

**OFFICE OF NAGAR PANCHAYAT KOTKHAI DISTT SHIMLA H.P**

No.NPK/2026-2390

Dated:-06.02.2026

Notification

Whereas the Nagar Panchayat Kotkhai drafted the “Nagar Panchayat Kotkhai (Grant of Trade License for Trade activities, Use of Premises and Storage of Articles in Premises), Bye laws 2025” were published in the Hindi Divya Himachal and Himachal Dastak, under section 202 read with section 214 of the Himachal Pradesh Municipal Act 1994 .

And whereas , no objections were received from any quarter within the specific period of fifteen days from the date of publication of these draft bye-laws .

In exercise of the powers conferred under Section 125,126,127, 128 read with section 202 and 214 of the Himachal Pradesh Municipal Act, 1994, the following Byelaws are hereby made by the Nagar Panchayat Kotkhai for regulating /framing of “ The Kotkhai Nagar Panchayat (Grant of Trade License for Trade Activities, Use of Premises and Storage of Articles in Premises) Byelaws 2025.

**1. Short title, Extent and Commencement.**

- i. These Byelaws may be called the Nagar Panchayat Kotkhai, (Grant of Trade License for Trade Activities, Use of Premises and Storage of Articles in Premises) Byelaws 2025.
- ii. These Bye Laws shall come into force from the date of their publication in the Official Gazette.
- iii. These Byelaws shall apply to all shops/premises falling within the NP limits which may not be used without license for the purpose specified in Section 125,126,127, 128 read with section 202 and 214 of the Himachal Pradesh Municipal Act, 1994 as per Annexure I and for storage of any Article, and performing of any trade within NP limits as per the Trade Types specified in these byelaws at Annexure I.

**2. Definitions**

In these Byelaws, unless the context otherwise requires:

- a. “Act” means the Himachal Pradesh Municipal Act.1994, (Act No 12 of 1994).
- b. “Authorized Officer” means Secretary or any other Officer specifically authorized by the Secretary.
- c. Urban Local Body (ULB): An Urban Local Body (ULB) is an administrative unit in urban areas, responsible for governance, management, and development which in this case is Nagar Panchayat Kotkhai
- d. “Inspector” means Sanitary Inspector, or any other Official of the Nagar Panchayat Kotkhai duly authorized by the Secretary.
- e. “License” means a written permission granted by the Secretary or any other official /Officer duly authorized by the Secretary in favor of the person, owner & occupier for sale/storage of articles and Trade Types specified in Annexure I, and zones as per Annexure II of these Byelaws.
- f. “Licensing Officer” means Secretary, or any other officer duly authorized by the Secretary to grant/ renew License under the provisions of these Byelaws.
- g. “premises”, means any shop/store/place where the articles specified in Annexure I are kept for sale/storage in the godown/ premises and or where the trade activities as specified under Annexure I are performed.
- h. “Small Scale Business/Trade” means premises covering a maximum area of 150 sq.ft. “Medium Scale Business/Trade” means premises covering area of 151 Sq.ft. to 500 sq. ft. and “large Scale Business/Trade” means premises covering area of more than 500 Sq.ft.
- i. Small Shop: A shop covering an area upto 64 square ft. shall be deemed to be a small shop.
- j. Medium Shop: A shop covering an area more than 65 sq ft. and upto 250 square ft. shall be deemed to be a medium shop.
- k. Large Shop: A shop covering an area more than 250 square ft. shall be deemed to be a large shop.
- l. Temporary Trade License: This license is issued for a brief period ranging from 1 to 30 days. It is applicable exclusively to trade activities conducted from temporary, or makeshift shops or stalls at

approved fairs, events, etc. It is mandatory for the fair organizer/ temporary shop or stall owner to get the individual temporary trade license as per the terms defined in this byelaw.

- m. Zone: Functional boundary of the ULB, area designated for specific types of trade activities.
- n. Superstore: typically refers to a large retail establishment that sells a wide variety of goods.
- o. E-commerce: Electronic commerce, refers to the buying and selling of goods and services over the internet. It encompasses a wide range of online business activities for products and services.
- p. Cloud Kitchen: A cloud kitchen, also known as a virtual kitchen, is a type of commercial kitchen space dedicated solely to preparing food for delivery and takeout.
- q. NP Services: include but not limited to Garbage Collection, Property Tax, Electricity supply, Water supