomination, or
 - (ii) by any corrupt practice committed in the interests of the returned candidate (by an agent other than his election agent), or
 - (iii) by the improper reception, refusal or rejection of any vote or the reception, of any vote which is void, or
 - (iv) by any non-compliance with the provisions of this Act or any rules or orders made under this Act,

the tribunal shall declare the election of the returned candidate to be void.

* The section came into force on the 12th day of September 1974 *vide* Extraordinary Gazette No.122 dated 12th September 1974.

(2) If in the opinion of the tribunal, a returned candidate has been guilty by an agent, other than his election agent, of any corrupt practice but the tribunal is satisfied.-

- (a) that no such corrupt practice was committed at the election by the candidate or his election agent, and every such corrupt practice was committed contrary to the orders, and without the consent of the candidate or his election agent;
- (b) that the candidate and his election agent took all reasonable means for preventing the commission of corrupt practices at the election; and
- (c) that in all other respects the election was free from any corrupt practice on the part of the candidate or any of his agents, then the tribunal may decide that the election of the returned candidate is not void.

***57. Grounds for which a Candidate other than the returned candidate may be declared to have been elected.-** If any person who has lodged a petition has, in addition to, calling in question the election of the returned candidate, claimed a declaration that he himself or any other candidate has been duly elected and the tribunal is of opinion.-

(a) that in fact the petitioner or such other candidate received a majority of the valid votes; or

(b) that but for the votes obtained by the returned candidate by corrupt practices the petitioner or such other candidate would have obtained a majority of the valid votes, the tribunal shall after declaring the election of the returned candidate to be void declare the petitioner or such other candidate, as the case may be, to have been duly elected.

***58. Procedure in case of an equality of votes.-** If during the trial of an election petition it appears that there is an equality of votes between any candidates at the election and that the addition of a vote would entitle any of those candidates to be declared elected, then.-

(a) any decision made by the returning officer under the provisions of this Act shall, in so far as it determines the question between those candidates, be effective also for the purposes of the petition; and

* The section came into force on the 12th day of September 1974 *vide* Extraordinary Gazette No.122 dated 12th September 1974.

(b) in so far as that question is not determined on such a decision the tribunal shall decide between them by lot and proceed as if the one on whom the lot then falls had received an additional vote.

59. *Communication of the orders of the tribunal and the transmission of the records of the case to the election authority.- The tribunal shall send a copy of its orders made under section 54 or section 55 unless an appeal is preferred therefrom, in which case, a copy of the order of the High Court, along with the records of the case, to the election authority.

60. *Appeal against the order of the tribunal.- An appeal from an order passed by the tribunal under section 54 or section 55 shall lie to the High Court:

Provided that no such appeal shall be heard by the High Court unless it is filed within thirty days from the date of the order of the tribunal.

61. *Orders of the tribunal to be final and conclusive. --- Every order of the tribunal made under this Act and unless an appeal is preferred therefrom to the High Court under section 60 shall be final and conclusive.

62. *Orders when to take effect. - An order of the tribunal under section 54 or section 55 shall take effect immediately after the expiry of the period of an appeal unless an appeal is preferred therefrom, in which case the order of the High Court shall take effect as soon as it is pronounced.

63. *Disqualification of persons convicted of election offences. - Every person convicted of any of the offences punishable under sections 26 to 39 or under Chapter X-A of the Indian Penal Code, 1860 (Central Act 45 of 1860) shall be disqualified from voting or from being elected in any election to which this Act applies or from holding the office of municipal councillor for a period of five years from the date of his conviction.

* The section came into force on the 12th day of September 1974 *vide* Extraordinary Gazette No.122 dated 12th September 1974.

(g) *Miscellaneous.*

***64. Publication of the results of election.-** (1) Where a general election is held for the purpose of constituting new municipal council there shall be notified by the election authority in the Official Gazette, as soon as may be after the date ordinarily fixed for the completion of the election, under the provisions of this Act or of the rules made thereunder, the names of the members elected for the various wards of each municipal council by that date and upon the issue of such notification that municipal council shall be deemed to be duly constituted:

Provided that the issue of such notification shall not be deemed.-

- (a) to preclude the completion of the election in any ward or wards for which poll could not be taken for any reason on the date originally fixed for the purpose; or
- (b) to affect the duration of the municipal council, if any, functioning immediately before the issue of the said notification.

(2) Where a bye-election is held for the purpose of filling the vacancy of any seat or seats in a municipal council, there shall be notified by the election authority in the Official Gazette as soon as may be after the date originally fixed for the completion of the election under the provision of this Act or of the rules made thereunder the name or names of the member elected for the ward or wards by that date.

❖[64-A. *Special procedure for preventing personation of electors.* -- With a view to preventing personation of electors provisions may be made by rules made under this Act, --

(a) for the marking with indelible ink on the little finger of every elector who applies for a ballot paper or ballot papers for the purpose of voting at a polling station before delivery of such paper or papers to him;

(b) for the production before the presiding officer or a polling officer of a polling station by every such elector as aforesaid of his identity card before the delivery of a ballot paper or ballot papers to him, if electors of the municipal wards in which the polling station is situated have been supplied with identity cards with or without their respective photographs attached thereto; and

* The section came into force on the 12th day of September 1974 *vide* Extraordinary Gazette No.122 dated 12th September 1974.

❖ Inserted vide Act No.9 of 2001 which came into force with effect from 22.10.2001 and published in the Extraordinary Gazette Part II No.23 dated 30.10.2001.

(c) for prohibiting the delivery of any ballot paper to any person for voting at a polling station if at the time such person applies for such paper he has already such a mark on his little finger or does not produce on demand his identity card before the presiding officer or a polling officer of the polling station.]

❖[64-B. *Voting machines at elections.*- Notwithstanding anything contained in this Act or the rules made thereunder, the giving and recording of votes by voting machines in such manner as may be prescribed, may be adopted in such Municipal Ward or Wards as the Election Commission may, having regard to the circumstances of each case, specify.

Explanation. – For the purpose of this section, ‘voting machine’ means any machine or apparatus whether operated electronically or otherwise used for giving or recording of votes and any reference to a ballot box or ballot paper in this Act or the rules made thereunder shall, save as otherwise provided, be construed as including a reference to such voting machine wherever such voting machine is used at any election].

*65. *Power to make rules regulating elections.* – (1) The Government may, by notification, make rules generally to provide for or to regulate matters in respect of elections to be held under this Act.

(2) In particular and without prejudice to the generality of the foregoing powers, such rules may provide for all or any of the following matters, namely.-

- (a) maintenance of the electoral rolls and their publications;
- (b) notification of the elections;
- (c) administrative machinery for the conduct of elections;
- (d) the nominations of candidates, form of nomination paper, objections to nominations, scrutiny of nominations;
- (e) the deposits to be made by candidates and circumstances under which such deposits may be refunded to candidates or forfeited to the council;
- (f) the assignment of symbols to candidates;

❖ Inserted vide Act No.9 of 2001 which came into force with effect from 22.10.2001 and published the Extraordinary Gazette Part II No.23 dated 30.10.2001.

* The section came into force on the 12th day of September 1974 vide Extraordinary Gazette No.122 dated 12th September 1974.

- (g) the withdrawal of candidatures;
- (h) the appointment of agents of candidates;
- (i) the form of ballot paper;
- (j) the procedure in contested and uncontested elections;
- (k) the steps to be taken to prevent personation of voters.
- (l) the manner of recording votes;
- ✦ [(ll) The manner of giving and recording votes by means of voting machines and procedure as to voting to be followed at polling stations where such machines are used.]
- (m) the procedure to be followed in respect of challenged votes and tendered votes;
- ✦ [(mm) the procedure as to counting of votes recorded by means of voting machines].
- (n) the scrutiny of votes, counting or re-counting of votes, declaration of results and procedure in case of equality of votes;
- (o) the custody and disposal of papers relating to elections;
- (p) the circumstance in which poll may be suspended or held afresh;
- (q) appointment of tribunal procedure for filing election petitions including deposit of security and costs of election petition;
- (r) any other matter relating to elections which is to be or may be prescribed under this Act.

66. *Jurisdiction of civil courts barred.- No civil court shall have jurisdiction to question the legality of any action or of any decision given by the returning officer or by any other person appointed under this Act in connection with an election.

✦ Inserted vide Act No.9 of 2001 which came into force with effect from 22.10.2001 and published the Extraordinary Gazette Part II No.23 dated 30.10.2001.

* The section came into force on the 12th day of September 1974 vide Extraordinary Gazette No.122 dated 12th September 1974.

CHAPTER - V

POWERS AND FUNCTIONS OF MUNICIPAL AUTHORITIES

(a) *Council*

***67. Vesting of municipal administration in the council.-** (1) Subject to the provisions of this Act, the municipal administration shall vest in the council, and for this purpose the council shall exercise such powers and perform such functions as may be conferred upon it by or under this Act:

Provided that the council shall not be entitled to exercise the powers or to perform the functions which are expressly assigned by or under this Act or any other law to the Chairman, a committee or the Commissioner.

(2) In addition to the duties imposed upon it by or under this Act or any other law for the time being in force, unless the Government otherwise directs, it shall be the duty of every council to undertake and to make reasonable provision for the following matters within the limits of the municipal area, and when effective measures, cannot otherwise be made then even outside the said limits, namely.-

- (a) lighting public streets, places and buildings;
- (b) watering public streets and places;
- (c) cleansing public streets, places and sewers, and all spaces, not being private property, which are open to the enjoyment of the public, whether such spaces are vested in the council or not; removing noxious vegetation; and abating all public nuisances;
- (d) extinguishing fire, and protecting life and property when fire occur;
- (e) regulating or abating offensive or dangerous trades or practices;
- (f) removing obstructions and projections in public streets or places and in spaces, not being private property, which are open to the enjoyment of the public, whether such spaces are vested in the council or in Government;

* The section came into force on the 26th day of January 1974 *vide* Extraordinary Gazette No.11 dated 17th January 1974.

- (g) securing or removing dangerous buildings or places, and reclaiming of unhealthy localities;
- (h) acquiring, maintaining, changing and regulating places for the disposal of the dead;
- (i) constructing, altering and maintaining public streets, culverts, municipal boundary marks, markets, slaughter-houses, latrines, privies, urinals, drains, sewers, drainage-works, sewerage works, baths, washing places, drinking fountains, tanks, wells, dams and the like;
- (j) obtaining a supply or an additional supply of water proper and sufficient for preventing danger to the health of the inhabitants from the insufficiency or unwholesomeness of the existing supply, when such supply or additional supply can be obtained at a reasonable cost;
- (k) naming streets and numbering of premises;
- (l) public vaccination;
- (m) suitable accommodation for any calves, cows or buffaloes required within the municipal area for the supply of animal lymph;
- (n) printing such annual reports on the municipal administration of the municipality as the Government may by general or special order, require the council to submit;
- (o) erecting substantial boundary marks of such description and in such position as shall be approved by the Collector, defining the limits or any alteration in the limits of the municipal area;
- (p) disposing of night-soil and rubbish and if so required by the Government, preparation of compost manure from such night-soil and rubbish;
- (q) providing special medical aid and accommodation from the sick in time of dangerous of communicable disease and taking such measures as may be required to prevent the outbreak or to suppress and prevent the recurrence of such disease;
- (r) giving relief and establishing and maintaining relief works in time of scarcity or for destitute persons within the limits of the municipal area;
- (s) imposing compulsory taxes which are specified in section 118.

(3) A council may, at its discretion, provide either wholly or partly, out of the municipal property and funds for:-

- (a) laying out, whether in areas previously built upon or not, new public streets, and acquiring the land for that purpose and land required for the construction of buildings or curtilages thereof to about on such streets;
- (b) establishing or maintaining libraries, museums, lunatic asylums, gymnasiums, akhadas, and homes for disabled and destitute persons, and constructing and maintaining buildings therefor, along with such other public buildings like town halls, municipal offices, shops, dharmashalas, theatres, stadia and rest houses;
- (c) laying out or maintaining public parks and gardens, and also planting and maintaining roadside and other trees;
- (d) providing music for the people;
- (e) taking a census, and granting rewards for information which may tend to secure the correct registration of vital statistics;
- (f) making a survey;
- (g) arranging for the destruction or the detention and preservation of dogs which may be destroyed or detained under section 340 or under any other law for the time being in force in the Union territory;
- (h) securing or assisting to secure suitable places for the carrying on of the offensive trades specified in section 355;
- (i) supplying, constructing and maintaining, in accordance with a general system approved by the Government, receptacles, fittings, pipes and other appliances whatsoever, on or for the use of private premises, for receiving and conducting the sewage thereof into sewers under the control of the council;
- (j) acquisition and maintenance of grazing grounds; and the establishment and maintenance of dairy farms and breeding studs;
- (k) establishing and maintaining a farm or factory for the disposal of sewage;

- (l) promoting the well-being of municipal employees or any class of municipal employees and of their dependants;
- (m) providing accommodation for servants employed by the council;
- (n) construction of sanitary dwelling for the poorer classes or other measures connected with slum clearance;
- (o) purchase, organisation, maintenance extension and management of mechanically propelled transport facilities for the conveyance of the public;
- (p) making contributions towards the construction, establishment or maintenance of libraries and museums and institutions providing for public medical relief, or any other institution of a charitable nature and making contribution towards any public funds raised for the relief of human suffering within or without, the municipal area;
- (q) setting up of dairies or farms for the supply, distribution and processing of milk or milk products for the benefit of the inhabitants of the municipal area;
- (r) any public reception, ceremony, fair entertainment or exhibition within the municipal areas;
- (s) any other measure not specified in sub-section (2) likely to promote public safety, health and convenience as may be prescribed.

(4) No suit for damages or for specific performance shall be maintainable against any council or any councillor or officer or servant thereof on the ground that any of the duties specified in sub-section (2) above have not been performed.

(5) Every council shall also, out of the municipal property and fund, make payments at such rates as the Government may, from time to time by general or special order, specify for the maintenance and treatment either in the municipal area or at any asylum, hospital or house, whether within or without such municipal area, which the Government may, by notification declare to be suitable for such purpose.-

- (a) of lunatics not being persons for whose confinement an order under Chapter XXXIV of the Code of Criminal Procedure, 1898* (Central Act 5 of 1898) is in force and
- (b) of leprosy patients, resident within, or under any enactment for the time being in force removed from, the municipal area:

* Now, the Code of Criminal Procedure, 1973.

Provided that the council shall not be liable under this sub-section for the maintenance and treatment of any lunatic or leprosy patient in any such asylum, hospital or house as aforesaid, unless such lunatic or leprosy patient, immediately previous to his admission thereto, has been resident in the municipality for at least one year:

Provided further that where an application is made to the High Court or a District Court under the provisions of section 88 of the Indian Lunacy Act 1912 (Central Act 4 of 1912), no order for the payment of the cost of maintenance of the lunatic by a council shall be made without an opportunity being given to such council to show that the lunatic has an estate applicable to his maintenance or that there is a person legally bound, and having the means, to maintain him. The officer in charge of any asylum to which lunatics for whose maintenance and treatment a council is liable under this section are admitted shall maintain a clear account of the cost of maintenance and treatment incurred on account of each lunatic detained in the asylum and shall furnish a copy thereof to the council on application.

(6) Where a council has entered into any arrangement or made any promise, purporting to bind it or its successors for a term of years or for an unlimited period to continue to any educational or charitable institution a yearly contribution from the municipal property or fund, it shall be lawful for council or its successors, with the sanction of the Government, to cancel such arrangement or promise, or to discontinue, or to diminish such yearly contribution, provided that at least twelve months, notice shall be given of its intention so to do to the person or persons charged with the responsibility for the management of such institution.

***68. Council's power to call for records in Commissioner's custody.-** (1) The council or any standing committee may at any time require the Commissioner to produce any document which is in his custody.

(2) The Commissioner shall comply with every such requisition, unless in his opinion immediate compliance therewith would be prejudicial to the interests of the council or of the public, in which case he shall make a declaration in writing to that effect and shall, if required by the council or the standing committee, as the case may be, refer the question to the Government whose decision shall be final.

* The section came into force on the 26th day of January 1974 vide Extraordinary Gazette No.11, dated 17th January 1974.

***69. Council's power to call for records of committees.-** The municipal council may at any time call for the proceedings of a standing committee or of any other committee or for any return statement, account or report connected with any matter with which such committee is empowered to deal, and every such requisition shall be complied with by the Commissioner.

***70. Appointment of committees.-** (1) A municipal council may constitute committees or appoint individual councillors to inquire into and report or advice on any matter which it may refer to them.

(2) Notwithstanding anything contained in sub-section (1) the Government shall have power.-

- (a) to direct any municipal council or any class of municipal councils to constitute standing committees for such purposes as the Government thinks fit; and
- (b) to determine by rules the constitution, powers and procedure of such committees or standing committees.

***71. Appointment of special committees.-** (1) It shall be lawful for the council from time to time by a resolution supported by not less than one-half of the sanctioned strength of the council to appoint as members of any committee any persons who are not councillors but who may in the opinion of such council possess special qualifications for serving on such committee; but the number of persons so appointed on any committee shall not exceed one-third of the total number of member of such committee.

(2) All the provisions of this Act, relating to the duties, powers, liabilities and disqualifications and disabilities of councillors shall, save as regards the disqualification on the ground of residence, be applicable so far as may be, to such persons.

***72. Provisions in regard to meeting of council, etc.-** The following provisions shall be observed with respect to the meetings of the municipal council.-

(1) The municipal council shall meet in the municipal office for the transaction of business at least once in every month, upon such days and at such times as it may arrange and also at other times as often as a meeting shall be called by the Chairman:

* The section came into force on the 26th day of January 1974 vide Extraordinary Gazette No.11, dated 17th January 1974.

Provided that no meeting shall be held on a public holiday.

Explanation.- The expression "public holiday" includes Sundays and any other day declared by the Government by notification to be a public holiday.

(2) (a) No meeting shall be held unless notice of the day and time when the meeting is to be held and of the business to be transacted thereat has been given at least three clear days before the day of the meeting.

(b) In cases of urgency the Chairman may convene a meeting on giving shorter notice than that specified in sub-clause (a).

(c) The agenda for the meeting shall be prepared by the Commissioner in consultation with the Chairman. The Commissioner may include in the agenda any subject which in his opinion should be considered by the council and shall include therein any subject specified by the Chairman. On any subject included in the agenda, the Chairman as well as the Commissioner shall have the right of recording their views in a note and such note shall be circulated to the councillors or placed before the council before or at the time of the consideration of such subject by the council.

(3) (a) The Chairman shall, on the requisition in writing of not less than one-third of the members then on the council, convene a meeting of the council, provided that the requisition specifies the day [not being a day on which a meeting cannot be held by virtue of clause (1)] when, and the purpose for which, the meeting is to be held. Only urgent matters of local importance relating to municipal administration which cannot wait till the next ordinary or urgent meeting shall be considered at special meetings and not more than one subject shall be considered at such meetings. The requisition shall be delivered at the municipal office hours to the Chairman, Commissioner, manager or any other person who may then be in charge of the office, at least ten clear days before the day of the meeting.

(b) If the Chairman fails within forty-eight hours from the delivery of such requisition to call a meeting on the day specified therein, or within three days thereafter, the meeting may be called by the members who signed the requisition on giving the notice provided for in sub-clause (a) of clause (2) to the other members of the council.

(4) All meetings of the council shall be open to the public, provided that the presiding member may and at the request of the council shall in any particular case, for reasons to be recorded in the minute book kept under clause (9), direct that the public generally, or any particular person shall withdraw.

(5) All questions which may come before the council at any meeting shall be decided by a majority of the members present and voting, at the meeting and , in every case of equality of voting, the presiding member shall have and exercise a second or casting vote.

(6) The quorum to constitute a meeting of the council shall be six members or one-third of the sanctioned number of members of the council, whichever is greater.

(7) If within half an hour after the time appointed for a meeting a quorum is not present, the meeting shall stand adjourned, unless all the members present agree to wait longer.

(8) No resolution of the council shall be modified or cancelled within three months after the passing thereof except at a meeting specially convened in that behalf and by a resolution of the council supported by not less than one-half of the sanctioned number of members.

(9) (a) Minutes of the proceeding at each meeting of the council shall be.-

- (i) drawn up;
- (ii) entered in a book to be kept for that purpose; and
- (iii) signed by the presiding member or in his absence by someone of the members present thereat.

(b) The minutes so signed shall be deemed to be the correct record of such proceedings.

(c) Such minutes shall, at all reasonable times and without charge, be open at the municipal office to the inspection of any person who pays any tax under this Act to the municipality.

(10) An authenticated copy, in the language or languages as may be prescribed, of the minutes of the proceedings at the meeting –

(a) shall, within three days of the date of such meeting, be forwarded by the Chairman to.-

- (i) the Director along with minutes of dissent, if any, that may be forwarded to the Chairman within forty-eight hours of the meeting by any councillor who was present at such meeting; and
- (ii) such other officer as the Government may, by general or special order, specify in this behalf; and

(b) shall be affixed to the notice-board of the municipal office.

(11) Relevant extracts of the minutes of the said proceedings shall be sent to the heads of departments of the Government and to the superintending officers appointed under sub-section (2) of section 106 for information and necessary action.

(12) The Commissioner shall have the custody of the proceedings and records of the council and may grant copies of any such proceeding and records on payment of such fees as the council may, by general or special order, determine. Copies shall be certified by the Commissioner as provided in section 76 of the Indian Evidence Act, 1872 (central Act, 1 of 1872) and copies so certified may be used to prove the records of the council in the same manner as they may under clause (5) of section 78 of the said Act, be used to prove the proceedings of that body.

(13) The committee constituted by the council under section 70 or section 71 as well as the committees constituted under sub-section (1) of section 85 shall meet in the office provided by the municipal council in clause (1).

(14) The proceedings of every committee appointed by the council shall be recorded in writing and submitted to the council.

(15) The council may also make, in regard to the matters specified below, regulations not inconsistent therewith or with other provisions of this Act or of any rules made thereunder —

- (a) the time and place of its meetings;
- (b) the manner in which notice thereof shall be given;
- (c) the preservation of order and the conduct of proceedings at meetings, and the powers, which the Chairman may exercise for the purpose of enforcing his decision on points of order;

- (d) the division of duties among the members of the council;
- (e) the delegation of its powers, duties or functions ---
 - (i) to the Chairman, a councillor, an officer or a servant of the council or a servant of the Government; or
 - (ii) to a committee or standing committee constituted under this Act or to its Chairman or to any one or more of its members;
- (f) the persons by whom receipts may be granted for money paid to the council; and
- (g) all other similar matters.

***73. Appointment of joint committee.** — (1) A council may and if so required by the Government shall, join with one, or more than one, other local authority in constituting a joint committee for any purpose in which they are jointly interested or for any matter for which they are jointly responsible.

(2) A joint committee may include persons who are not members of the local authorities concerned but who may, in the opinion of the said local authorities, possess special qualifications or special interest for serving on such committee:

Provided that the number of such person shall not exceed one-third of the total number of members of the joint committee.

(3) The constitution of a joint committee shall be by means of regulations which shall not except in the cases referred to in sub-sections (6) and (7) have effect unless assented to by each of the local authorities concerned.

(4) The regulations shall determine ---

- (a) the total number of members of the joint committee;
- (b) the number who shall be members of the local authorities concerned and the number who may be outsiders;
- (c) the persons who shall be members of the joint committee or the manner in which they shall be elected or appointed;

* The section came into force on the 26th day of January 1974 vide Extraordinary Gazette No.11, dated 17th January 1974.

- (d) the person who shall be Chairman of the joint committee or the manner in which he shall be elected or appointed;
- (e) the term of office of members and Chairman;
- (f) the powers, being powers exercisable by one or more of the local authorities concerned, which may be exercised by the joint committee; and
- (g) the procedure of the joint committee.

(5) Regulations made under sub-section (3) and (4) may be varied or revoked provided that all the local authorities concerned assent to such variation or revocation.

(6) If the Government takes action under sub-section (1) it may issue such directions as it thinks necessary or desirable in respect of all or any of the matters referred to in sub-sections (3) and (4).

(7) If any difference of opinion arises between local authorities under any of the foregoing provisions of this section, it shall be referred to the Government whose decision shall be final.

***74. Acts of municipal councils, etc., not to be invalidated by informality, etc.-**
No act or proceeding of a municipal council or of a committee thereof or of any person acting as Chairman, Vice-Chairman or member of the municipal council or committee shall be deemed to be invalid or ever to have been invalid by reason only of a defect in the establishment of the municipality or committee or on the ground that the Chairman, Vice-Chairman or any member of the council or committee was not entitled to hold or continue in such office by reason of any disqualification or on the ground that it is discovered subsequently that the Chairman or Vice-Chairman or any member of the council took part in any proceeding or voted on any question or motion in contravention of section 95 or by reason of any irregularity or illegality in his election or appointment or in the service of any notice of meeting of the council or of any committee or by reason of such act having been done during the period of any vacancy in the office of Chairman, Vice-Chairman or member of the council or committee.

* The section came into force on the 26th day of January 1974 vide Extraordinary Gazette No.11, dated 17th January 1974.

***75. Vesting of public streets and appurtenances in the municipal council.-** (1) All public streets in any municipality, with the pavements, stones and other materials thereof, and all works, materials and other things provided for such streets, all sewers, drains, drainage works, tunnels and culverts, whether made at the cost of municipal fund or otherwise, in, alongside or under any street, whether public or private, and all works, materials and things appertaining thereto and all trees not being private property growing on public streets or by the side thereof shall vest in the municipal council.

(2) The Government may, by notification withdraw any such street, sewer, drain, drainage work, tunnel, culvert or tree from the control of the council and place the same under the control of the Public Works Department.

***76. Prohibition against removal of or causing damage to trees growing on public streets.-** (1) No person shall, except as permitted by rules made under this Act and except in accordance with the conditions imposed by any licence made requisite by such rules, fell, remove, destroy, lop or strip, bark, leaves or fruits from, or otherwise damage, any tree growing on any public street, if such tree does not vest in, or belong to, such person.

(2) Subject to the provisions of this Act and the rules made thereunder, a municipal council may also make such provision as it thinks fit for the planting and preservation of trees on the sides of all public streets within municipal limits.

***77. Duty of municipal council in respect of public streets withdrawn.-** Where any public street has been withdrawn from the control of a municipal council under sub-section (2) of section 75 and placed under the control of the Public Works Department of the Government, it shall be the duty of the municipal council to provide at the cost of the municipal fund, to such extent as the Government may, by general or special order, direct -

- (a) for the lighting, watering, scavenging, and drainage of such street;
- (b) for the provision, maintenance and repair of the drains and sewers in, alongside, or under such street;
- (c) for the provision, maintenance and repair of foot-ways attached to such street:

* The section came into force on the 26th day of January 1974 vide Extraordinary Gazette No.11, dated 17th January 1974.

Provided that where in the discharge of such duties it is necessary for the council to open and break up the soil or pavement of any such street, the council shall obtain the previous consent of such officer of the Public Works Department as the Government may, by general or special order, specify:

Provided further that in cases of emergency, the council may, without such consent, open and break up the soil or pavement of any such street, but shall, as far as practicable, restore such soil or pavement to the condition in which it was immediately before it was opened and broken up, and a report of the action so taken and the reasons therefor shall be sent forthwith to the officer specified under the foregoing proviso.

****78. Vacant lands belonging to Government situated in the municipality to be in the possession or under the control of the council.-*** (1) On and from the date of the commencement of this Act, all vacant lands belonging to or under the control of the Government situated within the local limits of a municipality, shall, subject to the provisions of sub-sections (2) and (3) and to such conditions as may be prescribed, be deemed to be in the possession or under the control of the council concerned for purposes of this Act.

Explanation. – For the purpose of this section “vacant land” includes a poramboke, donka or kunta.

(2) The council shall keep all such vacant lands free from encumbrances and shall restore the possession or control of any such land to the Government free of cost whenever it is required by the Government for its use or for any public purpose.

(3) The council shall not.–

- (a) construct or permit the construction of any building or other structure on any such vacant land;
- (b) use or permit the use of such vacant land for any permanent purpose;
or
- (c) alienate such vacant land to any third party,

unless the prior permission of the Government is obtained by the council therefor after furnishing such information as the Government may require including the usefulness of the land for any housing scheme.

* The section came into force on the 26th day of January 1974 vide Extraordinary Gazette No.11, dated 17th January 1974.

***79. Power of Government to transfer control of endowment to council.-** (1) The Government may, by notification, with the consent of a council, make over to the council the management and superintendence of any charitable endowment in respect of which powers and duties attach to the Government under the provisions of the law for the time being in force relating to endowments and charitable institutions and thereupon all powers and duties which attach to the Government in respect thereof shall attach to the council as if it had been specially named in the said law, and the council shall manage and superintend such endowment.

(2) The Government may, of its own motion, and by notification, resume the management and superintendence of any endowment made over to a council under sub-section (1), and, upon such resumption, all the powers and duties attaching to the council in respect of the endowment shall cease and determine.

***80. Collected sewage, etc., to belong to municipal council.-** All rubbish, sewage, filth and other matters collected by a municipal council under this Act shall belong to the council.

***81. Inventory of municipal property.-** (1) The Commissioner shall maintain an inventory of all immovable property owned by the municipal council or to which the council has a reversionary right.

(2) A copy of the said inventory shall be deposited in the office of the Director, and all changes shall be forthwith communicated to him.

***82. Limitation of power to accept property in trust.-** The council may accept trusts relating exclusively to the furtherance of any purpose to which the municipal fund may be applied.

***83. Objects not provided for by this Act.-** The Government may, with the consent of a municipal council, transfer to the council the management of any institution or the execution of any work not provided for by this Act, and it shall thereupon be lawful for the council to undertake such management or execution:

Provided that in every such case the funds required for such management or execution shall be placed at the disposal of the council by the Government.

* The section came into force on the 26th day of January 1974 vide Extraordinary Gazette No.11, dated 17th January 1974.

***84. Procedure for acquisition of immovable property under the Land Acquisition Act, 1894.** – (1) Any immovable property which any municipal authority is authorised by this Act to acquire may be acquired under the provisions of the Land Acquisition Act, 1894 (Central Act 1 of 1894) and on payment of compensation awarded under the said Act in respect of such property and of any other charges incurred in acquiring it, the said property shall vest in the council.

(2) Where a municipal authority proposes to acquire any immovable property otherwise than under the provisions of the Land Acquisition Act, 1894 (Central Act 1 of 1894), it shall obtain the previous approval of the Director, therefor. While according his approval, the Director shall determine the value at which the property is to be acquired and every such acquisition shall be subject to the previous sanction of the Government.

***85. Authority competent to contract and contractual powers of persons appointed by Government.**– (1) The power of making on behalf of the council all contracts whereof the value or amount does not exceed one thousand rupees shall be exercised by a committee consisting of the Chairman, the Commissioner and one member of the council elected by it.

(2) In respect of a contract whereof the value or amount exceeds one thousand rupees, the sanction of the council for the making thereof shall be obtained before the same is made.

(3) Notwithstanding anything contained in sub-sections (1) and (2), any person appointed by the Government to carry any work into execution on behalf of a municipal council may, subject to such control as the Government may prescribe, make such contracts as are necessary for the purpose of carrying such work into execution to the extent of the sum provided for such work, and the municipal council shall pay to the person so appointed such sums as may be required for the said purpose to the extent aforesaid.

Explanation. – For the purposes of this section, “making of contract” includes the power of calling for tenders, acceptance of tenders and sanctioning of estimates in relation to that contract.

***86. Rules regarding the conditions on which contracts may be made.** – The power conferred by section 85 to make or sanction contracts shall be subject to such rules as may be prescribed in regard to the conditions on which, and the mode in which, contracts may be made or sanctioned by or on behalf of municipal councils.

* The section came into force on the 26th day of January 1974 vide Extraordinary Gazette No.11, dated 17th January 1974.

***87. Mode of executing contracts.-** (1) Every contract made by, or on behalf of, a council, whereof the value or amount exceed three hundred rupees shall be in writing and except in the case of contracts made under the provisions of sub-section (3) of section 85, shall be signed by the Commissioner.

*(2) A contract executed or made otherwise than in conformity with the provisions of this section and of section 85 and the rules referred to in section 86 shall not be binding on the municipal council.

***88. Motion of no-confidence in Chairman or Vice-Chairman.-** (1) Subject to the provision of this section, a motion expressing want of confidence in the Chairman or in the Vice-Chairman may be made in accordance with the procedure laid down herein.

(2) A written notice of intention to make the motion, in such form as may be fixed by the Government, signed by such number of councillors as shall constitute not less than two-fifths of the sanctioned strength of the council together with a copy of the motion which is proposed to be made and a written statement of the charges against the Chairman or the Vice-Chairman, as the case may be, shall be delivered by any two of the councillors signing the notice in person together, to the Director or to any other officer duly authorised by him in this behalf (hereinafter in this section referred to as the authorised officer).

(3) A copy of the statement of the charges together with a copy of the motion referred to in sub-section (2) shall be caused to be delivered to the Chairman or Vice-Chairman concerned by the Director or the authorised officer and the Chairman or Vice-Chairman shall by notice in writing be required to give a statement in reply to the charges within a week of the receipt of the notice by the Chairman or Vice-Chairman.

(4) The Director or the authorised officer shall after the expiry of the period of notice issued under sub-section (3), convene a meeting for the consideration of the motion, to be held at the municipal office, at a time appointed by him, which shall not be later than thirty days from the date on which the notice under sub-section (2) was delivered to him. He shall give to the councillors notice of not less than fifteen clear days of such meeting and of the time appointed therefor.

* The section came into force on the 26th day of January 1974 vide Extraordinary Gazette No.11, dated 17th January 1974.

(5) (a) The Director or the authorised officer shall preside at the meeting convened under this section, and no other person shall preside thereat.

(b) If within half an hour after the time appointed for the meeting, the Director or the authorised officer is not present to preside at the meeting, the meeting shall stand adjourned to a time to be appointed and notified to the councillors by the Director or the authorised officer.

(6) (a) If the Director or the authorised officer is unable to preside at the meeting, he may, after recording his reason in writing, adjourn the meeting to such other time as he may appoint.

(b) The date so appointed shall not be later than thirty days from the date appointed for the meeting under sub-section(4).

(c) Notice of not less than seven clear days shall be given to the councillors of the time appointed for the adjourned meeting.

(7) Save as provided in sub-sections (5) and (6), a meeting convened for the purpose of considering a motion under this section shall not for any reason be adjourned.

(8) As soon as the meeting convened under this section has commenced, the Director or the authorised officer shall read to the council the motion for the consideration of which it has been convened, the statement of charges and the statement, if any, of the Chairman or Vice-Chairman in reply to the said charges and declare it to be open for debate.

(9) No debate on any motion under this section shall be adjourned.

(10) Such debate shall automatically terminate on the expiry of two hours from the time appointed for the commencement of the meeting, if it is not concluded earlier. Upon the conclusion of the debate or upon the expiry of the said period of two hours, as the case may be, the motion shall be put to the vote of the councillors.

(11) The Director or the authorised officer shall not speak on the merits of the motion, nor shall he be entitled to vote thereon.

(12) A copy of the minutes of said meeting together with a copy of the motion and the result of the voting thereon shall, forthwith on the termination of the meeting, be forwarded by the Director or the authorised officer to the Government.

(13) If the motion is carried with the support of the majority of the sanctioned strength of the council, the Government, shall by notification, remove the Chairman or Vice-Chairman, as the case may be.

(14) If the motion is not carried by such a majority as aforesaid, or if the meeting cannot be held for want of a quorum, no notice of any subsequent motion expressing want of confidence in the same Chairman or Vice-Chairman shall be received until after the expiry of six months from the date of the meeting.

(15) No notice of a motion under this section shall be received within six months of the assumption of office by a Chairman or Vice-Chairman, as the case may be.

***89. Annual administration report.-** (1) (a) As soon as may be after the first day of April in every year, and not later than such date as may be fixed by the Government, the municipal council shall submit to the Government through the Director a report on the administration during the preceding year in such form and with such details as may be prescribed.

(b) If the Government makes any remark on the report, such remarks shall be forwarded to the council and the council shall be entitled within such time as the Government may fix to offer or make such explanation or observations as the council thinks fit.

(2) The Commissioner shall prepare the report; the municipal council shall consider his report and forward it to the Government with its resolutions thereon, if any.

(3) The report and the resolutions thereon, if any, shall be published in such manner as the council may, subject to the approval of the Government, direct.

⁺[89-A. **Obligation of Municipality to disclose required information.-** Every Municipality shall maintain and publish all its records duly catalogued and indexed, in a manner and form which enables the Municipality under this Act to disclose the required information as specified in Part-A and Part-B of Schedule-XV and such other information as may be prescribed, at quarterly intervals.

89-B. Manner of disclosure.- The manner of disclosure shall include, namely:-

- (a) Newspaper in regional and English language;
- (b) Internet;
- (c) Notice-boards of the Municipality;
- (d) Ward Offices;
- (e) Any other mode, as may be prescribed by the Government from time to time.].

(b) Chairman and Councillors

***90. Powers and functions of the Chairman.-** The Chairman of the municipal council shall.-

- (a) make arrangements for the election of the Vice-Chairman;
- (b) convene the meetings of the municipal council; and

* The section came into force on the 26th day of January 1974 vide Extraordinary Gazette No.11, dated 17th January 1974.

+ Inserted vide Act No. 1 of 2011 w.e.f 21.02.2011.

- (c) perform all the duties and exercise all the powers specifically imposed or conferred on the Chairman by this Act.

***91. Privileges of the Chairman regarding records and correspondence.-** (1) The Chairman shall have full access to all the records of the municipal council and no official correspondence between the council and the Government shall be conducted except through the Chairman.

(2) The Chairman shall be bound to transmit the communications addressed through him by the Commissioner to the Government or by the Government to the Commissioner.

***92. Chairman to be member of every committee of the council.-** The Chairman shall, by virtue of his office, be a member of every committee of the council.

***93. Delegation and devolution of functions of Chairman.-** (1) The Chairman may, by order in writing, delegate any of his functions to the Vice-Chairman.

Provided that he shall not delegate any functions which the municipal council expressly forbids him to delegate.

(2) If the Chairman has been continuously absent from jurisdiction for more than fifteen days or is incapacitated, his functions shall during such absence or incapacity, devolve on the Vice-Chairman:

Provided that where the absence from jurisdiction of the Chairman is within the Union territory and is on business connected with the municipality, the Chairman's functions shall not, except to the extent, if any, to which functions have been delegated by him under sub-section (1), devolve on the Vice-Chairman.

(3) If the Vice-Chairman has also been continuously absent from jurisdiction for more than fifteen days or is incapacitated or if the office of Vice-Chairman is vacant, the Chairman shall, by order in writing, delegate any of his functions to any councillor who shall be styled "Chairman delegated" during the period of delegation:

* The section came into force on the 26th day of January 1974 vide Extraordinary Gazette No.11, dated 17th January 1974.

Provided that.-

- (i) when an order of delegation made under this sub-section is in force, no further order of delegation of any functions shall be made in favour of any councillor other than the councillor in whose favour the order in force was made;
- (ii) no delegation under this sub-section shall without the special sanction of the council, be made for any period exceeding in the aggregate ninety days in any year; and
- (iii) every order made under this sub-section shall be communicated forthwith to the council and to the Director.

(4)(a) The exercise or discharge of any functions delegated under sub-section (1) or sub-section (3) shall be subject to such restrictions, and conditions, if any as may be laid down by the Chairman and shall also be subject to his control and revision.

(b) The Chairman shall also have power to control and revise the exercise or discharge of any functions developing on the Vice-Chairman under sub-section (2).

94. *Presidency of council.- (1) Every meeting of the council shall be presided over by the Chairman; in his absence by the Vice-Chairman and in the absence of both the Chairman and the Vice-Chairman, by a councillor chosen by the meeting to preside for the occasion.

(2) The Chairman shall preserve order and shall decide all points of order arising at or in connection with meetings. There shall be no discussion on any point of order and the decision of the Chairman on any point of order shall, save as is otherwise expressly provided in this Act, be final.

(3) (a) Where the conduct of a councillor or a member of a committee is in the opinion of the Chairman disorderly, he may direct that such councillor or member shall withdraw from the meeting of the council or the committee and such councillor or member shall thereupon withdraw and shall not be allowed to attend for the remainder of the day's meeting.

(b) If any councillor or member, who has been ordered to withdraw, continues to remain in the meeting, the Chairman may take steps to cause him to be removed.

* The section came into force on the 26th day of January 1974 vide Extraordinary Gazette No.11, dated 17th January 1974.

Explanation.- In this section and in section 95 "Chairman" includes in the case of a meeting of the municipal council, a Vice-Chairman or councillor presiding for the occasion and in the case of a committee a councillor or other person presiding for the occasion.

***95. Councillor when to abstain from taking part in discussion and voting.-**

(1) No councillor shall vote on, or take part in the discussion of, any question coming up for consideration at a meeting of the council or of any standing committee or other committee if the question is one in which, apart from its general application to the public he has any direct or indirect pecuniary interest by himself or his partner.

(2) The Chairman may prohibit any councillor from voting or taking part in the discussion of any matter in which he believes such councillor to have such interest, or he may require such councillor to absent himself during the discussion.

(3) Such councillor may challenge the decision of the Chairman, who shall thereupon put the question to the meeting. The decision of the meeting shall be final.

(4) If the Chairman is believed by an councillor present at the meeting to have any such pecuniary interest in any matter under discussion, he may, if a motion to that effect be carried; be required to absent himself from the meeting during such discussion.

(5) The councillor concerned shall not be entitled to vote on the question referred to in sub-section (3) and the Chairman concerned shall not be entitled to vote on the motion referred to in sub-section (4).

***96. Duties and powers of individual councilors.-** (1) Any councillor may call the attention of the Commissioner to any neglect in the execution of municipal work to any waste of municipal property, or to the wants of any locality and may suggest any improvements which may appear desirable.

(2) Every councillor shall have the right to move resolutions and to interpellate the Chairman on matters connected with the municipal administration subject to, such regulations as may be framed by the council.

(3) Every councillor shall have access during office hours to the records of the council after giving due notice to the Commissioner provided that the Commissioner may, for reasons give in writing, forbid such access.

* The section came into force on the 26th day of January 1974 vide Extraordinary Gazette No.11, dated 17th January 1974.

¹[97. *Resignation of Chairman, Vice-Chairman or councillor.*- (1) The Chairman of a municipal council may resign his office by giving a notice in writing addressed to the officer as may be specified by the Government in this behalf by notification, but the resignation shall not take effect until it is accepted by the Government.

(2) The Vice-Chairman or any other councillor or any member of a standing committee may resign his office by giving notice in writing to the Chairman or in his absence to the Commissioner and such resignation shall take effect from the date on which it is received by the Chairman or the Commissioner as the case may be.]

(c) Commissioner

**98. Functions of the Commissioner.* - (1) Notwithstanding anything contained in section 67 but subject to all other provisions of this Act and the rules made thereunder, the municipal council shall have power to issue such specific directions as it may think fit regarding the performance by the Commissioner of any of the functions assigned to him under this Act.

(2) The Commissioner shall.-

- (a) be bound to give effect to every resolution of the municipal council, unless such resolution is modified, suspended or cancelled by the Government or the Director:

Provided that if in the opinion of the Commissioner any resolution contravenes any provision of this Act or any other Act, or of any rule, notification, bye-law or regulation made or issued under this Act or any other Act, or of any order passed by the Government, he shall, within seven days of the passing of the resolution, refer the matter to the Government for orders and inform the municipal council of the action taken by him at its next meeting;

- (b) furnish to the municipal council such periodical reports regarding the progress made in carrying out the resolutions of that body and in the collection of taxes as the municipal council may direct and furnish such other reports as the Government may, by general or special order, require him to furnish to the Government; and

* The section came into force w.e.f 26.01.1974.

1. Substituted by Act 3 of 1996, section 5, with effect from 30-8-1996.

- (c) perform all the duties and exercise all the powers specifically imposed or conferred on the Commissioner by this Act and subject, whenever it is hereinafter expressly so provided to the sanction of the council and subject to all other restrictions and conditions hereinafter imposed, exercise, the executive power for the purpose of carrying out the provisions of this Act and be directly responsible for its fulfilment.

99. *Emergency powers of Commissioner.- The Commissioner may, in cases of emergency, direct the execution or stoppage of any work or the doing of any act which would ordinarily require the sanction of the council and immediate execution, stoppage or doing of which is, in his opinion, necessary for the service or safety of the public and may direct that the expense of executing such work or doing such act shall be paid from the municipal fund:

Provided that .-

- (a) he shall not act under this section in contravention of any order of the council prohibiting the execution of any particular act, and
- (b) he shall report the action taken under this section and the reason therefor to the council at its next meeting.

100. *Power of Commissioner to incur petty contingent expenditure.- The Commissioner may, without the sanction of the council, incur petty contingent expenditure incidental to the municipal administration not exceeding such amount in each case as may be prescribed generally or for particular classes of cases:

Provided that .-

- (a) provisions to meet the expenditure is available under the relevant head of account in the budget framed by the council with the modification, if any, made therein by the Government; and
- (b) the Commissioner shall report any expenditure incurred under this section and the reasons therefor to the council at its next meeting.

* The section came into force on the 26th day of January 1974 vide Extraordinary Gazette No.11, dated 17th January 1974.

101. *Rights and duties of the Commissioner.- (1) (a) The Commissioner shall have the right to attend the meetings of the council or any committee thereof, and take part in the discussions thereat but shall not have the right to move any resolution or to vote.

(b) The Commissioner shall attend any meeting of the council or of any committee if required to do so by the Chairman.

(2) The officers and servants of the municipal council shall be subordinate to the Commissioner.

(3) Subject to any directions given or restrictions imposed by the Government or the municipal council, the Commissioner may, by order in writing, delegate any of his functions to any officer or servant of the council or to any servant of the Government. The exercise or discharge of any functions so delegated shall be subject to such restrictions, limitations and conditions as may be laid down by the Commissioner and shall also be subject to his control and revision.

CHAPTER - VI

CONTROLLING AUTHORITIES AND THEIR POWERS

102. *Power of Government and Director for purposes of control.- (1) The Director may enter on and inspect, or cause to be entered on and inspected, any immovable property or any work in progress under the control of any municipal authority.

(2) The Government or the Director may at any time require the council or the Commissioner -

- (a) to produce any record, correspondence, plan or other document;
- (b) to furnish any return, plan, estimate, statement, account or statistics;
- (c) to furnish or obtain any report;
- (d) to consider any observations it or he may think proper to record in writing in regard to the proceedings or duties of the council or the Commissioner.

* The section came into force on the 26th day of January 1974 vide Extraordinary Gazette No.11, dated 17th January 1974.

(3). The Government or the Director may depute any officer to inspect or examine any municipal department, office, service, work or thing and to report thereon and any officer so deputed may for the purposes of such inspection or examination, exercise all the powers conferred by sub-section (2).

***103. Director's power to enforce execution of resolutions.-** (1) If it appears to the Director that the Commissioner of a municipality has made default in carrying out any resolution of the council, the Director, after giving the Commissioner a reasonable opportunity of explanation, shall send a report thereon together with the explanation, if any, of the Commissioner to the Government and at the same time forward a copy of the same to the council.

(2) Notwithstanding anything contained in sub-section (1) but subject to all the other provisions of this Act and the rules made thereunder, the municipal council shall have power to issue such specific directions as it may think fit regarding the performance by the Commissioner of any of the functions assigned to him under this Act.

***104. Power to suspend or cancel resolution, etc.-** (1) The Government may, by order in writing.-

- (i) suspend or cancel any resolution passed, order issued, or licence or permission granted, or
- (ii) prohibit the doing of any act which is about to be done or is being done in pursuance or under colour of this Act, if, in its opinion ---
 - (a) such resolution, order, licence, permission or act has not been legally passed, issued, granted or authorised,
 - (b) such resolution, order, licence, permission or act is in excess of the powers conferred by, or in contravention of this Act or any other Act or of any rule, notification, regulation or bye-law made or issued under this Act or any other Act, or an abuse of such powers or is considered by the Government to be otherwise undesirable,

* The section came into force on the 26th day of January 1974 vide Extraordinary Gazette No.11, dated 17th January 1974.

- (c) such resolution, order, licence, permission or act is in contravention of any direction issued by the Government, or
- (d) the execution of such resolution or order, the continuance in force of such licence or permission or the doing of such act is likely to cause danger to human life, health or safety, or is likely to lead to a riot or any affray:

Provided that the Government shall before taking action under this section on any of the grounds referred to in clauses (a), (b) and (c) give the authority or person concerned an opportunity for explanation:

Provided further that nothing in this sub-section shall enable the Government to set aside any election which has been held.

(2) If, in the opinion of the Director, immediate action is necessary on any of the grounds, referred to in clause (d) of sub-section. (1), he may suspend the resolution, order, licence permission or act, as the case may be, and report to the Government and the Government may thereupon either rescind the Director's order or after giving the authority or person concerned a reasonable opportunity of explanation, direct that it shall continue in force with or without modification permanently or for such period as it thinks fit.

105. *Emergency powers of Director.- (1) The Director may, in cases of emergency, direct or provide for the execution of any work, or the doing of any act which the council or the Commissioner is empowered to execute or to do, and the immediate execution or the doing of which is, in his opinion, necessary for the safety of the public and may direct that the expense incurred in executing such work or doing such act as the emergency may require shall be paid from the municipal fund.

(2) If the expense is not so paid, the Director may make an order directing the person having the custody of the municipal fund to pay it in priority to any other charge against the fund.

(3) Such person shall, so far as the funds to the credit of the municipal council admit, be bound to comply with such order.

* The section came into force on the 26th day of January 1974 vide Extraordinary Gazette No.11, dated 17th January 1974.

(4) Every case in which the powers conferred by this section are exercised shall be forthwith reported to the Government by the Director with the reasons in full for the exercise of such powers, and a copy of the letter shall at the same time be sent to the municipal council for information.

(5) The Director may at any time stop the execution of any work if in his opinion it causes or is likely to cause danger to human life, health or safety.

****106. Government's power to appoint officers to supervise municipalities.-***

(1) The Government may, by notification, appoint a Director who shall exercise all powers or perform all duties as Director under this Act.

(2) The Government may also appoint such other officers as may be required for the purpose of inspecting or superintending the operations of all or any of the municipal councils established under this Act or the acts or proceedings of all or any of the Commissioners or for the purpose of inspecting the records of all or any of the Commissioners.

(3) All schools, hospitals, dispensaries, vaccine stations, choultries and other institutions maintained by any municipal council and all documents relating thereto shall at all times be open to the inspection of such officers as the Government may appoint in that behalf.

(4) Municipal authorities and municipal officers and other employees shall be bound to afford to inspecting or superintending officers appointed under this section such access at all reasonable times to municipal property or premises, and to all documents which, subject to any rules framed for their guidance under this Act, they may consider to be necessary to enable them to discharge their duties of inspection or superintendence.

**** 107. Government's power to direct the taking of action and to appoint a person to take action in default at expense of the council and to undertake works for council.-*** (1) If, on receipt of any information or report obtained under sub-section (2) or sub-section (3) of section 102 or otherwise, the Government is of opinion.-

* The section came into force on the 26th day of January 1974 vide Extraordinary Gazette No.11, dated 17th January 1974.

- (a) that any duty imposed on any municipal authority by or under this Act or any other Act or by any order made or direction issued by the Government in exercise of any power conferred by or under this Act or any other Act has not been performed or has been performed in an imperfect, inefficient or unsuitable manner, or
- (b) that adequate financial provision has not been made for the performance of any such duty,

the Government may, by order, direct the council or the Commissioner within a period to be specified in the order to make arrangements to its satisfaction for the proper performance of the duty or to make financial provision to its satisfaction for the performance of the duty, as the case may be:

Provided that, unless in the opinion of the Government the immediate execution of such order is necessary, the Government shall, before making an order under this sub-section, give the council an opportunity of showing cause why such order should not be made.

(2) If, within the period fixed by an order issued under sub-section (1), any action directed under that sub-section has not been duly taken, the Government may, by order –

- (a) appoint some person to take the action so directed,
- (b) fix the remuneration to be paid to him, and
- (c) direct that such remuneration and the cost of taking such action shall be defrayed out of the municipal fund, and, if necessary, that any one or more of the taxes authorised by this Act shall be levied or increased, but not so as to exceed any maximum specified by this Act.

(3) For the purpose of taking the action directed as aforesaid, the person appointed under sub-section (2) shall have power to make such contracts as are necessary, may exercise any of the powers conferred on any municipal authority by or under this Act and specified in this behalf in the order issued under sub-section (2), and shall be entitled to protection under this Act as if he were a municipal authority.

(4) The Government may, in addition to or instead of directing the levy or increase of any of the said taxes, direct, by notification, that any sum of money which may in its opinion be required for giving effect to its orders be borrowed by debentures on the security of all or any of the said taxes at such rate of interest and upon such terms as to the time of repayment and otherwise as may be specified in the notification.

(5) The provisions of section 214 shall, as far as may be, apply to any loan raised in pursuance of this section.

(6) The Government may, with the consent of the municipal council, undertake on its behalf the construction of water-supply, drainage or other works, appoint persons to carry out the construction of such works, and direct that the expenses, including the pay of such persons, be paid from the municipal fund.

(7) If expenses which the Government has directed under sub-section (6) to be paid from the municipal fund are not so paid, the Director may, with the previous sanction of the Government, make an order directing the person having the custody of the municipal fund to pay it in priority to any other charge against such fund except charges for the service of authorised loan.

(8) Such person shall, so far as the funds to the credit of the municipal council admit, be bound to comply with such order.

¹[108. *Power of Government to remove Chairman.*- (1) The Government-

- (a) on its own motion, or
 - (b) on a representation in writing signed by not less than two-thirds of members of the sanctioned strength of the municipal council containing a statement of charges against the Chairman and presented in person to such officer as may be specified by the Government in this behalf by notification by any two of the members of the municipal council, if satisfied that the Chairman wilfully omits or refuses to carry out or disobeys any of the provisions of this Act, or any rule, bye-law, regulation, or lawful order or direction made or issued under this Act or abuses any of the powers vested in him, shall, by notice in writing, require the Chairman to offer within a specified date, his explanation with respect to his acts of omission or commission mentioned in the notice.
- (2) (a) If the explanation is received within the specified date and the Government considers that the explanation is satisfactory, the Government may drop further action with respect to the notice.

- (b) If no explanation is received within the specified date or if the explanation received is in its opinion not satisfactory, the Government shall forward to any officer specified by the Government in this behalf (hereinafter in this section referred to as the specified officer), a copy of the notice referred to in sub-section (1) and the explanation of the Chairman with a proposal for the removal of the Chairman from office.

(3) the specified officer shall then convene a meeting, for the consideration of the notice and the explanation, if any, and the proposal for the removal of the Chairman, at the office of the municipal council at a date and time appointed by the said officer.

(4) A copy of the notice of the meeting shall be caused to be delivered to the Chairman concerned and to all the members of the municipal council by specified officer at least seven days before the date of the meeting.

- (5) (a) The specified officer shall preside over the meeting convened under this section.

- (b) If within half-an-hour appointed for the meeting, the specified officer is not present to preside over the meeting, the meeting shall stand adjourned to a subsequent date and time to be appointed and notified to the members by the said specified officer:

Provided that the date so appointed shall be not later than thirty days from the date appointed for the meeting under sub-section (3):

Provided further that a notice of not less than seven clear days shall be given to the members of the date and time appointed for the adjourned meeting.

(6) Save as provided in sub-section (5), a meeting convened for the purpose of considering the notice of the Government and the explanation, if any, of the Chairman, and the proposal for the removal of the Chairman under this section shall not, for any reason, be adjourned.

(7) As soon as the meeting convened under this section is commenced, the specified officer shall read to the members of the municipal council the notice of the Government and the explanation, if any, of the Chairman, as the case may be, for the consideration of which it has been convened and declare it to be open for debate.

(8) (a) Such debate shall automatically terminate on the expiry of two hours from the time appointed for the commencement of the meeting, if it is not concluded earlier.

(b) Upon the conclusion of the debate or upon the expiry of the said period of two hours, as the case may be, the proposal shall be put to vote of the members.

(9) The specified officer shall not speak on the merits of the notice or explanation nor shall he be entitled to vote at the meeting.

(10) The decision of the municipal council accepting, or rejecting the proposal of the Government shall be duly recorded in the minutes of the meeting and a copy of the minutes shall forthwith, on the termination of the meeting, be forwarded by the specified officer to the Government.

(11) If the proposal has been accepted by the municipal council at the meeting, the Government shall, by notification, remove the Chairman from office.

(12) Any person in respect of whom a notification has been issued under sub-section (11) removing him from the office of Chairman, shall be ineligible for election as Chairman and for holding any of those offices until the date on which notice of the next ordinary election to the municipal council is published in the prescribed manner or the expiry of one year from the date specified in the notification whichever is earlier.]

* [108.A – *Power of Government to remove Vice-Chairman.*- (1) If in the opinion of the Government, the Vice-Chairman wilfully omits or refuses to carry out or disobeys any provision of this Act or any rule, bye-law, regulation or lawful order or direction made or issued under this Act or abuses any of the powers vested in him, the Government shall, by notice in writing, require the Vice-Chairman to offer within a specified date, his explanation with respect to his acts of omission or commission mentioned in the notice.

(2) The provisions of sub-section (2) to (12) of section 108 shall, as far as may be, apply in relation to the removal of the Vice-Chairman as they apply in relation to the removal of the Chairman by the Government on its own motion.]

¹109. *Dissolution of council.* – (1) If, in the opinion of the Government, a council is not competent to perform or persistently makes default in performing the duties imposed on it by law, or exceeds or abuses its powers, the Government may, by notification together with a statement of reasons therefor, in the Official Gazette, dissolve the council.

Provided that the council shall be given a reasonable opportunity of being heard before its dissolution.

(2) When the council is dissolved by notification under sub-section (1),-

- ²[(a) all councillors (including the Chairman) shall, on the date of dissolution, vacate their office as such councillors and the Chairman and the persons referred to in clause (b), (c), and (d) of sub-section (2) of section 7, shall cease to be represented in the council;]
- (b) during the period of dissolution of the council, all powers and duties conferred and imposed upon the councillors by or under this Act or any other law, shall be exercised and performed by such officer or authority, as the Government may appoint in that behalf;
- (c) all property vested in the council shall, until, it is reconstituted, vest in the Government.

(3) An election to constitute the council shall be completed before the expiration of a period of six months from the date of its dissolution.

(4) An order of dissolution made under this section together with a statement of reasons therefor, shall be laid before the Legislative Assembly of the Union territory as soon as may be after it has been made.

***110. Power of officers acting for or in default of municipal council and liability of municipal fund.-** When the Director or person appointed by the Government lawfully takes action on behalf or in default of the municipal council under this act, he shall have all such powers as are necessary for the purpose, and shall be entitled to the same protection under this Act as the municipal authority whose powers he is exercising and compensation shall be recoverable from the municipal fund by any person suffering damage from the exercise of such powers to the same extent as if the action has been taken by such municipal authority.

1. Substituted by Act 4 of 1994, Section 15, w.e.f. 23-4-94.

2. Substituted by Act 3 of 1996, Section 8, w.e.f. 30-8-96.

* The section came into force on the 26th day of January 1974 vide Extraordinary Gazette No.11, dated 17th January 1974.

CHAPTER - VII

MUNICIPAL ESTABLISHMENT

111. *Appointment of municipal health officer and municipal engineer.- (1) For any municipality the Government may, after consulting the council concerned, sanction a post of municipal health officer and a post of municipal engineer:

Provided that in the case of a municipality which has an annual income of less than three lakhs of rupees from ordinary receipts, the Government may, without sanctioning the post of municipal health officer or a municipal engineer, appoint any officer of the Public Health Department or Public Works Department on such terms as may be specified by the Government in this behalf to exercise the powers and discharge the functions of a municipal health officer or a municipal engineer, as the case may be:

Provided further that when the officer of the Public Health Department or the Public Works Department is appointed to exercise the powers and discharge the functions under this Act, such of the powers and functions as are exercisable by any authority under this Act or any other law for the time being in force in consultation with the municipal health officer or municipal engineer shall be exercised by such authority after consultation with the concerned officer appointed under the foregoing proviso:

Provided also that where is no municipal health officer or municipal engineer, the Commissioner shall exercise the powers and discharge the functions of such officer.

(2) The municipal health officer or municipal engineer shall devote his whole time to the duties of his office and shall not undertake any work unconnected with the municipality except with the sanction or under the direction of the Government.

(3) All the appointments to posts sanctioned under sub-section (1) shall be made by the Government.

(4) All the officers appointed under sub-section (3) shall, save as otherwise provided in the rules relating to the discipline and conduct of those officers, be deemed for all purposes as officers of the council and shall in the exercise of the powers and discharge of the functions under this Act be subject to such control and direction of the Chairman or Commissioner as may be prescribed.

* The section came into force on the 26th day of January 1974 vide Extraordinary Gazette No.11, dated 17th January 1974.

(5) The Government shall pay out of the Consolidated Fund of the Union territory salaries, allowances, leave allowances, pension and contribution, if any, towards the provident fund or pension-cum-provident fund or pension-cum-gratuity of every officer appointed by the Government under sub-section (3).

***112. Government's Power to regulate the method of recruitment, conditions of service, etc., of officers appointed under section 111.-** (1) The Government shall have power.-

- (a) to make rules to regulate the classification and method of recruitment, conditions of service, pay and allowances, and disciplinary conduct of the officers appointed under section 111;
- (b) to recover from the council concerned the whole or such proportion of the salary and allowances paid to any such officer and such contribution towards his leave allowance, pension or provident-cum-pension fund or pension-cum-gratuity fund of such officer as the Government may, by general or special order, determine.

(2) The Government may at any time withdraw any officer appointed under section 111 and appoint another in his place and it shall withdraw such officer if such withdrawal is recommended by resolution passed at a special meeting called for the purpose and supported by the votes of not less than three-fifths of the sanctioned strength of the council.

***113. Provincialisation of any class of municipal officers or servants.-** (1) Notwithstanding anything contained in this Act, the Government may, by notification, constitute any class of officers or servants of municipal councils into a common service for the Union territory.

Explanation. -- Where such a common service is constituted under this section, the Government shall have power to include into it any class of officers or servants of local authorities established under any law for the time being in force.

* The section came into force on the 26th day of January 1974 vide Extraordinary Gazette No.11, dated 17th January 1974.

(2) Upon the issue of a notification under sub-section (1), the Government shall have power to make rules to regulate the classification, methods of recruitment, including the manner of and the terms and conditions under which existing officer or servant shall be absorbed into, conditions of service, pay and allowances and discipline and conduct of the common service thereby constituted and such rules may vest jurisdiction in respect of all or any of such matters in relation to such cadre in the Government or in such other authority or authorities as may be specified therein.

(3) If any common cadre is constituted under sub-section (1), each council shall every year contribute out of its revenue such sum on account of its share of the expenditure on any officer or servant belonging thereto posted to serve under it incurred or to be incurred in that year for its purposes as the Government may by general or special order determine.

Explanation. – In this section and in section 144 “existing officers” or “existing servants” means an officer or servant of an existing council within the meaning of section 506.

***114. Establishment of the municipal council.-** (1) The council may with the sanction of the Government create such posts of officers and servants other than those specified in sections 111 and 113 as it shall deem necessary for efficient execution of its duties under this Act.

(2) The Government may make rules to regulate the qualifications, pay, allowances, discipline and conduct and other conditions of service, the method of recruitment, and authority which may appoint any such officers and servants of municipal councils.

(3) The council shall, subject to the approval of the Government, decide the manner in which and the terms and conditions subject to which the existing officers and servants shall be absorbed in the posts created under sub-section (1).

(4) Subject to any rules which the Government may make in this behalf under sub-section (2), appointments to all posts under the municipal council the pay or the maximum pay of which exceeds one hundred rupees per mensem shall be made by the municipal council and appointments to all other posts under the municipal council shall be made by the Commissioner.

* The section came into force on the 26th day of January 1974 vide Extraordinary Gazette No.11, dated 17th January 1974.

***115. Power of Government to transfer officers and servants of municipalities.-**

(1) Notwithstanding anything contained in this Act, the Government shall have power to transfer any officer or servant of a municipality to the service of any other municipality.

(2) The Government shall have power to issue such general or special directions as it may think necessary for the purpose of giving due effect to transfers made under sub-section (1).

***116. Power to grant leave to establishment.-** The Commissioner may grant leave to all municipal officers and other employees of the municipality.

***117. Special provisions regarding officers and other employees of the Government lent to council.-** (1) (a) The Government may, on the application of any municipal council, place the services of any of its officers or other employees at the disposal of the council to be employed by it for the purposes of this Act.

(b) the council shall pay any officer or other employee so employed the salary he may be entitled to receive under the rules of the service to which he belongs, and shall also make any contribution towards pension and leave allowances of such servant as may be required, by the conditions of his service under the Government, to be paid by him or on his behalf.

(2) If such officer or other employee while employed by the municipal council or if any other servant of the council does any work for the Government, the Government shall contribute to the municipal fund so much of the salary of such officer or other employee as the Government may consider to be an equivalent for such work.

(3) No officer or other employee employed by a municipal council shall without the previous consent of the Government, be dismissed or removed from such employment or placed under suspension during such employment.

(4) The officers and other employees employed by municipal council shall be entitled to leave and other privileges in accordance with the regulations applicable to the department of the general administration to which they belong.

* The section came into force on the 26th day of January 1974 vide Extraordinary Gazette No.11, dated 17th January 1974.

CHAPTER - VIII

Taxation

***118. Taxes to be imposed.-** (1) (a) Subject to any general or special order which the Government may make in this behalf, every municipal council shall impose, for the purposes of this Act, the following taxes, namely: -

- (i) a property tax;
- (ii) a profession tax;
- (iii) a tax on advertisements other than advertisements published in the newspapers.

(b) Every municipal council shall, with the sanction of and subject to such rules as may be prescribed by the Government, impose.-

- (i) a duty on certain transfers of immovable property in the form of additional stamp duty in accordance with the provisions of section 158;

- (ii) a tax on entertainments.

(2) Subject to the previous sanction of the Government and to any general or special order which the Government may make in this behalf every municipal council may levy for the purposes of this Act, any of the following taxes, namely: --

- (a) a duty on toddy trees in the form of additional excise duty on toddy trees;
- (b) a tax on any building or land within municipal limit used for anyone or more of the purposes specified in Schedule III, which shall not exceed five per cent of the tax levied under section 121 and shall be in addition to the fees charged for any licence granted under sub-section (1) of section 355 and the property tax;
- (c) a toll on animals and vehicles;

* The section came into force on the 1st day of August 1976 vide Extraordinary Gazette No.342, dated 29th July, 1976.

- ❖ (cc) a fee on every motor vehicle entering into any place of pilgrimage or tourist resort in any municipal area for any specified period or throughout the year, and different rates may be specified for different types of motor vehicles having regard to the local conditions and services rendered by the municipality during such period

Explanation – For the purpose of this section, the expression “motor vehicle” shall have the same meaning as assigned to it under section 2 of the Motor Vehicles Act, 1988 (Central Act 59 of 1988)];

- (d) any other tax which the Legislature of the Union territory has power to impose in the Union territory.

(3) The taxes specified in sub-sections (1) and (2) shall be assessed and levied in accordance with the provisions of this Act and the rules made thereunder.

*** 119. Resolution of council determining to levy tax.-** Any resolution of a municipal council determining to levy a tax shall specify the rate at which any such tax shall be levied and the date from which it shall be levied:

Provided that before passing a resolution imposing a tax for the first time or increasing the rate of an existing tax, the council shall publish a notice in at least one newspaper, published in the language of the locality having circulation in the municipality, on the notice-board of the municipal office and in such other places within municipal limits as may be specified by the council and by beat of drum, of its intention, fix a reasonable period not being less than one month for submission of objections or suggestions and consider the objections or suggestions, if any, received within the period specified:

Provided further that any resolution abolishing an existing tax or reducing the rate at which a tax is levied shall be immediately reported to the Government and in municipalities which have an outstanding loan either from Government or from the public or any other local authority, such abolition or reduction shall not be carried into effect without the previous sanction of the Government:

❖ This clause has come into force with effect from 16.5.2002 vide Act No.9 of 2002 published in the Extraordinary Gazette Part II No.27 dated 22.5.2002.

* The section came into force on the 1st day of August 1976 vide Extraordinary Gazette No.342, dated 29th July, 1976.

Provided also that, where any resolution under this section has taken effect for a particular half-year, no proposals to alter the rates or date fixed in such resolution so far as that half-year is concerned shall, without the sanction of or direction from the Government, be taken into consideration by the council.

*** 120. Notification of new taxes.-** When a municipal council shall have determined subject to the provision of section 118 to levy and tax for the first time or at a new rate the Commissioner shall forthwith publish a notification in the official gazette and by beat of drum specifying the rate at which, the date from which and the period, if any, for which, such tax shall, be levied.

The property tax

*** 121. Description and classes of property tax.-** (1) If the council by resolution determines that a property tax shall be levied, such tax shall be levied on all buildings, and lands within municipal limits save those exempted by or under this Act or any other law. The property tax may comprise –

- (a) a tax for general purposes;
- (b) a water and drainage tax to provide for expenses connected with the construction, maintenance, repairs, extension or improvement of water or drainage works heretofore provided or hereafter to be provided;
- (c) a lighting tax to provide for expenses connected with the lighting of the municipality by gas or electricity; and
- (d) a scavenging tax to provide for expenses connected with removal of rubbish, filth or the carcasses of animals from private premises and cleaning of latrines and cess-pools therein:

Provided that where the water and drainage tax is levied, the municipal council shall declare what proportion of the tax is levied in respect of water works and the remainder shall be deemed to be levied in respect of drainage works and the proportion so declared shall also be specified in the notification published under section 120.

* The section came into force on the 1st day of August 1976 vide Extraordinary Gazette No.342, dated 29th July, 1976.

(2) Save as otherwise provided in this Act, and subject to the provisions of section 118 and in accordance with the rules made by the Government in this behalf, these taxes shall be levied at such percentages of the annual value of buildings, or lands which are occupied by, or adjacent and appurtenant to, building or both, as may be fixed by the municipal council:

Provided that the aggregate of such percentages shall not exceed thirty per cent of the annual value of lands and buildings.

- (3) (i) The municipal council shall, in the case of lands which are not used exclusively for agricultural purposes and are not occupied by, or adjacent and appurtenant to, buildings, levy these taxes at such percentage of the capital value of such lands not exceeding six per cent of such capital value or at such rates with reference to the extent of such lands as it may fix.
- (ii) The capital value of such lands shall be determined in such manner as may be prescribed.
- (4) (a) The municipal council shall, in the case of lands used exclusively for agricultural purposes, levy these taxes at such proportions as it may fix, of the annual value of such lands as calculated in the manner specified in clause (b).
- (b) (i) In the case of lands held direct from Government on lease or licence, the assessment, lease amount, royalty or other sum payable to the Government for the lands together with any water rate which may be payable for their irrigation, shall be taken to be the annual rent value.
- (ii) In the case of lands held wholly or partially free from assessment, the full assessment which such lands would bear, together with any water-rate which may be payable for their irrigation, shall be taken to be the annual rental value; and such full assessment and water-rate shall be determined by the Government.

- (iii) In the case of lands held on any other tenure, the annual rent payable to the landholder, sub-landholder or any other intermediate landholder, holding on an under-tenure, created, continued or recognized by a landholder or sub-landholder, as the case may be, by his tenants, together with any water-rate which may be payable for their irrigation, shall be taken to be the annual rental value; and where such lands are occupied by the owner himself or by any person holding the same from him free of rent or at a favourable rent the annual rental value shall be calculated according to the rates of rent usually paid by occupancy ryots for ryoti lands in the neighbourhood with similar advantage together with any water-rate which may be payable for the irrigation of the lands so occupied.
- (iv) In the case of lands, the assessment of rent of which is paid in kind, the annual rental value shall be calculated according to the rates of rent established or paid for neighbouring lands of a similar description and quality together with any water-rate which may be payable for the irrigation of the lands first mentioned.
- (c) If such lands be occupied by tenants, the municipal council shall levy the taxes in equal shares, from the landlord and the tenant respectively.
- (d) Subject to any rules which the Government may make in this behalf, the Commissioner shall have power to require the staff of the Revenue Department to collect the taxes due to the municipal council in respect of such lands on payment of such remuneration not exceeding five per centum of the gross sum collected as the Government may, by general or special order, determine.

***122. Appointment of authorised valuation officer.-** (1) The Government may, by notification,

- (a) appoint such officers including those of Revenue and Public Works Departments of the Government to be authorised valuation officers for the purposes of this Act; and

* The section came into force on the 1st day of August 1976 vide Extraordinary Gazette No.342, dated 29th July, 1976.

- (b) define the municipal area within which such officers shall exercise the powers conferred and perform the duties imposed upon them by or under this Act.

(2) Each council shall every year pay to the Government such sum out of its revenue for the services rendered or to be rendered in that year by any authorised valuation officer or officers for its purposes, as the Government may, by general or special order, determine.

(3) Till such time as an authorised valuation officer is appointed for any municipal area, the powers conferred and duties imposed by or under this Act on such officer shall in that area be exercised and performed by the Commissioner.

*** 123. Method of assessment of property.-** (1) Every building shall be assessed together with its site and other adjacent premises occupied as an appurtenance thereto unless the owner of the building is a different person from the owner of such site or premises.

(2) The annual value of land and buildings shall be deemed to be the gross annual rent at which they may reasonably be expected to let from month to month or from year to year less a deduction, in the case of buildings, of ****[fifteen per cent]** of that portion of such annual rent which is attributable to the buildings alone, apart from their sites and adjacent lands occupied as an appurtenance thereto and the said deduction shall be *in lieu* of all allowances for repairs or on any other account whatever:

Provided that.-

(a) in the case of.-

- (i) any State Government, or
- (ii) any building of a class not ordinarily let,

the gross annual rent of which cannot, in the opinion of the Commissioner, be estimated,

the annual value of the premises shall be deemed to be six per centum of the total of the estimated value of the land and the estimated present cost of erecting the building after deducting for depreciation a reasonable amount which shall in no case be less than ten per centum of such cost;

* The section came into force on the 1st day of August 1976 vide Extraordinary Gazette No.342, dated 29th July, 1976.

** These terms have come into force with effect from 17.11.2005 vide Act No.6 of 2005 published in the Extraordinary Gazette Part II No.69 dated 18.11.2005.

- (b) machinery shall be excluded from valuations under this section; and
- (c) in the case of the buildings and lands referred to in clauses (a) to (g) and (i) of sub-section (1) of section 124, if rent is covered for such buildings and lands by the owner thereof, their annual value shall be deemed to be the amount of rent actually payable to the owner in respect thereof for twelve months, less a deduction, in the case of buildings only, of ten per centum of such amount in lieu of allowance for repairs or any other account whatever.

(3) The Government shall have power to make rules regarding the manner in which, the person or persons by whom and the intervals at which, the value of the land, the present cost of erecting the building and the amount to be deducted for depreciation, shall be estimated or revised, in any cases or class of cases to which clause (a) of the proviso to sub-section (2) applies.

*** 124. General exemptions.-** (1) The following buildings and lands shall be exempt from the property tax.-

- (a) places set apart for public worship and either actually so used or used for no other purpose;
- (b) choultries for the occupation of which no rent is charged and choultries the rent charged for the occupation of which is used exclusively for charitable purposes;
- (c) buildings used for educational purposes including hostels, public buildings and places used for the charitable purpose of sheltering the destitute or animals and libraries and play grounds which are open to the public or which are attached to any educational institution.
- (d) such ancient monuments protected under the Ancient Monuments Preservation Act, 1904 (Central Act 7 of 1904), and such ancient and historical monuments declared by or under the Ancient Monuments and Archaeological Sites and Remains Act, 1958, (Central Act 24 of 1958), to be of national importance or parts thereof, as are not used as residential quarters or as public offices;

* The section came into force on the 1st day of August 1976 *vide* Extraordinary Gazette No.342, dated 29th July, 1976.

- (e) charitable hospitals and dispensaries;
- (f) hospitals and dispensaries maintained by railway administration;
- (g) burial and burning grounds included in the book kept at the municipal office under the provisions of this Act;
- (h) buildings or lands vesting in or belonging to the municipal council;
- (i) any irrigation work vesting in the Government including the bed of a water-course, or any building or land adjacent and appertaining to such irrigation work; Government lands set apart free for recreation purposes; and all such other Government property being neither building nor land from which in the opinion of the Government any income could be derived as may from time to time be notified by the Government:

Provided that nothing contained in clauses (a), (c), (e) and (f) shall be deemed to exempt from property tax any building or land for which rent is payable by the person or persons using the same for the purposes referred to in the said clauses:

Provided further that nothing contained in this sub-section shall be deemed to exempt any building or land (other than a building or land vested in or belonging to a municipal council) which is served by the municipal scavenging service, from the scavenging tax.

Explanation. – The exemption granted under this sub-section shall not extend to residential quarters attached to schools and colleges not being hostels or to residential quarters attached to hospitals, dispensaries and libraries.

(2) The drainage tax shall not be levied on any land used exclusively for agricultural purposes and not deriving any benefit from the drainage works on account of which the tax is imposed.

(3) The municipal council may, with previous sanction of the Government, exempt any particular part of a municipality from the payment of the whole or a portion of the water or drainage tax or of the lighting tax on the ground that such area is not deriving full benefit from the water supply and drainage or from the lighting system.

(4) The municipal council may exempt any building or land from the whole or any portion of the scavenging tax if it is satisfied that the owner or occupier has made efficient arrangements for the daily removal therefrom of rubbish, filth and carcasses of animals and the cleansing of the latrines and cess-pool therein.

(5) The municipal council may by a general resolution exempt any building or land from the property tax —

- (i) if the annual value of the same does not exceed a sum specified in the said resolution, such sum not being greater than eighteen rupees, and
- (ii) if the proprietor does not own any other building or land assessed to the property tax and is not liable to profession or income-tax.

*** 125. Taxation to be uniform.-** (1) The rate of any class of property tax on lands when levied on their annual value under sub-section (2) of section 121 may be lower than the rate of the same class of property tax on buildings but either rate shall be uniform throughout the municipal area on all buildings or on all lands liable to be taxed on their annual value, as the case may be:

Provided that the aggregate property tax leviable in any year in the case of piers, wharves, jetties and passenger sheds, latrines and cart-stands, shall not exceed four per centum of their annual value.

(2) The rate of any class of property tax shall be uniform throughout the municipal area on all lands liable to be taxed on their capital value.

*** 126. Preparation of assessment list.-** When the property tax is levied, the Commissioner shall cause an assessment list of all lands or buildings or lands and buildings in the municipality to be prepared in the prescribed form.

*** 127. Authorised valuation officer to check assessment.-** When the list of assessment has been completed by the Commissioner, he shall submit the same to the authorised valuation officer appointed by the Government for the municipal area. The authorised valuation officer shall verify the assessment as done by the Commissioner if necessary by inspection of properties concerned, and return the list duly checked and corrected to the Commissioner within a period of two months.

* The section came into force on the 1st day of August 1976 vide Extraordinary Gazette No.342, dated 29th July, 1976.

*** 128. *Publication of notice of assessment list.***- When the list of assessment is returned by the authorised valuation officer under the section 127, the Commissioner shall give public notice thereof may be inspected; and every person claiming to be either the owner or occupier of property included in the list, and any agent of such person, shall be at liberty to inspect the list and to make extracts therefrom without charge.

*** 129. *Public notice of time fixed for lodging objections.***- (1) The Commissioner shall, at the time of the publication of the assessment list under section 128, give public notice of a date not less than thirty days, after such publication, before which objections to the valuation or assessment in such list shall be made; and in all cases in which any property is for the first time assessed or the assessment is increased, he shall also give notice thereof to the owner or occupier of the property, if known, and if the owner or occupier of the property is not known, he shall affix the notice in a conspicuous position on the property.

(2) Objections to the valuation and assessment on any property in such list shall, if the owner or occupier of such property desires to make an objection, be made by such owner or occupier or any agent of such owner or occupier to the Commissioner before the time fixed in the aforesaid public notice, by application in writing, stating the grounds on which the valuation or assessment is disputed and all applications so made shall be registered in a book to be kept by the Commissioner for the purpose.

*** 130. *Objection how to be dealt with.***- After the period given in the public notice referred to in section 128 expires, the Commissioner shall forward to the authorised valuation officer for the municipal area, the assessment list along with objections received. The authorised valuation officer shall investigate and dispose of the objections after allowing the objector an opportunity of being heard in person or by agent and cause the result thereof to be noted in the book kept under section 129 and cause any amendment necessary in accordance with such result to be made in the assessment list:

Provided that before any such amendment is made the reasons therefor shall be recorded in the book aforesaid.

* The section came into force on the 1st day of August 1976 vide Extraordinary Gazette No.342, dated 29th July, 1976.

*** 131. *Authentic list how far conclusive.***- Subject to such alterations as may be made therein under section 132 and to the result of any appeal or revision made under section 189 or section 191, the entries in the assessment list so authenticated and deposited and the entries, if any, inserted in the said list under the provisions of section 132 shall be accepted as conclusive evidence.-

(i) for the purposes of all municipal taxes, of the valuation, or annual rent, on the basis prescribed in section 123, of buildings or lands or both buildings and lands to which such entries respectively refer; and

(ii) for the purposes of the tax for which such assessment list has been prepared of the amount of the tax leviable on such buildings or lands or both buildings and lands in any half year in which such list is in force.

*** 132. *Amendment of assessment list.***- (1) The Commissioner, in consultation with the authorised valuation officer, may at any time alter the assessment list by inserting or altering an entry in respect of any property, such entry having been omitted from or erroneously made in the assessment list through fraud, accident or mistake or in respect of any building constructed, altered, added to or reconstructed in whole or in part, where such construction, alteration, addition or reconstruction has been completed after the preparation of the assessment list, after giving notice to any person interested in the alternation of the list of a date not less than one month from the date of service of such notice, before which any objection to the alteration should be made.

(2) An objection made by any person interested in any such alteration, before the time fixed in such notice, and in the manner provided by section 130 shall be dealt with in all respects as if it were an application under the said section.

(3) An entry or alteration made under this section shall, subject to the provisions of sections 189 and 191 have the same effect as it had been made in the case of a building constructed, altered, added to or reconstructed on the day on which such construction, alteration, addition or reconstruction was completed or on the day on which the new construction, alteration, addition or reconstruction was first occupied, whichever first occurs, or in other cases, on the earliest day in the half-year on which the circumstances justifying the entry or alteration existed; and the tax or the enhanced tax, as the case may be, shall be levied in such half-year in the proportion which the remainder of the half-year after such day bears to the whole half-year.

* The section came into force on the 1st day of August 1976 vide Extraordinary Gazette No.342, dated 29th July, 1976.

* 133. *Assessment to be done after every five years.*- The assessment of every property in the municipal area shall, as far as practicable, be done not less than once in five years and once done shall remain in force for five years. Subject to rules made in this behalf, the Commissioner may, for the purpose of assessment divide the municipal area into such suitable divisions as he deems fit or may undertake the work for the whole municipal area simultaneously. The publication of the authenticated assessment list shall be done not later than the 30th day of June of the year to which the list relates.

* 134. *Property tax a first charge on property*;- The property tax on buildings and lands shall, subject to the prior payment of land revenue, if any, due to the Government thereon, be a first charge upon the said buildings or lands and upon the movable property, if any, found within or upon the same and belonging to the person liable to pay such tax.

* 135. *Primary responsibility for property taxes on whom to rest.*- (1) The property tax shall be levied every half-year and shall be paid by such person or persons as are primarily liable under sub-section (2) and sub-section (3) and section 136, within fifteen days from the date of commencement of the half-year.

(2) Subject to the provisions of sub-section (3), property tax assessed upon any premises shall be primarily leviable as follows, namely: -

- (a) if the premises are held immediately from the Government or from the council, from the actual occupier thereof:

Provided that property tax due in respect of buildings vesting in the Government and occupied by servants of the Government or other person on payment of rent shall be leviable primarily from the Government;

- (b) if the premises are not so held.-
 - (i) from the lessor, if the premises are let;
 - (ii) from the superior lessor, if the premises are sub-let;
 - (iii) from the person in whom the right to let the premises vests, if they are unlet;
 - (iv) from the person in possession, if the premises are not let out to him.

* The section came into force on the 1st day of August 1976 vide Extraordinary Gazette No.342, dated 29th July, 1976.

(3) If any land has been let for any term exceeding one year to a tenant and such tenant has built upon the land, the property tax assessed upon the said land and upon the building erected thereon shall be primarily leviable from the said tenant or any person deriving title from the said tenant by the operation of law or by assignment or transfer but not by sub-lease or legal representative of the said tenant or person whether the premises be in the occupation of the said tenant or person or legal representative or a sub-tenant.

*** 136. *Apportionment of responsibility for property tax when the premises assessed are let or sub-let.***- (1) If any premises assessed to any property tax are let, and their annual value exceeds the amount of rent payable in respect thereof to the person from whom, under the provisions of section 135, the said tax is leviable, the said person shall be entitled to receive from his tenant the difference between the amount of the property tax levied from him and the amount which would be leviable from him if the said tax were calculated on the amount of rent payable to him.

(2) If the premises are sub-let and their annual value exceeds the amount of rent payable in respect thereof to the tenant by his sub-tenant, or the amount of rent payable in respect thereof to a sub-tenant by the person holding under him, the said tenant shall be entitled to receive from his sub-tenant or the sub-tenant shall be entitled to receive from the person holding under him, as the case may be, the difference between any sum recovered under this section from such tenant or sub-tenant and the amount of property tax which would be leviable in respect of the said premises if the annual value thereof were equal to the difference between the amount of rent which such tenant or sub-tenant receives and the amount of rent which he pays.

(3) Any person entitled to receive any sum under this section shall have, for the recovery thereof, the same rights and remedies as if such sum were rent payable to him by the person from whom he is entitled to receive the same.

*** 137. *Person primarily liable for property tax entitled to credit, if he is a rent payer.***- If any person who is primarily liable for the payment of any property tax himself pays rent to another person (other than the Government or the council) in respect of the premises upon which such tax is assessed, he shall be entitled to credit in account with such other person for such sum as would be leviable on account of the said tax if the amount of the rent payable by him were the annual value of the said premises.

* The section came into force on the 1st day of August 1976 vide Extraordinary Gazette No.342, dated 29th July, 1976.

*** 138. Person primarily liable for a property tax how to be designated if his name cannot be ascertained.-** (1) Where the name of the person primarily liable for the payment of a tax on buildings or lands or both in respect of any premises cannot be ascertained it shall be sufficient to designate him in the assessment book, and in any notice which it may be necessary to serve upon the said person under this Act, as "the holder" of such premises, without further description.

(2) If in any such case, any person in occupation of the premises shall refuse to give such information as may be requisite for determining who is primarily liable as aforesaid, such person shall himself be liable until such information is obtained, for all taxes on buildings, or lands or both leviable on the premises of which he is in occupation.

*** 139. Vacancy remission.-** (1) when any building whether ordinarily let or occupied by the owner himself has been vacant and unlet for thirty or more consecutive days in any half-year, the Commissioner shall remit so much (not exceeding one half) of such portion of the tax as relates to the building only as is proportionate to the number of days during which the building was vacant and unlet in the half-year.

(2) Every demand for remission under sub-section (1) shall be made during the half-year in respect of which the remission is sought or in the following half-year and not afterwards.

(3) (a) No demand for such remission shall be entertained unless the person liable for the tax or his agent has previously thereto delivered notice to the Commissioner: -

(i) that the building is vacant and unlet; or

(ii) that the building will be vacant and unlet from a specified date either in the half-year in which notice is delivered or in the succeeding half-year.

(b) The period in respect of which the remissions made shall be calculated –

(i) if remission is sought in respect of the half-year in which notice is delivered from the date of delivery of the notice or from the date on which the building became vacant and unlet, whichever is later; and

* The section came into force on the 1st day of August 1976 vide Extraordinary Gazette No.342, dated 29th July, 1976.

- (ii) if remission is sought in respect of the half-year succeeding that in which the notice is delivered, from the commencement of the half-year in respect of which remission is sought or from the date on which the building became vacant and unlet, whichever is later.
- (c) Every notice under clause (a) shall expire with the half-year succeeding that during which it is so delivered, and shall have no effect thereafter.

*** 140. *Obligation of transferor and transferee to give notice of transfer.***

(1) Whenever the title of any person primarily liable to the payment of property tax on any premises to or over such premises is transferred, the person whose title is transferred and the person to whom the same shall be transferred shall, within three months after the execution of the instrument of transfer or after its registration if it be registered or after the transfer is effected, if no instrument be executed, give notice of such transfer to the Commissioner.

(2) In the event of the death of any person primarily liable as aforesaid the person to whom the title of the deceased shall be transferred as heir or otherwise shall give notice in writing of such transfer to the Commissioner within one year from the death of the deceased.

(3) The notice to be given under this section shall be in such form as the Commissioner may direct and the transferee or the person to whom the title passes, as the case may be, shall if so required, be bound to produce before the Commissioner any documents evidencing the transfer or succession.

(4) Every person who makes a transfer as aforesaid without giving such notice to the Commissioner shall, in addition to any other liability which he incurs through such neglect, continue liable for the payment of property tax assessed on the premises transferred until he gives notice or until the transfer shall have been recorded in the municipal registers but nothing in this section shall be held to affect.-

- (a) the liability of the transferee for the payment of the said tax, or
- (b) the prior claim of the municipal council under section 134.

* The section came into force on the 1st day of August 1976 vide Extraordinary Gazette No.342, dated 29th July, 1976.

***141. Notice to be given to the Commissioner of the construction, reconstruction or demolition of building.-** (1) (a) If any building in a municipality is constructed or reconstructed, the person primarily liable for the property tax assessed on the building shall give notice thereof to the Commissioner within fifteen days from the date of completion or occupation of the building whichever is earlier.

- (b) If such date falls within the last two months of a half-year, the person primarily liable for the property tax shall, subject to notice being given under clause (a), be entitled to a remission of the whole of the tax or enhanced tax, as the case may be, payable in respect of the building only for that half-year.
- (c) If such date falls within the first four months of a half-year, the person primarily liable for the payment of the said tax shall, subject to notice being given under clause (a), be entitled to a remission of so much not exceeding a half of the tax or enhanced tax, as the case may be, payable in respect of the building, only for that half-year as is proportionate to the number of days in that half-year preceding such date.

(2) (a) If any building in a municipality is demolished or destroyed, the person primarily liable for payment of the said tax shall, until notice thereof is given to the Commissioner, be liable for the payment of the property tax which would have been leviable had the building not been demolished or destroyed.

(b) If such notice is given within the first two months of a half-year, the person primarily liable for the payment of the said tax shall be entitled to a remission of so much not exceeding a half of the tax payable in respect of the building only for that half-year as is proportionate to the number of days in that half-year succeeding the demolition or destruction, as the case may be.

*** 142. Remission of tax in areas included or excluded in the middle of a half-year.-** (1) If any area is constituted into or included within, a municipality, the person primarily liable for the property tax assessed on every building or land in such area shall –

* The section came into force on the 1st day of August 1976 vide Extraordinary Gazette No.342, dated 29th July, 1976.

- (a) if the date of such constitution or inclusion falls within the last two months of a half-year, not be liable to pay any property tax in respect thereof for that half-year; and
- (b) if such date falls within the first four months of a half-year, be entitled to a remission of so much (not exceeding a half of the property tax payable in respect thereof for that half-year) as is proportionate to the number of days in that half-year preceding such date.

(2) If a municipality is abolished or if any area is excluded from a municipality, the owner of every building or land in such area shall be entitled-

- (a) if the date of such abolition or exclusion falls within the first two months of a half-year to a remission of the whole of the property tax payable in respect thereof for that half-year; and
- (b) if such date falls within the last four months of a half-year, to a remission of so much (not exceeding a half of the property tax payable in respect thereof for that half-year) as is proportionate to the number of days in that half-year succeeding such date.

(3) No remission shall be granted under sub-section (2) in respect of any building or land unless an application for such remission is made to the Commissioner within three months from the date of the abolition of the municipality or the exclusion of the area in which the building or land is situated.

*** 143. Power of Commissioner to call for information.-** (1) For the purpose of assessing the property tax, the authorised valuation officer or the Commissioner, as the case may be, may, by notice, call on the owner or occupier of any building or land to furnish him, within thirty days after the service of the notice, where the notice is served upon any State Government or a company and within seven days after such service in other cases, with returns of the rent payable for the land or building, the cost of erecting the building and the measurements of the land and with such other information as the authorised valuation officer or the Commissioner may require, and every owner and occupier on whom such notice is served shall be bound to comply with it and to make a true return to the best of his knowledge or belief.

* The section came into force on the 1st day of August 1976 vide Extraordinary Gazette No.342, dated 29th July, 1976.

(2) For the purpose aforesaid the authorised valuation officer or the Commissioner may enter, inspect, survey and measure such building or land, after giving twenty-four hours notice to the owner or occupier.

The profession tax.

***144. Profession tax.-** (1) If the council by a resolution determines that profession tax shall be levied.-

- (a) every company which, after the date specified in the notification published under section 120 transacts business in the municipality for not less than sixty days in the aggregate in any half-year; and
- (b) every person, who after the said date, in any half-year exercises a profession, art or calling or transacts business or holds any appointment, public or private within the municipality for not less than sixty days in the aggregate, or outside the municipality but who resides in the municipality for not less than sixty days in the aggregate, or resides in the municipality for not less than sixty days in the aggregate and is in respect of any income from investments, shall pay a half-yearly tax not exceeding the rates specified in Schedule IV and assessed in such manner as may be prescribed.

(2) A person shall be chargeable under the class appropriate to his aggregate income from all the sources specified in sub-section (1) as being liable to the tax.

(3) If a company or person proves that it or he has paid the sum due on account of the profession tax levied under this Act or any other Act, for the same half-year to any municipality or local authority in the Union territory of Puducherry, such company or person shall not be liable, by reason merely of change of place of business, exercise of profession, art or calling, appointment or residence, to pay to any other municipality or local authority more than the difference between such sum and the amount to which it or he is otherwise liable for the profession tax for the half-year under this Act.

* The section came into force on the 1st day of August 1976 vide Extraordinary Gazette No.342, dated 29th July, 1976.

(4) (a) Nothing contained in this section shall be deemed to render a person who resides within the local limits of one local authority and exercises his profession, art or calling or transacts business or holds any appointment within the limits of any other local authority or authorities liable to profession tax for more than the higher of the amounts of the tax leviable by any of the local authorities.

(b) In such a case the Government shall apportion the tax between the local authorities in such manner as it deems fit and the decision of the Government shall be final.

*** 145. *Liability of members of firms, associations and joint Hindu families to profession tax.***- The profession tax leviable on a firm, association or joint Hindu family may be levied on any adult member of the firm, association or family.

*** 146. *Liability of servants or agents to profession tax.***- (1) If a company or person employs a servant or agent to represent it or him, for the purpose of transacting business in a municipality, such company or person shall be deemed to transact business in the municipality and such servant or agent shall be liable for the profession tax, in respect of the business of such company or person, whether or not such servant or agent has power to make binding contracts on behalf of such company or person.

(2) Where one company or person is the agent of another company or person, the former company or person shall not be liable separately to the profession tax, on the same income as that of the principal.

*** 147. *Service of notice on failure of payment of tax.***- If the profession tax due from any company or person is not paid, the Commissioner shall cause a notice to be served on such company or person to pay it within fifteen days of the date of such service.

*** 148. *Statements, returns, etc., to be confidential.***- All statements made, returns furnished or accounts or documents produced in connection with the assessment of profession tax by any company or person shall be treated as confidential and copies thereof shall not be granted to the public.

* The section came into force on the 1st day of August 1976 vide Extraordinary Gazette No.342, dated 29th July, 1976.

*** 149. Owner or occupier to furnish list of persons liable to tax.-** The Commissioner may, by notice, require the owner or occupier of any building or land and every secretary or manager of a hotel, boarding or lodging house, club, or residential chambers to furnish within a specified time a list in writing containing the names of all persons occupying such building, land, hotel, boarding or lodging house, club, or residential chambers and specifying the profession, art, calling or appointment of every such person and the rent, if any, paid by him and the period of such occupation.

*** 150. Requisition on employers or their representatives to furnish list.-** The Commissioner may, by notice, require any employer or the head or secretary or manager of any public or private office, hotel, boarding house or club or of a firm or company.-

(a) to furnish within a specified time a list in writing of the names and residential addresses of all persons employed by such employer or by such office, hotel, boarding-house, club, firm or company as officers, servants dub ashes, agents, suppliers, or contractors, with a statement of the salary or income of such employed persons, and

(b) to furnish particulars in regard to any company of which such employer, head, secretary or manager, as the case may be, is the agent.

*** 151. Deduction of profession tax from salary or wages or other sum.-** (1) Every employer shall, on receipt of a requisition from the Commissioner, deduct from the salary or wages of any person employed by the employer as an officer or a servant or from any sum payable by the employer to any person employed by the employer as dubash, agent, supplier or contractor, such amount of profession tax, as may be specified in such requisition as being due from such employed person.

Explanation. – In this sub-section, “employer” includes the head or secretary or manager of any public or private office, hotel, boarding-house, club, firm or company.

(2) Every person responsible for making any deduction under sub-section (1) may, at the time of making the deduction, increase or reduce the amount to be deducted under sub-section (1) for the purpose of adjusting any excess or deficiency arising out of any previous deduction or failure to deduct during the half-year.

* The section came into force on the 1st day of August 1976 vide Extraordinary Gazette No.342, dated 29th July, 1976.

(3) Any deduction made in accordance with provisions of sub-sections (1) and (2) and paid to the municipality shall be treated as a payment of profession tax on behalf of the person from whose salary or wages the deduction was made or on behalf of the person to whom the sum from which the deduction was made is payable, and credit shall be given to him for the amount so deducted on the production of the certificate furnished under sub-section (5) in respect of the profession tax, if any, due from that person for the relevant half-year under this Act.

(4) Any sum deducted in accordance with the provisions of sub-section (1) and (2) shall, be paid within the prescribed time to the credit of the municipality.

(5) Every person making the deduction under sub-section (1) or sub-section (2) shall, at the time of payment of the salary or wages or sum, furnish to the person to whom such payment is made a certificate to the effect that profession tax has been deducted, and specifying the amount so deducted and such other particulars as may be prescribed.

(6) Where profession tax due from any employed person is deducted under sub-section (1) or sub-section (2) the person from whose salary or wages the deduction was made or the person to whom the sum from which the deduction was made is payable shall not be called upon to pay the tax himself to the extent to which tax has been so deducted.

(7) Every person making the deduction under sub-section (1) or sub-section (2) shall prepare and, within such period as may be prescribed after the expiry of the half-year, deliver or cause to be delivered to the Commissioner in the prescribed form and verified in the prescribed manner, a return in writing showing the name and residential address of every person from whose salary or wages deduction was made under sub-section (1) or sub-section (2), and of every person to whom the sum from which such deduction was made is payable, the amount so deducted, and the half-year to which the deduction relates.

(8) If any person responsible for making any deduction under sub-section (1) or sub-section (2) fails to comply with any of the provisions of this section, he shall be punishable with fine which may extend to five hundred rupees:

Provided that nothing contained in this sub-section shall apply to the Central Government or any State Government or any officer of any such Government.

(9) The provisions of this section shall apply notwithstanding any law to the contrary for the time being in force.

**Tax on advertisements other than advertisements published
in the newspapers**

*** 152. Tax on advertisements.-** (1) Every person who erects, exhibits, fixes or retains upon or over any land, building, wall, hoarding or structure any advertisement or who displays any advertisement to public view in any manner whatsoever, in any place whether public or private, shall pay on every advertisement which is so erected, exhibited, fixed, retained, or displayed to public view, a tax as specified in Schedule VII.

(2) The rates of the tax shall be determined by the council subject to the condition that they shall not exceed the maximum laid down in that Schedule:

Provided that no tax shall be levied under this section on any advertisement or a notice.-

- (a) of a public meeting; or
- (b) of an election to any legislative body or the council; or
- (c) of a candidature in respect of such an election:

Provided further that no such tax shall be levied on advertisement which is not a sky-sign and which.-

- (a) is exhibited within the window of any building; or
- (b) relates to the trade or business carried on within the land or building upon or over which such advertisement is exhibited, or to any sale or letting of such land or building or any effects therein or to any sale, entertainment or meeting to be held upon or in the same; or
- (c) relates to the name of the land or building upon or over which the advertisement is exhibited, or to the name of the owner or occupier of such land or building; or
- (d) relates to the business of any railway administration; or
- (e) is exhibited within any railway station or upon any wall or other property of a railway administration except any portion of the surface of such wall or property fronting any street.

Explanation. 1. – In this section, “structure” includes any movable board on wheels used as an advertisement or an advertisement medium.

* The section came into force on the 1st day of August 1976 vide Extraordinary Gazette No.342, dated 29th July, 1976.

Explanation. 2. – In this section, “sky-sign” means any advertisement, supported on or attached to any post, pole, standard, frame-work or other support wholly or in part upon or over any land, building, wall or structure which, or any part of which sky-sign, shall be visible against the sky from some point in any public place, including all and every part of any such post, pole, standard, frame-work or other support, and also includes any balloon, parachute or other similar device employed wholly or in part for the purposes of any advertisement upon or over any land, building or structure or upon or over any public place but does not include .-

- (a) any flagstaff, pole, vane or weather-cock, unless adapted or used wholly or in part for the purposes of any advertisement; or
- (b) any sign, or any board, frame or other contrivance securely fixed to or on the top of the wall or parapet of any building or on the cornice or blocking course of any wall, or to the ridge of a roof:

Provided that such board, frame or other contrivance shall be of one continuous face and not open work, and does not extend in height more than one metre above any part of the wall, or parapet or ridge to, against or on which it is fixed or supported; or

- (c) any advertisement relating to the name of the land or building upon or over which the advertisement is exhibited, or to the name of the owner or occupier of such land or building; or
- (d) any advertisement relating exclusively to the business of a railway administration and placed wholly upon or over any railway, railway station, yard, platform or station approach belonging to a railway administration, and so placed that it cannot fall into any street or public place; or
- (e) any notice of land or building to be sold, or let placed upon such land or building.

Explanation. 3. – In this section, “public place” means any place which is open to the use and enjoyment of the public, whether it is actually used or enjoyed by the public or not.

*** 153. *Prohibition of advertisements without written permission.***- (1) No advertisement shall, after the levy of the tax under section 152 had been determined upon by the council, be erected, exhibited, fixed or retained upon or over any land, building, wall, hoarding or structure within the municipality or shall be displayed in any manner whatsoever in any place without the written permission of the Commissioner.

(2) The Commissioner shall not grant such permission if:-

- (i) the advertisement contravenes any bye-law made by the council under this Act; or
- (ii) the tax, if any, due in respect of the advertisement has not been paid.

(3) Subject to the provisions of sub-section (2), in the case of an advertisement liable to the advertisement tax, the Commissioner shall grant permission for the period to which the payment of the tax relates and no fee shall be charged in respect of such permission:

Provided that the provisions of this section shall not apply to any advertisement erected, exhibited, fixed or retained on the premises of a railway administration relating to the business of a railway administration.

154. *Permission of the Commissioner to become void in certain cases.- The permission granted under section 153 shall become void in the following cases, namely:-

(a) if any addition to the advertisement be made, except for the purpose of making it secure, under the direction of the Commissioner;

(b) if any material change be made in the advertisement or any part thereof;

(c) if the advertisement or any part thereof falls otherwise than through accident;

(d) if any addition or alteration be made to, or in, the land, building, wall, hoarding or structure upon or over which the advertisement is erected, exhibited, fixed or retained, and such addition or alteration involves the disturbance of the advertisement or any part thereof; and

* The section came into force on the 1st day of August 1976 vide Extraordinary Gazette No.342, dated 29th July, 1976.

(e) if the buildings, wall, hoarding or structure upon or over which the advertisement is erected, exhibited fixed or retained be demolished or destroyed.

*** 155. *Owner or person in occupation to be deemed responsible.***- Where any advertisement is erected, exhibited, fixed or retained upon or over any land, building, wall, hoarding or structure in contravention of the provisions of section 152 or section 153 or after the written permission for the erection, exhibition, fixation or retention thereof for any period shall have expired or become void, the owner or person in occupation of such land, building, wall, hoarding or structure shall be deemed to be the person who has erected, exhibited, fixed or retained such advertisement in such contravention unless he proves that such contravention was committed by a person not in his employment or under his control or was committed without his connivance.

*** 156. *Removal of unauthorised advertisements.***- If any advertisement be erected, exhibited, fixed or retained contrary to the provisions of section 152 or section 153 or after the written permission for the erection, exhibition, fixation, or retention thereof for any period shall have expired or become void, the Commissioner may, by notice in writing, require the owner or occupier of the land, building, wall, hoarding or structure upon or over which the same is erected, exhibited, fixed or retained to take down or remove such advertisement or may enter any building, land or property and have the advertisement removed.

*** 157. *Collection of tax on advertisement.***- The Commissioner may farm out the collection of any tax on advertisement leviable under section 152 for any period not exceeding one year at a time on such terms and conditions as may be provided for in the bye-laws made under this Act.

Duty on transfers of property

*** 158. *Method of assessment of duty on transfers of property.***- The duty on transfer of property shall be levied —

(a) in the form of a surcharge on the duty imposed by the Indian Stamp Act, 1899 (Central Act 2 of 1899) as extended to the Union territory, on every instrument of the description specified in Schedule VIII which relates to immovable property situated within the limits of a municipality; and

* The section came into force on the 1st day of August 1976 vide Extraordinary Gazette No.342, dated 29th July, 1976.

(b) at such rate as may be fixed by the Government, not exceeding five per centum, on the amount specified in Schedule VIII.

*** 159. Provisions applicable on the introduction of transfer duty.** – On the introduction of the transfer duty –

(a) section 27 of the Indian Stamp Act, 1899, (Central Act 2 of 1899) shall be read as if it specifically required the particulars to be set-forth separately in respect of property situated within the limits of a municipality and outside such limits;

(b) section 64 of the said Act shall be read as if it referred to the municipal council concerned as well as the Central Government and the State Government.

***160. Power to make rules regarding assessment and collections of transfer duty.** – The Government may make rules not inconsistent with this Act for regulating the collection of the duty, the payment thereof to the municipal councils concerned and the deduction of any expenses incurred by the Government in the collection thereof.

Entertainments tax

*** 161. Tax on payment for admission to entertainment.** – The entertainments tax shall be levied on each payment for admission to any entertainment at rates the maxima and minima whereof are specified in Schedule V:

Provided that in the case of cinematograph exhibition, the tax shall be calculated at the rates specified on each payment for admission after excluding from such payment the amount of the tax.

⁺[161-A.(1) Tax on Television exhibition.– (1) Notwithstanding anything contained in section 161, entertainment tax on cable television exhibition of any programme, including cable television network, shall be levied at the rate of ten per cent of the amount collected by a cable operator by way of contribution or subscription or installation or connection charges or any other charges collected in any manner whatsoever from a subscriber.

* The section came into force on the 1st day of August 1976 vide Extraordinary Gazette No.342, dated 29th July, 1976.

+ Inserted by Act No. 9 of 1999, section 2, w.e.f 07-06-1999.

(2) The tax levied under this section shall be recoverable from the cable operator or any person providing cable television exhibition including cable television network; the tax liability shall not be passed on to the subscribers.

Explanation. – For the purposes of this section, —

- (i) "antenna" means an apparatus which is able to receive television signals and which enables viewers to tune into transmissions including national or international satellite transmissions and is erected or installed for television exhibition;
- (ii) "cable operator" means any person who provides cable service through a cable television network or otherwise controls or is responsible for the management and operation of a cable television network;
- (iii) "cable service" means the transmission by cables of programmes including retransmission by cables of any broadcast television signals;
- (iv) "cable television" means a cable service system organised for television exhibition of programmes which are viewed and heard on the television receiving set at a residential or non-residential place of a subscriber, by using a recorder or player or similar such apparatus on which pre-recorded video cassettes or discs or both are played or replayed;
- (v) "cable television network" means any system consisting of a set of closed transmission paths and associated signal generation, control and distribution equipment, designed to provide cable service for reception by multiple subscribers;
- (vi) "programme" means any television broadcast, and includes —
 - (a) exhibition of films, features, dramas, advertisements and serials through video cassette recorders or video cassette players or discs or both;
 - (b) any audio or visual or audio-visual live performance or presentation;

and the expression "programming service" shall be construed accordingly;

- (vii) "subscriber" means a person who receives the signals of cable television network at a place indicated by him to the cable operator, without further transmitting it to any other person; and
- (viii) "television exhibition" means an exhibition with the aid of any type of antenna with a cable network attached to it or cable television of a programme by means of transmission of television signals by wire, where subscribers' television sets at residential or non-residential place are linked by metallic coaxial cable or optic fiber cable to a central system called the head-end].

*** 162. *Additional tax on cinematograph exhibition.*** – (1) In the case of cinematograph exhibition, in addition to the tax under section 161, a tax on each show of cinematograph exhibition held within the local limits of the municipality shall be levied at rates the maxima and minima whereof are specified in Schedule VI.

(2) The tax levied under sub-section (1) shall be recoverable from the proprietor.

(3) The other provisions of this Act relating to entertainments tax shall, so far as may be, apply in relation to the tax payable under sub-section (1) as they apply in relation to the tax payable under section 161.

*** 163. *Composition and consolidated payment of tax.*** – The Government may, on the application of the proprietor of any entertainment in respect of which the entertainments tax is payable **[under section 161 or section 161-A], allow the proprietor on such conditions as may be prescribed by the Government, to compound the tax payable in respect of such entertainment for a fixed sum.

*** 164. *Admission to entertainment.*** – (1) Save in the case referred to in section 163, no person shall be admitted on payment to any entertainment where the payment is subject to the entertainments tax except –

* The section came into force on the 1st day of August 1976 vide Extraordinary Gazette No.342, dated 29th July, 1976.

** Substituted vide Act 10 of 2004, section 2, w.e.f. 23-12-2004.

- (a) with a ticket issued in such manner and subject to such conditions as may be prescribed, or
- (b) in special cases, with the approval of the Government, through a barrier which, or by means of a mechanical contrivance which, automatically registers the number of persons admitted.

(2) Save in the case referred to in section 163 and clause (b) of sub-section (1), no proprietor of an entertainment shall conduct the entertainment unless he has given security up to an amount and in a manner approved by the Government or any other officer duly authorised by it in this behalf.

(3) Nothing in sub-section (1) or sub-section (2) shall be deemed to preclude the Government from requiring security from the proprietor of an entertainment for the payment of the entertainments tax in any other case.

*** 165. *Manner of payment of tax*** – (1) The entertainments tax shall be levied in respect of each person admitted on payment, and shall be calculated and paid on the number of admissions.

(2) The entertainments tax shall be due and be recoverable from the proprietor.

(3) Where the payment for admission to an entertainment is made wholly or partly by means of a lump-sum paid as a subscription or contribution to any institution or for a season ticket or for the right of admission to a series of entertainments or to any entertainment during a certain period of time, the entertainments tax shall be paid on the amount of the lump-sum but where the Government is of opinion that the payment of a lump-sum or any payment for a ticket represents payment for other privileges, rights or purposes besides the admission to an entertainment, or covers admission to an entertainment during any period during which the tax has not been in operation, the tax shall be levied on such an amount as appears to the Government to represent the right of admission to entertainments in respect to which the entertainments tax is payable.

*** 166. *Returns***. – (1) Every proprietor of an entertainment shall submit such returns relating to payments for admission, to such authority, in such manner and within such periods, as may be prescribed.

* The section came into force on the 1st day of August 1976 vide Extraordinary Gazette No.342, dated 29th July, 1976.

(2) If the prescribed authority is satisfied that any return submitted under sub-section (1) is correct and complete, it shall assess the proprietor on the basis thereof.

(3) If no return is submitted by the proprietor of the entertainment under sub-section (1) before the date prescribed or if the return submitted by him appears to the prescribed authority to be incorrect or incomplete, the prescribed authority shall, after making such inquiry as it considers necessary, determine the tax due under section 161 or section 162 or under both and assess the proprietor to the best of its judgment:

Provided that before taking action under this sub-section, the proprietor shall be given a reasonable opportunity of proving the correctness and completeness of any return submitted by him or that no return was due from him.

*** 167. *Entertainment exempted from payment of tax.*** – The Government may, by general or special order, exempt any entertainment or class of entertainments from liability to the entertainments tax.

*** 168. *Inspection.*** – (1) (a) Any officer authorised by the Government in this behalf may enter any place of entertainment while the entertainment is proceeding, and any place ordinarily used as a place of entertainment at any reasonable time, for the purpose of seeing whether the provisions of this Act or any rules made thereunder are being complied with.

(b) Every officer so authorised shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal code (Central Act 45 of 1860).

(2) The proprietor of every entertainment or the owner or person in charge of any place ordinarily used as a place of entertainment shall give every reasonable assistance to the inspecting officer in the performances of his duties under sub-section (1).

(3) If any person prevents or obstructs the entry of the inspecting officer, he shall, in addition to any other punishment to which he is liable under any law for the time being in force, be punished with fine which may extend to five hundred rupees.

* The section came into force on the 1st day of August 1976 vide Extraordinary Gazette No.342, dated 29th July, 1976.

+ [Explanation – For the purposes of this section, the place of entertainment in relation to television exhibition shall be deemed to be the place from where such television exhibition is provided.]

*** 169. Exemption from payment for admission.** – The officer referred to in section 168 or any other officer who has to enter any place of entertainment in pursuance of a duty imposed upon him by or under this Act or any other law shall not be required to pay for his admission to the entertainment.

*** 170. Powers of entry, search and seizure.** – (1) If any officer authorised by the Government in this behalf has reasonable ground to suspect that a contravention of the provisions of this Act or the rules made thereunder has been committed, he may enter and search at all reasonable times any premises where books, records, accounts, registers, tickets (used and unused) and portions thereof or any other article connected therewith are kept or suspected to be kept by the proprietor of an entertainment, and, may, for reasons to be recorded in writing, seize such books, records, accounts, registers, tickets (used and unused) and portions thereof, or any other article connected therewith as he may consider necessary, and shall give the proprietor or the person in charge of the premises a receipt for the same. The books, records, accounts, registers, tickets and portions thereof, or any other article so seized shall be retained by such officer only for so long as may be necessary for the purpose of investigation.

(2) If any person prevents or obstructs entry, search or seizure by any such officer, he shall, in addition to any other punishment to which he is liable under any law for the time being in force, be punished with fine which may extend to five hundred rupees.

*** 171. Power to make rules.** – (1) The Government may, by notification, make rules for securing the payment of the entertainments tax and generally for carrying into effect the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for —

(a) the use of tickets covering the admission of more than one person and the calculation of the tax thereon; and the payment of the tax on the transfer from one part of a place of entertainment to another, and on payments for seats or other accommodation;

+ Inserted vide Act No.9 of 1999, section 3, w.e.f 7.6.99.

* The section came into force on the 1st day of August 1976 vide Extraordinary Gazette No.342, dated 29th July, 1976.

(b) controlling the use of barriers or mechanical contrivances (including the prevention of the use of the same barrier or mechanical contrivance for payment of a different amount) and for securing proper records of admission by means of barriers or mechanical contrivances;

(c) the checking of admissions, the keeping of accounts and the furnishing of returns by the proprietors of entertainments;

(d) the presentation and disposal of applications for exemption from payment of the entertainments tax, or for the refund thereof, made under the provisions of this Act;

(e) the collection of the entertainments tax under this Act and the powers to be exercised by the officers of the Government in that behalf;

(f) authorising any municipal council to collect the entertainments tax in the area within the jurisdiction of the municipal council or any part of the such area, and for the powers to be exercised by the officers of the municipal council in connection with such collection;

(g) the issue of passes by proprietors of entertainments for the admission of officers who have to perform any duty in connection therewith or any other duty imposed upon them by law; and

(h) appeals and revisions in respect of proceedings under this Act, the period within which such appeals and revisions should be preferred and the fees to be paid, in respect of such appeals and revisions.

(3) In making a rule under sub-section (1) or sub-section (2), the Government may provide that a breach thereof shall be punishable with fine which may extend to five hundred rupees.

Duty on toddy trees

***172. Levy of duty on toddy trees.** – (1) The duty on toddy trees may be levied –

(a) in the form of surcharge on the duty imposed by the Puducherry Excise Act, 1970 (12 of 1970) on every variety of toddy trees specified in Schedule IX and tapped within the limits of the municipality, and

(b) at such rates as may be fixed by the Government not exceeding the rates specified in Schedule IX.

* The section came into force on the 1st day of August 1976 vide Extraordinary Gazette No.342, dated 29th July, 1976.

(2) All the provisions of the Puducherry Excise Act, 1970 (12 of 1970) and the rules made thereunder shall apply to the said duty as they apply in relation to the duty chargeable under that Act.

(3) The Government may make rules not inconsistent with this Act for regulating the collection of the duty, the payment thereof to the municipal councils concerned and the reduction of any expenses incurred by the Government in the collection thereof.

Additional tax on buildings and lands

*** 173. Levy of additional tax on buildings and lands used for certain purposes. –**

(1) If the council by resolution determines that the tax referred to in clause (b) of sub-section (2) of section 118 shall be levied, such tax shall be collected from the date specified in the notification published under section 120 in pursuance of such resolution.

(2) The municipal council shall, in determining the rates at which the tax shall be levied under sub-section (1), have regard to the following matters, namely: –

- (a) the locality in which the building or land is situated;
- (b) the purpose for which the building or land is used, such purpose being a purpose specified in Schedule III;
- (c) accessibility or proximity to market, dispensary, hospital, railway station or Government offices;
- (d) availability, of civic amenities like water-supply, drainage and lighting.

(3) Different rates may be specified in respect of different classes of purposes specified in Schedule III.

*** 174. Additional tax on buildings and lands used for certain purposes when payable. –** The tax referred to in clause (b) of sub-section (2) of section 118 shall be levied every half-year and shall, save as otherwise expressly provided in this Act, be paid by the person primarily liable to tax assessed on the building or land within fifteen days after the commencement of the half-year.

* The section came into force on the 1st day of August 1976 vide Extraordinary Gazette No.342, dated 29th July, 1976.

Recovery of taxes, fees, cesses and other dues.

*** 175. *Mode of recovery of taxes, fees, cesses and other dues.*** – All amounts on account of taxes, fees, or penalties imposed or as may hereafter be imposed by or under this act or rules or bye-laws made thereunder and all amounts on account of contract, auction, lease or any sum claimable under this Act or under the rules or bye-laws made thereunder shall, save as otherwise provided, be recoverable in the manner hereinafter provided.

*** 176. *Mode of collection.*** – (1) When any tax, fee, cess, and other dues not being property tax or profession tax becomes due from any person, the Commissioner shall serve upon such person a bill for the sum due.

(2) Every such bill or a notice under section 147 shall specify the period for which, and the property, occupation or thing in respect of which the tax or sum is charged and shall also give notice of the liability incurred in default of payment and of the time within which an appeal may be preferred as hereinafter provided against such claim.

(3) For every such notice or bill, a fee of such amount not exceeding five rupees, as may in each case be fixed by the Commissioner, shall be payable by the said person.

(4) Nothing contained in this section or in section 177 shall preclude the council from suing in a civil court for any tax, fee, cess and other sum due to it under this Act.

*** 177. *Distrainment and sale of movable property.*** – If the person liable for the payment of tax, fee, cess or other due does not, within fifteen days from the commencement of the half-year in respect of property tax or from the service of the notice or bill as the case may be, pay the sum due or show sufficient cause for non-payment of the same to the satisfaction of the Commissioner and if no appeal is preferred against the said tax, fee, cess or due as provided in this Act, the Commissioner may recover by distraint under a warrant in the form set out in Schedule X and sale of the movable property of the defaulter, the amount due on account of the tax, fee, cess or due together with all costs of the recovery which include a warrant and distraint fee at such rate not exceeding the rates specified in Schedule XII and such further sum as will satisfy the probable charges that will be incurred in connection with the detention and sale of the property so distrained:

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11, dated 17th January, 1974.

Provided that movable property described in the proviso to sub-section (1) of section 60 of the Code of Civil Procedure, 1908 (Central Act 5 of 1908) shall not be liable to distraint.

*** 178. Power of entry by force under special order.** – It shall be lawful for any officer to whom a warrant issued under section 177 is endorsed, if the warrant contains a special order authorising him in this behalf, to break open at any time between sunrise and sunset any outer or inner door or window of a building in order to make the distraint, if he has reasonable ground for believing that such building contains property which is liable to seizure, and if, after notifying his authority and purpose and duly demanding admittance, he cannot otherwise obtain admittance:

Provided that such officer shall not enter or break open the door of any apartment, appropriated to women, until he has given three hours notice of his intention and has given such women, as opportunity to withdraw.

*** 179. Inventory and notice of distress and sale.** – (1) The officer charged with execution of a warrant of distress issued under section 177 shall forthwith make an inventory of movable property which he seizes under such warrant and shall at the same time give a written notice in the form set out in Schedule XI or in some similar form together with a copy of inventory to the person in possession thereof at the time of seizure, that the said property shall be sold as therein mentioned.

(2) The distress shall not be excessive, that is to say the property distrained shall be as nearly as possible equal in value to the amount due by the defaulter together with all expenses incidental to the warrant, distraint, detention and sale.

(3) Nothing contained in this section shall preclude from demanding payment of tax due and of warrant fees before making the distraint.

*** 180. Property of defaulter may be distrained whenever found.** – The property of any person liable for the payment of any tax, fee, cess and due may be distrained wherever it may be found within the municipality.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11, dated 17th January, 1974.

* 181. *Sale of property.* – (1) If the warrant is not in the meantime suspended by the Commissioner or discharged, the property seized or a sufficient portion thereof, shall, after the expiry of the period specified in the notice served, under section 179 be sold by public auction under the orders of the Commissioner who shall apply the proceeds of the sale to the payment of amount due on account of tax, fee, cess or other dues and the said fees and expenses incidental to the detention and sale of the property and shall return to the person in whose possession the property was at the time of seizure any property or sum which may remain after the sale and the application of the proceeds thereof aforesaid. If the proceeds of the sale are insufficient for the payment of the amount due on account of the tax, and the said fees and the expenses incidental to the detention and sale of the property, the Commissioner may again proceed under section 177 in respect of the sum, remaining unpaid.

(2) When the property seized is subject to speedy and natural decay, the Commissioner may sell it at any time before the expiry of the said period specified in the notice, unless the amount due is sooner paid.

(3) The Commissioner shall consider any objections to the distraint of any property which are made within the period specified in the notice and may postpone the sale pending investigation thereof. If the Commissioner decides that the property attached was not liable to distraint, he shall return it, or if it has already been sold, the proceeds of the sale to the person appearing to be entitled thereto and may again proceed under section 177 and all fees and expenses connected with the first distraint and sale shall be recoverable from the defaulter if it shall appear to the Commissioner that he wilfully permitted the distraint of the property when to his knowledge it was not liable to distraint.

* 182. *When occupier may be held liable for payment of property tax.* – If any tax due on account of any building or land remains unpaid in whole or in part at the end of the period of fifteen days from the commencement of the half-year to which it relates, the Commissioner may, if the said tax has not remained unpaid for more than twelve months, require the occupier for the time being of such building or land to pay the amount within a specified period not being less than fifteen days and if the occupier fails to comply with such requisition, the Commissioner may distrain and sell any movable property found on the building or land and the provisions of the

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11, dated 17th January, 1974.

foregoing sections shall, as far as may be, apply to all distraints and sales effected under this section provided that no occupier shall be liable to prosecution or to a civil suit in respect of any sum recoverable from him under this section, unless he has wilfully prevented distraint or a sufficient distraint.

* 183. *Certain amount to be recovered as arrears of land revenue.* – (1) If any tax, cess, fee or sum due from any person remains unpaid in whole or in part at the end of the period specified in section 177 and if such person has left India or cannot be found, the said tax, cess, fee or other sum or such part thereof as remains unpaid together with all sums payable in connection therewith, and five per cent of the aggregate of such tax, cess, fee or other sum or part and all such sums to cover the cost of collection shall be recoverable as if the same were an arrear of land revenue.

(2) Out of the gross amount collected under sub-section (1), 1/21 part shall be credited to the Government to cover the cost of collecting the tax.

* 184. *Imposition of fine.* – (1) Every person who is prosecuted for non-payment of any tax, cess, fee or other sum due shall be liable, on proof to the satisfaction of the Magistrate that he wilfully omitted to pay the amount due by him or that he wilfully prevented distraint or a sufficient distraint, to pay a fine not exceeding twice the amount which may be due by him on account of -

- (a) the tax, cess, fee or other sum due and the warrant fee, if any, and
- (b) if distraint has taken place, the distraint fee and the expenses incidental to the detention and sale, if any, of the property distrained.

(2) Whenever any person is convicted of an offence under sub-section (1), – the Magistrate shall, in addition to any fine which may be imposed, recover summarily and pay over to the municipal council the amounts, if any, due under sub-section (1); and may in his discretion also recover summarily and pay to the council such amount, if any, as he may fix as the costs of the prosecution.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11, dated 17th January, 1974.

General provisions regarding taxation.

*** 185. Power to exempt from taxes.-** (1) With the sanction of the Government the municipal council may exempt any person or class of persons wholly or in part from the payment of any tax.

(2) Nothing in this section shall be deemed to authorise the exemption of any person solely on the ground that he is a member of a municipal council.

*** 186. Assessment of various taxes etc. -** (1) (a) The Commissioner shall, save as otherwise provided in this Act, prepare and keep assessment book in such form as may be prescribed showing the person and property liable to taxation under this Act.

(b) The assessment books and where detailed particulars relating to any assessment are kept in separate records, the portion thereof containing such particulars, shall be open, at all reasonable times and without charge, to inspection by any person who pays any tax to the municipality or his authorised agent and such person or agent shall be entitled to take extracts free of charge, from the said books and records.

(c) The account books of the council shall be open without charge to inspection by any person who pays any tax to the municipality or his authorised agent on a day or days in each month to be fixed by the council.

(2) The Commissioner shall, save as otherwise provided in this Act, determine the tax to which each property or person is liable:

Provided that in the case of taxes payable by the Commissioner the original assessment shall be made by the Director.

(3) (a) The Commissioner shall give to every person making payment of a tax, fee, cess or other sum due, a receipt thereof signed by him or by some person duly authorised by him in that behalf.

(b) Such receipt shall specify —

- (i) the date of the grant thereof;
- (ii) the name of the person to whom it is granted;
- (iii) the tax, fee, cess or other sum due in respect of which the payment has been made;
- (iv) the period for which payment has been made; and
- (v) the amount paid;

* The section came into force on the 1st day of August, 1976 vide Extraordinary Gazette No. 342 dated, 29th July 1976.

*** 187. Power to write off irrecoverable taxes etc.** – The municipal council may write off any tax, fee or other amount whatsoever due to it, whether under a contract or otherwise, or any sum payable in connection therewith, if in its opinion, such tax, fee amount or sum is irrecoverable:

Provided that the municipal council shall not without obtaining the previous sanction in writing of the prescribed authority, write off any such tax, fee, amount or sum if the tax, fee, amount or sum exceeds such amount or sum as may be prescribed.

*** 188. Payment of interest in case of default of payment of taxes.**— (1) Subject to the provisions of this Act, any sum due on account of any tax levied by the municipal council, if not paid within fifteen days from the date on which the tax is due shall be deemed to be in arrears, and thereupon such simple interest not exceeding ten per centum per annum as the Commissioner may fix shall be payable on such sum from the date aforesaid.

(2) The interest payable under sub-section (1) shall be collected as if it formed part of the tax and all the relevant provisions of this Act shall apply accordingly.

+ [189. Appeals. – (1) Appeals against any claim for taxes or other dues included in a bill presented to any person under section 176 or any other provision of this Act may be made to the Taxation Appeals committee of the concerned Municipality to be established by the Government.

(2) The Taxation Appeals Committee shall consist of the Chairman of the Municipal Council who shall also be the Chairperson of the Taxation Appeals Committee and two Councillors duly elected by the Council.

(3) The business of the Taxation Appeals Committee shall be transacted in accordance with the rules made by the Government in this behalf.

(4) When the Council is dissolved, the Officer or authority appointed by the Government under clause (b) of sub-section (2) of section 109 to exercise and perform all the powers and duties under this Act during the period of dissolution shall be the Chairperson of the Taxation Appeals Committee and the Executive Engineer of the Public Works Department who is in-charge of execution of building works and the Deputy Collector of the Revenue Department of the respective region, shall be its members.

* The section came into force on the 1st day of August, 1976 vide Extraordinary Gazette No. 342, dated 29th July 1976.

+ Substituted vide Act No.11 of 1999, section 2, w.e.f 05.07.99.

190. *Procedure in appeal.* – (1) Every appeal filed under section 189 shall be entered in a register maintained for the purpose by the Taxation Appeals Committee.

(2) No appeal shall be entertained unless —

- (a) the appeal is brought within fifteen days next after the presentation of the bill or notice complained of or from the commencement of the half-year in respect of property tax, whichever is later;
- (b) two-thirds of the amount claimed from the appellant has been deposited in the Municipal office; and
- (c) in the case of a tax on buildings or lands or both, an application in writing stating the grounds on which the claim of the Council is disputed, has been made to the Council within the time fixed in the notice given under section 129 or section 132.

(3) Before hearing an appeal, the Taxation Appeals Committee shall give a written notice to the appellant and the Commissioner specifying the place, date and time of hearing of the appeal.

(4) The appellant may appear either in person or through an authorised agent before the Taxation Appeals Committee.

(5) The Taxation Appeals Committee shall, as far as possible, hear and dispose of the appeal within three months from the date of filing of the appeal.

(6) The gist of the order passed in the appeal shall be recorded in the register and shall be duly attested by the Chairman and the members of the Taxation Appeals Committee.

(7) A certified copy of the order shall be supplied free of cost to the appellant and the Commissioner by the Taxation Appeals Committee, within ten days from the date of passing of the order.

191. *Power of Government to call for records and pass orders.* – The Government may, of its own motion or on an application made by any person aggrieved by the order of the Taxation Appeals Committee within thirty days from the date of the order, call for and examine the records of the Taxation Appeals Committee in respect of any proceedings under section 189 and pass such order as it may deem fit:

Provided that the Government shall not pass any order prejudicial to any person unless he has been given a reasonable opportunity of being heard].

⁺[191-A. *Exclusion of jurisdiction and pending proceedings.* – (1) No civil court shall have or exercise any jurisdiction in respect of any suit or proceeding of the nature of claim of tax or other dues included in a bill presented under section 176 or any other provisions of this Act.

(2) Every suit or other proceeding of the nature referred to in sub-section (1).

- (a) which is pending immediately before the establishment of such Taxation Appeals Committee before any court in the Union Territory; and
- (b) which would have been required to be instituted or taken before such Taxation Appeals Committee, if before the date on which such suit or proceedings was instituted or taken, the Puducherry Municipalities (Amendment) Act, 1999 had come into force and such Taxation Appeals Committee had been established,

shall stand transferred to such Taxation Appeals Committee on the date on which it is established.]

* 192. *Bar of other proceedings.* – No objection shall be taken to any valuation, assessment or levy nor shall the liability of any person to be assessed or taxed be questioned, in any other manner or by any other authority than is provided in this Act.

CHAPTER IX

FINANCE

¹[192-A. *Finance Commission.* – (1) The Finance Commission constituted under section 129-A of the Puducherry Village and Commune Panchayats Act, 1973, (Act No. 10 of 1973) shall also review the financial position of the municipal councils and make recommendations to the Administrator as to –

+ Inserted vide Act No. 11 of 1999, section 3, w.e.f. 05-07-1999.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11, dated 17th January, 1974.

1. Inserted by Act 4 of 1994, section 16 w.e.f. 23-4-1994.

- (a) the principles which should govern –
 - (i) the distribution between the Union territory and the municipal councils of the net proceeds of the taxes, duties, tolls and fees leviable by the Union territory, which may be divided between them and the allocation between the municipal councils of their respective shares of such proceeds;
 - (ii) the determination of the taxes, duties, tolls and fees which may be assigned to, or appropriated by, the municipal councils; and
 - (iii) the grants-in-aid to the municipal councils from the Consolidated Fund of the Union territory of Puducherry;
- (b) the measures needed to improve the financial position of the municipal councils; and
- (c) any other matter referred to the Finance Commission by the Administrator in the interests of sound finance of the municipal councils.

(2) The Administrator shall cause every recommendation made by the Commission under this section together with an explanatory memorandum as to the action taken thereon to be laid before the Legislative Assembly of the Union territory].

* 193. *Constitution of the municipal fund.* – (1) Save as otherwise provided in this Act: –

- (a) all moneys received by or on behalf of the municipality under the provisions of this Act or of any other law for the time being in force, or under any contract;
- (b) all proceeds of the disposal of property by, or on behalf of, the municipality;
- (c) all rents accruing from any property of the municipality;
- (d) all moneys raised by any tax, rate or cess, levied for the purposes of this Act;
- (e) all fees collected and all fines levied under this Act or under any rules, regulation or bye-law made thereunder;

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11, dated 17th January, 1974.

- (f) all moneys received by or on behalf of the municipality from the Government or any individual or association of individuals by way of grant or gift or deposit;
- (g) all interests and profits arising from any investment of, or from any transaction in connection with any money belonging to the municipality, including loans advanced under this Act; and
- (h) all moneys received by or on behalf of the municipality from any other source whatsoever;

shall form one fund to be entitled the municipal fund (hereinafter in this Act referred to as "the municipal fund").

(2) The municipal fund shall be held by the municipality in trust for the purposes of this Act.

*** 194. *Municipal fund to be in Government treasury, etc., and operation of accounts.*** – (1) All moneys received by the council shall be lodged in the nearest Government treasury or, with the sanction of the Government in a bank:

Provided that the municipal council may, with the sanction of the Government, invest any sums not required for immediate use either in a Government savings bank or in Government securities or in any other security which may be approved by the Government.

(2) All orders or cheques against the municipal fund shall be signed by the Commissioner or by some person duly authorised in this behalf by him. The treasury or bank in which the fund is lodged shall, so far as the funds to the credit of the council admit, pay all orders or cheques against the fund which are so signed.

(3) If the council shall have given previous authority in writing such treasury or bank may at once pay out of the municipal fund without such order or cheque any expense, which the Government have incurred on behalf of the council.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11, dated 17th January, 1974.

*** 195. *Payment not to be made unless covered by a budget-grant.*** – No payment of any sum out of the municipal fund shall be made unless the expenditure of the same is covered by a current budget-grant and a sufficient balance of such budget-grant is still available notwithstanding any reduction or transfer thereof which may have been made under the provisions of this Act:

Provided that this section shall not apply to payment made in the following classes of cases, namely: -

- (a) refund of taxes and other moneys which are authorised under this Act;
- (b) repayment of moneys belonging to contractors or other persons and held in deposit and of moneys collected or credited to the municipal fund by mistake;
- (c) sums payable in any of the following circumstances --
 - (i) under orders of the Government on failure of the municipal council to take any action as required by that Government; or
 - (ii) under any other enactment for the time being in force; or
 - (iii) under the decree or order of a civil or criminal court passed against municipal council; or
 - (iv) under a compromise of any claim, suit or other legal proceedings; or
 - (v) on account of cost incurred in taking immediate action by the municipal council or any of the municipal authorities to avert a sudden threat of danger to the property of the municipal council or to human life;
- (d) temporary payments for works urgently required by the Government in the public interest;
- (e) sums payable as compensation under this Act or under any rules, regulations or bye-laws made thereunder;
- (f) expenses incurred by the municipal council on special measures taken on the outbreak of dangerous diseases.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11, dated 17th January, 1974.

*** 196. *Procedure when money not covered by a budget-grant is expended.*** — Whenever any sum is expended under clause (c), clause (e) or clause (f) of the proviso to section 195 the Commissioner shall forthwith communicate the circumstances to the municipal council which may take such action under the provisions of this Act as shall in the circumstances appear possible and expedient for covering the amount of the additional expenditure.

*** 197. *Application of money received and expenditure from fund*** – All moneys received by the municipal council shall be applied and disposed of in accordance with the provisions of this Act and other laws:

Provided that the municipal council shall have power subject to such rules as may be prescribed to direct that the proceeds of any tax or additional tax levied under this Act shall be earmarked for the purpose of financing any specific public improvement. A separate account shall be kept of the receipt from every such tax or additional tax and the expenditure thereof.

*** 198. *Expenditure from municipal fund.*** – (1) The purposes to which the municipal fund may be applied include all objects expressly declared obligatory or discretionary by this Act or any rules made thereunder or by any other laws or rules, and in general everything necessary for, or conducive to, the safety, health, convenience of the inhabitants or to the amenities of the municipality and everything incidental to the administration; and the fund shall be applicable thereto within and outside the municipality, subject to such rules or special orders as the Government may prescribe or issue.

(2) It shall be the duty of every municipal council to provide for the payment of —

- (i) any amount falling due on any loan contracted by it;
- (ii) salaries and allowances, pension, and gratuities and pensioner and provident fund contributions of its officers and servants;
- (iii) sums due under any decree or order of the court; and
- (iv) any other expenses rendered obligatory by or under this Act or any other law.

(3) The municipal council, may, with the sanction of the Government, contribute any fund for the defence of India.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11, dated 17th January, 1974.

(4) The municipal council, may, with the sanction of the Director also-

- (i) contribute towards the expenses of any public exhibition, ceremony or entertainment in the municipal area;
- (ii) contribute to any charitable fund, or to the funds of any institution for the relief of the poor or the treatment of disease or infirmity or the reception of diseased or infirm persons or the investigations of the causes of the disease; and
- (iii) defray any other extraordinary charges.

* 199. *Budget estimates.* – (1) The municipal council shall in each year frame a budget showing the probable receipts and the expenditure which it proposes to incur during the following year and shall submit a copy of the budget to the Government before such date as may be fixed by it in that behalf.

(2) The budget shall contain provision adequate in the opinion of the Government for the due discharge of all liabilities in respect of loans contracted by the council and for the maintenance of a working balance; and if the budget as submitted to the Government fails to make these provisions, the Government may modify any part of the budget so as to ensure that such provisions are made.

* 200. *Revised or supplemental budget.* – If in the course of a year a municipal council finds it necessary to modify the figures shown in the budget with regard to its receipts or to the distribution of the amounts to be expended on the different services it undertakes, it may submit a supplemental or revised budget provided that no alteration shall be made without the consent of the Government in the amount allotted for the service of debt or in the working balance.

* 201. *Reduction or transfer of budget grants.* – The municipal council may, if it thinks necessary, at any time during the year –

- (a) reduce the amount of a budget-grant; or
- (b) transfer and add the amount, or a portion of the amount of one budget-grant to the amount of any other budget-grant:

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11, dated 17th January, 1974.

Provided that ---

- (i) due regard shall be had, when making any such reduction or transfer, to all the requirements of this Act;
- (ii) the aggregate sum of the budget-grants contained in the budget estimate adopted by the council shall not be increased except by the council under section 200.

*** 202. *Re-adjustment of income and expenditure to be made by the council during the course of the year, whenever necessary.*** – (1) If it shall at any time during any year appear to the council that, notwithstanding any reduction of budget grants that may have been made under section 201, the income of the municipal fund during the said year will not suffice to meet the expenditure sanctioned in the budget estimate of the said year and to leave at the close of the year such cash balance as may be prescribed, it shall be incumbent on the council either to diminish the sanctioned expenditure of the year so far as it may be possible so to do with due regard to all the requirements of this Act or to have recourse to supplementary taxation, or to adopt both of these expedients in such measure as may be necessary to secure the cash balance at the close of the year.

(2) Whenever the council determines to have recourse to supplementary taxation in any year, it shall do so by increasing for the unexpired portion of the year, the rate at which any tax or duty is being levied, subject to the conditions, limitations and restrictions laid down in Chapter VIII and in this Chapter.

*** 203. *Powers of the Government over budget.*** – The Government may direct a council to modify their estimates in keeping with the provisions of this Act or on grounds of any excessive or inadequate appropriations in any of the items in the budget.

204. *Provisions as to unexpended budget-grant. – If the whole or any part of any budget-grant included in the budget estimates for a year remains unexpended at the close of that year, and the amount thereof has not been taken into account in the opening balance entered in the budget estimates of any of the next two following years the municipal council may sanction the expenditure of such budget-grant or the unexpended portion thereof during the next two following years for the completion of the purpose or object for which the budget-grant was originally made and not for any other purpose or object.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11, dated 17th January, 1974.

* 205. *Appointment of auditors of accounts.* – (1) The Government shall appoint auditors of the accounts of receipts and expenditure of the municipal fund.

(2) Such auditors shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code (Central Act 45 of 1860).

* 206. *Powers of auditors.* – (1) The auditors may --

- (a) by summons in writing, require the production of any book, deed, contract, account, voucher, receipt or other document the perusal or examination of which they consider necessary;
- (b) by summons in writing require any person having the custody or control of any such document or accountable for it to appear in person before them;
- (c) require any person so appearing to make and sign a declaration with respect to such document or to answer any question or to prepare and furnish any statement relating thereto.

(2) The auditors shall --

- (a) report to the council any material impropriety or irregularity which they may observe in the expenditure or in the recovery of moneys due to the council or in the municipal accounts;
- (b) furnish to the council such information as it may require concerning the progress of their audit;
- (c) report to the council any loss or waste of money or other property owned by or vested in the council caused by neglect or misconduct, with the names of persons, directly or indirectly, responsible for such loss or waste; and
- (d) submit to the council a final statement of the audit and a duplicate copy thereof to the Government within a period of three months from the end of the financial year, or within such other period as the Government may notify.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11, dated 17th January, 1974.

*** 207. Defect and irregularities to be rectified by the Commissioner** – The Commissioner shall forthwith remedy any defects or irregularities that may be pointed out by the auditors and report the same to the council.

*** 208. Remarks of the council on the final statement of the audit.** – The council shall forward its remarks, if any, on the final statement of the audit to the Government through the Examiner of Local Fund Accounts within a period of three months from the date of the receipt of the said statement by the council.

*** 209. Audit, surcharge and disallowance.** – (1) The auditors may disallow every item contrary to law and surcharge the same on the person making, or authorising the making of, the illegal payment; and may charge against any person responsible therefor the amount of any deficiency, loss or unprofitable outlay incurred by the negligence or misconduct of that person or of any sum which ought to have been, but is not, brought into account by that person and shall, in every such case, certify the amount due from such person.

Explanation. – It shall not be open to any person whose negligence or misconduct has caused or contributed to any such deficiency or loss, to contend that notwithstanding his negligence or misconduct the deficiency or loss would not have occurred but for the negligence or misconduct of some other person.

(2) The auditors shall state in writing the reasons for their decision in respect of every disallowance, surcharge or charge and furnish by registered post a copy thereof to the person against whom it is made.

(3) If the person to whom a copy of the auditor's decision is so furnished refuses to receive it, he shall nevertheless be deemed to have been duly furnished with a copy of such decision within the meaning of sub-section (2). The period of fourteen days fixed in sections 210 and 211 shall be calculated from the date of such refusal.

*** 210. Appeal against the decision of the auditor.** – (1) Any person aggrieved by disallowance, surcharge or charge made may, within fourteen days after he has received or been served with the decision of the auditor, apply to the Director, who may after considering the decision of the auditor and after making such further inquiry as he considers necessary, confirm, modify or remit such disallowance, surcharge or charge. A copy of such order shall be immediately communicated to the Commissioner with intimation to the person concerned.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11, dated 17th January, 1974.

(2) In case where the order of the Director is against the person concerned, the Commissioner shall direct such person to pay to the municipality before a fixed date to be specified in the notice, the amount required to be reimbursed as per the orders of the Director referred to in sub-section (1). If the amount is not so paid, it shall be recovered in the manner prescribed under section 175 and credited to municipal fund.

(3) An appeal shall lie to the District court against the order of the Director made under sub-section (1). But no such appeal shall be held by such court, unless it is brought within one month from the receipt by the concerned person of the order of the Director or of the notice of the Commissioner whichever is later and the amount claimed has been deposited by him with the Commissioner, and the court after taking such evidence as it thinks necessary, may confirm, modify, or remit such amount and make such order as to costs as it thinks proper in the circumstances.

** 211. Recovery of amount certified to be due.* – Every sum certified to be due from any person by auditors under this Act shall be paid by such person to the Commissioner within fourteen days after the intimation to him of the decision of the auditors; and such sum if not so paid, shall be recoverable in the manner prescribed under section 175.

** 212. Powers of the Government to waive.* – Notwithstanding anything contained in the preceding sections, the Government may, at any time direct that the recovery of the whole or any part of the amount certified to be due from any person by auditors under this Act shall be waived if in their opinion such a course is necessary considering all the circumstances of the case.

** 213. Contributions to expenditure by other local authorities.* – (1) If the expenditure incurred by the Government or by any other municipality to which this Act applies or by any other local authority in the Union territory for any purpose authorised by or under this Act is such as to benefit the inhabitants of a municipality, the municipal council may, with the sanction of the Government, make a contribution towards such expenditure.

(2) The Government may direct a municipal council to show cause, within a month after receipt of the order containing the direction, why any contribution described in sub-section (1) should not be made.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11, dated 17th January, 1974.

(3) If the municipal council fails to show cause within the said period to the satisfaction of the Government, the Government may direct it to make such contribution as it shall name, and it shall be paid accordingly.

*** 214. *Recovery of loans and advances made by the Government.*** – Notwithstanding anything contained in the Local Authorities Loans Act, 1914 (Central Act 9 of 1914) the Government shall be entitled to recover in the manner provided by sub-section (7) of section 107 or by suit any loan or advance paid to any municipal council for any purpose to which the funds of the said council may be applied under this Act.

*** 215. *Grant by Government to the municipal fund.*** – The Government may contribute every year to the funds of any municipality by way of such grant and subject to such terms and conditions and in such manner as it deems fit for all or any of the following purposes, namely: -

- (a) water-supply;
- (b) drainage;
- (c) development plan and town planning schemes under any law for the time being in force in the Union territory.
- (d) Public health;
- (e) Construction and maintenance of roads; and
- (f) such other amenities or objects connected with the municipal administration as the Government may, from time to time, determine.

CHAPTER - X

WATER-SUPPLY, LIGHTING AND DRAINAGE

Water-supply

**** 216. *Vesting of works in municipal councils.***- (1) All public water-courses and springs and all public reservoirs, tanks, cisterns, fountains, wells, stand-pipes, and other water works existing at the commencement of this Act or after wards made, laid or erected, and whether made, laid or erected at the cost of the municipal councils or otherwise, and also any adjacent land (not being private property) appertaining thereto shall vest in the council and be subject to its control:

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11, dated 17th January, 1974.

** The section came into force on the 1st day of August, 1976 vide Extraordinary Gazette No. 342, dated 29th July 1976.

Provided that nothing contained in this section shall apply to any work which is, or is connected with, a work or irrigation or to any adjacent land appertaining to any such work.

(2) The Government may, by notification, limit or define such control or may assume the administration of any public source of water-supply and public land adjacent and appertaining thereto after consulting the municipal council and giving due regard to its objections, if any.

*** 217. *Construction and maintenance of water works.***- (1) The municipal council may, with the sanction of the Government, direct the construction of such works as it deems fit outside the limits of the municipality for supplying it with water and may provide channels, tanks, reservoirs, cisterns, engines, mains, wells, fountains, stand-pipes, and other works as it may deem fit within the said limits for the use of the inhabitants.

(2) The council may cause existing works for the supply of water to be maintained and supplied with water, or it may close any such works and substitute other such works and may cause them to be maintained and supplied with water.

*** 218. *Constitution of water boards for local authorities.***- (1) Notwithstanding anything contained in section 216, the Government may constitute a water board for one or more municipalities or other local authorities for the construction and maintenance of water works for the supply of water to such municipalities or local authorities.

(2) The local authority or authorities, for which water board is constituted under sub-section (1) shall, subject to such conditions as may be prescribed, be bound to take water from such water board on and from the date of completion of the construction or of the commencement of the maintenance of a water works by such water board.

*** 219. *Trespass on premises connected with water supply.***- It shall not be lawful for any person, except with permission duly given and obtained, to enter upon land belonging to or vested in a municipal council along which a conduit or pipe runs, or upon any premises connected with the water-supply.

* The section came into force on the 1st day of August, 1976 vide Extraordinary Gazette No. 342, dated 29th July 1976.

*** 220. Prohibition of building over water mains.-** (1) Without the permission of the council no building, wall or other structure shall be newly erected and no street shall be constructed over any municipal water mains.

(2) If any building, wall or other structure be so erected or any street be so constructed, the council may cause the same to be removed or otherwise dealt with as shall appear to it fit and the expenses thereby incurred shall be paid by the persons offending.

Supply for domestic use.

*** 221. Council to provide water for domestic use.-** The municipal council, shall so far as the funds at its disposal may admit, provide a sufficient supply of water fit for the domestic use of the inhabitants.

*** 222. Control over house-connections.-** All house connections, whether within or outside the premises to which they belong, with any water-supply mains which may have been constructed by a municipal council shall be under the control of the council, but shall be altered, repaired and kept in proper order, at the expense of the owner of the premises to which they belong or for the use of which they were constructed, and in conformity with bye-laws and regulations made by the council in this behalf.

*** 223. Private water-supply for consumption and domestic use and powers of Commissioner to enforce provision of water supply.-** (1) In municipalities in which there is a pipe supply of water, the Commissioner may, at his discretion on application by the owner or occupier of any building, arrange, in accordance with the bye-laws, to supply water thereto for domestic consumption and use:

Provided that the Commissioner shall not, without the sanction of the council agree to supply water to any building assessed at an annual value of less than one hundred and twenty rupees.

(2) Whenever it appears to the Commissioner that any dwelling-house assessed at an annual value of not less than two hundred rupees is without a proper supply of water for domestic consumption and use and that such a supply can be furnished from a main not more than thirty meters distant from any part of such building, the Commissioner, may, by notice, require the owner to obtain such supply and to execute all such works as may be necessary for that purpose in accordance with the bye-laws and regulations.

* The section came into force on the 1st day of August, 1976 vide Extraordinary Gazette No. 342, dated 29th July 1976.

(3) The cost of making the connection and the cost or hire of meters shall be borne by the owner or applicant and shall be recoverable in the same manner as the property tax.

Explanation

Supply of water for domestic consumption and use shall not be deemed to include a supply –

- (a) for any trade, manufacture or business;
- (b) for gardens or for purposes of irrigation;
- (c) for building purposes;
- (d) for fountains, swimming baths or public baths within the municipality or for any ornamental or mechanical purposes;
- (e) for animals, or for washing vehicles, where such animals or vehicles are kept for sale or hire; but shall be deemed to include a supply —
 - (i) for flushing latrines;
 - (ii) for all baths other than swimming baths or public baths;
 - (iii) for the consumption and use of inmates of hotels, boarding-houses and the like and for baths used by such inmates.

Private water-supply for non-domestic purposes.

*** 224. Power of Commissioner to supply water for non-domestic purposes.-** The Commissioner may, at his discretion, supply water for any purpose other than domestic consumption and use on receiving a written application specifying the purpose for which such supply is required and the quantity likely to be consumed.

*** 225. Power of council to make bye-laws for water-supply.-** (1) For all water supplied under section 223, payment shall be made on such basis, at such times, and on such conditions as may be laid down in the bye-laws made by the council, and shall be recoverable in the same manner as property tax.

* The section came into force on the 1st day of August, 1976 vide Extraordinary Gazette No. 342, dated 29th July 1976.

(2) In particular and without prejudice to the generality of the foregoing power, such bye-laws may —

- (a) provide for the classification of supply of water under the following categories, namely: -
 - (i) supply to residential buildings;
 - (ii) supply to residential hotels;
 - (iii) supply to shops, commercial establishments (other than Industrial undertakings), restaurants, eating-houses, theatres and places of public amusement or entertainment;
 - (iv) supply to industrial undertakings;
 - (v) supply to non-residential buildings not falling within the scope of category (ii), category (iii) or category (iv).

Explanation. - In this clause, unless the context otherwise requires, the expressions "commercial establishment", "eating-house", "residential hotel", "restaurant", "shop" and "theatre" shall have the meanings assigned to them in the Puducherry Shops and Establishments Act, 1964 (9 of 1964).

- (b) provide for the levy of different rates of charge in respect of water supplied to the different categories specified in clause (a).
- (c) in cases of supply to all buildings lay down that the charge for water supplied shall be based on the number of taps allowed, irrespective of the quantity of water consumed.

*** 226. Supply outside the municipality.**- The council may, with the sanction of the Government and shall on the direction of the Government, supply water to a local authority or other person outside the municipality on such terms, if any, as may be approved by the Government.

Cutting off water-supply

*** 227. Power to cut off water-supply.**- (1) The Commissioner may cut off the supply of municipal water from any premises —

* The section came into force on the 1st day of August, 1976 vide Extraordinary Gazette No. 342, dated 29th July 1976.

- (a) if the premises are unoccupied;
- (b) if any water tax or any sum due for water for the cost of making a connection or for the cost of hire of a meter or for the cost of carrying out any work or test connected with the water-supply which is chargeable to any person by or under Act, is not paid within fifteen days after a bill for such tax or sum has been presented;
- (c) if, after receipt of a notice from the Commissioner requiring him to refrain from so doing, the owner or occupier continues to use the water or to permit it to be used in contravention of any bye-law made under this Act;
- (d) if the owner or occupier neglects, within a period specified in any notice issued by the Commissioner under any bye-law made under this Act, to put up a meter or to comply with any other lawful order or requisition;
- (e) if the owner or occupier wilfully or negligently damages his meter or any pipe or tap conveying municipal water;
- (f) if the occupier refuses to admit the Commissioner into premises which he proposes to enter for the purpose of executing any work or of placing or removing any apparatus or of making any examination or inquiry in connection with the water-supply, or prevents the Commissioner doing such work, placing or removing such apparatus or making such examination or inquiry;
- (g) if any pipes, taps, works or fittings connected with the municipal water-supply are found on examination by the Commissioner to be out of repair to such an extent as to cause waste or contamination of water;
- (h) if the owner or occupier causes pipes, taps, works or fittings connected with the municipal water-supply to be placed, removed, repaired or otherwise interfered with in violation of the bye-laws:

Provided that in cases under clauses (e), (f), (g) and (h) the Commissioner shall not take action unless notice of not less than twenty-four hours has been given to the owner or occupier of the premises.

(2) The expense of cutting off the supply shall be paid by the owner or occupier of the premises.

(3) In cases under clause (b) of sub-section (1) as soon as any money for non-payment of which water has been cut off together with the expense of cutting off the supply, has been paid by the owner or occupier, the Commissioner shall cause water to be supplied as before on payment of the cost, if any, of reconnecting the premises with the municipal water works.

(4) No action taken under this section shall relieve any person from any penalties or liabilities which he may otherwise have incurred.

*** 228. *Non-liability of council for reduction of stoppage of supply in certain cases.***- The municipal council not be liable to any penalty or damages for cutting off the supply of water or for not supplying water (save in the case of express stipulation in an agreement for the supply of water for other than domestic purposes) in the case of any drought, or other unavoidable cause or accident, or the necessity for relaying or repairing pipes.

Lighting.

**** 229. *Provision for lighting public street.***- (1) It shall be the duty of municipal council so far as the funds at its disposal admit, to make reasonable provision for the lighting of public streets in built-up areas and for that purpose to provide such lamps and works as it thinks necessary.

(2) The municipal council may also make such provision as it thinks necessary for the lighting of public streets in areas other than built-up areas.

Public drainage

*** 230. *Maintenance of system of drainage by council.***- The municipal council shall, so far as the funds at the disposal may admit, provide and maintain a sufficient system of public drains.

* The section came into force on the 1st day of August, 1976 vide Extraordinary Gazette No. 342 dated 29th July 1976.

** The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

Private drainage

*** 231. Control over house-drains, privies and cess-pools and connection of house-drains with public drains.-** (1) All house-drains whether within or outside the premises to which they belong and all private latrines and cess-pools within the municipality shall be under the control of the municipal council but shall be altered, repaired, and kept in proper order, at the expense of the owner of the premises to which the same belong or for the use of which they were constructed, and in conformity with the bye-laws and regulations made by the council in this behalf.

(2) The Commissioner shall on application by the owner or occupier of any premises or the owner of a private street arrange, in accordance with the bye-laws, for the connection of the applicant's drain with any public drain at a distance not exceeding ninety metres therefrom at the applicant's expense.

(3) If there is a public drain or outfall within a distance not exceeding thirty metres of the nearest point on any premises or if within such distance a public drain or outfall is about to be provided or is in the process of construction, the Commissioner, may, by notice, direct the owner of the said premises to construct a drain leading therefrom to such drain or place of outfall and to execute all such works as may be necessary in accordance with the bye-laws and regulations at the owner's expense.

(4) If any premises are in the opinion of the Commissioner without sufficient means of effectual drainage but no part thereof is situated within thirty metres of a public drain or its place of outfall, the Commissioner may, by notice, direct the owner of the said premises to construct a cess-pool or septic tank or filters of such material, dimensions and description, in such position and at such level as the Commissioner thinks necessary, and to construct a drain or drains emptying into such cess-pool, tank or filters and to execute all such works as may be necessary in accordance with the bye-laws and regulations:

Provided that, --

- (a) no requisition shall be made under this section on any person who has been exempted from payment of the property tax under sub-section (5) of section 124;

* The section came into force on the 1st day of August, 1976 vide Extraordinary Gazette No. 342 dated 29th July 1976.

- (b) no person shall be required under this section to expend a sum exceeding five times the property tax on any such building, with the land assessed with it as part of the same premises, or in the case of buildings, exempted under section 124, five times the property tax which would be payable on such building with the land which would be assessed with it to the property tax if such buildings were not exempt and if any amount exceeding the said sum is expended, the excess shall be borne by the council.

** 232. Commissioner may close or limit the use of existing private drains.-*

(1) Where a drain connecting any premises with a public drain or other place set apart by the municipal council for the discharge of drainage is sufficient for the effectual drainage thereof and is otherwise unobjectionable but is not in the opinion of the Commissioner adapted to the general drainage system of the municipality or of the part of the municipality in which such drain is situated, the Commissioner with the approval of the council, may –

- (a) subject to the provisions of the sub-section (2) close, discontinue or destroy the said drain and do any work necessary for that purpose; or
- (b) direct that such drain shall from such date as may be specified by him in this behalf be used for sullage and sewage only, or for water unpolluted with sullage or sewage only and by notice require the owner of the premises to make, at his own expense, an entirely distinct drain for water unpolluted with sullage or sewage or for sullage and sewage.

(2) No drain shall be closed, discontinued or destroyed by the Commissioner under clause (a) of sub-section (1) except on condition of his providing another drain as effectual for the drainage of the premises and communicating with a public drain or other place aforesaid and the expense of the construction of any drain so provided by the Commissioner and of any work done under the said clause (a) shall be paid by the council.

* The section came into force on the 1st day of August, 1976 vide Extraordinary Gazette No. 342 dated 29th July 1976.

*** 233. Power of Commissioner to drain premises in combination.-** (1) When the Commissioner is of opinion that any group or block of premises, any part of which is situated within thirty metres of a municipal drain already existing, or about to be provided or in the process of construction may be drained more economically or advantageously in combination than separately, the Commissioner may, with the previous approval of the council, cause such group or block of premises to be drained by such method as appears to the commissioner to be best suited therefor and the expenses incurred by the Commissioner in so doing shall be paid by the owners in such proportions as the council may decide.

(2) Not less than fifteen days before any work under this section commenced, the commissioner shall give notice to the owners of —

- (a) the nature of the intended work,
- (b) the estimated expenses thereof, and
- (c) the proportion of such expenses payable by each owner.

(3) The owners for the time being of the several premises constituting a group or block drained under sub-section (1) shall be the joint owners of every drain constructed, erected or fixed, or continued for the special use and benefit only of such premises and shall, in the proportion in which it is determined that they are to contribute to the expenses incurred by the commissioner under sub-section (1), be responsible for the expense of maintaining every such drain in good repair and efficient condition.

*** 234. Building, etc., not to be erected without permission over drains.-** (1) Without the permission of the council, no person shall place or construct any fence, building, culvert, drain-covering, drain or other structure or any street or cable over, under, in or across any public drain, or stop up, divert, obstruct or in any way interfere with any public drain, whether it passes through public or private ground.

(2) The commissioner may remove or otherwise deal with anything placed or constructed in contravention of sub-section (1) as he shall think fit and the cost of so doing shall be recoverable from the owner thereof in the manner provided in section 175.

* The section came into force on the 1st day of August, 1976 vide Extraordinary Gazette No. 342 dated 29th July 1976.

*** 235. Construction of culverts or drain-coverings by owner or occupier.-** (1) The Commissioner may, by notice, require the owner or occupier of any building or land adjoining a public street to construct culverts or drain-coverings over the side-channels or ditches at the entrances to the said building or land.

(2) All culverts or drain-coverings or pails maintained over side-channels or ditches by the owners or occupiers of adjacent buildings or land shall be of such form and size and consist of such materials and be provided with such means of ventilation as the Commissioner may, by notice, require and shall be maintained and kept free from all obstruction at the expense of the said owners or occupiers.

*** 236. Maintenance of troughs and pipes for catching water.-** The owner or occupier of any building in a public street, shall, within fifteen days after receipt of notice in that behalf from the Commissioner, put up and thenceforward maintain proper troughs and pipes for catching and carrying the water from the roof and other parts of such building and for discharging such water in such manner as the Commissioner may permit.

Public latrines.

****237. Provision of public latrines.-** The council shall, so far as the funds at its disposal may admit, provide and maintain in proper and convenient places a sufficient number of public latrines and shall cause the same to be daily cleansed and kept in proper order.

Private latrines.

**** 238. Provision of flush-out or other latrines by owner or occupier.-** (1) The Commissioner may, by notice, require the owner or occupier of any building within the time specified in such notice to provide a flush-out or other latrine or alter or remove from an unsuitable to a more suitable place any existing flush-out or other latrine in accordance with the directions contained in such notice for the use of the persons employed in or about or occupying such building and to keep it clean and in proper order.

* The section came into force on the 1st day of August, 1976 vide Extraordinary Gazette No. 342, dated 29th July 1976.

** The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11, dated 17th January 1974.

(2) Every owner or occupier of the ground on which any group of six or more huts stand shall provide flush-out or other latrines of such description and number and in such position as the Commissioner may, by notice, require within such time as may be fixed in the notice for the use of the inhabitants of such huts.

*** 239. *Provision of flush-out or other latrines for labourers.***- Every person employing workmen, labourers or other persons exceeding ten in number shall provide and maintain for the separate use of person of each sex so employed flush-out or other latrines of such description and number and in such position as the Commissioner may by notice require, within such time as may be fixed in the notice.

*** 240. *Provision of flush-out or other latrines for markets, cart-stands, cattle-sheds, choultry, etc.***- The Commissioner may, by notice, require the owner or manager of a market, cart-stand, cattle-shed, choultry, theatre, railway station, dock-wharf, or other place of public resort within the time specified in such notice to provide and maintain for the separate use of persons of each sex flush-out or other latrines of such description and number and in such position as may be specified in such notice.

*** 241. *Flush-out or other latrines to be screened from view and kept clean.***- All flush-out or other latrines shall be so constructed as to screen persons using the same and the filth from the view of persons passing by or residing in the neighbourhood and shall be kept clean and in proper order.

General powers

*** 242. *Power to carry wire, pipes, drains etc., through private property subject to causing as little inconvenience as possible and paying for direct damage.*** - The Commissioner may carry any cable, wire, pipe, drain or channel of any kind to establish or maintain any system of drainage, or lighting, through, across, under, or over any road, street or place laid out for a road or street, and after giving reasonable notice to the owner or occupier, through, across, under, over or up the side of, any land or building in the municipality, and may place and maintain posts, poles,

* The section came into force on the 1st day of August, 1976 vide Extraordinary Gazette No. 342 dated 29th July 1976.

standards, brackets, or other contrivances to support wires and lights on any pole or post in the municipality not vested in the Government and may do all acts necessary or expedient for repairing or maintaining any such cable, wire, pipe, drain, channel, post, pole, standard, bracket or other similar contrivance in an effective state for the purpose for which it is intended to be used or for removing the same:

Provided that such works shall be done so as to cause the least practicable nuisance or inconvenience to any person:

Provided further that the Commissioner, shall, with the sanction of the council, pay compensation to any person who sustains damage by the exercise of such power.

*** 243. *Prohibition against making connection with mains without permission.-***

(1) No person shall, without the previous permission of the Commissioner, make any connection with any municipal cable, wire, pipe, drain or channel or with the house connection of any other person.

(2) The Commissioner may, by notice, require any connection made in contravention of sub-section (1) to be demolished, removed, closed, altered or remade.

*** 244. *Powers in respect of works outside the municipality.*** – (1) The municipal council shall not undertake new works beyond the limits of the municipality without the sanction of the Government.

(2) The council may, in the execution and for the purpose of any works beyond the limits of municipality sanctioned by the Government, whether before or after the commencement of this Act, exercise all the powers which it may exercise within the municipality throughout the line of the territory through which conduits, channels pipes, lines of posts and wires and the like run, and with the sanction of the Government, --

(a) over any lake, tank or reservoir, from which a supply of water for drinking, for producing electric energy or for other purposes is derived, and over all lands within two kilometers of the high water level of any such lake, tank or reservoir.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

(b) over any water-courses from which a supply of water for drinking, for producing electric energy or for other purposes is derived, within two kilometers above and one kilometre below any point at which water is taken for such use, and

(c) over any lands used for sewage farms, sewage disposal tanks, filters and other works connected with the drainage of the municipality.

CHAPTER - XI

SCAVENGING

*** 245. *Municipality to arrange for the removal of rubbish and filth.***- Every municipal council shall make adequate arrangements for : --

- (a) the regular sweeping and cleaning of the streets and removal of sweeping therefrom;
- (b) the regular cleaning of latrines and cess-pools in private premises and the daily removal of filth and the carcasses of animals, from such premises; and
- (c) the daily removal of rubbish from dust bins and private premises; and with this object, it shall provide: --
 - (i) depots for the deposit of filth, rubbish and the carcasses of animals;
 - (ii) covered vehicles or vessels for the removal of filth;
 - (iii) vehicles or other suitable means for the removal of the carcasses of large animals and rubbish;
 - (iv) dustbins for the temporary deposit of rubbish.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

*** 246. *Contribution from persons having control over places of pilgrimage, etc.-***

Where a mosque, temple, mutt or any place of religious worship or institution or any place which is used for holding fairs, festivals or for other like purposes is situated within the limits of a municipality or in the neighbourhood thereof and attracts either throughout the year or on particular occasions a large number of persons, any special arrangements necessary for public health, safety or convenience whether permanent or temporary shall be made by the municipal council, and the council may require the trustee or other person having control over such place to make such recurring or non-recurring contribution as the Government may determine to the funds of the municipal council.

*** 247. *Prohibition of improper disposal of carcasses rubbish and filth.-*** No person shall after due provision has been made under section 245 by the municipal council for the deposit and removal of the same, —

(a) deposit the carcasses of animals, rubbish or filth, in any street, or on the verandah of any building, or on any unoccupied ground, alongside any street, or on any public quay, jetty or landing-place, or on the bank of a water-course or tank; or

(b) deposit filth or carcasses of animals in any dustbin or in any vehicle not intended for the removal of the same; or

(c) deposit rubbish in any vehicle or vessel intended for the removal of filth save for the purpose of deodorising or disinfecting the filth.

*** 248. *Prohibition against keeping filth on premises too long, etc.-*** No owner or occupier of any premises shall keep or allow to be kept for more than twenty-four hours any filth on such premises or any building or on the roof thereof or in any out-building or on the roof thereof or in any out-building or any place belonging thereto, or fail to comply with any requisition of the Commissioner as to the construction, repair, paving or cleaning of any latrine on or belonging to his premises.

*** 249. *Prohibition against allowing outflow of filth.-*** No owner or occupier of any premises shall allow the water from any sink, drain, latrine or stable, or any other filth to flow out of such premises to any portion of a street except a drain or a cess-pool or to flow out of such premises in such a manner as to cause an avoidable nuisance by the soakage of the said water or filth into the walls or ground at the side of a drain forming a portion of a street.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

* 250. *Prohibition against using any cart without cover in the removal of filth etc.* – No person shall, in the removal of filth, use any cart or receptacle not having a covering proper for preventing the escape the contents thereof, or of the stench therefrom, or intentionally or negligently spill any filth in the removal thereof, or omit carefully to sweep and clean every place in which any such filth has been spilled, or place, or set down in any public place any filth whether in a vessel closed or open.

* 251. *Prohibition against throwing rubbish or filth into drains.* – No person shall put or cause to be put any rubbish or filth into any public drain not intended for rubbish or filth or into any drain communicating with any such public drain.

CHAPTER - XII

STREETS

Public streets

* 252. *Maintenance and repair of streets.*– (1) The municipal council shall, at the cost of the municipal fund, cause the public streets and bridges to be maintained and repaired and may from the same fund meet the cost of all improvements to the same which are necessary or expedient for the public safety or convenience.

(2) The council may entrust to any other local authority with the consent of such authority the maintenance of any public street or portion thereof, the cost of maintenance being provided by the council.

* 253. *Powers of municipal authorities.*– (1) The council may.–

- (a) layout and make new public streets;
- (b) construct bridges and sub-ways;
- (c) turn, divert or with the special sanction of the Government permanently close any public street or part thereof;
- (d) widen, open, extend or otherwise improve any public street.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

(2) Compensation shall be paid to the owners and occupiers of any land or buildings which are required for or affected by any such purposes.

** 254. Power to dispose of permanently closed street.-* When a public street is permanently closed under section 253, the municipal council may, with the sanction of the Government, dispose of the site or of so much thereof as is no longer required, in such manner as may be approved by the Government, provided that compensation is made to any person injured by such closing.

(2) In determining such compensation, allowance shall be made for any benefit accruing to the same premises or any adjacent premises belonging to the same owner from the construction or improvement of any other public street at or about the same time that the public street on account of which the compensation is paid, is closed.

** 255. Acquisition of land and buildings for improvement of streets.-* (1) The council may acquire : —

- (a) any land required for the purpose of opening, widening, extending, or otherwise improving any public street, or of making any new public street, and the buildings, if any, standing upon such land; and
- (b) any land outside the proposed street alignment, with the buildings, if any, standing thereon:

Provided that, in any case in which it is decided to acquire any land under clause (b) of this sub-section, the owner of such land may retain it by paying to the municipal council an annual sum to be fixed by the council in that behalf, or a lump-sum to be fixed by the council, not being less than twenty-five times such annual sum and subject to such conditions as the council thinks fit as to the removal of the existing building, if any, the description of the new building, if any, to be erected, the period within which the new building, if any, shall be completed and any other similar matters.

* The section came into force on the 12th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

(2) If any sum payable in pursuance of the proviso to sub-section (1) in respect of any land be not duly paid, it shall be recoverable in the manner provided by this Act for the collection of taxes and if not so recovered, the Commissioner may enter upon the land, and sell it, with any erections standing thereon by public auction subject to the conditions, if any imposed under sub-section (1) and may deduct the said sum and the expenses of the sale from the proceeds of the sale and shall pay the balance, if any, to the defaulter.

(3) Any sum paid in pursuance of the proviso to sub-section (1) or recovered under sub-section (2) in respect of any land shall be left out of account in determining the annual value of such land for the purpose of assessing it to the property tax.

(4) Any land or building acquired under clause (b) of sub-section (1), may be sold, leased or otherwise disposed of after public advertisement, and any conveyance made for that purpose may comprise such conditions as the council thinks fit as to the removal of the existing building, if any, the description of the new building, if any, to be erected, the period within which the new building, if any, shall be completed and any other similar matters.

(5) The council may require any person to whom any land or building is transferred under sub-section (4) to comply with any conditions comprised in the said conveyance before it places him in possession of the land or building.

*** 256. Powers to declare any street a public street, subject to objections by owners.-** (1) The council may, at any time, by notice fixed up in any street or part of a street which is not a public street, give intimation of its intention to declare the same to be a public street and unless within one month next after such notice has been so put up, the owner, or if there are more than one owner, the owners of the greater portion of such street or of such part of a street lodges or lodge objections thereto at the municipal office, the council may, by notice in writing put up in such street, or such part, declare the same to be a public street.

(2) If such owner or owners object to the proposal under sub-section (1), the council may, after considering such objections and with the previous sanction of the Government, declare such street to be a public street, and the owner or owners so objecting shall be entitled to compensation under section 479.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

(3) Every such street, which becomes a public street under this section, shall vest in the council.

*** 257. *Power to prescribe building line and street alignment.***- The Council may –

(a) prescribe for any public street a building line or a street alignment or both;

(b) from time to time define a fresh line in substitution for any line so defined or for any part thereof:

Provided that in either case: --

- (i) at least one month before the meeting of the council at which the matter is decided, public notice of the proposal has been given and special notice thereof has also been put up in the street or part of the street for which such line is proposed to be defined; and
- (ii) the council considers all objections or suggestions to the said proposal made in writing and delivered at the municipal office not less than three clear days before the day of such meeting;

Provided further that in respect of any public street in a municipality maintained by the Public Works Department of the Government, the council shall exercise its powers under this section in consultation with the said Department.

*** 258. *Building not to be constructed within street alignment or building line.***-

(1) No person shall construct any portion of any building within a street alignment defined under section 257.

(2) No person shall erect or add to any building between a street alignment and a building line defined under section 257 except with the previous permission of the Commissioner who may, when granting the permission, impose such conditions as the council may lay down for such cases.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

*** 259. *Setting back projecting building walls.***- (1) When any building or part thereof abutting on a public street is within a street alignment defined under section 257, the Commissioner may, whenever it is proposed, --

- (a) to rebuild such building or take it down to an extent exceeding one-half thereof above the ground level, such half to be measured in cubic metres, or
- (b) to remove, reconstruct or make any addition to any portion of such building which is within the street alignment,

in any order which he issues concerning the rebuilding, alteration or repair of such building, require such building, to be set back to the street alignment.

(2) When any building or any part thereof within the street alignment falls down or is, whether by order of the Commissioner or otherwise, taken down, or when any private land without any building thereon lies within the street alignment, the Commissioner may forthwith take possession on behalf of the council of the portion of land within the street alignment and if necessary, clear it.

(3) Land acquired under this section shall be deemed a part of the public street and shall vest in the municipal council.

(4) When any building is set back in pursuance of any requisition made under sub-section (1), or when the Commissioner takes possession of any land under sub-section (2), the council shall make compensation to the owner for any direct damage which he may sustain thereby.

Explanation. - For the purposes of this section, the expression "direct damage" with reference to land means the market value of the land taken and the depreciation, if any, in the ordinary market value of the rest of the land resulting from the area being reduced in size; but does not include damage due to the prospective loss of any particular use to which the owner may allege that he intended to put the land, although such use may be injuriously affected by the reduction of the site.

*** 260. *Setting buildings forward to improve line of street.*** - The council may, upon such terms as it thinks fit, allow any building to be set forward for the purpose of improving the line of a public street and may, by notice, require any building to be set forward in the case of reconstruction thereof or of a new construction.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

Explanation. – For the purposes of this section, a wall separating any premises from a public street shall be deemed to be a building; and it shall be deemed a sufficient compliance with permission or requisition to set forward a building to the street alignment if a wall of such material and dimensions as are approved by the Commissioner is erected along the said line.

*** 261. *Projected streets.***– (1) The council may prepare schemes and plans of proposed public streets showing the direction of such streets, the street alignment and building line on each side of them, their intended width and such other details as may appear desirable.

(2) The width of such proposed streets shall not ordinarily be less than twelve metres, or in any area covered by huts, six metres.

(3) It shall be the duty of the council to lay out public streets in areas covered by huts, so far as may be practicable both for the purpose of securing proper ventilation for huts in such areas, and in view of the contingency of buildings being erected therein.

(4) When any plan has been prepared under sub-section (1), the street to which it refers shall be deemed to be a projected public street, and the provisions of section 259 shall apply to all buildings so far as they stand across the street alignment or building line of the projected street.

*** 262. *Watering of streets.***– The council shall so far as it considers it requisite for the public convenience and so far as funds admit, cause the chief public streets to be watered, and for that purpose may provide such water-carts, animals and apparatus as it thinks necessary

*** 263. *Temporary closure of streets.***– The Commissioner may, by order in writing temporarily, close any street to traffic for repair, or in order to carry out any work connected with drainage, or lighting or any of the purposes of this Act:

Provided that such work shall be completed and such street reopened to traffic as expeditiously as practicable.

*** 264. *Protection of appurtenances and materials of streets.***– It shall not be lawful for any person, without the permission of the Commissioner, to displace, take up, or make any alteration in the fences, posts, pavements, flags or other materials of any public streets.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

*** 265. Power of municipality to recover expenses caused by extraordinary traffic.**- When by a certificate of the municipal engineer or of the Commissioner where there is no municipal engineer it appears to the council that, having regard to the average expense of repairing roads in the neighbourhood, extraordinary expenses have been incurred by the municipal council in repairing a street by reason of the damage caused by excessive weight passing along the street, or extraordinary traffic thereon, the council may recover in the civil court having jurisdiction from any person by or in consequence of whose order such weight or traffic has been conducted the amount of such expenses as may be proved to the satisfaction of such court to have been incurred by such council, by reason of the damage arising from such weight or traffic as aforesaid:

Provided that any person against whom expenses are or may be recoverable under this section may enter into an agreement with the council for the payment to it of compensation in respect of such weight or traffic and thereupon the person so paying shall not be subject to any proceedings under this section.

Private streets

*** 266. Owner's obligation to make a street when disposing of land as building sites.**- (1) If the owner of any land utilizes, sells, leases or otherwise disposes of such land or any portion or portions of the same as sites for the construction of buildings, he shall, save in such cases as the site or sites may abut on an existing public or private street, lay out and make a street or streets giving access to the site or sites and connecting with an existing public or private street.

(2) In regard to the laying out or making of any such street or streets, the provisions of section 267 shall apply.

(3) If, in any case, the provisions of sub-sections (1) and (2) have not been complied with the Commissioner may, by notice, require the defaulting owner to lay out and make a street or streets, on such land, in such manner and within such time as may be specified in the notice.

(4) If such street or streets are not laid out and made in the manner and within the time specified in the notice, the Commissioner may lay out and make the street or streets and the expenses incurred shall be paid by the defaulting owner.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

(5) The Commissioner may, in his discretion, issue the notice referred to in sub-section (3) or recover the expenses to in sub-section (4) to or from the owners of any building or lands abutting on the street or streets concerned, but any such owner shall be entitled to recover all reasonable expenses incurred by him or all expenses paid by him, as the case may be, from the defaulting owner referred to in sub-section (3).

*** 267. Making of new private streets.-** (1) Any person intending to make or lay out a new private street shall send to the municipal office a written application with plans and sections showing the following particulars, namely: –

- (a) the intended level, direction and width of the street.
- (b) the street alignment and the building line, and
- (c) the arrangements to be made for levelling, paving, metalling, flagging, channeling, swearing, draining, conserving and lighting the street.

(2) The provisions of this Act and of any rules or bye-laws made thereunder as to the level and width of public streets and the height of buildings abutting thereon shall apply also in the case of streets referred to in sub-section (1); and all the particulars referred to in that sub-section shall be subject to approval by the council.

(3) Within sixty days after the receipt of any application under sub-section (1), the council shall either sanction the making of the street on such conditions as it may think fit, or disallow it, or ask for further information with respect to it.

(4) Such sanction may be refused.-

- (i) if the proposed street would conflict with any arrangements which have been made, or which are in the opinion of the council likely to be made, for carrying out any general scheme for the laying out of streets, or
- (ii) if the proposed street does not conform to the provisions of this Act and rules and bye-laws referred to in sub-section (2), or
- (iii) if the proposed street is not designed so as to connect at one end with a street which is already open.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

(5) (a) No person shall make or lay out any new private street without or otherwise than in conformity with the orders of the council.

(b) If further information is asked for, no steps shall be taken to make or lay out the street until orders have been passed upon receipt of such information:

Provided that the passing of such order shall not in any case be delayed for more than sixty days after the council has received all the information which it considers necessary to enable it to deal finally with the said application. Any application not disallowed within a period of one hundred and twenty days from the date of its receipt in the municipal office shall be deemed to have been sanctioned.

*** 268. *Application of sections 257, 258 and 269 to private streets.***- The provisions of sections 257, 258 and 259 shall apply, so far as may be, to private streets, including streets to be laid out and made under section 266 or section 267.

*** 269. *Alteration or demolition of street made in breach of section 267.***- (1) If any person makes or lays out any street referred to in section 267 without or otherwise than in conformity with the orders of the council, the Commissioner may, whether or not the offender be prosecuted under this Act, by notice -

- (a) require the offender to show sufficient cause, by a written statement signed by him and sent to the Commissioner on or before such day as may be specified in the notice, why such street should not be altered to the satisfaction of the Commissioner or if such alteration be impracticable, why such street should not be demolished, or
- (b) require the offender to appear before the Commissioner either personally or by a duly authorised agent on such day and at such time and place as may be specified in the notice, and show cause as aforesaid.

(2) If any person on whom such notice is served fails to show sufficient cause to the satisfaction of the Commissioner why such street should not be so altered or demolished, the Commissioner may pass an order directing the alteration or demolition of such street.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

*** 270. Power of Commissioner to order work to be carried out or to carry it out himself in default.**- (1) If any private street or part thereof is not leveled, paved, metalled, flagged, channelled, sewered, drained, conserved or lighted to the satisfaction of the Commissioner, he may, by notice, require the owners of buildings or lands fronting or abutting on such street or part thereof to carry out any work which in his opinion may be necessary and within such time as may be specified in such notice.

(2) If such work is not carried out within the time specified in the notice, the Commissioner may, if he thinks fit, execute it and the expenses incurred shall be paid by the owners in default according to the frontage of their respective buildings or lands and in such proportion as may be settled by the Commissioner.

*** 271. Right of owners to require street to be declared public.**- If any street has been levelled, paved, metalled, flagged, channelled, sewered, drained, conserved and lighted to the satisfaction of the Commissioner, such street shall, on the requisition of not less than three-fourths of the owners thereof be declared a public street by the municipal council.

Encroachment in streets

*** 272. Prohibition against obstructions in or over streets.**- (1) No one shall build any wall or erect any fence or other obstruction or projection, or make any encroachment in or over any street except as hereinafter provided.

*** 273. Prohibition and regulation of doors, ground-floor windows and bars opening outwards.** -(1) No door, gate, bar or ground-floor window shall, without a licence from the Commissioner, be hung or placed so as to open outwards upon any street.

(2) The Commissioner may, by notice, require the owner of such door, gate, bar or window to alter it so that no part thereof when open shall project over the street.

*** 274. Removal of encroachment.** - (1) The Commissioner may, by notice, require the owner or occupier of any premises to remove or alter any projection, encroachment or obstruction (other than a door, gate, bar or ground-floor window) situated against or in front of such premises and in or over any street.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

(2) If the owner or occupier of the premises proves that any such projection, encroachment or obstruction has existed for a period sufficient under the law of limitation to give any person a prescriptive title thereto or that it was erected or made with the permission or licence of any municipal authority duly empowered in that behalf and that the period, if any, for which the permission or licence is valid has not expired, the municipal council shall make reasonable compensation to every person who suffers damage by the removal or alteration of the same.

** 275. Power to allow certain projections, etc.-* (1) The council may grant a licence, subject to such conditions and restrictions, as it may think fit to the owner or occupier of any premises to put up verandahs balconies sun-shades, weather-frames and the like, to project over a street, or in street, in which the construction of arcades has been sanctioned by the council, to put up an arcade; or to construct any step or drain-covering necessary for access to the premises.

(2) The Commissioner may grant a licence, subject to such conditions and restrictions as he may think fit, for the temporary erection of pandas and other structures in a public place the control of which is vested in the council or in any public street in the municipality which is placed under the control of the Public Works Department.

(3) The council shall have power to lease road sides and street margins vested in it for occupation on such terms and conditions and for such period as the council may fix.

(4) Any proposal for the grant of a licence under sub-section (1) or of a lease under sub-section (3) shall be taken into consideration by the municipal council only at the instance of the Commissioner but neither a licence under sub-section (1) nor a lease under sub-section (3) shall be granted, if in the opinion of the Commissioner, the projection, construction or occupation is likely to be injurious to health or causes public inconvenience or otherwise materially interferes with the use of the road or street as such.

(5) The powers under sub-sections (1) and (3) shall be exercised by the Commissioner in the case of public streets in the municipality which are placed under the control of the Public Works Department.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

(6) The Government may by notification, restrict and place under such control as it may think fit, the exercise by municipal councils in general or by any municipal council in particular, of the powers under sub-sections (1) and (3), and by the Commissioner of the powers under sub-sections (1), (2) and (3).

(7) On the expiry of any period for which a licence had been granted under this section, the Commissioner may, without notice, cause any projection or construction put up under sub-section (1) or sub-section (2) to be removed and the cost of so doing shall be recoverable in the manner provided in section 175 from the person to whom the licence was granted.

*** 276. Power of council to set up hoardings and levy fees.-** Subject to the provisions of sections 152 to 157 (both inclusive) the Commissioner may, with the sanction of the council, set up, for the exhibition of advertisements, hoardings, erections or other things in suitable places owned by, or vested in, the municipal council and may permit any person to use any such hoarding, erection or thing on payment of such fee as may be prescribed by regulations made by the council in this behalf.

Explanation 1. – For the purposes of sections 155 and 156, the person who has been permitted to use any hoarding, erection, or other thing under this section shall be deemed to be the owner or the person in occupation of such hoarding, erection or thing.

Explanation 2. – Any fee payable by any person who has been permitted to use any hoarding, erection or other thing under this section shall be, in addition to the advertisement tax, be payable by him under section 152 on advertisement exhibited by him on such hoarding, erection or thing.

*** 277. Precautions during repair of streets.-** (1) The Commissioner shall, during the construction or repair of any street, drain or premises vested in the municipal council, —

- (a) cause the same to be fenced and guarded;
- (b) take proper precautions against accident by shoring up and protecting the adjoining buildings; and
- (c) cause such bars, chains or posts to be fixed across or in any street in which any such work is under execution as are necessary in order to prevent the passage of vehicles or animals and avert danger.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

(2) The Commissioner shall cause such street, drain or premises to be sufficiently lighted or guarded during the night while under construction or repair.

(3) The Commissioner shall, with all reasonable speed, complete the said work, fill in the ground, and repair the said street, drain or premises and remove the rubbish occasioned thereby.

*** 278. Prohibition against removal of bars and lights.-** No person shall, without lawful authority, remove any bar, chain, post or shoring timber or remove extinguish any light set up under section 277.

*** 279. Prohibition against making holes and causing obstruction.-** (1) No person shall make a hole or cause any obstruction in any street, unless, he previously obtains the permission of the Commissioner and complies with such conditions as that officer may impose.

(2) When such permission is granted, the person to whom permission has been granted shall, at his own expense, cause such hole or obstruction to be sufficiently fenced and enclosed until the hole or obstruction is filled up or removed and shall cause such hole or obstruction to be sufficiently lighted during the night.

*** 280. Licence for work on buildings likely to cause obstruction.-** If any person intends to construct or demolish any building, or to alter or repair the outward part thereof, and if any street or factory is likely to be obstructed or rendered inconvenient by reason of such work, he shall first obtain a licence from the Commissioner in that behalf and shall also —

- (a) cause the said building to be fenced and guarded;
- (b) sufficiently light it during the night; and
- (c) take proper precautions against accidents during such time as the public safety or convenience requires.

*** 281. Clearing of debris of fallen houses, etc., by occupiers.-** If any obstruction is caused in any street by the fall of trees, structures or fence, the owner or occupier of the premises concerned shall, within twelve hours of the occurrence of such fall, or within such further period as the Commissioner may by notice allow, clear the street of such obstruction.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

Naming of streets

*** 282. Naming or numbering of public streets.-** (1) With the previous approval of the Government or any authority or officer authorised by the Government in this behalf, the council shall give names or numbers to new public streets and may alter the name or number of any public street.

(2) The Commissioner shall cause to be put up or painted in English and in the regional language on a conspicuous part of some building, wall or place, at or near each end, corner or entrance the name or number of every public street.

(3) No person shall without lawful authority destroy, pull down, or deface any such name or number or put up any name or number different from that put up by order of the Commissioner.

Numbers on buildings

*** 283. Numbering of buildings.-** (1) With the previous approval of the Government or any authority or officer authorised by the Government in this behalf, the Commissioner shall cause a number to be affixed to the side or outer door of any building or to some place at the entrance of the premises and may alter any such number.

(2) No person shall without lawful authority destroy, pull down or deface any such number.

(3) When a number has been affixed under sub-section (1), the owner of the building shall be bound to maintain such number and to replace it if removed or defaced and if he fails to do so, the Commissioner may by notice require him to replace it.

*** 284. Prohibition of plying hand-carts without licence.-** (1) No person shall ply any hand-cart or carriage to be notified by the municipal council in any public street or place except under and in accordance with a licence granted under the bye-laws made by the council in this behalf.

(2) The council or any other municipal officer authorised by him in this behalf may seize any hand-carts or carriages used in contravention of sub-section (1).

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

CHAPTER - XIII
BUILDING REGULATIONS

General powers

*** 285. Building rules.-** (1) The Government may make rules –

- (a) for the regulation or restriction of the use of sites for building, and
- (b) for the regulation or restriction of building.

(2) Without prejudice to the generality of the power conferred by clause (a) of sub-section (1), rules made under that clause may provide –

- (a) that no insanitary or dangerous site shall be used for building, and
- (b) that no site shall be used for the construction of a building intended for public worship, if the construction of the building thereon will wound the religious feelings of any class of persons.

(3) Without prejudice to the generality of the power conferred by clause (b) of sub-section (1), rules made under that clause may provide for all or any of the following matters, namely: –

- (a) information and plans to be submitted together with applications for permission to build;
- (b) height of buildings, whether absolute or relative to the width of streets;
- (c) level and width of foundation, level of lowest floor, and stability of structure;
- (d) number and height of storeys composing a building and height of rooms;
- (e) provision of sufficient open space, external or internal, and adequate means of ventilation;

* The section came into force on the 12th day of September, 1974 vide Extraordinary Gazette No. 122 dated 12th September 1974.

- (f) prohibition or restriction of the construction of buildings within such distance as may be specified, from the boundary of any street;
- (g) provision of means of egress in case of fire;
- (h) provision of secondary means of access for the removal of filth.
- (i) materials and methods of construction of external and party walls, roofs and floors;
- (j) position, materials and methods of construction of hearths, smoke-escapes, chimneys, stair-cases, latrines, drains and cess-pools;
- (k) paving of yards;
- (l) restrictions on the use of inflammable materials in building; and
- (m) in the case of wells, the dimensions of the well, the manner of enclosing it, and if the well is intended for drinking purposes, the means which shall be used to prevent pollution of the water.

*** 286. *Building site and construction or reconstruction of buildings.***- No piece of land shall be used as a site for the construction of a building and no building shall be constructed or reconstructed otherwise than in accordance with the provisions of this Act and of any rules or bye-laws made thereunder relating to the use of building-sites or the construction or reconstruction of buildings:

Provided that the Government may in respect of all municipalities or with the consent of the municipal council in respect of any particular municipality or portion thereof, exempt all buildings or any class of buildings from all or any of the provisions of this Chapter or rules and bye-laws.

*** 287. *Power of council to regulate future construction of certain classes of buildings in particular streets or localities.***- (1) The council may give public notice of its intention to declare ---

* The section came into force on the 12th day of September, 1974 vide Extraordinary Gazette No. 122 dated 12th September 1974.

- (a) that in any streets or portions of streets specified in the notice --
 - (i) continuous building will be allowed;
 - (ii) the elevation and construction of the frontage of all buildings thereafter constructed or reconstructed shall, in respect of their architectural features, be such as the council may consider suitable to the locality, or
- (b) that in any localities specified in the notice, the construction of only detached buildings will be allowed, or
- (c) that in any streets, portions of streets localities specified in the notice the construction of shops, warehouses, factories, huts or buildings of a specified architectural character or buildings destined for particular uses will not be allowed, without the special permission of the council.

(2) No objections to any such declaration shall be received after a period of three months from the publication of such notice.

(3) The council shall consider all objections received within the said period and may then confirm the declaration, and before doing so, may modify it but not so as to extend its effect.

(4) The Commissioner shall publish any declaration so confirmed and it shall take effect from the date of publication.

(5) No person shall, after the date of publication of such declaration, construct or reconstruct any building in contravention of any such declaration.

*** 288. *Building at corners of streets.***- (1) The council may require any building intended to be erected at the corner of two streets to be rounded off or splayed off to such height and to such extent otherwise as it may determine, and may acquire such portion of the site at the corner as it may consider necessary for public convenience or amenity.

(2) In determining the amount of compensation to be awarded for the land acquired under sub-section (1) allowance shall be made for any benefit accruing to the same premises from the improvement of the streets.

* The section came into force on the 12th day of September, 1974 vide Extraordinary Gazette No. 122 dated 12th September 1974.

*** 289. Prohibition against use of inflammable materials for buildings without permission.** – No external roof, verandah, pandal or wall of a building shall be constructed or reconstructed of grass, leaves, mats or other inflammable materials except with the previous permission of the Commissioner.

*** 290. Prohibition against constructing door, ground-floor windows and bars so as to open outwards.** – No door, gate, bar or ground-floor window which opens on any public street shall be constructed or reconstructed so as to open outwards except with the licence of the Commissioner under section 273.

Buildings other than huts

*** 291. Application to construct or reconstruct buildings.**– (1) If any person intends to construct or reconstruct a building other than a hut, he shall send to the Commissioner –

- (a) an application in writing for the approval of the site together with a site plan of the land, and
- (b) an application in writing for permission to execute the work together with a ground plan, elevations and sections of the buildings, and a specification of the work.

Explanation. — In this sub-section “building” shall include a wall or fence of whatever height bounding or abutting on any public street.

(2) Every document furnished under sub-section (1) shall contain the particulars and be prepared in the manner required by the rules or bye-laws.

*** 292. Necessity for previous approval of site.**– The Commissioner shall not grant permission to construct or reconstruct a building unless and until he has approved of the site on an application made under section 291.

*** 293. Prohibition against commencement of work without permission.**– The construction or reconstruction of a building shall not be begun unless and until the Commissioner has granted permission for the execution of the work.

* The section came into force on the 12th day of September, 1974 vide Extraordinary Gazette No. 122 dated 12th September 1974.

*** 294. *Period within which Commissioner is to signify approval or disapproval.***- Within thirty days after the receipt of any application made under section 291 for approval of a site or of any information or further information required by the rules or bye-laws, the Commissioner shall, by order in writing, either approve the site or refuse on one or more of the grounds mentioned in section 297 to approve the site.

*** 295. *Period within which Commissioner is to grant or refuse to grant permission to execute work.***- Within thirty days after the receipt of any application made under section 291 for permission to execute any work or of any information or of documents or further information or documents required by the rules or bye-laws, the Commissioner shall, by order in writing, either grant such permission or refuse on one or more of the grounds mentioned in section 297 to grant it:

Provided that the said period of thirty days shall not begin to run until the site has been approved under section 294.

*** 296. *Reference to council if Commissioner delays grant or refusal of approval or permission.***- (1) If within the period prescribed by section 294 or section 295, as the case may be, the Commissioner has neither given nor refused his approval of a building site, or his permission to execute any work, as the case may be, the council shall be bound, on the written request of the applicant, to determine by order in writing whether such approval or permission should be given or not.

(2) If the council does not, within one month from the receipt of such written request determine whether such approval or permission should be given or not, such approval or permission shall be deemed to have been given and the applicant may proceed to execute the work, but not so as to contravene any of the provisions of this Act or any rules or bye-laws made thereunder.

*** 297. *Grounds on which approval of site for, or permission to construct or reconstruct, building, may be refused.***- (1) The only grounds on which approval of a site for the construction or reconstruction of a building or permission to construct or reconstruct a building may be refused are the following, namely: —

* The section came into force on the 12th day of September, 1974 vide Extraordinary Gazette No. 122 dated 12th September 1974.

- (a) that the work, or use of the site for the work or any of the particulars comprised in the site plan, ground plan, elevations, sections or specification would contravene some specified provision of any law or some specified rule, bye-law, order or declaration made thereunder;
- (b) that the application for such permission does not contain the particulars or is not prepared in the manner required by the rules or bye-laws;
- (c) that any of the documents referred to in section 291 have not been signed as required by the rules or bye-laws;
- (d) that any information or documents required by the Commissioner under the rules or bye-laws has or have not been duly furnished;
- (e) that streets have not been made as required by section 266;
- (f) that the proposed building would be an encroachment upon any land belonging to or vested in the Central Government or any State Government or the municipal council; or
- (g) that the site is proposed to be acquired under the provisions of the Land Acquisition Act, 1894 (Central Act 1 of 1894).

(2) Whenever the Commissioner or the council refuses to approve a building site for a building or to grant permission to construct or reconstruct a building the reasons for such refusal shall be specifically stated in the order of the Commissioner or the resolution of the council as the case may be.

* 298. *Lapse of permission.*- If the construction or reconstruction of any building is not completed within the period specified, the permission shall lapse and a fresh application shall be made before the work is continued.

* 299. *Inspection by Commissioner.*- The Commissioner may inspect any building during the construction or reconstruction thereof, or within one month from the date of receipt of the notice given under section 141.

* The section came into force on the 12th day of September, 1974 vide Extraordinary Gazette No. 122 dated 12th September 1974.

*** 300. Power of Commissioner to require alteration of work.-** (1) If the Commissioner finds that the work —

- (a) is otherwise than in accordance with the plans or specifications which have been approved, or
- (b) contravenes any of the provisions of this Act or any rule, bye-law, order or declaration made thereunder, he may, by notice, require the owner of the building within a period stated in such notice either —
 - (i) to make such alterations as may be specified in the said notice with the object of bringing the work into conformity with the said plans or provisions, or
 - (ii) to show cause why such alteration should not be made.

(2) If the owner does not show cause as aforesaid, the Commissioner shall be bound to make the alterations specified in such notice.

(3) If the owner shows cause as aforesaid the Commissioner shall, by an order, cancel the notice issued under sub-section (1) or confirm the same subject to such modifications as he may think fit.

*** 301. Stoppage of work endangering human life.-** Notwithstanding anything contained in any of the preceding sections, the Commissioner may, at any time, stop the construction or reconstruction of any building if in his opinion the work in progress endangers human life.

*** 302. Completion certificates.-** (1) Every person who employs a licensed architect or engineer or a person approved by the Commissioner to design or erect a building or execute any work shall, within one month after the completion of the erection of the building or execution of the work, deliver or send or cause to be delivered or sent to the Commissioner a notice in writing of such completion accompanied by a certificate in the form prescribed by bye-laws made in this behalf and shall give to the Commissioner all necessary facilities for the inspection of such building or work.

(2) No person shall occupy or permit to be occupied any such building or use or permit to be used any building or a part thereof effected by any such work until permission has been granted by the Commissioner in this behalf in accordance with bye-laws made under this Act:

* The section came into force on the 12th day of September, 1974 vide Extraordinary Gazette No. 122 dated 12th September 1974.

Provided that if the Commissioner fails within a period of thirty days after the receipt of the notice of completion to communicate his refusal to grant such permission, such permission shall be deemed to have been granted.

*** 303. *Restrictions on uses of buildings.***- No person shall, without the written permission of the Commissioner, or otherwise than in conformity with the condition, if any, of such permission –

(a) use or permit to be used for human habitation any part of a building not originally erected or authorised to be used for that purpose or not used for that purpose before any alteration has been made therein by any work executed in accordance with the provisions of this Act and of the rules or bye-laws made thereunder;

(b) change or allow the change of the use of any land or building;

(c) convert or allow the conversion of one kind of tenement into another kind.

Wells

*** 304. *Application of certain sections to wells.***- The provisions of sections 291 to 301 (both inclusive) shall, so far as may be, apply to a well.

Huts

*** 305. *Application to construct or reconstruct huts.***- (1) Every person who intends to construct or reconstruct a hut shall send to the Commissioner -

(a) an application for permission to execute the work, and

(b) a site-plan of the land.

(2) Every such application and plan shall contain the particulars and be prepared in the manner required by the rules or bye-laws.

*** 306. *Prohibition against commencement of work without permission.***- The construction or reconstruction of a hut shall not be begun unless and until the Commissioner has granted permission for the execution of the work on an application sent to him under section 305.

* The section came into force on the 12th day of September, 1974 vide Extraordinary Gazette No. 122 dated 12th September 1974.

*** 307. *Period within which Commissioner is to grant or refuse to grant permission to execute the work.***- Within fourteen days after the receipt of any application made under section 305 for permission to construct or reconstruct a hut or of any information or plan or further information or fresh plan required by the rules or bye-laws, the Commissioner shall, by order in writing, either grant such permission or refuse on one or more of the grounds mentioned in section 309 to grant it.

*** 308. *Reference to the standing committee or council if Commissioner delays passing orders.***- (1) If, within the period prescribed by section 307, the Commissioner has neither granted nor refused to grant permission to construct or reconstruct a hut the standing committee or if no such committee has been constituted the council, shall be bound, on the written request of the applicant to determine by order in writing whether such permission should be granted or not.

(2) If the standing committee or as the case may be, the council does not, within thirty days from the receipt of such request determine whether such permission should be granted or not, such permission shall be deemed to have been granted and the applicant may proceed to execute the work but not so as to contravene any of the provisions of this Act or any rules or bye-laws made thereunder.

*** 309. *Grounds on which permission to construct or reconstruct hut may be refused.***- (1) Permission to construct or reconstruct a hut may be refused on any of the following grounds, namely: –

- (a) that the work or use of the site for the work would contravene some specified provision of any law or some specified rule, bye-law, order or declaration made thereunder;
- (b) that the application for such permission does not contain the particulars or is not prepared in the manner required by the rules or bye-laws;
- (c) that any information or plan required by the Commissioner under the rules or bye-laws has not been duly furnished;
- (d) that streets have not been made as required by section 266;

* The section came into force on the 12th day of September, 1974 vide Extraordinary Gazette No. 122 dated 12th September 1974.

- (e) that the land on which the hut is to be constructed, or the street or streets on which such land abuts is not adequately drained, levelled or lighted;
- (f) that the proposed building would be an encroachment upon land belonging to or vested in the Central Government or any State Government or the municipal council; or
- (g) that the site is proposed to be acquired under the provisions of the Land Acquisition Act, 1894.

(2) Whenever the Commissioner or the standing committee or the council refuses to grant permission to construct or reconstruct a hut the reasons for such refusal shall be specifically stated in the order of the Commissioner or the resolution of the committee or council, as the case may be.

*** 310. *Lapse of permission.***- If the construction or reconstruction of any hut is not completed within the period specified, the permission shall lapse and a fresh application shall be made before the work is continued.

General

*** 311. *Restriction on the power to refuse approval or permission for construction of buildings or huts.***- Notwithstanding anything contained in section 297 or section 309, approval or permission shall not, without the previous sanction of the Government, be refused under section 297 or under section 309, as the case may be, on the ground that the site is proposed to be acquired under the provisions of the Land Acquisition Act, 1894 and where such approval or permission is refused on the ground aforesaid, the provisions of the Land Acquisition Act, 1894 shall, within a period of six months from the date of such refusal, be applied to acquire the site if they have not already been put into force in respect of the site.

External walls, alterations and additions

*** 312. *Maintenance of external walls in repair.***- The owner or occupier of any building adjoining a public or private street shall keep the external part thereof in proper repair with lime-plaster or other material to the satisfaction of the Commissioner.

* The section came into force on the 12th day of September, 1974 vide Extraordinary Gazette No. 122 dated 12th September 1974.

*** 313. *Application of provisions to alterations and additions.***- (1) The provisions of this Chapter and of the rules or bye-laws made thereunder relating to construction and reconstruction of buildings shall also be applicable to any alteration thereof or addition thereto:

Provided that works of necessary repair which do not affect the position or dimension of a building or any room therein shall not be deemed an alteration or addition for the purposes of this section.

(2) If any question arises as to whether any addition or alteration is a necessary repair not affecting the position or dimension of a building or room such question shall be referred to the council whose decision shall be final.

Powers of the Commissioner

*** 314. *Demolition or alteration of building work unlawfully commenced, carried, on or completed.***- (1) If the Commissioner is satisfied, --

- (i) that the construction or reconstruction of any building or well--
 - (a) has been commenced without obtaining the previous permission of the Commissioner or (where an appeal or reference has been made to the council) in contravention of any order passed by the council, or
 - (b) is being carried on, or has been completed otherwise than, in accordance with the plans or particulars on which such permission or order was based, or
 - (c) is being carried on, or has been completed in breach of any of the provisions of this Act or of any rule or bye-law made thereunder or of any direction or requisition lawfully given or made under this Act or any such rule or bye-law, or
- (ii) that any alteration required by any notice issued under section 300 have not been duly made, or
- (iii) that any alteration or addition to any building or any other work made or done for any purpose into or upon any building, has been commenced or is being carried on or has been completed in breach of section 313,

* The section came into force on the 12th day of September, 1974 vide Extraordinary Gazette No. 122 dated 12th September 1974.

he may make a provisional order requiring the owner or the builder to demolish the work done or so much of it as, in the opinion of the Commissioner, has been unlawfully executed or to make such alterations as may in the opinion of the Commissioner, be necessary to bring the work into conformity with this Act, or with the rules, bye-laws, directions or requisition as aforesaid, or with the plans and particulars on which such permission or order was based; and may also direct that until the said order is complied with the owner or builder shall refrain from proceeding with the building or well.

(2) The Commissioner shall serve a copy of the provisional order made under sub-section (1) on the owner of the building or well together with a notice requiring him to show cause within a reasonable time to be named in such notice why the order should not be confirmed.

(3) If the owner fails to show cause to the satisfaction of the Commissioner, the Commissioner may confirm the order with any modification he may think fit to make, and such order shall then be binding on the owner.

*** 315. Power of Commissioner to impose penalty in the case of unauthorised constructions or alterations.-** (1) Notwithstanding any action taken under section 300 or section 449 where in the opinion of the Commissioner any building has been constructed or altered otherwise than in accordance with the plans and specifications which have been approved or in contravention of any of the provisions of this Act or any rule, bye-law, order or declaration made thereunder, the Commissioner may direct the owner of such building to pay by way of penalty, a sum not exceeding fifty rupees for every half-year or part thereof in respect of every one hundred square meters or part thereof covered by the portion or portions of the buildings so constructed or altered, the area of the ground floor and the other floors, if any, being reckoned separately.

(2) Such penalty shall be recovered in the same manner as the property tax until the portion or portions aforesaid are removed or rectified by the owner and the resulting construction is approved by the Commissioner.

* The section came into force on the 12th day of September, 1974 vide Extraordinary Gazette No. 122 dated 12th September 1974.

Exemptions

* 316. *Exemptions.* – (1) Any building constructed and used, or intended to be constructed and used, exclusively for the purpose of a plant-house, summer-house (not being a dwelling-house), poultry-house or aviary, shall be exempted from the provisions of this Chapter, other than section 291, provided the building be wholly detached from and situated at a distance of at least three metres from the nearest adjacent building.

(2) (a) The Commissioner may grant permission at his discretion on such term as he may decide in each case to erect for a specified period temporary huts or sheds for stabling, for watching crops, for storing tools or materials, or for other similar purposes.

(b) On the expiry of the period specified, the Commissioner may, by notice, require the owner of such hut or shed to demolish it.

CHAPTER – XIV

NUISANCES

Dangerous structures, trees and places

* 317. *Precautions in case of dangerous structures.*– (1) If any structure appears to the Commissioner to be in a ruinous state and dangerous to the passers-by or to the occupiers of neighbouring structures, the Commissioner may, by notice, require the owner or occupier to fence off, take down, secure or repair such structure so as to prevent any danger therefrom.

(2) If immediate action is necessary, the Commissioner shall himself before giving such notice or before the period of such notice expires, fence off, take down, secure or repair such structure or fence off a part of any street or take such temporary measures as he thinks fit to prevent danger and the cost of doing so shall be recoverable from the owner or occupier in the manner provided in section 175.

(3) If, in the opinion of the Commissioner, the said structure is imminently dangerous to the inmates thereof, the Commissioner shall order the immediate evacuation thereof and any person disobeying may be removed by any police officer.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January, 1974.

*** 318. *Precautions in case of dangerous trees.***- (1) If any tree or any branch of a tree or the fruit of any tree appears to the Commissioner to be likely to fall and thereby endanger any person or any structure, the Commissioner may by notice require the owner of the said tree to secure, lop or cut down the said tree or remove the fruit thereof so as to prevent any danger therefrom.

(2) If immediate action is necessary, the Commissioner shall himself before giving such notice or before the period of such notice expires secure, lop or cut down the said tree or remove the fruit thereof or fence off a part of any street or take such other temporary measures as he thinks fit to prevent danger, and the cost of doing so shall be recoverable from the owner of the tree in the manner provided in section 175.

*** 319. *Precautions in case of dangerous tanks, wells, holes etc.***- (1) If any tank, pond, well, hole, stream, dam, bank or other place appears to the Commissioner to be for want of sufficient repair, protection or enclosure dangerous to the passers-by or to persons living in the neighbourhood, the Commissioner may, by notice, require the owner to fill in, remove, repair, protect or enclose the same so as to prevent any danger therefrom.

(2) If immediate action is necessary, he shall, before giving such notice or before the period of notice expires, himself take such temporary measures as he thinks fit to prevent danger and the cost of doing so shall be recoverable from the owner in the manner provided in section 175.

*** 320. *Power to stop dangerous quarrying.***- If in the opinion of the Commissioner the working of any quarry or the removal of stone, earth or other material from any place is dangerous to persons residing in or having legal access to the neighbourhood thereof or creates or is likely to create a nuisance, the Commissioner may require the owner or person having control of the said quarry or place to discontinue working the same or to discontinue removing stone, earth or other material from such place or to take such order with such quarry or place as he shall deem necessary for the purpose of preventing danger of abating the nuisance arising or likely to arise therefrom.

*** 321. *Precautions against fire.***- (1) The Commissioner may, by notice, require the owner of any structure, booth or tent partly or entirely composed of, or having any external roof, verandah, pandal or wall partly or entirely composed of, cloth, grass, leaves, mats or other highly inflammable materials to remove or after such structure, booth, tent, roof, verandah, pandal or wall, or may grant him permission to retain the same on such conditions as the Commissioner may think necessary to prevent danger from fire.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January, 1974.

(2) The Commissioner may, by notice, require any person using any place for the storage for private use of timber, firewood, or other combustible things to take special steps to guard against danger from fire.

(3) Where the Commissioner is of opinion that the means of egress from any building are insufficient to allow of safe exit in the event of fire, he may, with the sanction of the council by notice, require the owner or occupier of the building to alter or reconstruct any staircase in such manner or to provide such additional or emergency staircase as he may direct; and when any building, booth, or tent is used for purposes of public entertainment he may require, subject to such sanction as aforesaid, that it shall be provided with an adequate number of clearly indicated exits so placed and maintained as readily to afford the audience ample means of safe egress, that the seating be so arranged as not to interfere with free access to the exits and that gangways, passages, and the staircases leading to the exits shall during the presence of the public be kept clear of obstructions.

Control over waters, etc.

*** 322. Prohibition of construction of wells, tanks etc., without the permission of Commissioner.-** (1) No new well, tank, pond, cistern, fountain or the like shall be dug or constructed without the previous permission of the Commissioner.

(2) The Commissioner may grant permission subject to such conditions as he may deem necessary or may, for reasons to be recorded in writing by him, refuse it.

(3) If any such work is begun or completed without such permission, the Commissioner may --

- (a) by notice require the owner or other person who has done such work to fill up or demolish such work in such manner as the Commissioner shall direct, or
- (b) grant permission to retain such work, but such permission shall not exempt such owner from proceedings for contravening the provisions of sub-section (1).

*** 323. Filling in of pools, etc. which are a nuisance.-** (1) If in the opinion of the Commissioner. -

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January, 1974.

- (a) any pool, ditch, tank, well, pond, bog, swamp, quarry, hole, drain, cess-pool, pit, water-course, or any collection of water, or
- (b) any land on which water may at any time accumulate is or is likely to become a breeding-place of mosquitoes or in any other respect a nuisance,

the Commissioner may, by notice, require the owner or person having control thereof to fill up, cover over, weed and stock with larvicidal fish, petrolize, drain or drain off the same in such manner and with such materials as the Commissioner shall direct or to take such order with the same for removing or abating the nuisance as the Commissioner shall direct.

(2) If a person on whom a requisition is made under sub-section (1) to fill up, cover over, or drain off a well, delivers to the Commissioner within the time specified or compliance therewith written objections to such requisition, the Commissioner shall report such objections to the council, and shall make further inquiry into the case, and he shall not institute any prosecution for failure to comply with such requisition except with the approval of the council, but the Commissioner may nevertheless, if he deems the execution of the work called for by such requisition to be of urgent importance proceed in accordance with section 475 and, pending the decision of the council on the question whether the said well shall be permanently filled up, covered over, or otherwise dealt with, may cause such well to be securely covered over so as to prevent the ingress of mosquitoes, and in every such case, the Commissioner shall, with the approval of the council, determine whether the expenses of any work already done as aforesaid shall be paid by such owner or by the Commissioner out of the municipal fund or shall be shared and, if so, in what proportions.

*** 324. Regulation or prohibition of certain kinds of cultivation.-** (1) The council, on the report of the Director of the Medical Services, the municipal health officer of the Director of Agriculture that the cultivation of any description of crop, or the use of any kind of manure, or the irrigation of land in any place within the limits of the municipality is injurious to the public health may, with the previous sanction of the Government, by public notice, regulate or prohibit the cultivation, use of manure or irrigation, so reported to be injurious:

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January, 1974.

Provided that when such cultivation or irrigation has been practiced during the five years preceding the date of such public notice with such continuity as the ordinary course of husbandry admits of, compensation shall be paid from the municipal fund to all persons interested, for any damage caused to them by absolute prohibition.

*** 325. *Cleansing of insanitary private tank or well used for drinking.***- (1) The Commissioner may, by notice, require the owner of, or person having control over, any private water-course, spring, tank, well or other place, the water of which is used for drinking, bathing, or washing clothes to keep the same in good repair and to clean it of silt, refuse or vegetation and to protect it from pollution by surface drainage in such manner as the Commissioner may think fit.

(2) If the water of any place which is used for drinking, bathing or washing clothes, as the case may be, is proved to the satisfaction of the Commissioner to be unfit for the purpose, the Commissioner may, by notice, require the owner or person having control thereof to ---

- (a) refrain from using or permitting the use of such water; or
- (b) close or fill up such place or enclose it with a substantial wall or fence.

*** 326. *Duty of council in respect of public well or receptacle of stagnant water.***- the municipal council shall maintain in a cleanly condition all wells, tanks and reservoirs which are not private property and may fill them up or drain them when it appears necessary to do so.

*** 327. *Prohibition against or regulation of washing animals or clothes or drinking in public water-courses, tanks, etc.***- The council may, in the interests of the public health, regulate or prohibit the washing of animals, clothes or other things or fishing in any public spring, tank, well, public water-course or part thereof within the municipality and may set apart any such place for drinking or for bathing or for washing clothes or animals, or for any other specified purpose.

*** 328. *Provision of public wash-houses.***- (1) The council may construct or provide and maintain public wash-houses, salavaithuraikal or places for the washing of clothes, and may require the payment of such rents and fees for the use of any such wash-house, salavaithurai or place as it may determine.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January, 1974.

(2) The council may farm out the collection of such rents and fees for any period not exceeding three years at a time on such terms and conditions as it may think fit.

(3) If a sufficient number of public wash-houses, salavaithuraikal or places be not maintained under sub-section (1), the council may without making any charge therefor appoint suitable places for the exercise by washermen of their calling.

*** 329. *Prohibition against washing by washermen at authorised places.*** – (1) The council may, by public notice, prohibit the washing of clothes by washermen in the exercise of their calling within the municipality, except at –

- (a) public wash-houses, salavaithuraikal or places maintained or provided under section 328, or
- (b) such other places as it may appoint for the purpose.

(2) When any such prohibition has been made no person shall, in contravention of such prohibition wash clothes, except for himself or for personal and family service or for hire on and within the premises of the hirer, at any place within municipal limits other than a public wash-house, salavaithurai or a place maintained or appointed under this Act.

*** 330. *Prohibition against defiling water of tanks, etc., whether public or private.*** – It shall not be lawful for any person to –

(a) bathe in or in any manner defile the water in any place set apart by the council or by the owner thereof for drinking purposes; or

(b) deposit any offensive or deleterious matter in the dry bed of any places set apart as aforesaid for drinking purposes; or

(c) wash clothes in any place set apart as aforesaid for drinking or bathing;
or

(d) wash any cooking utensil or any animal or wool, skins or other foul or offensive substance or deposit any offensive or deleterious matter in any place set apart as aforesaid for bathing or washing clothes; or

(e) cause or suffer to drain into or upon any place set apart as aforesaid for drinking, bathing, washing clothes or cause or suffer anything to be brought there into or do anything whereby the water may be fouled or corrupted.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January, 1974.

Control over abandoned lands, untrimmed hedges, etc.

*** 331. *Untenanted buildings or lands.***- If any building or land, by reason of abandonment, disputed ownership or other cause remains untenanted, and thereby becomes a resort of idle and disorderly persons or in the opinion of the Commissioner becomes a nuisance, the Commissioner may, after due enquiry by notice, require the owner or person claiming to be owner to secure, enclose, clear or clean the same.

*** 332. *Removal of filth or noxious vegetation.***- The Commissioner may, by notice, require the owner or occupier of any building or land which appears to him to be in a filthy or unwholesome state, or overgrown with any thick or noxious vegetation, trees or undergrowth injurious to health or offensive to the neighbourhood, to clear, cleanse or otherwise put the land in proper state or to clear away and remove such vegetation, trees or undergrowth within twenty-four hours or such longer period and in such manner as may be specified in the notice.

*** 333. *Fencing of buildings or lands and pruning of hedges and trees.***- The Commissioner may, by notice, require the owner or occupier of any building or land near a public street to --

(a) fence the same to the satisfaction of the Commissioner; or

(b) trim or prune any hedges bordering on the street so that they may not exceed such height from the level of the adjoining roadway as the Commissioner may determine; or

(c) cut and trim any hedges or trees over-hanging the said street and obstructing it or the view of traffic or causing it damage; or

(d) lower an enclosing wall or fence which by reason of its height and situation obstructs the view of traffic so as to cause danger.

Control over insanitary buildings

*** 334. *Lime-washing and cleaning of buildings.***- If it appears to the Commissioner necessary for sanitary purposes so to do, he may, by notice, require the owner or occupier of any building to lime-wash or otherwise cleanse the building inside and outside in the manner and within a period specified in the notice.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January, 1974.

*** 335. *Further powers with reference to insanitary building.***- (1) Whenever the Commissioner considers --

- (a) that any building or portion thereof is, by reason of its having no plinth or having a plinth of insufficient height, or by reason of the want of proper drainage or ventilation or by reason of the impracticability of cleaning, attended with danger of disease to the occupiers thereof or to the inhabitants of the neighbourhood or is, for any reason, likely to endanger the public health or safety, or
- (b) that a block or group of building is, for any of the said reasons or by reason of the manner in which the buildings are crowded together, attended with such risk as aforesaid,

he may, by notice require the owners or occupiers of such buildings or portions of buildings or at his option, the owners of the land occupied by such buildings or portions of buildings, to execute such works or to take such measures as he may deem necessary for the prevention of such danger.

(2) No person shall be entitled to compensation for damages sustained by reason of any action taken under or in pursuance of this section save when a building is demolished in pursuance of an order made thereunder or so demolished to such extent as to require reconstruction, in which cases the municipal council shall make compensation to the owner thereof.

(3) When any building is so far demolished under this section as to require reconstruction, allowance shall be made in determining the compensation for the benefit accruing to the premises from the improvement thereof.

*** 336. *Buildings unfit for human habitation.***- (1) If any building or portion thereof intended for or used as a dwelling place appears to the Commissioner to be unfit for human habitation, he may apply to the council to prohibit the further use of such structure for such purpose; and the council may, after giving the owner and occupiers of the structure a reasonable opportunity of showing cause why such order should not be made, make a prohibitory order as aforesaid.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January, 1974.

(2) When any such prohibitory order has been made, the Commissioner shall communicate the purpose thereof to the owner and occupiers of the structure and on the expiry of such period as is specified in the notice, not being less than thirty days after the service of the notice, no owner or occupier of such structure shall use or suffer it to be used for human habitation until the Commissioner certifies in writing that the causes rendering it unfit for human habitation have been removed to his satisfaction or the council withdraws the prohibition.

(3) (a) When such prohibitory order has remained in operation for three months, the Commissioner shall report the case to the council which shall thereupon consider whether the structure should not be demolished.

(b) The council shall give the owner not less than thirty days notice of the time and place at which the question will be considered, and the owner shall be entitled to be heard when the question is taken into consideration.

(4) If upon such consideration the council is of opinion that the structure has not been rendered fit for human habitation and that steps are not being taken with due diligence to render it so fit and that the continuance of the structure is a nuisance or dangerous or injurious to the health of the public or to the inhabitants of the neighbourhood, it shall record a decision to that effect, with the grounds of the decision and the Commissioner shall in pursuance of the said decision by notice require the owner to demolish the structure.

(5) If the owner undertakes to execute forthwith the works necessary to render the structure fit for human habitation and the Commissioner considers that it can be so made fit, the Commissioner may postpone the execution of the decision of the council for such time not exceeding six months as he thinks sufficient for the purpose of giving the owner an opportunity of executing the necessary works.

*** 337. Abatement of overcrowding in dwelling-house or dwelling place.-** (1) If it appears to the Commissioner that any dwelling-house or other building which is used as a dwelling place, or any room in such dwelling-house or buildings, is so overcrowded as to endanger the health of the inmates thereof, he may apply to a Magistrate, to abate such overcrowding; and the Magistrate after such inquiry as he

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January, 1974.

thinks fit to make, may, by order in writing, require the owner of the building or room, within a reasonable time to be specified in the said order not exceeding four weeks to abate such overcrowding by reducing the number of lodgers, tenants or other inmates of the building or room or may pass such other orders as he may deem just and proper.

(2) The council may, by order in writing declare what amount of superficial and cubic space, shall be deemed for the purposes of sub-section (1) to be necessary for each occupant of a building or room.

(3) If any building or room referred to in sub-section (1) has been sub-let the landlord of the lodgers, tenants or other actual inmates of the same, shall, for the purposes of this section, be deemed to be the owner of the building or room.

(4) It shall be incumbent on every tenant, lodger or other inmate of a building or room to vacate on being required by the owner so to do, in pursuance of any requisition made under sub-section (1).

Control over certain animals

* 338. ***Prohibition against feeding certain animals on filth.***- No person shall feed or permit any animal which is kept for dairy purpose or may be used for food, to be fed in filth.

* 339. ***Prohibition against keeping animals or bird so as to be dangerous or a nuisance.***- No person shall keep any animal or bird in or near his premises or in a public place so as to be a nuisance or so as to be dangerous.

* 340. ***Power to destroy stray pigs and dogs.***- (1) The council may, and if so directed by the District Magistrate shall, give public notice that unlicensed pigs or dogs straying within specified limits will be destroyed.

(2) When such notice has been given, any person may destroy, in any manner not inconsistent with the terms of the notice, any unlicensed pig or dog, as the case may be, found straying within such limits.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January, 1974.

General

*** 341. Powers of Commissioner to use or all materials of dangerous structure taken down etc., and procedure when there is no owner or occupier.-** (1) When the Commissioner takes down any structure or part thereof or cuts down any tree or hedge or shrub or part thereof or removes any fruit in virtue of his powers under this Chapter, the Commissioner may sell the materials or things taken down, cut down or removed and apply the proceeds in or towards payment of the expenses incurred.

(2) If after reasonable inquiry it appears to the Commissioner that there is no owner or occupier to whom notice can be given under any section in this Chapter he may himself make such order with the property mentioned in such section as may appear to him to be necessary and may recover the expense incurred by the sale of such property (not being land) or of any portion thereof.

*** 342. Limitation of compensation.-** No person shall be entitled save as provided in section 323, 324 and 335, compensation for any damages sustained by reason of any action taken by the municipal authorities in pursuance of their powers under this Chapter.

CHAPTER - XV

LICENCES AND FEES

General provisions as to licences

*** 343. Government not to obtain licences and permissions.-** Nothing in this Act or in any rule, bye-law or regulation made thereunder shall be construed as requiring the taking out of any licence or the obtaining of any permission under this Act or any such rule, bye-law or regulation in respect of any place in the occupation or under the control of the Central Government or any State Government or in respect of any property of such Government.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January, 1974.

*** 344. *Conditions precedent to grant or renewal of licence.***- Notwithstanding anything contained in this Act or any other law, the Commissioner may refuse to grant or renew a licence under the provisions of this Act or any other Act which authorises him to issue a licence, if the person applying for the licence has made default in the payment of any dues by way of taxes or fees payable by him to the municipal council, provided the Commissioner may, if he deems fit, grant or renew the licence for a period not exceeding two months, on satisfactory guarantee for the payment within the period.

Keeping of animals

*** 345. *Licences for places in which animals are kept.*** - (1) The owner or occupier of any stable, veterinary infirmary, stand, shed, yard, or other place in which quadrupeds are kept or taken in for purposes of profit shall apply to the Commissioner for a licence not less than thirty and not more than ninety days before the opening of such place, or before the commencement of the year for which the licence is sought to be renewed, as the case may be.

(2) The Commissioner may, by an order and subject to such restrictions and conditions as he may think fit to impose, grant or refuse such licence.

(3) No person shall without or otherwise than in conformity with a licence use any place for such a purpose.

(4) Nothing in this section shall apply to any such place licensed as a place or public entertainment or resort.

*** 346. *General powers of central over stables, cattles-sheds and cow-houses.***- (1) All stables, cattle-sheds and cow-houses shall be under the survey and control of the Commissioner as regards their site, construction, materials and dimensions.

(2) The Commissioner may, by notice, require that any stable, cattle-shed or cow-house be altered, paved, drained, repaired, disinfected or kept in such a state as to admit of its being sufficiently cleaned or be supplied with water, or be connected with a sewer or be demolished.

(3) Every such notice shall be addressed to the owner of the building or land to which the stable, cattle-shed, cow-house belongs or for the use of occupants of which the same was constructed or is continued.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January, 1974.

(4) The expense of executing any work in pursuance of any such notice shall be borne by the said owner.

*** 347. Power to direct discontinuance of use of buildings as stable, cattle-shed or cow-house.-** (1) If any stable, cattle-shed or cow-house is not constructed or maintained in the manner required by or under this Act, the Commissioner may, by notice, direct that the same shall no longer be used as a stable, cattle-shed or cow-house.

(2) Every such notice shall state the ground therefor.

Places of public resort and entertainment.

*** 348. Licences for use of enclosed place or buildings for public resort or entertainment.-** No enclosed place or building, whether permanent or temporary, shall be used for public resort or entertainment in the following cases, unless a licence has been obtained in respect thereof under this Act -

(a) In every case where the area within the enclosed place or occupied by the building is sixty square metres or more.

(b) In case the area aforesaid is less than sixty square metres, if the public are allowed to take part in any game or competition therein.

*** 349. Application and grant of licence.-** (1) When any person desires to obtain a licence to sue any enclosed place or building for public resort or entertainment, or to construct any enclosure or building for such purpose, he shall send an application to the Commissioner setting forth the name of the owner of the place or building, its situation, size and description, the material of which the enclosure or building is made or proposed to be made, whether it is or is proposed to be permanent or temporary, and the purpose for which it is proposed to be used.

(2) Upon the receipt of any such application, the Commissioner shall inspect the place or building in respect of which a licence is required, and may call on the applicant, by notice in writing, to make any alteration or addition in the material or arrangement of the enclosure or building or in the precautions for the safety of the public to be assembled therein, and may refuse to grant a licence until the alteration or addition is made.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January, 1974.

(3) (a) If the Commissioner after consulting such authority or officer as the Government may from time to time by notification direct, is satisfied--

- (i) that the enclosed place or building may safely be used for the purpose of public resort or entertainment proposed;
- (ii) that no objection, arising from its situation, ownership, or the purpose proposed exists, he shall give to the applicant a written licence, signed by him, specifying the enclosure or building and the purpose for which it is to be used. Such licence shall be in such form and subject to such fee and conditions as the Government may, from time to time, prescribe.

(b) If the Commissioner is not satisfied as aforesaid, he may refuse a licence, recording his reasons for refusal in writing.

(4) Every licence granted shall state the period for which it is to continue in force, and shall cease to be in force on the expiration of that period.

* 350. *Revocation or suspension of licence.*- The Commissioner may, for reasons to be recorded in writing, revoke or suspend the licence when he has reason to believe --

- (a) that the licences has been fraudulently obtained;
- (b) that the enclosed place or building has been used for other purposes of public resort or entertainment than that for which the licence was granted;
- (c) that the place or building can no longer be safely used for the purpose for which the licence was granted;
- (d) that any condition of the licence has been contravened.

* 351. *Appeal against order under section 350.*- (1) Any applicant for a licence under this Act may appeal from any order made under section 350 to the municipal council.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January, 1974.

(2) The appeal shall be made within thirty days from the day on which the applicant received the order appealed against.

(3) The appellate authority shall have the same power as the Commissioner to inspect and direct alteration or addition in the enclosed place or building. It may either grant or withhold the licence or make such order as it may think fit.

*** 352. Power to enter place of public resort to inspect licence or to prevent further use.-** It shall be lawful for any officer of police in charge of a station or of higher rank than head constable or any other officer duly authorised by the Government by notification, to enter at any time any enclosure or building for which licence is required under this Act, to inspect the licence, if any has been issued, and, if there is no licence or if the conditions of the licence are not observed and if he sees reason to apprehend imminent danger to the public, to prevent the further use of such enclosure or building as a place of public resort or entertainment.

*** 353. Government may revise any proceedings under this Act.-** The Government may call for and examine the record of any proceeding taken under this Act, may call for any report in connection therewith, may make or cause to be made any further inquiry and may pass any order which it may think fit.

*** 354. Prohibition of smoking in certain places where entertainments are held.-**
(1) If any entertainment (including a cinematograph exhibition, dance or drama) to which members of the public are admitted, whether on payment or not, is held in an enclosed place or building, then, no person shall, during the prohibited period as defined in sub-section (2) smoke either —

- (a) on the stage except in so far as smoking may be part of the entertainment, or
- (b) in the auditorium, that is to say, in that portion of the enclosed place or building in which accommodation is provided for members of the public:

Provided that the Government may, by notification, exempt any class of entertainments from the provisions of this sub-section.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January, 1974.

(2) For the purposes of section (1), "prohibited period" means so much of the period commencing thirty minutes before the beginning of the entertainment and ending with the termination thereof, as may fall within the hours which the Government may, by notification, specify in this behalf for entertainments generally or any class of entertainments.

(3) Any person who contravenes the provisions of this section shall be liable to be rejected summarily from the enclosed place or building by any police officer and shall also be punishable with fine which may extend to fifty-rupees.

(4) A person rejected under sub-section (3) shall not be entitled to the refund of any payment made by him for admission to the entertainment or to any other compensation.

Trades, industries and factories

* 355. *Purpose for which places may not be used without licence.*- (1) The council may, by a notification and by beat of drum, direct that no place within municipal limits shall be used for any one or more of the purposes specified in Schedule III without the licence of the Commissioner and except in accordance with the conditions specified therein and where the licence is for keeping hotels, restaurants, eating-houses, coffee houses, laundries or running barber saloons the licence issued by the Commissioner shall always contain and be deemed to contain a condition that admission or service therein shall be available to any member of the public:

Provided that no such notification shall take effect until sixty days from the date of publication.

(2) The owner or occupier of every such place shall within thirty days of the publication of such notification apply to the Commissioner for a licence for the use of such place for such purpose.

(3) (a) On receipt of any such application, the Commissioner may, subject to the provisions of clauses (b) and (c), grant the licence specifying therein such conditions as he may think fit to impose in accordance with the rules, if any, made by the Government in this behalf or refuse to grant such licence.

* The section came into force on the 12th day of September, 1974 vide Extraordinary Gazette No. 122 dated 12th September, 1974.

(b) Before granting or refusing a licence under clause (a), the Commissioner shall cause a full and complete investigation to be made in the prescribed manner in respect of the application and shall have due regard to: -

- (i) the suitability of the place in respect of which the licence is applied for;
 - (ii) the possibility of any danger to life or health or property or the likelihood of any nuisance being created either from the nature or by reason of the manner in which or the conditions under which the place is proposed to be used;
 - (iii) the provisions of other Acts, if any, and the rules and bye-laws made thereunder, regulating the use of places for the purposes for which a licence is applied for under this Act; and
 - (iv) such other matters as may be prescribed.
- (c) If the Commissioner is satisfied either on a reference made to him in this behalf or otherwise that -
- (i) a licence granted under clause (a) has been obtained by misrepresentation as to an essential fact, or
 - (ii) the holder of a licence has, without reasonable cause, failed to comply with the conditions subject to which the licence has been granted or has contravened any of the provisions of this Act or the rules made thereunder,

then, without prejudice to any other penalty to which the holder of the licence may be liable under this Act, the Commissioner may, after giving the holder of the licence an opportunity of showing cause, revoke or suspend the licence.

(d) Subject to any rules that may be made in this behalf by the Government, the Commissioner may also vary or amend a licence granted under clause (a).

(4) Every such licence shall expire at the end of the year unless for special reasons the Commissioner considers it should expire at an earlier date, when it shall expire at such earlier date as may be specified therein.

(5) Applications for renewal of such licences shall be made not less than thirty and not more than ninety days before the end of every year and applications for licences for places to be newly opened shall be made not less than thirty and not more than ninety days before they are opened.

*** 356. *Applications to be made for construction, establishment or installation of factory, workshop as work-place in which steam or other power is to be employed.-***

(1) Every person intending ---

- (a) to construct or establish any factory, workshop or work-place in which it is proposed to employ steam-power, water power or other mechanical power or electrical power, or
- (b) to install in any place any machinery or manufacturing plant driven by steam, water or other power as aforesaid, not being machinery or manufacturing plant excluded by rules,

shall, before beginning such construction, establishment or installation, make an application in writing to the municipal council for permission to undertake the intended work.

(2) The application shall specify the maximum number of workers proposed to be employed on any day in the factory, workshop, work-place or place and shall be accompanied by, --

- (i) a plan of the factory, workshop, workplace or place prepared in such manner as may be prescribed by rules made in this behalf by the Government, and
- (ii) such particulars as to the power, machinery, plant or place as the municipal council may require by bye-laws made in this behalf.

(3) The municipal council shall, as soon as may be, after the receipt of the application, ---

- (a) grant the permission applied for, either absolutely or subject to such conditions as it may think fit to impose, or
- (b) refuse permission, if it is of opinion that such construction, establishment or installation is objectionable by reason of the density of the population in the neighbourhood or that it is likely to cause a nuisance or for any other reason to be recorded in writing.

(4) Before granting permission under sub-section (3), the municipal council --

* The section came into force on the 12th day of September, 1974 vide Extraordinary Gazette No. 122 dated 12th September, 1974.

- (a) shall, if more than nine workers are proposed to be employed on any day in the factory, workshop, work-place or place, obtain the approval of the inspector of factories appointed under the Factories Act, 1948 (Central Act 43 of 1948) having jurisdiction in the area of the municipality, or if there is more than one such inspector, or of the inspector designated by the Government in this behalf by general special order, as regards the plan of the factory, workshop, work-place or place with reference to —
 - (i) the adequacy of the provision for ventilation and light,
 - (ii) the sufficiency of the height and dimensions of the rooms and doors,
 - (iii) the suitability of the exits to be used in case of fire, and
 - (iv) such other matters as may be prescribed by rules made by the Government; and
 - (b) shall consult, and have due regard to the opinion of, the municipal health officer where the municipal council employs such an officer and of the Director of Medical Services in other cases, as regards the suitability of the site of the factory, workshop, work-place or place for the purpose specified in the application.
- (5) (a) More than nine workers shall not be employed on any day in any factory, workshop, work-place or place, unless the permission granted in respect thereof under sub-section (3) authorised such employment, or unless fresh permission authorising such employment has been obtained from the municipal council.
- (b) Before granting such fresh permission, the council shall obtain the approval of the inspector of factories referred to in clause (a) of sub-section (4) as regards the plan of the factory, workshop, work-place or place with reference to the matters specified in that clause.
- (6) The grant of permission under this section, —
- (a) shall in regard to the replacement of machinery, the levy of fees, the conditions to be observed and the like, be, subject to such restrictions and control as may be prescribed; and
 - (b) shall not be deemed to dispense with the necessity for compliance with the provisions of sections 291 and 293 or section 305 and 306, as the case may be.

Explanation.— In this section “workers” shall in relation to any factory, workshop, work-place or place, have the same meaning as in the Factories Act, 1948 (Central Act 43 of 1948).

*** 357. Council may issue directions for abatement of nuisance caused by steam or other power .-** (1) If, in any factory, workshop, work-place in which steam-power, water-power or other mechanical power or electrical power is used, nuisance in the opinion of the municipal council, is caused by reason of the particular kind of fuel employed or by reason of the noise or vibration created, the municipal council may issue such direction as it thinks fit for abatement of the nuisance within a reasonable time to be specified for the purpose.

(2) If there has been wilful default in carrying out such directions or if abatement is found impracticable, the municipal council may –

- (a) prohibit the use of the particular kind of fuel employed, or
- (b) restrict the noise or vibration by prohibiting the working of the factory, workshop or work-place between the hours of 9-30 p.m. and 5-30 a.m.

*** 358. Power of the Government to pass orders or give directions to municipal councils.-** The Government may, either generally or in any particular case, make such order or give such directions as it may deem fit in respect of any action taken or omitted to be taken under section 355, section 356 or section 357.

*** 359. Power of Commissioner to enter any factory, workshop or work-place.-** (1) The Commissioner or any person authorised by him in this behalf may enter any factory, workshop or work-place –

- (a) at any time between sunrise and sunset;
- (b) at any time when any industry is being carried on; and
- (c) at any time by day or by night, if he has reason to believe that any offence is being committed under section 356 or section 357.

* The section came into force on the 12th day of September, 1974 vide Extraordinary Gazette No. 122 dated 12th September, 1974.

(2) No claim shall lie against any person for any damage or inconvenience necessarily caused by the exercise of powers under this section or by the use of any force necessary for the purpose of effecting an entrance under this section.

*** 360. Prohibition of corruption of water by chemicals etc.-** (1) No person engaged in any trade, or industry or manufacture specified in Schedule III shall –

- (a) wilfully cause or suffer to be brought or to flow into any lake, tank, reservoir, cistern, well, duct or other place for water belonging to the municipal council or into any drain or pipe communicating therewith, any washing or other substance produced in the course of any such trade, or industry or manufacture as aforesaid;
- (b) wilfully do any act, connected with an such trade, or industry or manufacture as aforesaid whereby the water in any such lake, tank, reservoir, cistern, well, duct or other place of water is fouled or corrupted.

(2) The Commissioner may, after giving not less than twenty-four hours previous notice in writing to the owner or to the person who has the management or control of any work, pipes or conduits connected with any such manufacture or industry or trade as aforesaid, lay open and examine the said works, pipes or conduits; and if upon such examination it appears that sub-section (1) has been contravened by reason of anything contained in or proceeding from the said works, pipes or conduits, the expenses of such laying open and examination, and of any measure which the Commissioner shall in his discretion, require to be adopted for the discontinuance of the cause of such contravention, shall be paid by the owner of the said works, pipes or conduits, or by the person who has the management or control thereof, or through whose neglect or fault the said sub-section has been contravened; but if it appears that there has been no contravention of the said sub-section, the said expenses and the compensation for any damage occasioned by the said laying open and examination shall be paid by the Commissioner.

* The section came into force on the 12th day of September, 1974 vide Extraordinary Gazette No. 122 dated 12th September, 1974.

Slaughtering

*** 361. *Provision of municipal slaughter-houses.***- (1) (a) the municipal council shall provide a sufficient number of places within municipal limits for use as municipal slaughter-houses and may charge rents and fees for their use at such rates as it may deem fit.

(b) Such rents and fees shall be recoverable in the same manner as the property tax.

(2) The council may ---

(a) place the collection of such rents and fee under management of such persons as may appear to it proper, or

(b) farm out such collection for any period not exceeding three years at a time and on such terms and conditions as it may think fit.

*** 362. *Licence for slaughter-houses.***- (1) The owner of any place within municipal limits which is used as a slaughter-house for the slaughtering of animals or for the skinning or cutting up of any carcasses, shall apply to the Commissioner for a licence sixty days before the opening of such place as a slaughter-house or before the commencement of the year for which the licence is sought to be renewed, as the case may be.

(2) The Commissioner may, by an order and subject to such restrictions and regulations as to supervision and inspection as he thinks fit, grant or refuse to grant such licence.

*** 363. *Slaughter of animals during festivals and ceremonies.***- The Commissioner may allow any animal to be slaughtered in such place as he thinks fit on occasions of festivals and ceremonies or as a special measure.

*** 364. *Slaughter of animals for sale as food.***- No person shall --

(a) slaughter within the municipality, except in a public or licensed slaughter-house, any cattle, horse, sheep, goat or pig for sale as food, or skin or cut up any carcass without or otherwise than in conformity with a licence from the Commissioner; or

(b) dry any skin or permit it to be dried in such manner as to cause a nuisance:

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January, 1974.

Provided that the Commissioner may authorise any person to slaughter, without licence and without the payment of any fee, any animal for the purpose of a religious ceremony.

*** 365. Sections 353 and 354 to be subject to Act 8 of 1965.-** Sections 363 and 364 shall have effect subject to the provisions of the Puducherry Animals and Birds Sacrifices Prohibition Act, 1965.

The milk trade

**** 366. Regulation of milk trade.-** (1) No person shall without or otherwise than in conformity with a licence from the Commissioner --

- (a) carry on or be employed in, within the municipality, the trade or business of a dealer in, or importer or seller or hawker of, milk or dairy produce; or
- (b) use any place in the municipality for the sale of milk or dairy-produce;

Provided that no such licence shall be given to any person who is suffering from an infectious disease:

Provided further that such licence shall be deemed to have been suspended while the person to whom it is granted is suffering from an infectious disease.

(2) Such licence may be refused or may be granted on such conditions as the Commissioner may deem necessary which may extend to the construction, ventilation, conservancy, supervision and inspection of the premises whether within or outside municipal limits where the animals from which the milk-supply is derived are kept.

Markets, butchers, fish-mongers, hawkers.

*** 367. Public markets.-** All markets which are acquired, constructed, repaired or maintained out of the municipal fund shall be deemed to be public markets and such markets shall be open to all persons irrespective of their caste or creed.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January, 1974.

** The provisions of section 366 where declared extended to the Commune Panchayat specified below with effect from 16-7-1974 vide Extraordinary Gazette No. 92 dated 22nd July, 1974.

*** 368. Powers in respect of public market.-** (1) The council may provide places for use as public markets.

(2) The council may, in any public market, levy any one or more of the following fees at such rates and may place the collection of such fees under the management of such person as may appear to it proper or may farm out such fees for any period not exceeding three years at a time and on such terms and subject to such conditions as it may deem fit –

- (a) fees for the use of, or for the right to expose goods for sale in, such markets;
- (b) fees for the use of shops, stalls, pens or stands in such markets; and
- (c) fees on vehicles or pack animals carrying, or on persons bringing, goods into such markets for sale;
- (d) fees on animals brought for sale into or sold in, such markets; and
- (e) licence fees on brokers, commission agents, weighmen and measurers practicing their calling in such markets.

(3) The council may, with the sanction of the Government, close any public markets or part thereof.

*** 369. Control of the Commissioner over public markets.-** (1) No person shall, without the permission of the Commissioner, or if the fees have been farmed out, of the farmer, sell or expose for sale any animal or article within any public market.

(2) Any person who contravenes sub-section (1) or any conditions of the licence or any bye-law made under section 443 or who commits default in payment of the fees leviable under section 368, may, after three clear days' notice, be summarily removed from such market by any municipal officer or servant and any lease or tenure which any person may possess may be terminated for such period and from such date as the Commissioner may determine without prejudice to legal rights of municipal council to prosecute the person or to recover the fees leviable under section 368 and the expenses, if any, which the municipal council may incur in such removal.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January, 1974.

*** 370. Licence for private market.-** (1) No person shall open a new private market or continue to keep a private market unless he obtains from the council a licence to do so.

(2) Application for such licence shall be made by the owner of the place in respect of which the licence is sought sixty days before such place is opened as market or before the commencement of the year for which the licence is sought to be renewed, as the case may be.

(3) (a) The council may grant the licence applied for, subject to such regulations as to supervision and inspection and to such conditions as to sanitation, drainage, water-supply, width of paths and weight and measures to be used, and rents and fees to be charged in such market as the council may think proper.

(b) The council may, however, at any time after giving the holder of the licence an opportunity of showing cause, suspend or cancel any licence which has been granted under this section for breach of the conditions thereof.

(c) The council may also modify the conditions of licence to take effect from a specified date.

(4) When a licence is granted, refused, suspended, cancelled or modified under this section the council shall cause a notice of such grant, refusal, suspension, cancellation or modification in English and in the regional language to be posted in some conspicuous place at or near the entrance to the place in respect of which the licence was sought or had been obtained.

(5) Every licence granted under this section shall expire at the end of the year.

*** 371. Fee for licence.-** When a licence granted under section 370 does not permit the levy of any fees of the nature specified in sub-section (2) of section 368, it shall be granted free of fee, provided that where permission to levy any such fee is granted, a fee not exceeding six hundred rupees shall be charged by the municipal council for such licence.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January, 1974.

*** 372. *Sale in unlicensed private markets.*** – It shall not be lawful for any person to sell, or expose for sale, any animal or article in any unlicensed private market.

*** 373. *Power of council in respect of private market.***– The council may, by notice, require the owner, occupier or farmer of any private market to –

(a) construct approaches, entrances, passages, gates, drains and cess-pits for such market and provide it with flush-out or other latrines of such description and in such position and number as the council may think fit;

(b) roof and pave the whole or any portion of it, or pave any portion of the floor with such materials as will in the opinion of the council secure imperviousness and ready cleansing;

(c) ventilate and light it properly and provide it with a supply of water;

(d) provide passage of sufficient width between the stalls and make such alterations in the stalls, passages, shops, doors or other parts of the market as the council may direct; and

(e) keep it in a cleanly and proper state and remove all filth and refuse therefrom.

*** 374. *Suspension or refusal of licence in default.***– (1) If any person after notice given to him in that behalf by the council fails within the period and in the manner laid down in the said notice to carry out any of the works specified in the preceding section, the council may suspend the licence of the said person, or may refuse to grant him a licence, until such works have been completed.

(2) It shall not be lawful for any person to open or keep open any such market after such suspension or refusal.

*** 375. *Prohibition against nuisances in private markets.***– No owner, occupier, agent or manager in charge of any private market, or of any shop, stall, shed or other place therein shall keep the same so that it is a nuisance or fail to cause anything that is a nuisance to be at once removed to a place to be specified by the council.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January, 1974.

*** 376. *Power to close private markets.***- The council or any officer duly authorised by it in that behalf may close any private market in respect of which no licence had been applied for or the licence for which has been refused, withheld or suspended or which is held or kept open contrary to the provisions of this Act or the rules made thereunder.

*** 377. *Acquisition of right of private persons to hold private markets.***- (1) (a) A municipal council may acquire the rights of any person to hold a private market in any place and to levy fees therein.

(b) The acquisition shall be made under the Land Acquisition Act, 1894 and such rights shall be deemed to be land for the purpose of that Act.

(2) On payment by the municipal council of the compensation awarded under the said Act in respect of such property and any other charges incurred in acquiring it, the rights of such person to hold a private market and to levy fees therein shall vest in the municipal council.

*** 378. *Duty of expelling persons suffering from leprosy, etc., from markets and power to expel disturbers.***- The person in-charge of a market --

(a) shall prevent the entry therein or expel therefrom any person suffering from leprosy in whom the process of ulceration has commenced or from any infectious or contagious disease who sells or exposes for sale therein any article or who, not having purchased the same, handles and articles exposed for sale therein, and

(b) may expel therefrom any person who is creating a disturbance therein.

*** 379. *Butcher's, fish-monger's and poulterer's licence.***- (1) No person shall without or otherwise than in conformity with a licence from the Commissioner carry on the trade of a butcher, fish monger or poulterer, or use any place for the sale of flesh or fish intended for human food in any place within municipal limits:

Provided that no licence shall be required for a place used for the selling or storing for sale of preserved flesh or fish contained in airtight and hermetically sealed and unopened receptacles.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January, 1974.

(2) The Commissioner may, by order in writing and subject to such restrictions as to supervision and inspection as he thinks fit, grant or refuse to grant such licence.

(3) Every such licence shall expire at the end of the year in which it is granted unless for special reasons the Commissioner considers it should expire at an earlier date, when it shall expire at such earlier date as may be specified therein.

*** 380. *Power to prohibit or regulate sale of articles in public streets.***- The Commissioner may, with the previous sanction of the council, prohibit by public notice or licence, or regulate the sale or exposure for sale of any animals, birds or articles in or on any public street or part thereof.

*** 381. *Decision of disputes as to whether places are markets.***- If any question arises whether any place where persons assemble for the sale or purchase of articles of food or clothing, of animals including livestock or poultry, or cotton, ground-nut or other industrial crops or of any other raw or manufactured products is a market or not the municipal council shall make a reference to the Government and the decisions of the Government on the question shall be final.

Cart-stands

**** 382. *Provision of public cart-stand, etc.***- (1) The municipal council may construct or provide and maintain public landing places, halting places, cart-stands, cattle-sheds and cow-houses and may levy fees for the use of the same.

(2) The council may ---

- (a) place the collection of any such fees under the management of such persons as may appear to it proper; or
- (b) farm out the collection of any such fees for any period not exceeding three years at a time and on such terms and conditions as it may think fit.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January, 1974.

** The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 29th July, 1976.

(3) A statement in English and in regional language of the fees fixed by the council for the use of such place shall be put in a conspicuous part thereof.

Explanation. – A cart-stand shall, for the purpose of this Act, include a stand for carriages including motor vehicle within the meaning of the Motor Vehicles Act, 1939 (Central Act 4 of 1939) and animals.

*** 383. Prohibition of use of public place or sides of public streets as cart-stand, etc.-** Where a municipal council has provided a public landing place, halting place, cart-stand, cattle-shed, or cow-house, the Commissioner may prohibit the use for the same purpose by any person within such distance thereof as may be determined by the municipal council, of any public place or the sides of any public street.

**** 384. Recovery of cart-stand fees, etc.-** (1) If the fee leviable under sub-section (1) of section 382 is not paid on demand, the person appointed to collect such fee may seize and detain such portion of the appurtenances or load of the cart, carriage, motor vehicle or animal concerned as will, in his opinion, suffice to defray the amount due and in the absence of any such appurtenances or load or in the event of their value being insufficient to defray the amount due, he may seize and detain the cart, carriage, motor vehicle or animal.

(2) All property seized under sub-section (1) shall be sent within twenty-four hours to the Commissioner or to such person as he may have authorised in this behalf to receive and sell such property and the Commissioner shall forthwith give notice to the proprietor of the property seized, or, if the proprietor is not known, or is not resident within the municipality to the person who was in-charge of the said property at the time when it was seized, or if such person cannot be found, publish by beat of drum, that after the expiry of two days, exclusive of Sunday, from the date of service or publication of such notice, the property will be sold by auction at a place to be specified in the notice.

(3) If, at any time before the sale has begun, the amount due on account of the fee, together with the expenses incurred in connection with the seizure, detention and proposed sale is tendered to the Commissioner or other person authorised as aforesaid, the property seized shall be forthwith released.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 29th July, 1976.

** The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January, 1974.

(4) If no such tender is made, the property or a sufficient portion thereof may be sold and the proceeds of the sale applied to the payment of –

- (i) the amount due on account of the fee;
- (ii) such penalty not exceeding the amount of the fee as the Commissioner may direct; and
- (iii) the expenses incurred in connection with the seizure, detention and sale.

(5) If, after making the payments referred to in sub-section (4), there is any surplus sale proceeds or any property remaining unsold, the same shall be paid or delivered to the owner or other person entitled thereto.

*** 385. Licence of private cart-stand.-** (1) No person shall open a private cart-stand or continue to keep open a private cart-stand unless he obtains from the council a licence to do so.

(2) Application for such licence shall be made by the owner of the place in respect of which the licence is sought not less than thirty days and not more than ninety days before the opening of such place as a cart-stand or before the commencement of the year for which the licence is sought to be renewed, as the case may be.

- (3) (a) The council shall as regards private cart-stands already lawfully established and may, at its discretion, as regards new private cart-stands, grant the licence applied for subject to such regulations as to supervision and inspection and to such conditions as to conservancy as the council may think proper; or the council may refuse to grant any such licence.
- (b) The council may however, at any time for breach of the conditions thereof suspend or cancel any licence which has been granted under this section. The council may also modify the conditions of the licence to take effect from a specified date:

Provided that the municipal council may refuse to renew the licence in the case of any private cart-stand already lawfully established so far as motor vehicles are concerned if such stand is found to be unsuitable for use as a bus-stand by Government or by the Regional Transport Authority under section 76 of the Motor Vehicle Act, 1939 (Central Act 4 of 1939).

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January, 1974.

(4) When a licence is granted, refused, suspended cancelled or modified under this section, the council shall cause a notice of such grant, refusal, suspension, cancellation or modification, in English and in regional language to be posted in some conspicuous place at or near the entrance to the place in respect of which the licence was sought or had been obtained.

(5) The council may levy for every licence granted under this section, a fee not exceeding six hundred rupees per annum.

(6) Every licence granted under this section shall expire at the end of the year.

*** 386. Acquisition of right of persons to keep private cart-stands.-** (1) (a) A municipal council may acquire the rights of any person to keep a private cart-stand in any place and to levy fees therein.

(b) The acquisition shall be made under the Land Acquisition Act, 1894 (Central Act 1 of 1984) and such rights shall be deemed to be land for the purposes of that Act.

(2) On payment by the municipal council of the compensation awarded under the said Act in respect of such property, and any other charges incurred in acquiring it, the rights of such person to keep the private cart-stand and to levy fees therein shall vest in the municipal council.

Porters

*** 387. Licensing of porters.-** The Government may make rules providing for, –

(a) the grant of licences to persons carrying on the calling of porter in any public landing place, halting place or cart-stand provided by the municipal council;

(b) the revocation or suspension of any such licence;

(c) the terms and conditions subject to which and the authority by whom, such licence may be granted or renewed;

(d) The authority to which any person aggrieved by refusal to grant or renew or by revocation, or suspension of such licence may appeal; and

(e) the fees not exceeding twelve rupees per annum to be paid in respect of any such licence.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January, 1974.

Inspection of places for sale, etc.

*** 388. *Duty of Commissioner to inspect.***- It shall be the duty of the Commissioner to make provision for the constant and vigilant inspection of animals, carcasses, meat, poultry, game, flesh, fish, fruit, vegetables, corn, bread, flour, milk, ghee, butter, oil and any other articles exposed or hawked about for sale or deposited in or brought to any place for the purpose of sale or preparation for sale.

*** 389. *Powers of Commissioner for purposes of inspection.***- (1) The Commissioner or any other person authorised by him in writing for the purpose may, without notice enter any slaughter house or any place where animals, poultry or fish intended for food are exposed for sale or where articles of food are being manufactured or exposed for sale at any time by day or night, when the slaughter, exposure for sale or manufacture is being carried on and inspect the same and any utensil or vessel used for manufacturing, preparing or containing any such article.

(2) If the Commissioner or any other person so authorised by him has reason to believe that in any animal intended for human food is being slaughtered or any carcass is being skinned or cut up or that any food is being manufactured, stored prepared, packed, cleansed, kept or exposed for sale, or sold without, or otherwise than in conformity with a licence, he may enter any such place without notice, at any time by day or night for the purpose of satisfying himself whether any provision of any law or rules or bye-laws or regulations made thereunder or any conditions of licence is being contravened.

(3) No claim shall lie against the Commissioner or any person acting under his authority or the council for any damage or inconvenience necessarily caused by the exercise of power under this section or by the use of any force necessary for effecting an entry into any place under this section.

(4) In any legal proceedings in respect of powers exercised under this section in which it is alleged that any animal, poultry, fish or articles of food were not exposed for sale, manufactured, slaughtered, skinned, cut up, stored, prepared, packed, cleansed kept for sale, sold or were not intended for human food, the burden of proof shall lie on the party so alleging.

*** 390. *Preventing inspection by Commissioner.***- No person shall in any manner whatsoever prevent the Commissioner or any other person duly authorised by him exercising his powers under section 389.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January, 1974.

*** 391. *Power of Commissioner to seize diseased animals, noxious food, etc.***- If any animal, poultry or fish intended for food appears to the Commissioner or to any other person duly authorised by him, to be diseased, or any food appears to him to be noxious, or if any utensil or vessel used for manufacturing, preparing or containing such article appears to be of such kind or in such state as to render the article noxious, he may seize or carry away or secure such animal, poultry, fish, article, utensil, or vessel, in order that the same may be dealt with as hereinafter provided.

Explanation. - Meat subject to the process of blowing shall be deemed to be noxious.

*** 392. *Removing or interfering with articles seized.***- No person shall remove or in any way interfere with an animal or article secured under section 391.

*** 393. *Power to destroy article seized.***- (1) When any animal, poultry, fish or articles of food or any utensil or vessel is seized under section 391 it may with the consent of the owner or person in whose possession it was found, be forthwith destroyed and if the article is perishable, without such consent.

(2) Any expenses incurred in destroying anything under sub-section (1) shall be paid by the owner or person in whose possession it was at the time of its seizure.

*** 394. *Production of articles etc., seized before Magistrate and powers of Magistrate to deal with them.***- (1) Articles of food, animals, poultry, fish, utensils, vessels, and similar other articles seized under section 391 and not destroyed under section 393 shall as soon as possible be produced before a Magistrate.

(2) If it appears to the Magistrate having jurisdiction on complaint or *suo motu* after taking such evidence as he thinks necessary that any such animal, poultry or fish is diseased, or any such article is noxious or any such utensil or vessel is of such kind or in such state as is described in section 391, he may order the same, —

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January, 1974.

(a) to be forfeited to the council;

(b) to be destroyed at the charge of the owner or person in whose possession it was at the time of seizure, in such manner as to prevent the same being again exposed or hawked about for sale, or used for human food or for the manufacture or preparation of or for containing, any such articles as aforesaid.

Disposal of the dead

*** 395. *Registration or closing of ownerless places for disposal of dead.***- (1) Every owner or person having the control of any place used on the date of the commencement of this Act, as a place for burying, burning or otherwise disposing of the dead shall if such place be not already registered apply to the council to have such place registered.

(2) If it appears to the council that there is no owner or person having the control of such place, it shall assume such control and register such place, or may, with the sanction of the Government, close it.

*** 396. *Licensing of places for disposal of dead.***- (1) No new place for the disposal of the dead, whether public or private, shall be opened, formed, constructed, or used unless a licence has been obtained from the council on application.

(2) Such application for licence shall be accompanied by a plan of the place to be registered, showing the locality, boundary and extent thereof, the name of the owner or person or community interested therein, the system of management and such further particulars as the council may require.

(3) The council may ---

(a) grant or refuse a licence, or

(b) postpone the grant of a licence until objections to the site have been removed or any particulars called for by it have been furnished.

*** 397. *Provision of burial and burning grounds and crematoria within municipality.***- (1) The council, may, and shall if no sufficient provision exists, provide, at the cost of the municipal fund, places to be used as burial or burning grounds or crematoria, within the limits of the municipality, and may charge rents and fees for the use thereof.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January, 1974.

(2) The council may farm out the collection of such rents and fees for any period not exceeding three years at a time and on such terms and conditions as it may think fit.

*** 398. Register of registered, licenced and provided places and prohibition of use of other places.-** (1) A book shall be kept at the municipal office in which the places registered, licenced or provided under section 395, section 396 or section 397 and all such places registered, licenced or provided before the commencement of this Act, shall be recorded, and the plans of such places shall be filed in such office.

(2) Notice that such place has been registered, licenced or provided as aforesaid shall be affixed in English and in regional language to some conspicuous place at or near the entrance to the burial or burning ground or other place as aforesaid.

(3) No person shall bury, burn or otherwise dispose of any corpse except in a place which has been registered, licenced or provided, as aforesaid.

*** 399. Report of burials and burnings.-** The person having control of a place for disposing of the dead shall give information of every burial, burning or other disposal of a corpse at such place to any person appointed by the Commissioner in that behalf.

*** 400. Prohibition against use of burial and burning grounds dangerous to health or over-crowded with graves.-** (1) If the council is satisfied —

- (a) that any registered or licenced place for the disposal of the dead is in such a state or situation as to be, or likely to become, dangerous to the health of persons living in the neighbourhood thereof, or
- (b) that any burial ground is over-crowded with graves and if in the case of a public burial or burning ground or other place as aforesaid another convenient place duly authorised for the disposal of the dead exists or has been provided for the persons who would ordinarily make use of such place,

* The section came into force on the 1st day of August, 1976 vide Extraordinary Gazette No. 342 dated 29th July 1976.

it may, with the previous sanction of the Government, give notice that it shall not be lawful after a period to be specified in such notice to bury, burn or otherwise dispose of any corpse at such place.

(2) Every notice given under sub-section (1) shall be published in the Official Gazette and by beat of drum.

(3) After the expiry of the period specified in such notice it shall not be lawful to bury, burn or otherwise dispose of a corpse at such place.

*** 401. Prohibitions in respect of corpses.-** (1) Except with the permission of the Commissioner, no person shall —

- (a) burn, bury or otherwise dispose of any corpse except at a place provided or maintained for the purpose;
- (b) retain a corpse on any premises, without burning, burying or otherwise lawfully disposing of the same, for so long a time after death as to create a nuisance;
- (c) bury or cause to be buried any corpse or part thereof in a grave whether dug, or constructed of masonry or otherwise, in such manner that the surface of the coffin or the surface of body where no coffin is used, is at a depth less than one and a half metres from the surface of the ground; or
- (d) build or dig or cause to be built or dug any grave in any burial ground at a less distance than six decimetres from the margin of any other existing grave; or
- (e) carry a corpse along any street without having and keeping the same decently covered or without taking such precautions to prevent risk of infection or injury to the public health as the council may, by public notice, from time to time think fit to require;
- (f) except when no other route is available, carry a corpse along any street, along which the carrying of corpses is prohibited by a public notice issued by the council in this behalf;

* The section came into force on the 1st day of August, 1976 vide Extraordinary Gazette No. 342 dated 29th July 1976.

- (g) remove a corpse which has been kept or used for purposes of dissection, otherwise than in a closed receptacle or vehicle;
- (h) whilst conveying a corpse, place or leave the same on or near any street without urgent necessity;
- (i) reopen for the interment of a corpse, a grave or vault already occupied;
- (j) after brining or causing to be brought to a burning ground any corpse fail to burn or cause the same to be burnt within six hours from the time of the arrival thereof at such ground;
- (k) when burning or causing to be burnt any corpse permit the same or any portion thereof to remain without being completely reduced to ashes or permit any cloth or other article used for the conveyance or burning of such corpse to be removed or to remain on or near the place of burning without its being completely reduced to ashes;
- (l) exhume any body except under the provisions of section 176 of the Code of Criminal Procedure, 1898** (Central Act 5 of 1898) or of any other law for the time being in force, from any place for the disposal of the dead.

Explanation. – For the purposes of this section, the expression “corpse” includes any part thereof.

(2) Any person who contravenes any provision of sub-section (1), shall, on conviction, be punished with fine which may extend to one hundred rupees or in default with imprisonment which may extend to one month.

* 402. *Certificate for disposal of the dead.*– No person in charge of any place for the disposal of the dead shall permit the disposal of any dead body at such place except on the production of a certificate signed by such authority as may be prescribed.

* 403. *Fencing, etc., of private burial grounds.*– The owner of, or other person having control over any private burial ground, shall fence and maintain the same properly to the satisfaction of the Commissioner.

* The section came into force on the 26th day of January, 1976 vide Extraordinary Gazette No. 11 dated 19th January, 1974.

** Now, Section 176 of the Code of Criminal Procedure, 1973 (Central Act 2 of 1974).

*** 404. *Grave-diggers, licence.***- (1) No person shall discharge the office of a grave-digger or other attendant at a public place for the disposal of the dead other than a place provided by the Government unless he has been licensed in that behalf by the Commissioner.

(2) The council may, after giving the holder of the licence an opportunity of showing cause, withdraw or cancel the licence.

CHAPTER - XVI

CATTLE-POUNDS

**** 405. *Cattle-trespass Act to cease to apply to municipalities.*** - The provisions of the Cattle-trespass Act, 1871 (Central Act 1 of 1871) (hereinafter in this section referred to as the said Act) shall cease to apply in relation to the municipalities to which this Act applies.

Provided that:

- (a) nothing in this section shall affect the liability of any person to any penalty under the said Act.
- (b) any appointment, notification, order, rule made or issued or deemed to be made or issued under the said Act in respect of any cattle-pounds within the limits of any municipalities shall, so far as it is not inconsistent with the provisions of this Act, be deemed to have been made or issued under this Act, and continue in force until superseded by any appointment, notification, order or rule made or issued under this Act;
- (c) any cattle-pound in this local area established or deemed to be established under the said Act shall be deemed to be vested in the council within whose limits it is situated and shall be maintained and managed by the council in accordance with the provisions of this Act.

Explanation. - For the purposes of this Chapter, "cattle" means and includes bulls, bullocks, heifers, cows and their young, elephants, camels, buffaloes, horses, mares, geldings, ponies, colts, fillies, mules, asses, swine, sheep, rams, lambs, goats and kids.

* The section came into force on the 26th day of January, 1976 vide Extraordinary Gazette No. 11 dated 19th January, 1974.

** The section came into force on the 1st day of August, 1976 vide Extraordinary Gazette No. 342 dated 29th July 1976.

*** 406. *Power to establish cattle-pounds and appoint pound-keepers.-***

(1) Notwithstanding anything contained in any law for the time being in force, every municipal council within the limit of its jurisdiction shall, from time to time, appoint such places as it thinks fit to be public pounds, and may appoint suitable persons to be keepers of such pounds.

(2) Every pound-keeper so appointed shall, in the performance of his duties, be subject to the directions and control of the municipal council.

*** 407. *Duties of pound-keepers.-*** (1) Every pound-keepers shall maintain such registers and prepare such returns as the Government may from time to time by rules prescribe.

(2) When cattle are brought to a pound, the pound-keepers shall enter in the register ---

- (a) the number and description of the animals;
- (b) the day and hour on and at which they were so brought;
- (c) the name and residence of the seizer; and
- (d) the name and residence of the owner; if known;

and shall give the seizer or his agent a copy of the entry.

(3) The pound-keeper shall take charge of, feed and water, the cattle until they are disposed as hereinafter provided.

*** 408. *Impounding cattle.-*** (1) It shall be the duty of every police officer and it shall be lawful for any municipal officer or servant authorised by the Commissioner in this behalf to seize and take to any public pound for confinement therein, any cattle found straying in any street or trespassing upon any private or public property within the municipal area.

(2) It shall be lawful for any person who is the owner or who is in- charge of any private or public property to seize and take to any such public pound for confinement therein, any cattle trespassing upon such property or causing damage thereto.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

(3) Whoever forcibly opposes the seizure of cattle liable to be seized under this section, and whoever rescues the same after seizure, either from a pound or from any person taking or about to take them to a pound, shall, on conviction, be punished with imprisonment for a term which may extend to six months or with fine which may extend to five hundred rupees, or with both.

*** 409. *Delivery of cattle claimed.***- If the owner of cattle which are impounded under section 408 or his agent appears and claims such cattle, the pound-keeper shall deliver them to him on payment of the pound-fees and expenses chargeable in respect of such cattle under section 412.

*** 410. *Security in respect of impounded cattle.***- (1) Every pound-keeper shall, before releasing any impounded cattle, require the owner of the impounded cattle or his agent to make, in the form prescribed by rules, a declaration regarding the ownership of such cattle and to deposit by way of security such sum as the Government may, by rules, prescribe. Different scales may be prescribed for different areas or different classes of cattle.

(2) If any cattle belonging to such owner are again impounded within a period of six months from the date on which the security is deposited and if the seizure is not adjudged illegal the amount of deposit or a part thereof, as may be prescribed by rules, shall stand forfeited to the council. If cattle are not impounded as aforesaid the amount of security deposit shall, on application made by or on behalf of the depositor, be refunded to him on the expiry of that period.

*** 411. *Sale of cattle not claimed.***- (1) If within ten days after any cattle has been impounded, no person appearing to be the owner of such cattle claims the cattle under section 409 such cattle shall be forthwith sold by auction.

(2) If within the period specified in sub-section (1) the owner or his agent claims the cattle but refuses or fails to pay the pound-fees and the expenses chargeable under the next succeeding section, the cattle or as many of them as may be necessary, shall be sold by auction:

Provided that, if the cattle is not sold at auction under sub-section (1) or sub-section (2), it shall be disposed of in such other manner as the Government may by rules prescribe.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

(3) The Government may make rule prescribing the manner in which auction under sub-section (1) or sub-section (2) may be held.

(4) The surplus remaining after deducting the pound-fee and expenses aforesaid from the proceeds of the sale shall be paid to any person who within fifteen days after the sale, proves to the satisfaction of the Commissioner, that he was the owner of such cattle and shall, in any other case, form part of the municipal fund.

(5) No police officer, or councillor or officer or servant of the council, including the pond-keeper, shall directly or indirectly, purchase any cattle at a sale under sub-section (1) or sub-section (2).

412. Pound-fees and expenses chargeable to be fixed.- (1) The pound-fee chargeable shall be such as the Government may, from time to time by rules prescribe for each kind of cattle.

(2) The expenses chargeable shall be at such rates for each day during any part of which any cattle is impounded, as the council may, by bye-laws, fix.

*** 413. Complaints of illegal seizure of detention.-** (1) Any person whose cattle have been seized under this chapter, or having been so seized, have been detained, in contravention thereof, may, at any time, within ten days from the date of the seizure, make a complaint to a Magistrate of the First Class.

(2) The complaint shall be made by the complainant in person or by an agent personally acquainted with the circumstances of the case. If the Magistrate on examining the complainant or his agent has reason to believe that the complaint is well founded, he shall summon the persons complained against, and make an inquiry into the case.

(3) If the seizure or detention be adjudged illegal, the Magistrate shall award to the complainant for the loss caused by the seizure or detention reasonable compensation not exceeding one hundred rupees to be paid by the person who made the seizure or detained the cattle, together with all fees paid and expenses incurred by the complainant in procuring the release of the cattle, and if the cattle have not been released, the Magistrate shall, besides awarding such compensation, order their release and direct that the fees and expenses leviable under this Chapter shall be paid by the person who made the seizure or detained the cattle.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

(4) The compensation, fees and expenses, mentioned in this section, may be recovered as if they were fines imposed by the Magistrate.

CHAPTER - XVII

EVICTON OF PERSONS FROM MUNICIPAL PREMISES

*** 414. Definitions.-** For the purposes of this Chapter,

(a) "municipal premises" means any lands or any building or part of a building belonging to or vesting in, the municipal council and includes –

- (i) the garden, grounds and out-houses, if any, appertaining to such building or part of a building; and
- (ii) any fittings affixed to such building or part of a building for the more beneficial enjoyment thereof;

(b) "unauthorised occupation", in relation to any municipal premises, means the occupation, by any person of the municipal premises without authority for such occupation and includes the continuance in occupation by any person of the municipal premises after the authority (whether by way of grant or any other mode of transfer) under which he was allowed to occupy the premises has expired or has been determined for any reason whatsoever.

*** 415. Issue of notice to show cause against order of eviction.-** (1) If the Commissioner is of opinion that any persons are in unauthorised occupation of any municipal premises and that they should be evicted, the Commissioner shall issue in the manner hereinafter provided a notice in writing calling upon all persons concerned to show cause why an order of eviction should not be made.

(2) The notice shall, —

- (a) specify the grounds on which the order of eviction is proposed to be made; and

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

- (b) require all persons concerned, that is to say, all persons who are, or may be, in occupation of, or claim interest in, the municipal premises, to show cause, if any, against the proposed order on or before such date as is specified in the notice, being a date not earlier than ten days from the date of issue thereof.

(3) The Commissioner shall cause the notice to be served by having it affixed on the outer door or some other conspicuous part of the municipal premises and in such other manner as may be prescribed, whereupon the notice shall be deemed to have been duly given to all persons concerned.

(4) Where the Commissioner knows or has reason to believe that any persons are in occupation of the municipal premises, then without prejudice to the provisions of sub-section (3), he shall cause a copy of the notice to be served on every such person in the manner provided in section 467.

*** 416. *Eviction of unauthorised occupants.*** - (1) If, after considering the cause, if any, shown by any person in pursuance of a notice under section 115 and any evidence he may produce in support of the same and after giving him a reasonable opportunity of being heard, the Commissioner is satisfied that the municipal premises are in unauthorised occupation, the Commissioner may, on a date to be fixed or the purpose, make an order of eviction for reasons to be recorded therein directing that the municipal premises shall be vacated by all persons who may be in occupation thereof or any part thereof, and cause a copy of the order to be affixed on the outer door or some other conspicuous part of the municipal premises.

(2) If any person refuses or fails to comply with the order of eviction within thirty-five days of the date of its publication under sub-section (1), the Commissioner or any other officer duly authorised by the Commissioner in this behalf may evict that person from, and take possession of, the municipal premises and may, for that purpose, use such force as may be necessary.

*** 417. *Disposal of property or property left on municipal premises by unauthorised occupants.*** - (1) Where any persons have been evicted from any municipal premises under section 416, the Commissioner may, after giving fourteen days' notice to the person from whom possession of the municipal premises has been taken and after publishing the notice in at least one newspaper having circulation in the locality, remove or cause to be removed or dispose of by public auction any property remaining on such premises.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

(2) Where any property is sold under sub-section (1) the sale proceeds shall, after deducting the expenses of the sale and amount, if any, due to the municipal council on account of arrears of rent or damages or costs, be paid to such person or persons as may appear to the Commissioner to be entitled to the same:

Provided that where the Commissioner is unable to decide as to the person or persons to whom the balance of the amount is payable or as to the apportionment of the same, he may refer such dispute to the civil court of competent jurisdiction and the decision of the court thereon shall be final.

*** 418. Power to recover rent or damages in respect of municipal premises as arrears of land revenue.-** (1) Where any person is in arrears of rent payable in respect of any municipal premises, the Commissioner may, by an order in writing, require that person to pay the same within such time and such instalments as may be specified in the order.

(2) Where any person, is, or has at any time been in unauthorised occupation of any municipal premises, the Commissioner may, having regard to such principles of assessment of damages as may be prescribed, assess the damages on account of the use and occupation of such premises and may by an order in writing, require that person to pay the damages within such time and in such instalments as may be specified in the order.

(3) No order under sub-section (1) or sub-section (2) shall be made against any person until after the issue of a notice in writing to the person calling upon him to show cause within such time as may be specified in the notice why such order should not be made and until his objections, if any, and any evidence he may produce in support of the same, have been considered by the Commissioner.

*** 419. Power of Commissioner.-** The Commissioner shall, for the purpose of holding any inquiry under this Chapter, have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 (Central Act 5 of 1908) when trying a suit, in respect of the following matters, namely: --

- (a) summoning and enforcing the attendance of any person and examining him on oath;
- (b) requiring the discovery and production of documents;
- (c) any other matter which may be prescribed.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

*** 420. Appeal.-** (1) An appeal shall lie from every order of the Commissioner made in respect of any municipal premises under section 416 or section 418 to an appellate officer who shall be the District Judge or any other Judge not below the rank of a Subordinate Judge as may be specified by him in this behalf.

(2) An appeal under sub-section (1) shall be preferred, --

- (a) in the case of an appeal from an order under section 416, within fifteen days from the date of publication of the order under sub-section (1) of that section; and
- (b) in the case of an appeal from an order under section 418, within fifteen days from the date on which the order is communicated to the appellant:

Provided that the appellate officer may entertain the appeal after the expiry of the said period of fifteen days, if he is satisfied that the appellant was prevented by sufficient cause from filing the appeal in time.

(3) Where an appeal is preferred from an order of the Commissioner, the appellate officer may stay the enforcement of that order for such period and on such conditions as he deems fit.

(4) Every appeal under this section shall be disposed of by the appellate officer as expeditiously as possible.

(5) The cost of any appeal under this section shall be in the discretion of the appellate officer.

*** 421. Finality of orders.-** Save as otherwise expressly provided in this Chapter, every order made by the Commissioner or appellate officer under this Chapter shall be final and shall not be called in question in any original suit, application or execution proceedings.

*** 422. Offences and Penalties.-** (1) If any person who has been evicted from any municipal premises under this Act again occupies the premises without authority for such occupation, he shall be punishable with imprisonment which may extend to one year, or with fine which may extend to one thousand rupees, or with both.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

(2) Any Magistrate convicting a person under sub-section (1) may make an order for evicting that person summarily and he shall be liable to such eviction without prejudice to any action that may be taken against him under this Act.

*** 423. Power to make rules.-** (1) The Government may, by notification, make rules generally to provide for or to regulate matters in respect of eviction from municipal premises to be made under this Act.

(2) In particular, and without prejudice to the generality of the foregoing powers such rules may provide for all or any of the following matters, namely: --

- (a) the form of any notice required or authorised to be given under this Act and the manner in which it may be served;
- (b) the holding of inquiries under this Act;
- (c) the procedure to be followed in taking possession of municipal premises;
- (d) the manner in which damages for unauthorised occupation may be assessed and the principles which may be taken into account in assessing such damages;
- (e) the manner in which appeals may be preferred and the procedure to be followed in appeals;
- (f) any other matter which has to be or may be, prescribed.

CHAPTER - XVIII

THE PREVENTION OF DISEASE

Infectious diseases

*** 424. Definition of "infectious disease".-** In this Act, "infectious disease" means --

- (a) acute influenzal pneumonia;
- (b) anthrax;

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

- (c) cerebrospinal fever;
- (d) chicken pox;
- (e) cholera;
- (f) diphtheria;
- (g) enteric fever;
- (h) leprosy;
- (i) measles;
- (j) plague;
- (k) rabies;
- (l) relapsing fever;
- (m) scarlet fever;
- (n) smallpox;
- (o) tuberculosis;
- (p) typhus; or

(q) any other disease which the Government may, from time to time, by notification, declare to be an infectious disease, either generally throughout the Union territory or in such part or parts thereof as may be specified in the notification.

425. *Obligation of medical practitioner or owner or occupier to report infectious disease.— (1) If any medical practitioner becomes cognizance of the existence of any infectious disease in any private or public dwelling (not being a public hospital) in the municipality he shall inform the Commissioner with the least practicable delay.

- (2) (a) The information shall be communicated in such form and with such details as the Commissioner may require.
- (b) The Commissioner may pay a fee not exceeding one rupee for each intimation by a private medical practitioner of a case occurring in his practice.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

(3) The provisions of this section shall apply to a hakeem or a vaidyan.

(4) With the previous approval in all cases of the Director, the Commissioner may direct the compulsory notification, by the owner or occupier of every house within the municipal limits during such period and to such officer, as the Commissioner may specify, of all deaths from, or occurrence of infectious diseases in his house.

*** 426. Power of entry into suspected places.-** The Commissioner or health officer or any person duly authorised by the Commissioner or health officer may, at any time by day or by night without notice, or after giving such notice as may appear to him reasonable, inspect any place in which any infectious disease is reported or suspected to exist, and take such measure as he may think fit to prevent the spread of such disease beyond such place.

*** 427. Disinfection of buildings and articles.-** (1) If the Commissioner or health officer is of opinion that the cleaning or disinfecting of any premises or part thereof, or of any article therein which is likely to retain infection, will tend to prevent or check the spread of any infectious disease, he may, by notice require the occupier to cleanse or disinfect the same in the manner and within the time specified in such notice.

(2) If the Commissioner or health officer considers that immediate action is necessary, or that the occupier is, by reason of poverty or otherwise, unable effectually to comply with his requisition, the Commissioner or health officer may himself, without notice cause such premises or article to be cleansed or disinfected and for this purpose may cause such article to be removed from the premises, and the expenses incurred by the Commissioner or health officer shall be recoverable from the said occupier in cases in which he is, in the opinion of the Commissioner or health officer, able effectually to comply with such requisition.

*** 428. Provision of places for disinfection and power to destroy infected articles.-** (1) The Commissioner shall, from time to time, notify places at which conveyances, clothing, bedding or other articles, which have been exposed to infection from any infectious disease shall be washed or disinfected.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

(2) The Commissioner may direct any clothing, bedding or other articles likely to retain such infection to be disinfected or destroyed and shall, on demand, give compensation for any article destroyed under this sub-section.

(3) No person shall wash such clothing or bedding or other articles in any place other than those set apart for such purposes under sub-section (1).

*** 429. *Prohibition against transfer of infected articles.***- No person shall, without previously disinfecting it, give, lend, let, hire, sell, transmit, or otherwise dispose of any article which he knows or has reason to believe has been exposed to infection from any infectious disease:

Provided that nothing in this section shall apply to a person who transmits with proper precaution any article for the purpose of having it disinfected.

*** 430. *Power of council to prohibit use of water likely to spread infection.***- If the Director of Medical Services, the health officer or the local medical officer certifies that the water in any well, tank or other place within the limits of the municipality is likely, if used for drinking to endanger or cause the spread of any infectious disease, the council may, by public notice, prohibit the removal or use of such water for drinking and domestic purpose during a specified period.

*** 431. *Commissioner may order removal of patients to hospital.***- When a hospital or other place for the reception of persons suffering from infectious diseases is provided by the municipal council, the Commissioner may, on a certificate signed by a registered medical practitioner arrange for, or direct, the removal to such hospital or place of any person suffering from an infectious disease who is in the opinion of such medical practitioner, without proper lodging or accommodation, or without medical supervision directed to prevent the spread of the disease, or who is in a place occupied by more than one family.

*** 432. *Prohibition against infected person carrying on occupation.***- If any person knows or has been certified by the health officer, the local medical officer or a registered medical practitioner that he is suffering from an infectious disease, he shall not engage in any occupation or carry on any trade or business unless he can do so without risk of spreading the disease.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

*** 433. *Prohibition against diseased person entering public conveyance.***- (1) No person who is suffering from any infectious disease shall, without taking proper precautions against spreading such disease, cause or suffer himself to be conveyed in a public conveyance.

(2) No person who is suffering from any infectious disease shall enter a public conveyance without previously notifying to the owner or driver or person in charge of such conveyance that he is so suffering.

(3) No owner, driver, or person in charge of a public conveyance shall knowingly carry or permit to be carried in such conveyance any person suffering as aforesaid in contravention of sub-section (1).

(4) Notwithstanding anything contained in any law relating to public conveyances for the time being in force no owner or driver or person in charge of a public conveyance shall be bound to convey any person suffering as aforesaid unless and until the said person pays or tenders a sum sufficient to cover any loss and costs that may be incurred in disinfecting such conveyance.

(5) (a) A court convicting any person of contravening sub-section (1) or sub-section (2) may levy, in addition to the penalty for the offence provided in this Act, an additional fine of such amount as the court deems sufficient to cover the loss and costs which the owner or driver must incur for the purpose of disinfecting the conveyance.

(b) The amount of any additional fine so imposed shall be awarded by the court to the owner or driver of the conveyance:

Provided that if such additional fine is imposed in a case which is subject to appeal the amount shall not be paid to the owner or driver before the period allowed for presenting the appeal has lapsed, or, if any appeal is presented, before the decision of the appeal.

(6) At the time of awarding compensation in any subsequent civil suit relating the same matter, the court shall take into account any sum which the plaintiff shall have received under this section.

*** 434. *Letting of infected building.***- (1) No person shall let or sub-let or for that purpose allow any person to enter a building or any part of a building in which he knows or has reason to believe that a person has been suffering from any infectious disease without having the same and all articles therein liable to retain infection disinfected to the satisfaction of the Commissioner.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

(2) For the purposes of sub-section (1), the keeper of a hotel or lodging house shall be deemed to let the same or part of the same to any person accommodated therein.

*** 435. Power to order closure of places of public entertainment.-** In the event of the prevalence of any infectious disease within the municipality, the council may by notice require the owner or occupier of any building, booth or tent used for purposes of public entertainment to close the same for such period as it may fix.

*** 436. Minor suffering from infectious disease not to attend school or college.-** (1) No person being the parent or having the care or charge of a minor who is or has been suffering from an infectious disease or has been exposed to infection therefrom shall, after a notice from the health officer or the local medical officer that the minor is not to be sent to school or college, permit such minor to attend school or college without having procured from the health officer the local medical officer or a registered medical practitioner a certificate that in his opinion such minor may attend without undue risk of communicating such disease to others.

(2) No fee shall be charged by the health officer or the local medical officer for the grant of a certificate under this section.

Small Pox

*** 437. Compulsory vaccination.-** (1) Vaccination shall be compulsory in every municipality in respect of such persons and to such extent as may be prescribed.

(2) The procedure prescribed in such rules for enforcing vaccination shall be observed.

*** 438. Obligation to give information of smallpox.-** Where an inmate of any dwelling place is suffering from smallpox, the head of the family to which the inmate belongs and in his default, the occupier or person in charge of such place, shall inform the Commissioner with the least practicable delay.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

*** 439. *Restriction on entry of persons inoculated for smallpox.***- No person who has undergone the operation of inoculation shall enter any municipality before the lapse of forty days from the date of inoculation without a certificate from a medical practitioner of such class as the council may authorise to grant such certificates, stating that such person is no longer likely to produce smallpox by contact or near approach

CHAPTER - XIX

RULES, BYE-LAWS AND REGULATIONS

Rules

*** 440. *Power of Government to make rules.***- (1) Without prejudice to any power to make rules contained elsewhere in this Act, the Government may, by notification, make rules to carry out all or any of the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for or regulate —

- (a) all matters expressly required or allowed by this Act to be prescribed;
- (b) all matters not expressly provided for in this Act relating to the election of Chairman and Vice-Chairman;
- (c) the conditions on which property may be acquired by the municipal council or on which property vested in or belonging to the municipal council may be transferred by sale, mortgage, lease, exchanges or otherwise;
- (d) the conditions on which the property of any charitable endowment the management and superintendence of which have been made over to the municipal council may be acquired by it or on which property so acquired may be transferred by sale, mortgage, lease, exchange or otherwise;
- (e) the working of provident funds;

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

- (f) the matters mentioned in section 198, the conditions on which grants-in-aid shall be paid from the municipal fund for purposes of medical relief and the conditions on which grants and loans may be made to co-operative building societies;
- (g) the intermediate offices, if any, through which correspondence between the municipal authorities and the Government or officers of the Government shall pass;
- (h) the preparation of plans and estimates for works which are to be partly or wholly constructed at the expense of the municipal council and the power of the municipal authorities or officers of the Government to accord professional or administrative sanction to estimates;
- (i) the accounts to be kept by the municipal council; the manner in which such accounts shall be audited and published and the conditions under which the rate-payers may appear before auditors, inspect books and vouchers and take exception to items entered or omitted therein;
- (j) the estimate of receipts and expenditure returns, statements and reports to be submitted by municipal council;
- (k) the mode in which the officers of the Government shall advise and assist municipal councils in carrying out the purposes of this Act;
- (l) the interpellation of the Chairman by the members of the council;
- (m) the moving of resolutions at the meetings of the council;
- (n) the sharing between local authorities of the proceeds of the profession tax and other taxes or income levied or obtained under this Act or any other Act;
- (o) the form and the manner in which the registers for vital statistics shall be maintained, the form of returns or certificates and the fees in respect thereof;
- (p) the transfer of allotments entered in the sanctioned budget of a municipal council from one head to another;
- (q) the powers of auditors, inspecting and superintending officers and officers authorised to hold inquiries, to summon and examine witnesses, and to compel the production of documents and all other matters connected with audit, inspection and superintendence;

- (r) determining the cost of buildings and lands;
- (s) the appeal against the orders of the Commissioner for which no provision has been made in this Act.

(3) In making any rule, the Government may provide that a breach thereof shall be punishable with fine which may extend to one hundred rupees.

(4) Every rule made under this Act, shall, as soon as may be after it is made, be laid before the Legislative Assembly of Puducherry while it is in session for a total period of fourteen 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 sessions aforesaid, the Assembly makes any modification in the rule or decides 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 under that rule.

*** 441. Power of Government to alter Schedule III.-** (1) The Government, may, by notification, alter, add to, or cancel any of the provisions of Schedule III.

(2) All references made in this Act to the aforesaid Schedule shall be construed as referring to such Schedule as for the time being amended in exercise of the powers conferred by sub-section (1).

*** 442. Procedure for the issue of notification under section 441.-** A draft of the notification proposed to be made under sub-section (1) of section 441 shall be laid before the Legislative Assembly of Puducherry and the notification shall not be made unless the Assembly approves the draft either with or without modification or addition; but upon such approval being given, the notification may be made in the form in which it has been approved.

* The section came into force on the 1st day of August, 1976 vide Extraordinary Gazette No. 342 dated 29th July 1976.

Bye-laws

*** 443. Power of council to make bye laws.-** The council may make bye-laws not inconsistent with this Act or the rules made thereunder or any other law to provide for all or any of the following matters, namely: –

(1) securing cleanliness, safety and order and the good Government and well-being of the municipality and carrying out all or any of this purposes of this Act;

(2) all matters expressly required or allowed by this Act to be provided for or regulated by bye-law;

(3) the due performance by all municipal officers and servants of the duties assigned to them;

(4) the time and mode of collecting the taxes and duties under this Act;

(5) determining the conditions under which lands shall be deemed to be appurtenant to buildings;

(6) (a) the use of public tanks, wells, conduits and other places or works for water supply;

(b) the regulation of public bathing, washing and the like;

(c) the maintenance and protection of the water-supply system, and the protection of the water-supply from contamination;

(d) the conditions on which house connections with the council's water-supply mains may be made; their alteration and repair and their being kept in proper order;

(e) supply of water for domestic consumption and use;

(f) the prevention of waste of water;

(g) the measurement of water;

(h) the compulsory provision of cisterns and metres;

(i) the supply of water in case of fires;

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

- (7) the maintenance and protection of the lighting system;
- (8) (a) the maintenance and protection of the drainage system;
 - (b) the construction of house drains and regulating their situation, mode of construction and materials;
 - (c) the alteration and repair of house drains;
 - (d) the cleaning of house drains;
 - (e) the construction of cess-pools septic tanks, filters and drains;
 - (f) the payment of apportionment of money payable on account of pipes or drains common to more premises than one;
- (9) the cleaning of latrines, earth-closets, ash-pits and cess-pools and the keeping of latrines supplied with sufficient water for flushing;
- (10) (a) the testing of water pipes and drains in private premises, the recovery or the apportionment of the cost of such testing, and the breaking-up of ground or of buildings for the purpose of such testing;
 - (b) the licensing of plumbers and fitters and the compulsory employment of licensed plumbers and fitters;
- (11) (a) the laying out of streets and determining the information and plans to be submitted with applications for permission to lay out streets, and regulating the level and width of public streets and the height of buildings abutting thereon.
 - (b) the protection of avenues, trees, grass and other appurtenances of public streets and other places;
- (12) The regulation of the use of parks, gardens and other public or municipal places but not including the regulation of traffic therein, the reservation thereof for particular kinds of traffic, or the closing thereof or parts thereof to traffic;
- (13) (a) the regulation of building;
 - (b) determining the information and plans to be submitted with applications;
 - (c) the licensing of builders and surveyors; and the compulsory employment of licensed builder and surveyors;

(14) the regulation of hotels, lodging houses, boarding houses, choultries, rest houses, emigration depots, restaurants, eating-houses, cafes, refreshment rooms, coffee-houses and any premises to which the public are admitted for repose or for the consumption of any food or drink;

(15) regulating the mode of constructing stables, cattle-sheds and cow-houses and connecting them with municipal drains;

(16) the sanitary control and supervision of places used for any of the purposes specified in Schedule III and of any trade or manufacture carried on therein;

(17) (a) the control and supervision of slaughter houses and of places used for skinning and cutting up carcasses;

(b) the control and supervision of the methods of slaughtering;

(c) the control and supervision of butchers carrying on business in the municipality;

(18) the inspection of milch cattle and the regulation of the ventilation, lighting, cleaning, drainage and water-supply of dairies and cattle-sheds in the occupation of persons following the trade of dairy man or milk seller;

(19) enforcing the cleanliness of milk stores and milk shops and vessels and utensils used by the keepers thereof or by hawkers for containing or measuring milk or preparing any milk product and enforcing the cleanliness of persons employed in the milk trade;

(20) requiring notice to be given whenever any milch animal is affected with any contagious disease and prescribing the precautions to be taken in order to protect milch cattle and milk against infection and contamination.

(21) (a) the inspection of public and private markets and shops and other places therein;

(b) the regulation of their use and the control of their sanitary condition;

(c) licensing and controlling brokers, commission agents, weighmen and measures practicing their calling in markets;

(22) prescribing the method of sale of articles whether by measure, weight, tale or piece;

(23) prescribing and providing standard weights, scales and measures and preventing the use of any others;

(24) the prevention of the sale or exposure for sale of unwholesome meat, fish or provisions and securing the efficient inspection and sanitary regulation of shops in which articles intended for human food are kept or sold;

(25) (a) the regulation of burial and burning grounds and other places for the disposal of corpses;

(b) the levy of fees for use of such burial and burning grounds and the mode of crematoria as are maintained by the council;

(c) the period for which corpses shall be kept for inspection;

(d) the period within which corpses shall be conveyed to a burial or burning ground and the mode of conveyance of corpses through public places;

(26) the registration of vital statistics;

(27) the training and licensing of dhais and midwives;

(28) the enumeration of the inhabitants of the municipality;

(29) the prevention of infectious diseases of human beings or animals;

(30) the enforcement of compulsory vaccination;

(31) the prevention of outbreaks of fire;

(32) the prohibition and regulation of advertisements in public streets or parks;

(33) generally for carrying out all or any of the purposes of this Act.

*** 444. Power to give retrospective effect to certain bye-laws.-** Bye-laws with regard to the drainage of, and supply of water to buildings and water-closets, earth-closets, privies, ash-pits and cess-pools in connection with buildings and the keeping of water-closets supplied with sufficient water for flushing may be made so as to affect buildings erected before the commencement of this Act or the making of the bye-laws thereunder.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

*** 445. *Penalty for breaches of bye-laws.***- In making a bye-law, the municipal council may, subject to the provisions of clause (1) of article 20 of the Constitution, provide that a breach thereof shall be punishable --

(a) with fine which may extend to fifty rupees, and in case of a continuing breach with fine which may extend to fifteen rupees for every day during which the breach continues after conviction for the first breach, or

(b) with fine which may extend to ten rupees for every day during which the breach continues after receipt of notice from the Commissioner to discontinue such breach.

*** 446. *Conditions precedent to making bye-laws.***- The municipal council shall, before making or altering bye-laws or cancelling them, publish a draft of the proposed bye-laws and alteration or cancellation together with a notice specifying a date at or after which such draft will be taken into consideration, and shall, before making the bye-laws or alterations, or cancellation receive and consider any objections or suggestions which may be made in respect of such draft by any person interested therein before the date so specified.

*** 447. *Confirmation of bye-laws by Government.***- (1) No bye-law or alteration or cancellation of a bye-law shall have effect until the same shall have been approved and confirmed by the Government.

Explanation. - The Government may, in approving a bye-law, make any change therein which it appears to it to be necessary.

(2) Any bye-law or alteration, cancellation of a bye-law when it shall have been duly confirmed shall --

- (a) be published in the Official Gazette in English and in the regional language; and
- (b) come into operation at the expiration of such period not being less than fifteen days, or more than three months from the date of its publication in English under clause (a) as may be specified in the rules made in this behalf in relation to any matter or class of matters.

*** 448. *Publication of regulations.***- Regulations made by the municipal authorities under this Act shall, save as otherwise provided by or under this Act, be published in such manner as the council may determine.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

CHAPTER - XX PENALTIES

**** 449. *Punishment for certain offences.*- Whoever -**

(a) contravenes any provision of any of the sections, sub-sections or clauses or other provisions of this Act mentioned in the column 1 of the Table in Schedule XIII, or

(b) fails to comply with any order or direction lawfully given to him or any requisition lawfully made upon him under any of the said sections, sub-sections or clauses or other provisions,

shall be punishable,

- (i) with fine which may extend to the amount specified in that behalf in the column 3 of the said Table; and
- (ii) in the case of continuing contravention or failure with an additional fine which may extend to the amount, if any, specified in the column 4 of that Table for every day during which such contravention or failure continues after conviction for the first such contravention or failure.

*** 450. *Penalty for acting as councillor, Chairman or Vice-Chairman when disqualified.*-** (1) Whoever acts as a member of a municipal council knowing that under this Act or the rules made thereunder he is not entitled or has ceased to be entitled to hold such office shall be punishable with fine which may extend to two hundred rupees for every such offence.

(2) Whoever acts as or exercises the functions of the Chairman or Vice-Chairman of a municipal council knowing that under this Act or the rules made thereunder he is not entitled or has ceased to be entitled to hold such office or to exercise such functions shall be punishable with fine which may extend to one thousand rupees for every such offence.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

** The provisions of section 449 read with schedule-XII, in so far as it relates to the regulation of milk trade was declared extended to the Commune Panchayats specified below with effect from 16th July, 1974 vide Extraordinary Gazette No.92, dated 22nd July, 1974.

1. Oulgaret Commune Panchayat	4. Mannadipet Commune Panchayat
2. Ariankuppam Commune Panchayat	5. Nettapakkam Commune Panchayat
3. Villianur Commune Panchayat	6. Bahur Commune Panchayat

(3) If the Chairman or Vice-Chairman of a municipal council fails to hand over any documents of, or any moneys or other properties vested in, or belonging to, the municipal council which are in or have come into his possession or control, to his successor in office or other prescribed authority, in every case as soon as his term of office as Chairman or Vice-Chairman expires and in the case of the Vice-Chairman also on demand by the Chairman, such Chairman or Vice-Chairman shall be punishable with fine which may extend to one thousand rupees for every such offence.

*** 451. *Penalty for continuing meeting in contravention of rules, etc.*** – Any person who continues, or purports to continue, to hold, or votes at, or takes part in, a meeting of the municipal council after it has been adjourned in accordance with the provisions of this Act or of the rules or regulations made thereunder shall be punishable with fine which may extend to one hundred rupees.

*** 452. *Penalty for acquisition by municipal officer of interest in contract or work.***– If any municipal officer or servant knowingly acquires, directly or indirectly, by himself or by a partner or employer or servant, any personal share or interest in any contract or employment with by, or on behalf of the municipal council, he shall be deemed to have committed an offence under section 168 of the Indian Penal Code (Central Act 45 of 1860):

Provided that no person shall, by reason of being a share-holder in, or member of, any company, be held to be interested in any contract entered into between such company and the council, unless he is a director of such company:

Provided further that nothing in this section shall apply to a teacher employed by a municipal council who, with the sanction of the Government, enters into a contract with the municipal council with regard to the utilization for the purpose of a school of any land or building owned by him or in which he has a share or interest.

*** 453. *Penalty for unlawful building.***– If —

(a) the construction or re-construction of any building or well is —

(i) commenced without the previous permission of the Commissioner, or

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

- (ii) carried on or completed otherwise than in accordance with the particulars on which such permission was based, or
- (iii) carried on or completed in contravention of any lawful order or in breach of any provision contained in this Act or in any rule or bye-law made thereunder or of any direction or requisition lawfully given or made, or

(b) any —

- (i) alterations or additions required by any notice issued under section 300 or section 313 are not duly made, or
- (ii) person to whom a direction is given by the Commissioner to alter or demolish a building or well under section 314 fails to obey such direction,

the owner of the building or well or the said person, as the case may be punishable with fine which may extend in the case of a building to five hundred rupees and in the case of a well or hut to fifty rupees, and to a further fine which may extend in the case of a building to one hundred rupees, and in the case of a well or hut to ten rupees, for each day during which the offence is proved to have continued after the first day.

*** 454. Notice to scavengers before discharge and penalty for withdrawal without notice.-** (1) In the absence of a written contract to the contrary, every scavenger employed by the municipal council shall be entitled to one month's notice before discharge or to one month's wages in lieu thereof, unless he is discharged for misconduct or was engaged for a specified term and discharged at the end of it.

(2) If any scavenger employed by the council in the absence of a written contract authorising him so to do, and without reasonable cause, resigns his employment or absents himself from his duties without giving one month's notice to the council, or neglects or refuses to perform his duties, or any of them, he shall be punishable with imprisonment for a term which may extend to two months or with fine which may extend to fifty rupees or with both.

(3) The Government may, by notification, direct that, on and from a date to be specified in the notification, the provisions of sub-section (1) and (2) with respect to scavengers shall apply also to any specified class of municipal servants whose functions intimately concern the health or safety of the public.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

*** 455. *Wrongful restraint of Commissioner and his delegate.***- Every person who prevents the Commissioner or any other person authorised by the Commissioner from exercising his lawful power of entering into or on any land or building shall be deemed to have committed an offence under section 341 of the Indian Penal Code (Central Act 45 of 1860).

*** 456. *Penalty for not giving information or for giving false information.***- If any person who is required by the provisions of this Act or by any notice or other proceedings issued under this Act to furnish any information—

(a) omits to furnish it, or

(b) knowingly or negligently furnishes false information, such person shall be punishable with fine which may extend to one hundred rupees.

CHAPTER – XXI

PROCEDURE AND MISCELLANEOUS

Licences and permissions.

*** 457. *General provisions regarding licences and permissions.***- (1) Every licence and permission granted under this Act or any rule or bye-law made thereunder shall specify the period, if any, for which, and restrictions, limitations and conditions, subjects to which the same is granted and shall be signed by the Commissioner.

(2) Save as otherwise expressly provided in or may be prescribed under this Act, for every such licence or permission, fees shall be paid in advance on such units, and at such rates, as may be fixed by the municipal council.

(3) The council may —

- (a) place the collection of such fees under the management of such persons as may appear to it proper, or
- (b) farm out such collection any period not exceeding three years at a time and on such terms and conditions as it may think fit.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

(4) Every order of a municipal authority granting or refusing a licence or permission shall be published on the notice board of the municipal council.

(5) Every order of a municipal authority refusing, suspending, cancelling or modifying a licence or permission shall be in writing and shall state the grounds therefor.

(6) Subject to the special provisions in Chapter XIII and Chapter XV regarding buildings and private markets, and subject to such sanction as may be required for the refusal of a licence or permission, any licence or permission granted under this Act or any rule or bye-law or regulation made thereunder, may at any time be suspended or revoked by the Commissioner if any of its restrictions, limitations or conditions is evaded or infringed by the grantee, or if the grantee is convicted of a breach of any of the provisions of this Act, or of any rule by-law or regulation made thereunder in any matter to which such licence or permission relates, or if the grantee has obtained the same by misrepresentation or fraud:

Provided that no such suspension or revocation shall be made except after giving the holder of the licence or permission a reasonable opportunity of being heard.

(7) It shall be the duty of the Commissioner to inspect places in respect of which a licence or permission is required by or under this Act, and he may enter any such place between sunrise and sunset and also between sunset and sunrise if it is open to the public or any industry is being carried on it at the time, and if he has reason to believe that anything is being done in any place without a licence or permission where the same is required by or under this Act or otherwise than in conformity with the same, he may, at any time, by day or night without notice enter such place for the purpose of satisfying himself whether any provision of law, rules, bye-laws or regulations, and condition of a licence or permission or any lawful direction or prohibition is being contravened and no claim shall lie against any person for any damage or inconvenience necessarily caused by the exercise of powers under this sub-section, by the Commissioner or any person authorised by him in this behalf or by any force necessary for effecting on entrance under this sub-section.

(8) When any licence or permission is suspended or revoked, or when the period for which it was granted, or within which application for renewal should be made, has expired, whichever expires later, the grantee shall, for all purposes of this Act or any rule or bye-law made thereunder, be deemed to be without a licence or permission until the order suspending or revoking the licence or permission is cancelled, or subject to sub-section (13), until the licence or permission is renewed, as the case may be.

(9) Every grantee of any licence or permission shall at all reasonable times, while such licence or permission remains in force, produce the same at the request of the Commissioner.

(10) Whenever any person is convicted of an offence in respect of the failure to obtain a licence or permission or to make a registration required by the provisions of this Act or any rule or bye-law made thereunder the Magistrate shall, in addition to any fine which may be imposed, recover summarily and pay over to the municipal council the amount of the fee chargeable for the licence or permission or for registration and may in his discretion also recover summarily and pay over to the council such amount, if any, as he may fix as the costs of the prosecution.

(11) Save as otherwise expressly provided in or may be prescribed under this Act, every application for a licence or permission or for registration or the renewal of a licence or permission or registration, shall be made not less than thirty days and not more than ninety days before the commencement of the year.

(12) Such recovery of the fee under sub-section (10) shall not entitle the person convicted to a licence or permission or to registration as aforesaid.

(13) The acceptance by the municipal council of the prepayment of the fee for a licence or permission or for registration shall not entitle the person making such prepayment to the licence or permission or to registration, as the case may be, but only to refund of an amount not exceeding one-half of the fee as may be decided by the municipal council in case of refusal of the licence or permission or of registration but an applicant for the renewal of a licence or permission or registration shall, until communication of orders on his application, be entitled to act as if the licence or permission or registration had been renewed and save as otherwise specifically provided in this Act, if orders on an application for licence or permission or for registration are not communicated to the applicant within sixty days after the receipt of the application by the Commissioner, the application shall be deemed to have been allowed for the year or for such less period as is mentioned in the application, and subject to the law, rules, bye-laws, regulations and all conditions ordinarily imposed.

*** 458. Appeals from Commissioner.-** (1) An appeal shall lie to the standing committee or if no such committee has been constituted, to the council from --

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

- (a) any notice issued or other action taken or proposed to be taken by the Commissioner ---
 - (i) under section 223, section 231, section 238, section 239, section 240, section 242, sub-section (1) or sub-section (3) of section 300, sub-section (3) of section 314, sub-section (1) of section 317, sub-section (1) of section 318, sub-section (1) of section 323, section 325, section 335 section 346, or section 347, or
 - (ii) under any bye-law concerning house drainage and the connection of house-drains with municipal drains or house connections with municipal water-supply or lighting mains, or
- (b) any refusal by the Commissioner to approve a building site under section 294, or
- (c) any direction by the Commissioner levying a penalty under section 315:

Provided that no appeal against such a direction shall be entertained unless the appellant has paid the penalty which fell due up to the date on which the appeal is presented by him:

Provided further that the municipal council shall have no power to stay the collection of any penalty which may fall due during the pendency of the appeal, or

- (d) any order of the Commissioner granting or refusing a licence or permission,
- (e) any order of the Commissioner made under sub-section (6) of section 457, suspending or revoking a licence, or
- (f) any other order of the Commissioner that may be made appealable by rules made under section 440.

(2) Every such appeal shall be disposed of by the standing committee or, as the case may be, by the council within one month from the date of its receipt in the municipal office and, if not disposed of within that time, shall be transmitted by the Commissioner to such officer as may be specified by the Government by order for disposal.

(3) The decision of the standing committee or the council or the officer specified under sub-section (2), as the case may be, on any such appeal shall, subject to the provisions of sub-section (4), be final and the standing committee or the council or the said officer shall have no power to revise its or his decision.

(4) The Government may, at any time, call for and examine the records relating to any such appeal, and pass such orders as it may deem fit.

*** 459. *Limitation of time for appeal.***- (1) In any case in which no time is prescribed by the foregoing provisions of this Act for the presentation of an appeal allowed thereunder, such appeal shall be presented ---

- (a) where the appeal is against an order granting a licence or permission within thirty days after the date of the publication of the order on the notice board of the municipal council, and
- (b) in other cases, within thirty days after the date of the receipt of the order or proceeding against which the appeal is made.

(2) The provisions of section 5 of the Limitation Act, 1963, shall, so far as may be, apply to any such appeal.

*** 460. *Power of persons conducting election and other inquiries.***- All persons authorised by rule to conduct inquiries relating to elections and all inspecting or superintending officers holding any inquiry into matters falling within the scope of their duties shall have, for the purposes of such inquiry, the same powers in regard to the issue of summonses for the attendance of witnesses and the production of documents and other articles as the civil courts have under the Code of Civil Procedure, 1908 (Central Act 5 of 1908), and all persons to whom summonses are issued by virtue of the said powers shall be bound to obey such summonses.

*** 461. *Summons to attend and give evidence or produce documents.***- The Commissioner may summon any person to attend before him and to give evidence or produce documents, as the case may be, in respect of any question relating to taxation or inspection or registration or to the grant of any licence or permission under the provisions of this Act.

Notices, etc.

*** 462. *Form of notices and permissions.*** - All notices and permissions given, issued, or granted, as the case may be, under the provisions of this Act, shall be in writing.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

*** 463. Signature on documents.-** (1) Every licence, permission, notice, bill, summons, warrant or other document which is required by this Act or by any rule, bye-law or regulation made thereunder to bear the signature of the Chairman or Commissioner or of any municipal officer shall be deemed to be properly signed if it bears a facsimile of the signature of the Chairman or Commissioner or of such municipal officer, as the case may be, stamped thereon.

(2) Nothing in sub-section (1) shall be deemed to apply to a cheque drawn upon the municipal fund or to any deed of contract entered into by the municipal council.

*** 464. Publication of notifications.-** Save as otherwise provided, every notification under this Act, other than the one issued by the Government shall be published in the Official Gazette both in English and in the regional language:

Provided that the Government shall have power to direct that any such notification ---

- (i) shall be published in the said gazette either in English or in the regional language, or
- (ii) shall, instead of being published in the said Gazette, be published in any other manner specified by it.

*** 465. Publication of bye-laws, notices, orders, etc.-** (1) Every bye-law, order, notice or other document directed to be published under this Act shall unless a different method be prescribed by this Act, or by the council, be written in, or translated into, the regional language and deposited at the municipal office and a copy shall be pasted up in a conspicuous position at such office and such other places as the council may direct.

(2) A public proclamation shall be made throughout the municipality by beat of drum that such copy has been so pasted up and that the original is open to inspection at the municipal office.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

*** 466. *Notice of prohibition or setting apart of places.***- Whenever the municipal council shall have set apart any place for any purpose authorised by this Act or shall have prohibited the doing of anything in any place, the Commissioner shall forthwith cause to be put up a notice in English and in the regional language at or near such place. Such notice shall specify the purpose for which such place has been set apart or the act prohibited in such place.

*** 467. *Method of serving documents.***- (1) Where any notice or other document is required by this Act or by any rule, bye-law, regulation or order made thereunder to be served on, or sent to any person, the service or sending thereof may be effected —

- (a) by giving or tendering the said document to such person; or
- (b) if such person is not found, by leaving such document at his last known place of abode or business or by giving or tendering the same to some adult member or servant of his family; or
- (c) if such person does not reside in the municipality and his address elsewhere is known to the Commissioner, by sending the same to him by registered post; or
- (d) if none of the means aforesaid be available or if the person to whom such notice is given or tendered, refused to accept it, by affixing the same on some conspicuous part of such place of abode or business.

(2) When the person is an owner or occupier of any building or land it shall not be necessary to name the owner or occupier in the document and in the case of joint owners and occupiers it shall be sufficient to serve it on or send it to, one of such owners and occupiers.

(3) Whenever in any bill, notice, form, or other document served or sent under this Act, a period is fixed within which any tax or other sum is to be paid or any work executed or anything done, such period shall, unless otherwise provided in this Act, be calculated from the date of such service or sending.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

Relation of occupier to owner.

*** 468. Recovery by occupier of sum leviable from owner.-** If the occupier of any building or land makes on behalf of the owner thereof any payment for which under this Act, the owner, but not the occupier, is liable, such occupier shall be entitled to recover the same from the owner and may deduct the same from the rent then or thereafter due by him to the owner.

*** 469. Obstruction of owner by occupier.-** (1) If the occupier of any building or land prevents the owner from carrying into effect in respect thereof any of the provisions of this Act, the Commissioner may, by order in writing, require the said occupier to permit the owner, within eight days from the date of service of such order, to execute all such works as may be necessary.

(2) Such owner shall, for the period during which he is prevented as aforesaid, be exempt from any fine or penalty to which he might otherwise have become liable by reason of default in executing such works.

*** 470. Execution of work by occupier in default of owner.-** If the owner of any building or land fails to execute any work which he is required to execute under the provisions of this Act or of any rule, bye-law, regulation or order made thereunder, the occupier of such building or land may, with the previous approval of the Commissioner, execute the said work and shall be entitled to recover from the owner the reasonable expenses incurred in the execution thereof and may deduct the amount thereof from the rent accrued or accruing to the owner.

Power of entry and inspection of the Commissioner.

*** 471. Power of entry to inspect, survey or execute the work.-** The Commissioner or any other person authorised by him in this behalf may enter into or on any building or land with or without assistants or workmen in order to make any inquiry, inspection, test, examination, survey, measurement or valuation or for the purpose of lawfully placing or removing pipes or metres, or to execute any other work which is authorised the provisions of this Act or any rule, bye-law, regulation or order made thereunder or which it is necessary for any of the purposes of this Act or in pursuance of any of the said provisions, to make or execute:

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

Provided that ---

- (a) except when it is in this Act otherwise expressly provided --
 - (i) no such entry shall be made between sunset and sunrise:
 - (ii) no dwelling house and no part of a public building used as a dwelling place shall be so entered without the consent of the occupier thereof, unless the said occupier has received at least six hours previous notice of the intention make such entry;
- (b) sufficient notice shall be given in every case even when any premises may otherwise be entered without notice to enable the inmates of any apartment appropriated to women to remove to some of the premises where their privacy may be preserved;
- (c) due regard shall be paid, so far as may be compatible with the exigencies of purpose of the entry, to the social and religious usages of the occupants of the premises.

*** 472. Power of entry on lands adjacent to works.-** (1) The Commissioner or any other person authorised by him in this behalf may, with or without assistants or workmen, enter on any land adjoining or within forty-five metres of any work authorised by this Act or by any rule, bye-law, regulation or order made thereunder, for the purpose of depositing on such land any soil, gravel, stone, or other materials, or of obtaining access to such work, or for any other purpose connected with the carrying on thereof.

(2) The Commissioner or any other person authorised by him as aforesaid, shall before entering on any land under sub-section (1), give the owner or occupier thereof three days' previous notice of the intention to make such entry, and state the purpose thereof, and shall, if so required by the owner or occupier, fence off so much of the land as may be required for such purpose.

(3) The Commissioner shall not be bound to make any payment, tender or deposit before entering on any land under sub-section (1), but as little damage as may be, shall be done and the Commissioner shall pay compensation to the owner or occupier of the land for such entry and for any temporary or permanent damage that may result therefrom.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

(4) If such owner or occupier is dissatisfied with the amount of compensation paid to him by the Commissioner, he may appeal to the council.

*** 473. *Inspection and stamping of weights and measures.***- The Commissioner or any other person authorised by him in this behalf may examine and test the weights and measures used in markets and shops in the municipality with a view to the prevention and punishment of offences relating to such weights and measures under Chapter XIII of the Indian Penal Code (Central Act 45 of 1860).

*** 474. *Consequences of failures to obtain licences, etc., or of breach of the same.***-
(1) If, under this Act, or any rule, bye-law or regulation made thereunder a licence or permission of the municipal council, standing committee or Commissioner or registration in the municipal office is necessary for the doing of any act, and if such act is done without such licence or permission or registration, or in a manner inconsistent with the terms of any such licence or permission, then ---

- (a) the Commissioner may by notice require the person so doing such act to alter, remove, or, as far as practicable, restore to its original state the whole or any part of any property (movable or immovable, public or private) affected thereby, within a time to be specified in the notice;
- (b) the Commissioner or any other person authorised by him in this behalf may also enter into or on any building or land where such act is done and take all such steps as may be necessary to prevent the continuance of such act; and
- (c) if no penalty has been specifically provided in this Act for so doing such act, the person so doing it shall be punishable with fine which may extend to fifty rupees for every such offence.

(2) No claim shall lie against the Commissioner or any other person for any damage or inconvenience caused by the exercise of the power given under this section or by the use of the force necessary for the purpose of carrying out the provisions of this section.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

**** 475. Time for complying with order and power to enforce in default.-***

(1) Whenever by any notice, requisition or order under this Act, or under any rule bye-law or regulation made thereunder any person is required to execute any work or to take any measures or do anything a reasonable time shall be specified in such notice, requisition or order within which the work shall be executed, the measures taken or the thing done.

(2) If such notice, requisition, or order is not complied with within the time so specified, the Commissioner may cause such work to be executed or may take any measures or do anything which may, in his opinion, be necessary for giving due effect to the notice, requisition or order as aforesaid.

(3) If no penalty has been specially provided in this Act for failure to comply with such notice, requisition or order, the said person shall be punishable with fine which may extend to fifty rupees for every such offences.

**** 476. Recovery of expenses from persons liable and limitation of liability of occupier.-*** (1) the Commissioner may, subject to the provisions of section 231, recover any reasonable expenses incurred under section 475 from the person or any one of the persons to whom the notice, requisition or order was addressed, and may, in executing the work or taking measures or doing anything under section 475, utilise any materials found on the property concerned or may sell them and apply the sale proceeds in or towards the payment of the expenses incurred.

(2) If the person to whom notice is given is the owner of the property in respect of which it is given, the Commissioner may, whether any action or other proceeding has been brought or taken against such owner or not, require the person, if any, who occupies such property, or any part thereof, under the owner, to pay to the municipal council instead of to the owner, the rent payable by him in respect of such property, as it falls due, up to the amount recoverable from the owner, under sub-section (1) or to such smaller amount as the Commissioner may think proper; and any amount so paid shall be deducted from the amount payable by the owner.

(3) For the purpose of deciding whether action should be taken under sub-section (2), the Commissioner may require any occupier of property to furnish information as to the sum paid by him as rent on account of such property and as to the name and address of the person to whom it is payable; and such occupier shall be bound to furnish such information.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

(4) The provisions of this section shall not affect any contract made between any owner and occupier respecting the payment of any such expenses.

*** 477. Relief to agent and to trustees.-** (1) When any person by reason of his receiving the rent of immovable property as agent, trustee, guardian, manager or receiver or of his being agent trustee, guardian, manager or receiver for the person who would receive the rent if the property were let to a tenant, would, under this Act, be bound to discharge any obligation imposed by this Act, or any rule, bye-law, regulation or order made thereunder, on the proprietor of the property and for the discharge of which money is required, he shall not be bound to discharge the obligation unless he has, or, but for his own improper act or default, might have had in his hands funds belonging to the proprietor sufficient for the purpose.

(2) The burden of proving the facts entitling a person to relief under this section lie on him.

(3) When any person has claimed and established his right to relief under this section, the Commissioner may give him notice to apply to the discharge of such obligation as aforesaid the first moneys which shall come to his hands on behalf or for the use of the proprietor; if he fails to comply with such notice, he shall be deemed to be personally liable to discharge such obligation.

*** 478. Power of Commissioner to agree to receive payment of expenses in instalments.-** Instead of recovering any such expenses as aforesaid in the manner provided under section 175, the Commissioner, may if he thinks fit, take an agreement from the person liable for the payment thereof, to pay the same in instalments of such amount and at such intervals as will secure the payment of the whole amount due with interest thereon at the rate of nine per centum per annum, within a period of not more than five years.

Payment of compensation etc., by and to the municipality

*** 479. Power of municipality to pay compensation.-** In any case not otherwise expressly provided for in this Act, the Commissioner may, with the previous approval of the council, pay compensation to any person who sustains damage by reason of the exercise by any municipal authority, officer or servant of any of the powers vested in it or him by this Act or any other law, or by any rule, bye-law or regulation made thereunder.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

*** 480. *Limitation for recovery of dues.***- No distraint shall be made, no suit shall be instituted and no prosecution shall be commenced in respect of any sum due to the municipal council under this Act after the expiration of a period of three years from the last day of the period in respect of which such sum is claimed, or in case the same is not claimed in respect of any specific period, from the last day of the year in which the claim arose.

*** 481. *Procedure in dealing with surplus sale proceeds.***- If any property, movable or immovable, is sold under the provisions of this Act, and if there is a surplus after the sum due to the municipal council and the costs have been deducted from the sale proceeds, such surplus shall, if is the owner of the property sold claims it within six months from the date of the sale, be paid to him by the Commissioner but if no such claim is preferred within such time, the said surplus shall be credited to the municipal fund and no suit shall lie for the recovery of any sum so credited.

*** 482. *Persons empowered to prosecute.***- Save as otherwise expressly provided in this Act, no court shall take cognizance of any offence against the provisions of this Act, or of any rule, or bye-law made thereunder unless complaint is made by the Police or the Commissioner or by a person expressly authorised in this behalf by the council or the Commissioner within three months of the commission of the offence:

Provided that ---

- (a) nothing herein shall affect the provisions of the Code of Criminal Procedure, 1898**, in regard to the power of certain Magistrates to take cognizance of offences upon information received or upon their own knowledge or suspicion; and
- (b) failure to take out a licence, obtain permission or secure registration under this Act, shall, for the purposes of this section, be deemed a continuing offence until the expiration of the period, if any, for which the licence permission or registration is required and if no period is specified, complaint may be made at any time within twelve months from the commencement of the offence.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

** Now, the Code of Criminal Procedure, 1973 (Central Act 2 of 1974).

*** 483. Imprisonment in default of payment and application of costs etc.-** (1) If any fine, costs, tax or other sum, imposed, assessed or recoverable by a Magistrate under this Act or under any rule or bye-law made thereunder, is not paid the Magistrate may order the offender to be imprisoned in default of payment subject to all the restrictions, limitations, and conditions imposed by sections 64 to 70 (both inclusive) of the Indian Penal Code (Central Act 45 of 1860).

(2) Any fine, costs, tax or other sum imposed assessed or recoverable by a Magistrate under this Act or under any rule or bye-law made thereunder, shall be recoverable by such Magistrate under the Code of Criminal Procedure, 1898**, as if it were a fine and the same shall, except in the case of a fine, on recovery be paid to the municipal council to be applied to the purposes of this Act.

*** 484. Payment of compensation for damage to municipal property.-** (1) If, on account of any act or omission, any person has been convicted of an offence against any of the provisions of this Act or against any rule or bye-law made thereunder and by reason of such act or omission damage has been caused to any property owned by or vesting in the municipal council, the said person shall pay compensation for such damage, notwithstanding any punishment to which he may have been sentenced for the said offence.

(2) In the event of dispute, the amount of compensation payable by the said person shall be determined by the court before whom he was convicted of the said offence on application made to such court for the purpose by the Commissioner not later than three months from the date of conviction; and in default of payment of the amount of compensation so determined, it shall be recovered under a warrant from the said court as if it were a fine inflicted by such court on the person liable therefor.

Legal proceedings.

*** 485. Institution of suits against municipal authorities officers and servants.-** (1) No suit shall be instituted against the municipal council any municipal authority, officer or servant, or any person acting under the direction of the same in respect of any act done or purporting to be done in pursuance or execution or intended execution of this Act or any rule, bye-law, regulation or order made thereunder or in respect of any alleged neglect or default in the execution of this Act, or any rule,

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

** Now, the Code of Criminal Procedure, 1973 (Central Act 2 of 1974).

bye-law, regulation, or order made thereunder until the expiration of two months after a notice has been delivered or left at the municipal office or at the place of abode of such officer, servant or person, stating the cause of action, the relief sought and the name and the place of abode of the intending plaintiff, and the plaintiff shall contain a statement that such notice has been so delivered or left.

(2) Every such suit shall be commenced within six months after the date on which the cause of action arose or in case of a continuing injury or damage during such continuance or within six months after the ceasing thereof.

(3) If any person to whom any notice is given under sub-section (1), tenders the amount due to the plaintiff before the suit is instituted, and if the plaintiff does not recover in any such action more than the amount so tendered he shall not recover any costs incurred after such tender by the person to whom such notice has been given, and the defendant shall be entitled to costs as from the date of tender.

(4) Where the defendant in any such suit is the Chairman, the Commissioner, or a municipal officer or servant, payment of the sum, or any part of any sum, payable by him in, or in consequence of, the suit whether in respect of costs, charges, expenses, compensation for damages or otherwise may be made, with the sanction of the council, from the municipal fund.

*** 486. Provision respecting institution, etc., of civil and criminal actions and obtaining of legal advice.-** (1) Subject to such restrictions and control as may be prescribed, the Commissioner may ---

- (a) take, or withdraw from proceedings against any person who commits --
 - (i) any offence against this Act or the rules, bye-laws or regulations made thereunder;
 - (ii) any offence which affects or is likely to affect any property or interest of the municipal council or the due administration of this Act;
 - (iii) any nuisance whatsoever;
- (b) compound any offence against this Act or the rules, bye-laws, or regulations made thereunder which may by rules made by the Government be declared, compoundable;

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

- (c) with the approval of the council, take, withdraw from, or compromise, proceedings for the recovery of expenses or compensation claimed to be due to the municipal council;
 - (d) with the approval of the council, withdraw or compromise any claim against any person in respect of a penalty payable under a contract entered into with such person by the Commissioner;
 - (e) with the approval of the council, defend any suit or other legal proceedings brought against the municipal council or against any municipal authority, officer or servant in respect of anything done or omitted to be done in its or his official capacity;
 - (f) with the approval of the council, compromise any claim, suit or legal proceedings brought against the council or against any municipal authority, officer or servant in respect of anything done or omitted to be done as aforesaid;
 - (g) with the approval of the council, institute and prosecute any suit or withdraw from or compromise any suit or claim, which has been instituted or made in the name of the municipal council or of the Commissioner;
 - (h) obtain such legal advice and assistance as he may from time to time think it necessary or expedient to obtain, or as he may be desired by the council to obtain, for any of the purposes mentioned in the foregoing clauses of this sub-section or for securing the lawful exercise or discharge of any power or duty vesting in or imposed upon any municipal authority or municipal officer or servant.
- (2)
- (a) Where in any case the municipal council does not accord its approval under sub-section (1) before such date as may be specified in that behalf by the Commissioner, the Commissioner may report the case to the Government.
 - (b) The Government may, after giving the municipal council a reasonable opportunity to offer its views in the matter, make such order to give such directions as it may deem fit and such order, or directions shall be given effect to by the Commissioner and the municipal council.

*** 487. Power of election authority to defend himself if sued.-** The election authority may defend himself if sued or joined as party in any proceeding relating to the preparation or publication of electoral rolls or to the conduct of elections, as the case may be, and the expenses incurred by the election authority in so doing shall be payable from the municipal fund.

*** 488. Injunctions not to be granted in election or assessment proceedings.-** Notwithstanding anything contained in the Code of Civil Procedure, 1908 (Central Act 5 of 1908), or in any other law for the time being in force, no court shall grant any permanent or temporary injunction or make any interim order restraining any proceeding, which is being or about to be taken under this Act for the —

- (a) preparation or publication of electoral rolls,
- (b) conduct of any election, or
- (c) preparation, revision or amendment of assessment books.

*** 489. Indemnity of the Government, Director, municipal authorities, officers and agents.-** No suit shall be maintainable against the Government, the Director, any municipal Chairman, Commissioner, officer or servant or any person acting under the direction of the Director, any municipal Chairman, Commissioner, officer or servant, or of a Magistrate, in respect of anything in good faith done under this Act or any rule, bye-law, regulation or order made thereunder.

*** 490. Liability of Chairman, members and Commissioner for loss, waste or misapplications.-** (1) (a) The Chairman, every councillor and the Commissioner shall be liable for the loss, waste, or misapplication of any money or other property owned by or vested in the municipal council, if such loss, waste or misapplication is a direct consequence of his neglect or misconduct.

(2) If after giving the Chairman, councillor and the Commissioner a reasonable opportunity for showing cause to the contrary, an officer authorised by the Government is satisfied that the loss, waste or misapplication of any money or other property owned by or vested in the municipal council is a direct consequence of his misconduct or gross negligence, the officer so authorised shall, by order in writing, direct such person to pay to the municipality before a fixed date the amount required to be reimbursed to it for such loss, waste or misapplication.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

(3) If the amount is not so paid, it shall be recovered in the manner prescribed under section 175 and credited to the fund of the municipality.

(4) (a) An appeal shall lie to the District Court against the order made under sub-section (2):

Provided that no such appeal shall be entertained by such court unless it is brought within one month from the receipt by the concerned person of the order of the Director and the amount claimed has been deposited by him with the Commissioner.

(b) The District Court, after taking such evidence as it thinks necessary, may confirm, modify or remit such amount and make such order as to costs as it thinks proper.

*** 491. Sanction for prosecution of Chairman, councillor or Commissioner.-** When the Chairman, any councillor or the Commissioner is accused of any offence alleged to have been committed by him while acting or purporting to act in the discharge of his official duty, no court shall take cognizance of such offence except with the previous sanction of the Government.

*** 492. Assessments, etc., not to be impeached.-** (1) (a) No assessment or demand made, and no charge imposed, under the authority of this Act shall be impeached or affected by reason of any clerical error or by reason of any mistake --

- (i) in respect of the name, residence, place of business or occupation of any person, or
- (ii) in the description of any property or thing, or
- (iii) in respect of the amount assessed, demanded or charged:

Provided that the provisions of this Act have been in substance and effect complied with.

(b) No proceedings under this Act shall be quashed or set aside by any court merely for defect in form.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

(2) No suit shall be brought in any court to recover any sum of money collected under the authority of this Act or to recover damages on account of any assessment or collection of money made under the said authority:

Provided that the provisions of this Act have been in substance and effect complied with.

(3) No distraint or sale under this Act shall be deemed unlawful, nor shall any person making the same be deemed a trespasser, an account of any error, defect or want of form in the bill, notice, schedule, form, summon, notice of demand, warrant of distraint, inventory or other proceeding relating thereto if the provisions of this Act and of the rules and bye-laws made thereunder have been in substance and effect complied with:

Provided that every person aggrieved by any irregularity may recover satisfaction for any special damage sub-stained by him.

Police

*** 493. Duties of police officers.-** (1) It shall be the duty of every police officer –

- (a) to communicate without delay to the proper municipal officer concerned any information which he receives of the design to commit or of the commission of any offence under this Act or any rule, bye-law or regulation made thereunder, and
- (b) to assist the Chairman, the Commissioner or any municipal officer or servant reasonably demanding his aid for the lawful exercise of any power vesting in the Chairman or the Commissioner or in such municipal officer or servant under this Act, or any such rule, bye-law or regulation as aforesaid.

(2) Any police officer who omits or refuses to perform any duty imposed on him by this Act shall be deemed to have committed an offence under section 7 or under section 29 of the Police Act, 1861. (Central Act 5 of 1861).

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

*** 494. Power of police officers to arrest persons.-** (1) If any police officer sees any person committing an offence against any of the provisions of this Act or of any rule or bye-law made thereunder, he shall, if the name and address of such person are unknown to him and if the said person on demand declines to give his name and address, or gives a name and address which such officer has reason to believe to be false, arrest such person.

(2) No person arrested under sub-section (1) shall be detained in custody ---

- (a) after his true name and address are ascertained, or
- (b) without the order of a Magistrate for any longer time not exceeding twenty-four hours from the hour of arrest, than is necessary for brining him before a Magistrate.

*** 495. Exercise of powers of police officer by municipal servants.-** The Government may empower any municipal servant or any class of municipal servants to exercise the powers of the police officer for the purposes of this Act.

Miscellaneous.

*** 496. Application of term "public servant" to agents and sub-agents.-** Every contractor or agent for the collection of any municipal tax, fee or other sum due to the municipal council and every person employed by any such contractor or agent for the collection of such tax, fee or sum shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code (Central Act 5 of 1860).

*** 497. Prohibition against obstruction of municipal authorities, servants, and contractors.-** No person shall obstruct the council, or obstruct or molest the Chairman any councillor, the Commissioner, or any person employed by the municipal council or any person with whom a contract has been entered into on behalf of the council in the performance of their duty or of anything which they are empowered or required to do by virtue or in consequence of this Act or of any rule, bye-law regulation or order made thereunder.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

*** 498. *Prohibition against removal of mark.***- No person shall remove any mark set up for the purpose of indicating any level or direction incidental to the execution of any work authorised by this Act or by any rule, bye-law, regulation or order made thereunder.

*** 499. *Prohibition against removal or obliteration of notice.***- No person shall, without authority in that behalf, remove, destroy, deface, or otherwise obliterate any notice exhibited by, or under the orders of, the municipal council, a standing committee or the Commissioner.

*** 500. *Prohibition against unauthorised dealings with public place or materials.***- No person shall, without authority in that behalf, remove earth, sand or other materials or deposit any matter or make any encroachment from, in or on any land vested in the municipal council, or river, estuary, canal, backwater or water-course (not being private property) or in any way obstruct the same.

*** 501. *Delegation of powers by the Government.***- (1) The Government may, by notification, authorise any person to exercise any one or more of the powers vested in it by this Act, except --

- (a) the powers mentioned in Chapter II, Chapter III, Chapter V and Chapter VI;
- (b) the power to determine the amount of contribution under section 246;
- (c) the power to make rules under any of the provisions of this Act; and
- (d) the power to sanction prosecution under section 491.

and may in like manner withdraw such authority.

(2) The exercise of any powers delegated under sub-section (1) shall be subject to such restrictions and conditions as may be prescribed or as may be specified in the notification.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

*** 502. *Revision.***- (1) The Government may, in its discretion, after consulting the Director or such other authority or officer as it may deem fit, at any time either of its own motion or on application, call for and examine the record of any order passed or proceeding recorded under the provisions of this Act by any authority or officer subordinate to it, for the purpose of satisfying itself as to the legality or the propriety of such or as to the regularity of such proceeding and pass such order in reference thereto as it thinks fit.

(2) The powers of the nature referred to in sub-section (1) may also be exercised by such authority or officer as may be empowered in this behalf by the Government.

*** 503. *Offences by companies.***- (1) Where an offence under this Act or under any rule or bye-law made thereunder has been committed by a company, every person who, at the time the offence was committed, was incharge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in or under this Act, if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence against this Act or any rule or bye-law made thereunder has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation. - For the purpose of this section -

(a) "company" means a body corporate and includes a firm or other association of individuals; and

(b) "director", in relation to a firm, means a partner in the firm.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

*** 504. Power of Government to make suitable provisions by order when a municipality is created or altered.-** (1) In this section, unless the context otherwise requires, --

- (a) "existing local authority", in relation to any local area, means the municipal council or the panchayat having jurisdiction over such area immediately before the specified day;
- (b) "panchayat" means a village panchayat or commune panchayat council established or deemed to be established for any panchayat village or commune panchayat under the Puducherry Village and Commune Panchayats Act, 1973;
- (c) "specified day" means the day from which any local area is declared to be a municipality under sub-section (1) of section 3 or the day from which a change referred to in any of the sub-clauses of clause (a) of sub-section (4) of section 3 takes effect;
- (d) "successor local authority", in relation to any local area, means the municipal council or the panchayat having jurisdiction over such area from the specified day.

(2) When --

- (a) any local area is declared to be a municipality;
- (b) any local area is added to a municipality;
- (c) any local area is excluded from a municipality;
- (d) two or more municipal areas are amalgamated into one municipality; or
- (e) a municipality is split up into two or more municipalities,

the Government may, notwithstanding anything contained in this Act or any other law for the time being in force, by an order published in the Official Gazette, provide for all or any of the following matters, namely: --

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

- (i) in a case falling under clause (a) or clause (d), the constitution of an interim council consisting of such number of councillors appointed by the Government or of councillors elected by the members or councillors of the existing local authorities or consisting partly of such appointed councillors and partly of such elected councillors, as the Government may determine, until the successor council is in due course constituted under this Act;
- (ii) in a case falling under clause (b), the interim increase in the number of councillors, either by appointment of the additional councillors by the Government or by election by the members of the existing local authorities or partly by such appointment and partly by such election, as the Government may determine, until the successor councils in due course constituted under this Act;
- (iii) in a case falling under clause (c), the removal of the councillor, who in the opinion of the Government, represents the area excluded from the municipality;
- (iv) in a case falling under clause (e), the appointment of special officer or special officers to exercise the powers and to perform the duties and the functions of the successor councils, until such councils are in due course constituted under this Act;
- (v) the term for which the councillors appointed or elected under clause (i) or clause (ii) or the special officer appointed under clause (iv) shall hold office and the manner of holding election and filling casual vacancies;
- (vi) the transfer, in whole or in part, of the assets, rights and liabilities of an existing local authority (including the rights and liabilities under any agreement or contract made by it) to any successor local authorities or the Government and the terms and conditions for such transfer;
- (vii) the substitution of any such transferee for an existing local authority or the addition of any such transferee as a party to any legal proceeding to which an existing local authority is a party; and the transfer of any proceedings pending before the existing local authority or any authority or officer subordinate to it to any such transferee or any authority or officer subordinate to it;
- (viii) the transfer or re-employment of any employees of an existing local authority to, or by, any such transferee or the termination of service of any employees of an existing local authority and the terms and conditions applicable to such employees after such transfer or re-employment or termination;

- (ix) the continuance within the area of an existing local authority of all or any appointments, notifications, notices, taxes, orders, schemes, licences, permissions, rules, bye-laws, regulations, or forms made, issued, imposed or granted by, or in respect of, such existing local authority and in force within its area immediately before the specified day, until superseded or modified under this Act;
- (x) the extension and commencement of all or any appointments, notifications, notices, taxes, orders, schemes, licences, permissions, rules, bye-laws, regulations or forms made, issued, imposed or granted under this Act by, or in respect of, any existing council and in force within its area immediately before the specified day, to and in all or any of the other areas of the successor council, in supersession of corresponding appointments, notifications, notices, taxes, orders, schemes, licences, permissions, rules, bye-laws, regulations or forms (if any) in force in such other areas immediately before the specified day until the matters so extended and brought into force are further superseded or modified under this Act;
- (xi) the continuance within the area of an existing local authority of all or any budget estimates, assessments, assessment lists, valuations, measurements or divisions made or authenticated by, or in respect of such existing local authority and in force within its area immediately before the specified day, until superseded or modified under the relevant law;
- (xii) the removal of any difficulty which may arise on account of any change referred to in clause (a) to (e).

(3) Where an order is made under this section transferring the assets, rights and liabilities of an existing local authority, then by virtue of that order, such assets, rights and liabilities of the existing local authority shall vest in and be the assets, rights and liabilities of, the transferee.

- (4) (a) Where an order is made under this section the Government shall, before the expiry of the term of the councillors or special officers appointed or elected under paragraph (i), (ii) or (iv) of sub-section (2) or of the council in whose case the number of councillors is reduced under paragraph (iii) of the said sub-section, take steps in accordance with section 7, for the purpose of determining the number of councillors of, and for holding election for, the new council or councils, as the case may be.
- (b) The councillors of the interim council or of the council in whose case there is an interim increase or reduction in their number or the special officer or special officers appointed or elected under such order as the case may be, shall, notwithstanding the expiry of the term for which they may have been appointed or elected, continue in office for the area concerned, until immediately before the first meeting of the new council or councils, as the case may be.
- (c) Save as otherwise provided by or under this section, the provisions of this Act shall apply to any such council, its councillors and special officers.

CHAPTER - XXII

REPEALS AND TRANSITORY PROVISIONS

*** 505. *Repeal and savings.***- Subject to the provisions of this Chapter, all laws in force in the Union territory corresponding to the provisions of this Act, including French Decrees, dated the 12th March, 1880, 10th May, 1882, 29th October, 1912 and 17th July, 1936 and the Puducherry Municipal Councils (Elections) Act, 1966, (1 of 1966) shall in so far as they are applicable to the municipalities specified in Schedule II, stand repealed as from the appointed day:

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

Provided that such repeal shall not affect —

- (a) the previous operation of any law so repealed or anything duly done or suffered thereunder; or
- (b) any right, privilege, obligation or liability acquired, accrued or incurred under any law so repealed; or
- (c) any penalty, forfeiture or punishment incurred in respect of any offence committed against any law so repealed; or
- (d) any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture, or punishment;

and any such investigation, legal proceeding or remedy may be instituted, continued or enforced and any such penalty, forfeiture or punishment may be imposed as if this Act has not been passed.

* 506. ¹[(1) *Special provisions regarding the term of councillors of existing council whose term is due to expire.*- Notwithstanding anything contained in any law repealed under section 505 (hereinafter referred to as the repealed law) or in any other law for the time being in force, the term or extended term of office of the councillors or members of any existing council shall expire at 12 noon on such date or dates as the Government may, by notification, appoint in that behalf]

²[(2) Notwithstanding anything contained in sub-section (1), the Government may, from time to time, by notification, extend the term of office of the councillors or members of any existing council for any period beyond 12 noon of the date appointed by notification under that sub-section but no such extension shall be made so as to have effect after the expiry of ³[(two years and nine months) from the date so appointed].

Explanation. – In this section and in sections 507, 508 and 509, “existing council” means a municipal council (conseil municipal) specified in column 4 of Schedule II and which was functioning immediately before the appointed day.

* The section 506 in the principal Act came into force on the 21st day of December, 1974 vide Extraordinary Gazette No. 158 dated 17th January 1974.

1. Renumbered by Regulation 2 of 1975, section 2, w.e.f. 28-6-1975.

2. Inserted by Regulation 2 of 1975, section 2, w.e.f. 28-6-1975.

3. The words “one year” in Regulation 2 of 1975 were substituted by the words “two years” by Regulation 10 of 1976, section 2 w.e.f. 25.6.1976, and later substituted by the words “two years and three months” by Regulation 4 of 1977, section 2, w.e.f. 29-6-1977 and later substituted by words “two years and nine months” by Act 5 of 1977 section 2, w.e.f. of 23.9.1977.

*** 507. *Consequences of replacement of existing councils.***- With effect on and from the appointed day, the following consequences shall ensue, that is to say —

(a) every existing council shall be deemed to be succeeded by the council shown in the corresponding entry in column 3 of Schedule II (hereinafter referred to as the successor council);

(b) all property, movable and immovable, situated within the local area of a successor council (and all interests of whatever nature and kind in such property) which vested in the corresponding existing council immediately before the appointed day and which was being used immediately before the said day for the performance of any of the functions or duties which are required to be performed by the successor council under the provisions of this Act, shall be deemed to be transferred to and shall vest, without further assurances, in such successor council, subject to all limitations, conditions and rights or interests of any person, body or authority in force or subsisting immediately before the appointed day;

(c) all property, movable and immovable situated outside the local area of a successor council but within the jurisdiction of a village panchayat or commune panchayat council constituted under the Puducherry Village and Commune Panchayats Act, 1973 (and all interests of whatsoever nature and kind in such property) which vested in an existing council immediately before the constitution of such village panchayat or commune panchayat council for the performance of any of the functions or duties which are required to be performed by the said village panchayat or commune panchayat council under the provisions of the aforesaid Act, and are not required by the council for the performance of its duties under this Act, shall be deemed to be transferred to and shall vest, without further assurances, in such village panchayat or commune panchayat council, subject to all limitations, conditions and rights or interests of any person, body or authority in force or subsisting immediately before the appointed day;

(d) all property, movable and immovable wherever situated (and all interests of whatsoever nature and kind in such property) which vested in an existing council immediately before the appointed day and which was being used by it for a function which on and from the appointed day is not required to be performed by the successor council under the provisions of this Act or by a village panchayat or

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

commune panchayat council under the Puducherry Village and Commune Panchayats Act, 1973, shall be deemed to be transferred to and shall vest, without further assurances, in the Government, subject to all limitations, conditions and rights or interests of any person, body or authority in force or subsisting immediately before the appointed day;

(e) all rights, liabilities and obligations of an existing council (including those arising under an agreement or contract) shall be deemed to be the rights, liabilities and obligations of the corresponding successor council, the village panchayat or commune panchayat council or the Government, according as the function or duty out of which such rights, liabilities and obligation have arisen, is required to be performed on and from the appointed day by such successor council, village panchayat or commune panchayat council, or the Government, as the case may be;'

(f) all sums due to an existing council, whether on account of any tax or otherwise, shall be recoverable by the successor council, village panchayat or commune panchayat council, or the Government, according as the duty or function out of which such sum has become due, is required to be performed on and from the appointed day by the successor council, the village panchayat or commune panchayat council or the Government and the successor council, the village panchayat or commune panchayat council or the Government, as the case may be, shall be competent to take any measure or institute any proceedings, which it would have been open to the existing council or any authority thereof to that effect before the appointed day;

(g) the municipal fund and liabilities (other than those specified in the aforesaid clauses) of an existing council shall be deemed to be the municipal fund and liabilities of the successor council;

(h) all contracts made with and all instruments executed on behalf of an existing council, shall be deemed to have been made or executed on behalf of the successor council, the village panchayat or commune panchayat council or the Government according as the duty and function, as a result of which such contract was made or the instrument executed is required on and from the appointed day to be performed by the successor council, the village panchayat or commune panchayat council or the Government, as the case may be, and shall be performed accordingly;

(i) all proceedings and matters pending before any authority functioning under the repealed law immediately before the appointed day shall be deemed to be transferred to the corresponding authority under this Act competent to entertain and dispose of such proceedings or matters;

(j) in all suits and legal proceedings pending on the appointed day in or to which an existing council was a party, the successor council shall be deemed to have been substituted therefor;

(k) any appointment, notification, notice, tax, order, scheme, licence, permission, rule, bye-law, regulation or form held, made, issued imposed or granted by or in respect of an existing council under the repealed law and in force immediately before the appointed day, shall, in so far as it is not inconsistent with the provisions of this Act, continue to be in force until superseded by an authority competent so to do:

Provided that ---

- (i) no rule made under the repealed law in respect of an existing council and in force immediately before the appointed day shall be deemed to be inconsistent with the provisions of this Act by reason only of the fact that under this Act it is permissible to make only a bye-law or any other instrument other than a rule in respect of the matter provided for in such rule;
- (ii) the provisions of clause (i) of this proviso shall as far as may be apply to any bye-laws, regulations, or any other instruments made under the repealed law in respect of an existing council and in force immediately before the appointed day;

(l) all budget estimates, assessments, assessment lists, valuations, measurements and divisions made by or in respect of an existing council under the repealed law and in force immediately before the appointed day, shall, in so far as they are not inconsistent with the provisions of this Act, be deemed to have been made by, or in respect of, the successor council for that area;

(m) any reference in any law or in any instrument to any of the provisions of the repealed law shall, unless a different intention appears, be construed as a reference to the corresponding provision of this Act;

(n) any reference in any law or in any instrument to an existing council shall, unless a different intention appears, be construed as a reference to the successor council;

(o) any reference in the above clauses to an existing council shall, in case such council has been superseded or dissolved or is not otherwise functioning, be deemed to be a reference to the person or persons appointed to exercise the powers and discharge the duties and functions of such council.

*** [“507-A. *Persons by whom certain, functions or duties are to be performed or discharged.*]-** Where any authority or functionary constituted or appointed under the repealed law was, immediately before such repeal, performing any function or was discharging any duty under that law or any other law, such function or duty shall be performed or discharged by the corresponding authority or functionary constituted or appointed under this Act:

* Deemed to have been inserted w.e.f. 26th January, 1974 by Regulation 8 of 1976, section 2.

Provided that ---

- (i) if any question arises as to who such corresponding authority or functionary is, or
- (ii) if there is no such corresponding authority or functionary,

the Government may, by notification, direct as to which authority, or functionary shall perform such function or discharge such duty and any such direction may be given retrospective effect from a date not earlier than the appointed day".].

**** 508. Provisions as to employees existing before the commencement of this Act.-**

(1) Every officer and other employee of an existing council shall, on and from the appointed day, be transferred to and become an officer or other employee of the successor council with such designation as the Commissioner may determine and shall hold office by the same tenure, at the same remuneration and on the same terms and conditions of service as he would have held the same if the successor council had not been constituted and shall continue to do so unless and until such tenure, remuneration and terms and conditions are duly altered by the successor council:

Provided that the tenure, remuneration and terms and conditions of service of any such officer or other employee shall not be altered to his disadvantage without the previous sanction of the Government:

Provided further that any service rendered by any such officer or other employee before the appointed day shall be deemed to be service rendered under the successor council.

(2) The Commissioner may employ any officer or other employee transferred to the successor council under sub-section (1) in the discharge of such functions under this Act as the Commissioner may think proper and every such officer or other employee shall discharge those functions accordingly.

** The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11, dated 17th January, 1974.

*** 509. *Obligation to carry out certain duties and functions of existing councils.***- Notwithstanding anything contained in section 67, it shall be the duty of every successor council to continue to carry out any duty or to manage, maintain or look after any institution, establishment, undertaking, measure, work or service, which the existing council had been responsible for carrying out managing, maintaining or looking after immediately before the appointed day, until the Government by order relieves the successor council of such duty or function.

*** 510. *Adjudication of disputes between local authorities.***- (1) When a dispute exists between a council and one or more than one other local authority in regard to any matters arising under the provisions of this Act or any other Act and the Government is of opinion that the local authorities concerned are unable to settle it amicably among themselves, the Government may take cognizance of the dispute and —

- (a) decide it itself, or
- (b) refer it to a joint committee constituted under section 73 for the purpose for inquiry and report.

(2) The report referred to in clause (b) of sub-section (1) shall be submitted to the Government which shall decide the dispute in such manner as it deems fit.

(3) (a) Any decision given, under clause (a) of sub-section (1) or under sub-section (2) may, at the instance of the local authorities concerned, be modified from time to time by the Government in such manner as it deems fit, and any such decision with the modifications, if any, made therein under this sub-section, may, at the instance of such local authorities, be cancelled at any time by the Government.

(b) Any such decision or any modification therein or cancellation thereof shall be binding on each of the local authorities concerned and shall not be liable to be questioned in any court.

*** 511. *Power to exempt.***- (1) Where the Government is of opinion that the circumstances of any municipality are such that any of the provisions of this Act are unsuited thereto, it may, by notification, exempt such municipality from the operation of those provisions; and thereupon the said provisions shall not apply to the municipality until applied thereto by fresh notification.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

(2) Every notification issued under sub-section (1) shall, as soon as may be after it is issued, be laid before the Legislative Assembly of Puducherry while it is in session for a total period of fourteen 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 sessions aforesaid, the Assembly makes any modification in the notification or desires that the notification should not be issued, the notification 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 under that notification.

¹ [512. *Power to remove difficulties.*- If any difficulty arises in giving effect to the provisions of this Act, as amended by the Puducherry Municipalities (Amendment) Act, 1994, the Government may, as the occasion requires, by general, or special order published in the Official Gazette, do anything, not inconsistent with the provisions of this Act, which appears to the Government to be necessary for the purpose of removing the difficulty:

Provided that no such order shall be made under this section with reference to any matter relating to any provisions of this Act after the expiration of three years from the date of commencement of the said Amendment Act].

² [512-A. *Power, authority and responsibilities of Municipalities.*- Save as otherwise provided in this Act, the Government may, by notification and subject to such conditions and restrictions as may be specified therein, entrust to the Municipality with such powers and responsibilities with respect to the preparation of plans for economic development and social justice and also with such powers and authority as may be necessary to enable them to carry out the responsibilities conferred upon them including those in relation to the matters listed in Schedule-XIV].

* 513. *Amendment of the Puducherry Motor Vehicles Taxation Act, 1967.*- In section 2 of the Puducherry Motor Vehicles Taxation Act, 1967, (Act No.5 of 1967) for clause (g), the following clause shall be substituted, namely: --

“(g) ‘local body’ means any municipal council constituted under the Puducherry Municipalities Act, 1973 and any village panchayat and commune panchayat council constituted under the Puducherry Village and Commune Panchayats Act, 1973”.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

1. Substituted by Act 4 of 1994, section 17 w.e.f. 23-4-94.

2. Inserted vide Act No.1 of 2007 w.e.f 10-3-2007.

SCHEDULE - I

(Omitted by Act 4 of 1994, section 5 w.e.f. 23-4-1994)

* SCHEDULE - II

[See sections 505 and 507 (a).]

<i>Sl. No.</i>	<i>Region</i>	<i>Name of the municipal council</i>	<i>Name of the existing municipal council or municipal committee.</i>
(1)	(2)	(3)	(4)
1.	Puducherry	Puducherry municipal council.	(1) Puducherry municipal council (2) Mudaliarpeth municipal council
2.	Karaikal	Karaikal municipal council.	Karaikal municipal council.
3.	Mahe	Mahe municipal council.	Mahe municipal council
4.	Yanam	Yanam municipal council	Yanam municipal council

** SCHEDULE - III

[See sections 118 (2) (b), 173 (2) (b) and (3), 355 (1), 441 (1) and 443 (16).]

PURPOSES THE USE FOR WHICH OF ANY BUILDING OR LAND RENDER SUCH BUILDING OR LAND LIABLE TO TAX UNDER SECTION 118 AND PURPOSES FOR WHICH PLACES MAY NOT BE USED WITHOUT A LICENCE UNDER SECTION 355.

Aerated waters — Manufacturing.

* Schedule II came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January 1974.

** So much part of the schedule as is relatable to section 355 came into force on the 12th day of September, 1974 vide Extraordinary Gazette No. 122 dated 12th September, 1974 and so much part of the schedule as is relatable to sections 118, 173, 441 and 443 came into force on the 1st day of August 1976 vide Extraordinary Gazette No. 342 dated 29th July 1976.

Agricultural produce likely to attract rats.– Selling wholesale or retail or storing for wholesale or retail trade (or for purposes other than private or domestic use.)

Ammunition. – Storing

Animals.– Keeping together twenty or more sheep or goats or ten or more pigs or ten or more heads of cattle.

Appalams.– Manufacturing or selling or storing (or for purposes other than private or domestic use).

Arecanut.– Selling or storing or cutting (or for purposes other than private or domestic use).

Articles of food made of flour, nuts, sugar, or jaggery.– Preparing for human consumption or selling.

Ashes.– Storing, packing, pressing, cleansing, preparing or manufacturing by any process whatever, dumping or shifting.

Automobile works.– Manufacturing, assembling, body building, cleaning, painting, repairing, servicing, or welding.

Beedies (Beedi leaves).– Manufacturing, storing or selling.

Beer.– Brewing.

Biscuits.– Manufacturing.

Blood.– Storing or otherwise dealing with.

Bones.– Storing or otherwise dealing with.

Brass.– Selling wholesale or retail or storing for wholesale or retail trade (or for purposes other than private or domestic use).

Bricks.– Burning.

Comphor.– Boiling.

Candles.– Manufacturing.

Carpets. (Associated with fibre) – Manufacturing.

Cashewnuts.– Roasting cashewnuts and extracting cashewnut kernels therefrom.

Charcoal.– Selling or storing.

Chemicals.– Storing and packing.

Chillies.– Selling wholesale or retail or storing for wholesale or retail trade (or for purposes other than private or domestic use).

Cigars (Cigarettes). – Manufacturing, storing or selling.

Cinders. – Selling or storing.

Cloth. – Printing.

Clothes (Second-hand). – Storing, selling or hiring second-hand clothes, blankets, mattresses, pillows or bedding.

Clothes (Soiled). – Washing soiled clothes and keeping soiled clothes for the purpose of washing them and keeping the washed clothes.

Coal. – Selling or storing.

Coconut. – Selling wholesale or retail or storing for wholesale or retail trade (or for purposes other than private or domestic use).

Coconut shell. – Selling or storing.

Copra. – Storing or storing or otherwise dealing with.

Cotton. – Selling wholesale or retail or storing for wholesale or retail trade or for conversion into yarn.

Dyeing.

Electro-plating or building.

Explosive or combustible materials. – Storing or selling:

Provided that no licence shall be required for storing petroleum and its products in quantities exceeding those to which the operation of this Act is limited by the provisions of the Petroleum Act, 1934 (Central Act 30 of 1934), or the rules or notifications issued thereunder.

Fat (Animal or vegetable). – Storing or otherwise dealing with.

Fiber. – Selling or storing.

Films. – Storing.

Firewood. – Selling or storing.

Fireworks. – Manufacturing.

Fish. – Storing or otherwise dealing with.

Fish oil. – Making, selling and storing.

Flour. – Preparing flour or articles made of flour for human consumption.

Flour. – Selling wholesale or retail or storing for wholesale or retail trade (or for purposes other than private or domestic use).

Food. – Preparing or selling.

Fuel. – Using for any industrial purpose.

Furniture. – Manufacturing.

Class. – Industry.

Gold. – Refining.

Grain. – Selling wholesale or retail or storing for wholesale or retail trade (or for purposes other than private or domestic use).

Grass. – Selling or storing.

Gravel. – Digging metal or gravel.

Groundnut. – Selling wholesale or retail or storing for wholesale or retail trade (or for purposes other than private or domestic use).

Gun cotton. – Storing or manufacturing by any process whatever.

Gunny bags. – Storing or otherwise dealing with.

Gunpowder. – Manufacturing.

Hair. – Washing or drying.

Hay. – Selling or storing.

Hides. – Storing or otherwise dealing with.

Horns. – Storing or otherwise dealing with.

Ice. – Articles, manufactured out of ice or in the manufacture of which ice forms the main ingredients – Storage or sale.

Ice. – Manufacturing, storing or selling.

Iron safes. – Manufacturing.

Jaggery. – Manufacturing (otherwise than as a cottage industry by tappers or persons in enjoyment of the trees carried on in their own sites or places.)

Jaggery. – Selling wholesale or retail or storing for wholesale or retail trade (or for purposes other than private or domestic use).

Jute. – Storing, packing, pressing, cleansing, preparing or manufacturing by any process whatever.

Lac. – Storing or manufacturing.

Lathe works. – Keeping.

Leather. – Storing or otherwise dealing with.

Lime. – Burning or manufacture of chunnam.

Liquid chlorine and bleaching powder. – Storing or otherwise dealing with.

Lodging house. – Keeping a hotel, a boarding house, a choultry, dharmasala, or rest-house not maintained by the Government or a local authority, an unlicensed emigration depot, or any place where casual visitors are received and provided with sleeping accommodation, with or without food, on payment but does not include —

- (a) a students' hostel under the control of public or prescribed authority, or
- (b) a house licensed for accommodating visitors to a fair or festival, or
- (c) retiring rooms and rest houses provided by a railway administration and normally used by passengers or railway servants or both.

Machinery. – (other than such machinery as may, by notification, be exempted by the Government from time to time). – Using for any industrial purpose.

Manure (artificial) – Manufacturing.

Manure. – Storing or otherwise dealing with.

Metals. – Beating or melting.

Metal vessels. – Manufacturing.

Mineral oil. – Storing and selling (wholesale or retail):

Provided that no licence shall be required for storing in quantities exceeding those to which the operation of this Act is limited by the provisions of the Petroleum Act, 1934 (Central Act 30 of 1934), or the rules or notifications issued thereunder.

Offal. – Storing or otherwise dealing with.

Oil. – Boiling or pressing other than by wooden country chekkus.

Oil cakes. – Selling wholesale or retail or storing for wholesale or retail trade (or for purposes other than private or domestic use).

Onion. – Selling wholesale or retail or storing or packing for wholesale or retail trade (or for purposes other than private or domestic use.)

Paddy. – Boiling.

Paper. – Storing or manufacturing.

Pitch. – Storing or manufacturing.

Pottery. – Burning.

Pulses. – Selling wholesale or retail or storing for wholesale or retail trade (or for purposes other than private or domestic use).

Rags. – Storing or otherwise dealing with.

Resin (including rosin). – Storing, packing, pressing, cleansing, preparing or manufacturing by any process whatever.

Ruby. – Grinding.

Sago. – Manufacturing or distilling.

Shaving or hair dressing saloon. – Keeping of.

Skins. – Storing or otherwise dealing with.

Slate. – Manufacturing.

Snuff. – Manufacturing.

Soap. – Making.

Spirits. – Manufacturing arrack or other spirits containing alcohol (whether denatured or not) by distillation.

Straw. – Selling or storing.

Sugar-candy. – Manufacturing (otherwise than as a cottage industry by tappers or persons in enjoyment of the trees carried on in their own sites or places).

Sulphur. – Melting.

Sweetmeats. – Preparing

Syrup. – Manufacturing (otherwise than as a cottage industry by tappers or persons in enjoyment of the trees carried on in their own sites or places).

Syrup. – Selling as cool drinks or mixed with water.

Tallow. – Melting.

Tamarind (including seed). – Selling wholesale or retail or storing for wholesale or retail trade (or for purposes other than private or domestic use).

Tar. – Storing.

Tea. – Storing.

Thatching materials including bamboos. – Selling or storing.

Tiles. – Burning.

Timber. – Selling or storing.

Tobacco. – Storing, curing, drying, or otherwise dealing with.

Trunks (iron). – Manufacturing.

Turpentine. – Storing, cleansing, preparing or manufacturing by any process whatever.

Vegetables or fruits. – Selling wholesale or retail or storing for wholesale or retail trade (or for purposes other than private or domestic use).

Vulcanising works. – Keeping, moulding by gas or electricity.

Wool. – Washing or drying.

Manufacturing anything from which offensive or wholesome smells, fumes, dust or noise arise.

In general, any purpose or the doing in the course of any industrial process, of anything which is likely to be dangerous to human life or health or property or is likely to cause a nuisance:

Provided that no licence shall be required for the storage of coal fiber, firewood, grass, hay, straw, thatching materials, or timber or for boiling paddy or for preparing food, when such storage or boiling or preparing is for private use.

For the removal of doubts, it is hereby declared that no building or land shall be deemed to be exempt from the tax referred to in clause (b) of sub-section (2) of section 118 on the ground only that no licence is required for the purpose for which the building or land is used.

* SCHEDULE – IV

[See section 144 (1) (b).]

PROFESSION TAX

Persons shall be assessed by the Commissioner to profession tax under the following classes on a scale to be determined by the municipal council from time to time:

Provided that such scale shall be subject to the maximum specified against each class:

Provided further that the proportion which the tax on any class bears to the minimum income of that class shall in no case be smaller than the proportion which the tax on any lower class bears to the minimum income of such lower class:

* Schedule IV came into force on the 1st day of August, 1976 vide Extraordinary Gazette No. 342 dated 29th July 1976.

<i>Class</i>	<i>Half-yearly income</i>	<i>Maximum half-yearly tax</i>
	More than —	But not more than —
I	15,000	.. 125
II	12,000	15,000 100
III	9,000	12,000 75
IV	6,000	9,000 50
V	4,800	6,000 25
VI	3,000	4,800 12
VII	1,800	3,000 6
VIII	1,200	1,800 4
IX	600	1,200 2
X	300	600 1

*** SCHEDULE – V**

(See section 161.)

Where the payment for admission inclusive of amount of entertainments tax:

(i)	is not more than thirty paise.	Not less than one-fourth of such payment and not more than one-half of such payment.
(ii)	is more than thirty paise but is not more than one rupee and fifty paise.	Not less than one-third and not more than two-thirds of such payment.
(iii)	is more than one rupee and fifty paise.	Not less than +[one-fourth] and not more than four-fifths of such, payment.

*** SCHEDULE – VI**

(See section 162.)

1.	Exhibition held in municipalities notified in this behalf by the Government in the Official Gazette.	Not less than two rupees and not more than six rupees for every show.
2.	Exhibitions held in other municipalities.	Not less than one rupee and fifty paise and not more than four rupees and fifty paise for every show.

* Schedule V & VI came into force on the 1st day of August, 1976 vide Extraordinary Gazette No. 342 dated 29th July 1976.

+ Substituted vide Act No.10 of 2004 w.e.f 23-12-04.

* SCHEDULE – VII

(See section 152.)

TAX ON ADVERTISEMENT OTHER THAN ADVERTISEMENTS PUBLISHED IN
THE NEWSPAPERS

Tax on advertisements other than advertisements published in the newspapers shall be levied at rates not exceeding the following: –

<i>Serial number</i>	<i>Particulars</i>	<i>Maximum half-yearly tax</i> Rs.
1.	Non-illuminated advertisements on land, building, wall, hoardings, frame, post, structures, etc: (a) For a space up to 1 sq. metre (b) For space over 1 sq. metre and upto 5 sq. metres. (c) For every additional 5 sq. metres or less.	 10 25 25
2.	Non-illuminated advertisements carried on vehicles, drawn by bullocks, horses or other animals, human beings, cycle or any other device, carried on any vehicle: (a) For a space up to 5 sq. metres (b) For every additional 5 sq. metres or less.	 65 65
3.	Illuminated advertisement boards carried on vehicles: (a) For a space up to 5 sq. metres (b) For every additional 5 sq. metres or less.	 125 125
4.	Non-illuminated advertisements boards, carried by sandwich boardmen: (a) For each board not exceeding 1 sq. metre (b) For each board exceeding 1 sq. metre and up to 5 sq. metres. (c) For each additional 1 sq. metre in area or less.	 15 30 15
5.	Illuminated advertisements boards carried by sandwich board men: (a) For each board not exceeding 1 sq. metre (b) For each board exceeding 1 sq. metre and up to 5 sq. metres. (c) For each additional 1 sq. metre in area or less.	 25 50 25

* Schedule VII came into force on the 1st day of August, 1976 vide Extraordinary Gazette No. 342 dated 29th July 1976.

<i>Serial number</i>	<i>Particulars</i>	<i>Maximum half-yearly tax</i>
6.	Illuminated advertisement on land, building, wall, or hoardings, frame, post, structures, etc: (a) For a space up to 1 sq. metre (b) For space over 1 sq. metre and upto 5 sq. metres. (c) For every additional 5 sq. metres or less.	20 30 35
7.	Advertisements exhibited on screens in cinema houses and other public places by means of lantern slides or similar devices: (a) For a space up to 1 sq. metre (b) For space over 1 sq. metre and up to 5 sq. metres. (c) For every additional 5 sq. metres or less.	50 70 65
8.	Non-illuminated advertisements suspended across streets: (a) For a space up to 1 sq. metre (b) For space over 1 sq. metre and up to 5 sq. metres. (c) For every additional 5 sq. metres or less. NOTE. - The tax under this item will be in addition to the charge leviable for the space according to the scale to be determined by the Commissioner.	10 25 25
9.	Non-illuminated advertisements hoardings standing blank but bearing the name of the advertiser or with the announcement "To be let" displaced thereon: (a) For a space up to 1 sq. metre (b) For a space over 1 sq. metre and up to 5 sq metres. (c) For every additional 5 sq. metres or less.	5 10 10
10.	Permission to auctioneers to put up not more than two boards of reasonable size advertising each auction sale, other than those in the premises where the auction is held one on a prominent site in the locality and one on a municipal lamp post.	100 (including the rent for exhibiting the board on a municipal lamp post).

* SCHEDULE – VIII

(See section 158.)

<i>Serial number</i> (1)	<i>Description of instrument</i> (2)	<i>Amount on which duty should be levied</i> (3)
¹ [1.	Sale of immovable property	The market value of the property as set forth in the instrument, and in a case where the market value is finally determined by any authority under section 47-A of the Indian Stamp Act 1899. (Central Act II of 1899), the market value as so determined by such authority.
2.	Exchange of immovable property.	The market value of the property of the greater value as set forth in the instrument, and in a case where the market value is finally determined by any authority under section 47-A of the Indian Stamp Act, 1899 (Central Act II of 1899), the market value as so determined by such authority.
3.	Gift of immovable property.	The market value of the property as set forth in the instrument, and in a case where the market value is finally determined by any authority under section 47-A of the Indian Stamp Act, 1899 (Central Act II of 1899), the market value as so determined by such authority.]
4.	Mortgage with possession of immovable property.	The amount secured by the mortgage, as set forth in the instrument.
5.	Lease in perpetuity of immovable property.	An amount equal to one-sixth of the whole amount or value of the rents which would be paid or delivered in respect of the first fifty years of the lease, as set-forth in the instrument.

* Schedule VIII came into force on the 1st day of August, 1976 *vide* Extraordinary Gazette No. 342, dated 29th July 1976.

1. Substituted by Act 3 of 1988 section 2, w.e.f. 15-4-1988.

* SCHEDULE - IX

[See Section 172 (1)]

<i>Serial number</i> (1)	<i>Variety of trees.</i> (2)				<i>Maximum rate of surcharge per year</i> (3)
1.	Coconut tree	..	..	..	₹ 6 per tree
2.	Sago palm	..	..	..	12 per tree
3.	Palm tree	..	..	..	2 per tree
4.	Dates tree	..	..	..	2 per tree

** SCHEDULE - X

[See Section 177.]

DISTRRAINT WARRANT.

Warrant No.

To

(Name of officer charged with execution of warrant.)

(State tax or taxes due and premises, if any in respect of which the tax or taxes are due.)

* The schedule came into force on the 1st day of August, 1976 vide Extraordinary Gazette No. 342 dated 29th July 1976.

** The schedule X came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11 dated 17th January, 1974.

Whereas _____ of _____ has not paid or shown sufficient causes for the non-payment of ₹ _____ P. due for the tax or taxes noted above for the _____ ending _____ 19 _____. (*Although the said sum has been duly demanded from the said and fifteen days have elapsed since such demand was made). (Although fifteen days have elapsed since the commencement of the half-year to which the property tax relates). This is to command you to demand the said sum of ₹ _____ P. together with ₹ _____ P. being the fee for service of notice or bill of demand and twelve paise for warrant fees failing payment of which you are to distrain the goods and chattels of the said.

(or as the case may be, any goods and chattels found on the premises referred to), to the amount of the said sum to ₹ _____ P. together with ₹ _____ P. for service of notice or bill of demand, warrant fee and distraint fee making together a sum of ₹ _____ P. and such further sum as may be sufficient to defray the charges of keeping and selling such distraint; and if within seven days next after such distraint, the amount due on account of the said tax or taxes and fees shall not be paid, together with such further sum as may be sufficient to defray the charges of keeping such distraint, to sell the said goods and chattels under orders to be hereafter issued by me, and to remit to the municipal office to the sale proceeds of the distrained property, out of which the amount due on account of the said taxes and fees, viz., ₹ _____ P. and the charges of keeping and selling such distraint shall be deducted and credited to the municipal fund, and the surplus, if any, returned to the owner of the goods and chattels distrained. If distraint or sufficient distraint cannot be found of the goods and chattels of the said _____, you are to certify the same to me together with this warrant.

Station:

Date: 19 .

Signature of the Commissioner

* Strike off one of the alternative as necessary.

* SCHEDULE - XI

[See Section 179 (1).]

FORM OF INVENTORY AND NOTICE

(State particulars of goods and chattels seized)

Take notice that I have this day seized the goods and chattels specified in the above inventory for the sum of ₹ P. due for the tax or taxes mentioned in the margin for the ending 19 , and that unless you pay into the office of the municipality or the amount due together with the fee for service of notice or bill of demand, the warrant fee, the distraint fee and cost of keeping the goods and chattels, within seven days from the date of this notice, the goods and chattels will be sold on the day of 19 , at the municipal office or at such other places as the Commissioner may direct; and that the goods and chattels may be sold at any previous date, if they are liable to speedy and natural decay.

Station:

Date:

Signature of the Officer executing
the warrant of distraint.

* The schedule XI came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11, dated 17th January, 1974.

* SCHEDULE - XII

(See section 177.)

TABLE OF FEES PAYABLE ON DISTRAINTS

<i>Sum distrained for</i> (1)	<i>Fees</i> (2) ₹ P.
Under 1 rupee	0.25
1 rupee and over but under 5 rupees	0.50
5 rupees and over but under 10 rupees	1.00
10 rupees and over but under 15 rupees	1.50
15 rupees and over but under 20 rupees	2.00
20 rupees and over but under 25 rupees	2.50
25 rupees and over but under 30 rupees	3.00
30 rupees and over but under 35 rupees	3.50
35 rupees and over but under 40 rupees	4.00
40 rupees and over but under 45 rupees	4.50
45 rupees and over but under 50 rupees	5.00
50 rupees and over but under 60 rupees	6.00
60 rupee and over but under 80 rupees	7.50
80 rupee and over but under 100 rupees	9.00
100 rupee and over	10.00

The above charge includes all expenses except when persons are kept in charge of property distrained, in which case twenty paise shall be paid daily for each such person.

* The schedule XII came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11, dated 17th January, 1974.

SCHEDULE - XIII

(See section 449.)

PENALTIES

Explanation. – The entries in column 2 of the following Table headed “subject” are not intended as definitions of the offences prescribed in the provisions mentioned in the column 1 or even as abstracts of those provisions, but are inserted merely as reference to the subject thereof.

<i>Section, sub-section or clauses</i>	<i>Subject</i>	<i>Fine which may be imposed</i>	<i>Daily fine which may be imposed</i>
(1)	(2)	(3)	(4)
		₹	₹
*Section 95 sub-section (1)	Interested councillor voting or taking part in discussion.	100	..
**[Section 140	Failure to give notice of transfer of title or to produce documents.	100	..
Section 141 sub-section (1)	Failure to send notice to Commissioner after completion of construction or reconstruction of building.	100	..
Section 143 sub-section (1)	Failure of owner or occupier to furnish return of rent, etc.	100	..
Section 149	Failure of owner or occupier to obey, requisition to furnish list of persons carrying on profession, art, etc.	200	..]
*[Section 150	Failure of employer or head of an office, firm or company to obey requisition to furnish list of persons in his employ.	200	..
Section 153	Unlawful advertisement	50	10]
**[Section 206	Failure to obey requisition by auditor to attend, give guidance or produce documents.	100	25
Section 219	Trespassing on premises connected with the water supply.	100	..

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11, dated 17th January 1974.

** The section came into force on the 1st day of August, 1976 vide Extraordinary Gazette No. 342, dated 29th July 1976.

(1)	(2)	(3) ₹	(4) ₹
Section 222	Failure to maintain house connections in conformity with bye-laws and regulations.	100	10
Section 223 sub-section (2)	Failure to obey requisition to make house connections.	100	10
Section 231 sub-section (1)	Failure to maintain house drains, etc., in conformity with bye-laws and regulations.	50	10
Section 231 sub-sections (3) and (4)	Failure to obey requisition as to house drainage.	50	10
Section 232 sub-section (1) clause (b)	Failure to obey direction as to limited use of drain or notice requiring construction of distinct drain.	50	..
Section 234	Unlawful construction of building over public drain.	500	..]
*[Section 235	Failure to obey requisition regarding culverts, etc., or to keep them free from obstruction.	100	..
Section 236	Failure to obey requisition to maintain troughs and pipes for catching etc., water from roof or other part of building.	50	10]
**Section 238	Failure to obey requisition to provide flushout or other latrines or to remove flushout or other latrines to another site and failure to keep flushout or other latrines clean and in proper order.	100	10
Section 239	Failure to provide flushout to provide or other latrines for premises used by large number of people or to keep them clean and in proper order	200	60
Section 240	Failure to obey requisition to provide flushout or other latrines for market, cattle-stand, cart-stand, etc., or to keep them clean and in proper order.	200	60]

* The section came into force on the 1st day of August, 1976 vide Extraordinary Gazette No. 342, dated 29th July 1976.

** The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11, dated 17th January 1974.

(1)	(2)	(3) ₹	(4) ₹
*[Section 241	Failure to construct flushout or other latrines so as to screen persons using them from view.	40	..
Section 243	Making connection with mains without permission.	300	..
Section 247	Improper disposal of carcasses, rubbish and filth.	20	..
Section 248	Allowing filth to accumulate on premises for more than twenty-four hours, etc.	20 in the case of residential buildings and 40 in the case of hotels and lodges	..
Section 249	Allowing filth to flow in streets.	10	..
Section 250	Using cart without cover in removal of filth, etc.	20	..
Section 251	Throwing rubbish or filth into drains.	20	..
Section 258	Building within regular lines of streets.	1,000	200
Section 259 sub-section (1)	Failure to obey orders to set back buildings.	500	..
Section 264	Unlawful displacement, etc., of pavement or fences, posts and other materials of public street.	100	--
Section 266	Failure to provide streets, etc., on building sites prior to disposes.	300	15]
*[Section 267 sub-section (3)	Unlawful making or laying of new private street.	500	..
Section 270	Failure to obey requisition to metal etc., in a private street.	200	..
Section 272	Building wall or erecting fence, etc., in a street.	200	..
Section 273	Allowing doors, ground floor windows, etc., to open outwards without licence or contrary to notice.	20	..
Section 274	Failure to remove permanent encroachment.	300	30

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11, dated 17th January 1974.

(1)	(2)	(3) ₹	(4) ₹
Section 275	Failure to remove a temporary encroachment.	100	15
Section 278	Unlawful removal of bar or storing timber, etc., or removal or extinction of light.	40	..
Section 279	Unlawful making of hole or placing of obstruction in street.	100	30
Section 280	Construction, etc., of building without licence where street or footway is likely to be obstructed. Failure to fence, etc., such building while under repair or failure to remove obstruction.	100 100	30 ..]
*[Section 281	Failure to remove obstruction caused in street by fall of trees, etc., within 12 hours of all.	100	..
Section 282 sub-section (3)	Unlawful destruction, etc., of name of street.	40	..
Section 283 sub-section (2)	Unlawful destruction, etc., of number of building.	5	..
Section 283 sub-section (3)	Failure to replace number when required to do so.	40	..
Section 284 sub-section (1)	Plying hand cart, etc., without licence	50	..]
**[Section 287 sub-section (5)	Constructing or reconstructing building contrary to declaration issued by council.	300	..]
Section 288 sub-section (1)	Failure to obey requisition to round or splay off buildings at corners of street.	200	100
Section 289	Construction of external roofs, etc., with inflammable materials.	100	30
Section 290	Construction of door or window, etc., to open outward on public streets.	40	..
Section 312	Failure to keep external walls of premises in proper repair.	40	20
**[Section 317 sub-section (1)	Failure to obey requisition to take down, repair or secure dangerous structure.	500	..
Section 318 sub-section (1)	Failure to obey requisition to secure, lop or cut down dangerous trees.	100	..]

** The section came into force on the 12th day of September, 1974 vide Extraordinary Gazette No. 122, dated 12th September, 1974.

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11, dated 17th January 1974.

(1)	(2)	(3) ₹	(4) ₹
*[Section 319	Failure to obey requisition to repair, etc., tank or other place dangerous to passers-by or persons living in neighbourhood.	100	203
Section 320	Failure to obey requisition to stop dangerous quarrying.	200	20
Section 321	Failure to obey notice regarding precautions against fire.	200	20
Section 322 sub-section (1)	Constructing well, etc., without permission.	100	..
Section 322 sub-section (3)	Failure to obey notice to fill up, demolish well, etc,	100	..
Section 323	Failure to obey requisition to fill up etc., tank or well, or drain of water, etc.,	100	20
Section 324	Cultivating contrary to prohibition or regulations.	500	..
Section 325	Failure to obey requisition to clean or close, etc., tank, well or other source of water used for drinking.	100	20]
*[Section 327	Unlawful washing and fishing in river, etc., after prohibition or contrary to regulations.	50	..
Section 329	Washing of clothes by washermen at unauthorised places.	20	..
Section 330	Defiling water of tanks, etc.,	50	..
Section 331	Failure to obey requisition to enclose, clear or clean untenanted premises.	50	20
Section 332	Failure to obey requisition to clear or clean, etc., building or land in filthy state or overgrown with noxious vegetation.	50	20
Section 333	Failure to obey requisition to fence building or land or trim, prune or cut hedges and trees or lower an enclosing wall.	50	10
Section 334	Failure to obey requisition to lime wash or otherwise cleanse building.	50	10
Section 335	Failure to obey requisition to execute work or take other action with respect to insanitary building.	150 in the case of building and 50 in the case of hut	20 in the case of building and 10 in the case of hut

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11, dated 17th January 1974.

(1)	(2)	(3) ₹	(4) ₹
Section 336 sub-section (2)	Using or allowing the use of buildings unfit for human habitation after prohibition.	40 for each day	..
Section 336 sub-section (4)	Failure to obey requisition to demolish the same.	40 for each day	..]
*[Section 337 sub-section (1)	Allowing overcrowding in building after order to abate same.	10 for each day	..
Section 337 sub-section (4)	Failure to obey requisition to vacate over-crowded building or room	10 for each day	..
Section 338	Feeding animals on filth	50	..
Section 339	Unlawful keeping of animal or bird so as to be a nuisance or danger.	20	15
Section 345	Use of place as stable, cattle-stand etc., without licence or contrary to licence.	100	30
Section 346	Construction or maintenance of stable, cattle-shed, etc., contrary to Act or rules, bye-laws, regulations and orders made thereunder.	100	30
Section 347	Use of place as stable, cattle-shed, etc., contrary to notice issued by Commissioner.	200	100]
*[Section 348	Use of place as place of public resort or entertainment without licence or contrary to licence.	500	30]
**[Section 355 sub-section (1)	Using a place for any of the purposes specified in Schedule III without licence or contrary to licence.	200	60
Section 356	Unlawful erection of factory, workshop, etc.,	1,000	300
Section 357	Disobedience of order regarding abatement of nuisance.	200	300]
*[Section 362	Use of place as slaughter house without licence or contrary to licence.	300	150

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11, dated 17th January 1974.

** The section came into force on the 12th of September, 1974 vide Extraordinary Gazette No. 122, dated 12th September, 1974.

(1)	(2)	(3) ₹	(4) ₹
Section 364	Slaughter of animals for sale as food or skinning or cutting up of carcasses or drying skin so as to cause a nuisance.	20 for every animal, carcass or skin.	—
✧ Section 366	Carrying on milk trade without licence or contrary to licence.	50	15
Section 367	Obstructing a person in the use of a market.	200	—
Section 369	Sale or exposure for sale in public market of animal or article without permission or contrary to permission.	20	—
Section 370	Opening or keeping open private market without licence or contrary to licence.	500	200
Section 372	Sale or exposure for sale of animal or article in unlicensed private market.	20	40]
*[Section 373	Failure to obey direction to construct approaches, drains, etc., to private markets or to pave them, etc.,	100	—
Section 374 sub-section (2)	Opening or keeping open of private market after suspension or refusal of licence for default to carry out works.	20 for each day	—
Section 375	Nuisances in private markets	20	—
Section 379	Carrying on butcher's, fish monger's or poulterer's trade without licence, etc.	100	30
Section 380	Sale or exposure for sale of animal, bird or article in public street.	10	—
Section 383	Using a public place or the sides of a public street as public landing place, etc.	300	60
Section 385	Opening or keeping open a new private cart-stand without licence or contrary to licence.	300	60
Section 390	Preventing the Commissioner or any person authorised by him from exercising his powers of entry, etc.,	100	—]

✧ The Schedule, in so far as it relates to the regulating of milk trade was declared extended to the Commune Panchayats specified below w.e.f. 16th July 1974 *vide* Extraordinary Gazette No. 92 dated 22nd July 1974.

- | | |
|-------------------------------------|------------------------------------|
| 1. Oulgaret Commune Panchayat , | 2. Ariyankuppam Commune Panchayat, |
| 3. Villianur Commune Panchayat, | 4 . Mannadipet Commune Panchayat, |
| 5. Nettiappakkam Commune Panchayat, | 6. Bahour Commune Panchayat. |

* The section came into force on the 26th day of January, 1974 *vide* Extraordinary Gazette No. 11 dated 17th January 1974.

(1)	(2)	(3) ₹	(4) ₹
*[Section 392	Removing or in any way interfering with an animal or article secured under section 391.	500	30]
**[Section 396 sub-section (1)	Opening etc., without licence a new place for the disposal of the dead.	200	200
Section 398 sub-section (3)	Using or allowing the use of burial or burning ground which has not been registered, licensed or provided.	200	290
Section 399	Failure to give information of burials or burnings in burial or burning ground.	40	--
Section 400 sub-section (3)	Burial or burning in a place after prohibition.	100	--
Section 401	Offences in respect of corpses.	100	--
Section 403	Failure for fencing, etc., of private burial grounds.	50	10
Section 404	Discharge of office of grave digger or attendant at place for disposal of dead without licence.	5	—]
*[Section 425	Failure of medical practitioner or owner or occupier to give information of existence of infectious disease in private or public dwelling.	100	..
Section 427	Failure to obey requisition to clean or disinfect buildings or articles.	100	30
Section 428 sub-section (3)	Washing of infected articles at unauthorised places.	50	--
Section 429	Giving, lending, etc., of infected articles	50	—]
*[Section 430	Using water after prohibition	50	..
Section 432	Infected person carrying on occupation	50	..
Section 433 sub-section (1)	Travelling of infected person in public conveyance without taking proper precautions against spread of disease.	50	..
Section 433 sub-section (2)	Entry of infected person into public conveyance without notifying fact of infection.	50	..

* The section came into force on the 26th day of January, 1974 vide Extraordinary Gazette No. 11, dated 17th January 1974.

** The section came into force on the 1st day of August, 1976 vide Extraordinary Gazette No. 342, dated 29th July, 1976.

(1)	(2)	(3) ₹	(4) ₹
Section 433 sub-section (3)	Carrying infected person in public conveyances.	50	..
Section 434	Letting or sub-letting of infected building without previous disinfection, etc.,	200	..
Section 435	Failure to close place of public entertainment.	200	200
Section 436	Sending infected minor to school or college.	50	..
Section 438	Failure to give information of small pox.	50	..
Section 439	Person entering municipality within forty days of inoculation for small-pox without certificate.	100	..]
*[Section 457 sub-section (9)	Failure to produce licence or permission on request.	10	..
Section 461	Failure to obey summons	100	..
Section 469 sub-section (1)	Failure of occupier to obey requisition to permit owner to comply with provisions of Act.	50 for each day	—
Section 497	Obstruction of municipal council etc.,	100	..
Section 498	Removing mark set up for indicating level, etc.,	50	..
Section 499	Removal, etc., of notice exhibited by or under orders of the council.	100	..
Section 500	Unlawful removal of earth, sand or other material from land vested in the council or deposits of matter or encroachment in or on river-estuary, etc.,	40	..]

****[SCHEDULE - XIV
(See section 512-A)**

1. Urban planning including town planning.
2. Regulation of land-use and construction of buildings.
3. Planning for economic and social development.
4. Roads and bridges.
5. Water supply for domestic, industrial and commercial purposes.
6. Public health, sanitation, conservancy and solid waste management.
7. Fire services.
8. Urban forestry, protection of the environment and promotion of ecological aspects.

* The section came into force on the 26th day of January, 1974 *vide* Extraordinary Gazette No. 11 dated 17th January 1974.

** Inserted new Schedule vide Act No.1 of 2007 w.e.f 10-3-2007 in Extraordinary Gazette Part-II No.10 dated 20th March 2007.

9. Safeguarding the interests of weaker sections of the society, including the handicapped and mentally retarded.
10. Slum improvement and upgradation.
11. Urban poverty alleviation.
12. Provision of urban amenities and facilities such as parks, gardens, playgrounds.
13. Promotion of cultural, educational and aesthetic aspects.
14. Burials and burial grounds, cremations, cremation grounds and electric crematoriums.
15. Cattle ponds, prevention of cruelty to animals.
16. Vital statistics, including registration of births and deaths.
17. Public amenities, including street lighting, parking lots, bus stops and public convenience.
18. Regulation of slaughter-houses and tanneries].

@[SCHEDULE - XV
(See section 89-A)

Part-A

1. Particulars of the Municipality.
2. A statement of the Boards, Councils, Committees and other bodies consisting of two or more persons constituted as its part for the purpose of its advice, and as to whether meetings of those Boards, Councils, Committees and other bodies are open to the public or the minutes of such meetings are accessible to public;
3. A directory of its officers and employees;
4. The particulars of officers who grant concessions, permits or authorisation for each activity.

Part-B

1. Audited financial statements of Balance Sheet, Receipts and Expenditure and Cash Flow on a quarterly basis, within two months of the end of each quarter; and statutorily audited financial statements for the full financial year, within three months of the end of the financial year;
2. The service levels being provided for each of the services being undertaken by the Municipality;
3. Particulars of all plans, proposed expenditures, actual expenditures on major services provided or activities performed and reports on disbursements made.
4. Details of subsidy programmes on major services provided or activities performed by the Municipality, and the manner and criteria for identification of beneficiaries for such programmes;
5. Particulars of the Master Plan, City Development Plan or any other plan concerning the development of the municipal area;
6. The particulars of major works as may be prescribed, together with information on the value of works, time of completion, and details of contract;
7. The details of the municipal funds *i.e.*, income generated in the previous year by the following:-
 - (a) Taxes, duties, cess and surcharge, rent from the properties, fees from licences and permissions;
 - (b) Taxes, duties, cess and surcharge, rent from the properties, fees from licences and permissions that remain uncollected and the reasons thereof;
 - (c) Share of taxes levied by the Government and transferred to the Municipality and the grants released to the Municipality;
 - (d) Grants released by the Government for implementation of the schemes, projects and plans assigned or entrusted to the Municipality, the nature and extent of utilisation; and
 - (e) Money raised through donation or contribution from public or non-Governmental agencies.
8. Annual budget allocated to each ward and such other information as may be prescribed.].

STATEMENT OF OBJECTS AND REASONS FOR ACT NO.9 OF 1973

The ex-French Decree, dated 12th March, 1880 relating to municipalities which continues to be in force provides for a unitary structure of municipal administration for the urban as well as for the rural areas with the commune forming the basic unit of local self-Government. Ever since the *de jure* transfer took place, the question of bringing the municipal administration in the territory at par with the administration of such similar bodies elsewhere in the country has been under the consideration of the Government. There were also number of administrative and legal difficulties in the matter of levy and recovery of municipal taxes, removal of encroachment of municipal lands and execution of various developmental schemes requiring people's participation. In view of these considerations, it has become expedient to enact a legislation for the establishment of municipalities in this territory on the same lines as are obtaining in the rest of the country. The present Bill seeks to enact such a law.

The Notes on Clauses explain the provisions contained in the Bill.

NOTES ON CLAUSES

Chapter I (clauses 1 and 2). – This Chapter contains provisions relating to the commencement of the contemplated Bill and the definitions. The Bill when enacted will come into force in such area on such date as the Government may notify. Provision has also been made to bring into force various provisions of the Bill on different dates as may be found expedient to Government.

Chapter II (clauses 3, 4 and 5). – This Chapter deals with the constitution and abolition of municipalities. Provision has been made for empowering the Government to notify any local area to be a municipality after publishing a proclamation of its intention to do so and inviting objections from any resident or tax payer of the local area to such proposal and considering them.

Chapter III (clauses 6 to 14). – This Chapter relates to Constitution or appointment of municipal authorities. Municipality with a population of more than 1.00 lakh is proposed to be declared as Selection Grade, those with a population of more than 50,000 but not more than 1.00 lakh is proposed to be declared as First Grade, those with a population of more than 10,000 but not more than 50,000 is proposed to be declared as Second Grade, and others with population of 10,000 and below are proposed to be classified as Third Grade.

Each municipality will have a municipal council, a Chairman, Vice-Chairman and a Commissioner for transacting the business of the municipality. The minimum number of councillors will be 30 and the maximum number will be 36 in the selection grade municipality, 15 and 20 respectively in the case of first grade municipality, 10 and 15 respectively in the case of second grade municipality and the

+ Clause 7 dealing with classification of municipalities etc., has been substituted by Act 4 of 1994, section 5, w.e.f 22.4.1994.

number of councillors in the case of third grade municipality will be 10. Seats are also reserved for members of Scheduled Castes and the number of seats so reserved will bear the same proportion to the total number of seats of the municipal council, as the population of Scheduled Castes bears to the total population in the municipality. All the councillors of every municipality will be elected and the normal term of office of the councillors is 5 years.

It is also proposed to lay down that no councillor can be elected as Chairman of the municipal council unless he has attained the age of 25 years; besides, provision has been made to the effect that the municipal council should elect a Chairman within 30 days after the ordinary election to the council or within such further time as the Government may allow and even within this period no Chairman is elected, the Government will appoint one of the member of the council as Chairman until a new Chairman is elected by the council.

Chapter IV (clauses 15 to 66). – This Chapter deals with the election of councillors and other related matters. The provisions relating to election of councillors follow closely the corresponding provisions in the Puducherry Municipal Councils (Elections) Act, 1966 (Act 1 of 1966) and also reflect many changes made in the Representation of People Act, 1951 (43 of 1951) till date. Special mention may be made of the clause 48 of the Bill which provides that no election held under this Bill when enacted will be called in question except by an election petition presented to the Election Tribunal duly constituted for the purpose. It has also been provided that an appeal from an order passed by the Election Tribunal will lie to the High Court. As is the case of Assembly elections held under the Representation of People Act 1951 (43 of 1951) no civil court will have jurisdiction to question the legality of any measure taken or of any decision given by the Returning Officer or any other officer appointed under the Bill when enacted in connection with an election. Provision has also been made for prohibiting the same person being selected for more than one ward in a municipality.

Provision has also been made to prepare and publish electoral roll for any municipality.

Chapter V (clauses 67 to 101). – This Chapter contains provisions relating to the powers and functions of the municipal council, Chairman and councillors and Commissioner. Detailed provisions have been made with regard to the obligatory duties and discretionary functions of the municipal council.

It also provides for election as well as for resignation of Chairman and Vice-Chairman of the municipal council and lays down their respective functions. The council is empowered to appoint committees for the transaction of certain types of municipal business. It also provides for the conduct of business of the meeting of the municipal council. Provision is being made for the vesting of public streets and appurtenances and vacant lands belonging to the Government in the municipal council.

It is proposed to provide that the power of making contract on behalf of the municipal council in respect of contract the value of which does not exceed ₹1,000 will rest with the Standing Committee whereas in respect of the contract the value of which exceeds Rs. 1,000 the sanction of council will be necessary.

Provision has been made to make it incumbent on the part of every municipality to send an Administration Report every year with stipulations that the Government can make observations in respect of matters contained in the report and the municipal council is bound to consider them at a meeting.

Provision has also been made in this Chapter to enable the Commissioner to function as Chief Executive Officer of the municipal council. Special reference may be made to the emergency powers of the Commissioner whereunder he has been given the power of ordering the execution of any work or in the alternative, stopping the doing of a particular work if either step is considered necessary in the interest of the public safety. He is also entitled to attend the meeting of the municipal council though he is debarred from voting at it.

The powers of the Commissioner include powers to incur petty contingent expenditure, exercise complete control over the officers and servants of the municipal council.

Chapter VI (clauses 102 to 110). – This Chapter deals with the controlling authorities and powers. Provisions has been made for the appointment of a Director of municipal administration and such number of supervisory officers as may be necessary for inspecting and superintending the operations of the municipal council so that the Government would be in a position to have a close watch over the activities of the municipal council and to intervene effectively when the municipal affairs are mismanaged. Sufficient powers have been given to the Director so that he can discharge the functions properly.

It is proposed to provide that the power of the Government to cancel resolutions, permissions etc., of the municipal council is relatable in respect of contravention or violation not only of the municipal law but also of any other enactments or any rule, notification, regulation, or bye-law made or issued under such other enactment, which is considered by the Government to be otherwise undesirable.

Provision has also been made to empower the Government to remove the Chairman or Vice-Chairman of a municipal council who wilfully omits or refuses to carry out the provisions of the law or abuses powers vested in him and to empower the Government to dissolve or supersede a municipal council for a period not exceeding one year in certain extraordinary circumstances.

Chapter VII (clauses 111 to 117). – This Chapter contains provisions relating to municipal establishment.

It is proposed to provide that the appointment of municipal health officer and municipal engineer should be made by Government themselves without reference to the municipal council and that the Government will be competent to regulate the method of recruitment and conditions of service of the above mentioned officers. In regard to other categories of municipal officers and servants, while the council is competent to create such posts of officers and servants for efficient execution of its duties with prior Government sanction, the Government have retained the power to make rules to regulate the qualifications, pay, allowances, discipline, conduct, other conditions of service, method of recruitment, and authority competent to appoint such officers and servants of municipal councils.

Provision has also been made for the provincialisation of any class of municipal officers and servants as well as for the transfer of officers and servants of a municipality to the service of any other municipality, etc.

Chapter VIII (clauses 118 to 192). – This Chapter enumerates the various compulsory taxes and optional taxes that a municipal council could levy and the nature of the taxes. The compulsory taxes are property tax, profession tax, tax on advertisement other than advertisement published in the newspapers, duties on certain transfer of immovable properties in shape of additional stamp duty and tax on entertainments. The optional taxes are duty on toddy trees in the form of additional excise duty on toddy trees, tax on buildings and lands used for certain specified trades and industries, toll on animals and vehicles, any other tax which the Legislature of the Union territory has power to impose. Procedure for levy of these taxes is also provided for in this Chapter.

In pursuance of the recommendations made by Zakaria Committee on the augmentation of finances of urban local bodies which have been accepted by the Central Council of Local Self Government, provision has been made to appoint by Government valuation officers for assessment of annual value of lands and buildings subject to the levy of property tax and to require each municipal council to pay to Government such sum out of its revenue for the services rendered by such valuation officers as the Government may by order determine.

It is proposed to provide that the property tax assessed upon any premises will be primarily leviable from the lessor if the premises are let and from superior lessor if the premises are sub-let, from the persons in whom the right to let the premises vest, if they are unlet, from the person in possession of the premises if they are not let out to him. Provision has also been made for apportionment of responsibility for property tax when the premises assessed are let or sub-let between the occupier, tenants, and owners, as the case may be.

Provision has also been made in this Chapter enabling the Commissioner to call upon heads of office and other employers to deduct the profession tax from the salary or wages payable to persons employed by them and pay it over to the council.

In order to augment the financial resources of the municipality, it is proposed to levy a tax on buildings and lands used for certain specified trades and industries. This levy will be in addition to the property tax and the licence fees in respect of those industries and trades.

As a sequel to the recommendation of Zakaria Committee on augmentation of financial resources of local bodies and in keeping with the scheme of distribution of taxing powers between local bodies and Government as is obtaining in Tamil Nadu, and elsewhere in the country, it is proposed to empower the municipal councils to levy entertainments tax and show tax at rates the maxima and minima whereof are specified by Government.

Provision has also been made for the recovery of taxes, fees, cesses and other dues on the analogy of the recovery procedure contained in the Puducherry Revenue Recovery Act, 1970 (No.14 of 1970).

In order to secure prompt payment of taxes, it is proposed to provide for the levy of interest by Commissioner, if the tax is not paid within 15 days from the date on which the tax is due subject, however, to the condition that the maximum rate of interest does not exceed 10 per cent per annum.

Provision has been made in this Chapter enabling any person to appeal against any claim for taxes or other dues duly made before such authority as may be prescribed.

Chapter IX (clauses 193 to 215). – This Chapter deals with the constitution of municipal fund, authorised objects of expenditure, budget and appointment of auditors of accounts and their powers.

Provision has been made in this Chapter enabling the Government to contribute to the funds of any municipality by way of such grant and subject to such terms and conditions for the various purposes mentioned therein.

Chapter X (clauses 216 to 244). – This Chapter contains provisions relating to water supply, lighting and drainage.

Provision has also been made empowering the Commissioner to insist upon construction of flushout latrines or ordinary latrines as he may choose, in buildings, factories, markets.

Chapter XI (clauses 245 to 251). – This Chapter deals with scavenging to be done by the municipality.

Chapter XII (clauses 252 to 284). – This Chapter contains provision relating to streets in the municipality. Provision has been made empowering the council to declare any street or part thereof as a public street. Provision is also being made to the effect that the prior approval of the prescribed authority is necessary while streets are named or numbered by the municipal council.

Chapter XIII (clauses 285 to 316). – This Chapter deals with the building regulations.

Chapter XIV (clauses 317 to 342). – This Chapter deals with nuisances. It empowers the Commissioner to remove public nuisance and to take such measures as are necessary for the promotion of public safety.

Chapter XV (clauses 343 to 404). – This Chapter deals with the licenses and fees. Detailed provisions have been made empowering the council or Commissioner to control places of public resorts and entertainments, trades, industries and factories, slaughter-houses, milk trade, markets, etc., cart-stands, porters and to regulate inspection of places for sale, disposal of the dead. Particular mention may be made of the provisions that no person shall be buried or burnt except on the production of burial or cremation permits by such prescribed authority in consonance with the practice followed since the days of French regime.

Chapter XVI (clauses 405 to 413). – This Chapter empowers the municipal council to establish cattle pounds in supersession of the Cattle Trespass Act, 1871 (Central Act 1 of 1871).

Chapter XVII (clauses 414 to 423). – This Chapter deals with the eviction of persons, who will be in unauthorised occupation of municipal premises. The proposed provisions are modelled on the corresponding provisions in the Public Premises Eviction of Unauthorised Occupants Act, 1958 (Central Act 32 of 1958).

Chapter XVIII (clauses 424 to 439). – This Chapter deals with the prevention of disease.

Chapter XIX (clauses 440 to 448). – This Chapter contains provisions relating to subsidiary legislation namely, rules, bye-laws, and regulations. The delegation of legislative power is of normal character only.

Chapter XX (clauses 449 to 456). – This Chapter lays down the various penalties which could be imposed for contravention of the provisions of this Bill when enacted and the rules proposed to be made thereunder.

Chapter XXI (clauses 457 to 504). – This Chapter deals with the provisions relating to the procedure and other related matters. Provision has been made to the effect that in case where the municipal council does not accord its approval for the institution of any suit or legal proceedings, the Commissioner may report the case to the Government who will make such necessary order after giving the municipal council a reasonable opportunity to offer its views in the matter.

Provision has also been made in this Chapter to confer power on the Government to revise the order or proceedings recorded under the provision of this legislation by certain authorities or officers.

Provision is being made in the legislation conferring power on the Government to make suitable provisions by order, when a municipality is created or altered.

Chapter XXII (clauses 505 to 513). – This Chapter deals with repeals and transitory provisions. Provisions have been made for smooth change over from the present system of local self-Government. Provision has been made in the legislation conferring power on the Government to pass orders for removing any difficulty which may arise in giving effect to the provisions of the Bill when enacted. Provision has also been made empowering the Government to exempt any municipality from the operation of any of the provisions of the Bill when enacted.

+Schedule I	..	This schedule contains the table showing number of councillors and class of municipal councils.
Schedule II	..	This schedule contains names of the successor municipal councils in respect of existing municipal councils.
Schedule III	..	This schedule enumerates the purpose for which the uses of any building or land render such building or land liable to additional tax under clause 118 and also lists out the purpose for which the places may not be used without a licence.
Schedule IV	..	This schedule prescribes the maximum rates at which profession tax is leviable.
Schedule V	..	Maxima and minima rates of show tax are prescribed in this schedule.
Schedule VI	..	Maxima and minima rates of show tax are prescribed in this schedule.
Schedule VII	..	Maxima rates of tax on advertisements other than advertisements published in newspapers are prescribed in this schedule.
Schedule VIII	..	This schedule lists out the various types of instruments subject to the levy of duty on transfer of immovable property.
Schedule IX	..	This schedule contains the maxima rates of surcharge on duty on toddy trees.
Schedule X	..	This schedule contains form of distraint warrant.
Schedule XI	..	This schedule contains form of inventory and notice.
Schedule XII	..	This schedule contains table of fees payable on distraint.
Schedule XIII	..	This schedule lays down the maximum amount of fine which may be imposed in respect of offences under the proposed legislation.

STATEMENT OF OBJECTS AND REASONS FOR ACT NO. 15 OF 1981

The Government have recently taken a policy decision to reserve not exceeding twenty per cent of the seats for the Scheduled Castes of which one-fourth of seats for women members of the Scheduled Castes, and not exceeding fifteen per cent of seats for women in the election to Municipal Councils. It has therefore been proposed to amend section 9 of the Puducherry Municipalities Act, 1973.

2. The Bill seeks to achieve the above object.

+ Schedule – I was omitted by Act 4 of 1994, section 5, w.e.f 22.4.1994. Power to notify for the proper of sub-section (1) of section was conferred on the Government.

STATEMENT OF OBJECTS AND REASONS FOR ACT NO. 3 OF 1988

Section 158 of the Puducherry Municipalities Act, 1973 (Puducherry Act No. 9 of 1973) provides that a duty on transfer of property shall be levied in the form of a surcharge on the duty imposed by the Indian Stamp Act, 1899 on every instrument of the description specified in Schedule VIII to the said Act and that the surcharge on the duty shall be levied on the amount specified in that Schedule. As per the Schedule the amount on which the duty shall be levied is the amount or value of consideration as set forth in the instrument.

The surcharge on stamp duty is collected only on the face value of the document and not on the actual market value of the property, while stamp duty is collected on the market value. This results in loss of revenue to the Municipalities as there is a tendency to understate the consideration less than the market value. In order to remedy this, it is necessary to amend the VIII Schedule to the Puducherry Municipalities Act, 1973 so that the surcharge shall be levied on the market value of the property.

The Bill seeks to achieve the above object.

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STATEMENT OF OBJECTS AND REASONS FOR ACT NO. 4 OF 1994

The Constitution (Seventy-fourth Amendment) Act, 1992 was passed by the Parliament. This brings amendments in the Constitution of India by inserting a separate chapter relating to Municipalities.

2. The Constitution amendment provides for clear and unambiguous relationship between the State and the Municipalities and paves way for the development of Local Bodies.

3. It is also mandatory to incorporate these amendments in the Puducherry Municipalities Act, 1973. Accordingly, the Puducherry Municipalities (Amendment) Bill, 1994 has been prepared incorporating all the provisions of the Constitutional Amendments which are necessary.

4. The Bill ensures timely elections to Local Bodies and provides for stabilisation of the finances of the Local Bodies, reservation of seats for Scheduled Castes, Women, Backward Class, reservation of Chairpersons, devolution of powers upon the Municipalities, sharing of taxes between State and Municipalities.

5. The Bill seeks to achieve the aforesaid objects.

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STATEMENT OF OBJECTS AND REASONS FOR ACT NO. 3 OF 1996

At present the election of chairperson for Municipalities is by and from amongst the elected councillors. In order to get the chairperson directly elected by the voters, section 12 of the Puducherry Municipalities Act, 1973 has been substituted by new sections 12, 12-A to 12-C. Relevant provision for cessation of Office of Chairman/Vice-Chairman have also been included in section 12-C. Provisions for resignation of Chairman and Vice-Chairman have been substituted as section 97. Power of Government to remove Chairman/Vice-Chairman has also been amended and substituted as section 108 and 108-A.

2. Further, the system of allotment of reserved seats is at present, by drawal of lots. By amending sub-section (5) of section 9, this system of drawal of lots has been removed as it may give rise to certain difficult situations. A more viable measure has been provided for.

3. The Bill seeks to achieve the above objects.

STATEMENT OF OBJECTS AND REASONS FOR ACT NO.9 OF 1999

Due to the advent of television exhibition, cinema theatres are becoming sick. In order to ameliorate the difficulties being faced by theatre owners, it has been decided to reduce the existing minimum rate of entertainment tax from forty-five per cent. to thirty-five per cent. Where the payment for admission inclusive of entertainment tax is more than one rupee and fifty paise.

2. Further, in order to augment the revenue of municipalities and to compensate the loss of revenue due to the proposed reduction of entertainment tax on cinematographic exhibition, it has been decided to levy entertainment tax at the rate of ten per cent of the amount collected by way of contribution or subscription or installation or connection charges or any other charges collected in any manner whatsoever, on television exhibition which has been hitherto going scout free. It is also proposed that this tax shall not be passed on to the subscribers.

3. It is, therefore, proposed to amend the Puducherry Municipalities Act, 1973 by way of a Bill to provide for levy of entertainment tax on television exhibition and for reduction of entertainment tax on cinematographic exhibition.

4. The Bill seeks to achieve the above objects.

STATEMENT OF OBJECTS AND REASONS FOR ACT NO.11 OF 1999

As per the existing provisions of the Puducherry Municipalities Act, 1973, appeals against any claim for taxes and other dues have to be preferred only in the civil court. The revisional powers are also vested with the civil court. The litigation is normally time-consuming and hence causes inconvenience to the tax payers and municipalities.

It has therefore been decided to constitute a Taxation Appeals Committee with the Chairman of the Municipal Council as the Chairperson of the Committee and two Councillors duly elected by the Municipal Council as Members of the Committee. In the absence of duly elected Municipal Council, the Special Officer of the Municipality shall be the Chairperson of the Committee and the Executive Engineer of Public Works Department who is in-charge of execution of building works and the Deputy Collector of the Revenue Department of the respective region shall be its members. Further, the revisional powers shall be vested with the Government. It has been further decided to exclude the jurisdiction and pending proceedings in the civil courts in respect of any suit or proceedings in the nature of claim of tax or other dues payable to municipalities.

The Bill seeks to achieve the above objects.

STATEMENT OF OBJECTS AND REASONS FOR ACT NO.9 OF 2001

For the purpose of preventing personation of electors in the elections to local bodies it is proposed to introduce special procedure for preventing personation of electors by use of identity cards.

Technology has made very rapid strides thereby favourably affecting several fields for human activity and leading to betterment all round. It was felt that appropriate modern electronic processes should be deployed, side by side, with the existing conventional systems in the voting process. Suitable amendments were therefore made in the Representation of the People Act, 1951 in order to facilitate use of electronic voting machines. The procedure relating to use of identity cards and electronic voting machines are proposed to be introduced in the elections to local bodies also.

In order to facilitate the use of identity cards and electronic voting machines in the elections to local bodies it is proposed to amend the provisions of the Puducherry Municipalities Act, 1973 by inserting new sections 64-A and 64-B and by amending section 65 for the above purpose.

The Bill seeks to achieve the above objects.

STATEMENT OF OBJECTS AND REASONS FOR ACT NO.9 OF 2002

At present, there are certain places in this Union territory which attract people during certain periods in the year as being places of pilgrimage/tourist resort. During these periods, the concerned Municipalities under whose jurisdiction such places of pilgrimage/tourist resort exist are hard pressed in so far as providing the requisite amenities and rendering services to meet the demands of the mass inflow of pilgrims/tourists. This apart additional staff are required during such periods for providing such amenities/rendering services as it is not possible to cater to the needs of the pilgrims/tourists with the existing staff. The Municipalities are therefore facing a financial strain during such periods. With a view to augment funds for providing better amenities and rendering services to the pilgrims/tourists and also with a view to avoid a drain on the financial resources of the Municipalities, it is proposed to levy a charge on every motor vehicle entering a place of pilgrimage/tourist resort in this Union territory as so notified as is being done in the neighbouring State of Tamil Nadu, by amending the Puducherry Municipalities Act, 1973, suitably.

The Bill seeks to achieve the above objects.

STATEMENT OF OBJECTS AND REASONS FOR ACT NO.10 OF 2004

Section 163 of the Puducherry Municipalities Act, 1973 provides for composition and consolidated payment of tax payable in respect of entertainment covered under section 161. It is proposed to make applicable the aforesaid provision to the entertainment tax on cable television exhibition provided under section 161A of the said Act. It is therefore proposed to amend section 163 of the Act suitably for the said purpose.

Section 161 of the said Act provides for imposition of entertainment tax for admission to any entertainment at the rates the maximum and minimum whereof are specified in Schedule-V thereof. At present the minimum rate of tax has been fixed at seven twentieths (35%) on the payment of admission inclusive of the amount of entertainment tax. However, the Puducherry Cinema Exhibitors Association had been requesting this Administration to reduce the rate of tax to one-fourth (25%) so as to bring it on par with the rate prevailing in the neighbouring State of Tamil Nadu. Since it has been proposed to reduce the tax as projected above it has become necessary to amend Schedule-V of the Act and for this purpose the Puducherry Municipalities (Amendment) Bill, 2004 is proposed to be enacted.

The Bill seeks to achieve the above objects.

STATEMENT OF OBJECTS AND REASONS FOR ACT NO.6 OF 2005

Consequent on an assurance given on the Floor of the House, a Committee was constituted to study the problems and suggest a methodology for assessment of property tax under the Puducherry Municipalities Act, 1973. The Committee has since then submitted its recommendations in this behalf. One of the recommendations of the Committee is that the percentage of allowance for maintenance of buildings presently fixed at 10% of the computed annual rental value shall be enhanced to 15%. Sub-section (2) of section 123 provides for the deduction of 10% of that portion of such annual rent which is attributable to the buildings alone, apart from their sites and adjacent lands occupied as appurtenances thereto and the said deduction shall be *in lieu* of all allowances for repairs, etc. Therefore, for the purpose of enhancement of the deduction from 10% to 15%, sub-section (2) of section 123 is proposed to be amended suitably.

The Bill seeks to achieve the above object.

STATEMENT OF OBJECTS AND REASONS FOR ACT NO. 1 OF 2007

In the Puducherry Municipalities Act, 1973, 16 functions of Municipalities have been prescribed while enacting the Act, in 1973.

But, in the Constitution (74th Amendment) Act, 1992, 18 subject matters, as listed in the Twelfth Schedule to the Constitution, have been prescribed as the functions of Municipalities.

Article 243W of the Constitution requires the State Legislature by law to endow the Municipalities with such powers and authority as may be necessary to enable them to function as institutions of self-governance with regard to matters listed in the Twelfth Schedule to the Constitution.

The following functions/subject matters, which find place in the Twelfth Schedule to the Constitution do not find place in the Puducherry Municipalities Act, 1973.-

- (i) Urban planning, including town planning.
- (ii) Urban poverty alleviation.

Further, the functions, which are already existing in the Puducherry Municipalities Act, 1973, are not in exact terms of the matters listed in the Twelfth Schedule to the Constitution but in terms of actual civic functions.

Therefore, it is considered necessary to incorporate the list of 18 subject matters, listed in the Twelfth Schedule to the Constitution, in the Puducherry Municipalities Act, 1973, under a separate Schedule, namely, Schedule-XIV, in accordance with the provisions contained in the Constitution (74th Amendment) Act, 1992 and to provide for enabling the Government to entrust to a Municipality with such powers, authority, *etc.*, as may be necessary to enable it to carryout its responsibilities conferred upon it including those in relation to the matters included in Schedule-XIV, by bringing necessary amendment to the Puducherry Municipalities Act, 1973.

The Bill seeks to achieve the above objectives.

STATEMENT OF OBJECTS AND REASONS FOR ACT NO. 1 OF 2011

The Ministry of Urban Development, Government of India has launched a Centrally Sponsored Mission/Scheme, *viz.*, Jawaharlal Nehru National Urban Renewal Mission (JNNURM) in December, 2005 with a view to provide reforms driven, fast track and planned development in 63 identified cities in the country with a focus on efficiency in urban infrastructure/service delivery mechanism and accountability of urban local bodies to the citizens during the Mission period 2005-2012.

2. Puducherry is one among the 63 cities which have been identified under the said Mission for availing of financial assistance under a Sub-Mission/Scheme *viz.*, Provision of Urban Infrastructure and Governance. Therefore, the two municipalities, *viz.*, the Puducherry Municipality and Oulgaret Municipality are eligible to get central assistance under the said scheme. The Non-Mission Cities, namely, Karaikal, Mahe and Yanam are also eligible to avail of the Central Assistance under the Sub-Mission *viz.*, Urban Infrastructure Development Scheme for Small and Medium Towns.

3. In order to avail of the financial assistance from the Government of India under the said Mission, a Memorandum of Agreement was signed by the Government of Puducherry with the Ministry of Urban Development on 31-12-2007 to bring in 23 reforms in urban governance within a time frame. One of the optional reforms to be brought in at the State level is to enact Public Disclosure Law with the object of publishing information on functioning of urban local bodies on a periodical basis.

4. Therefore, it is considered necessary to bring an amendment to the Puducherry Municipalities Act, 1973 to disclose the functioning of municipalities to the public so as to ensure transparency and accountability in the administration of municipalities.

5. The Bill seeks to achieve above objects.
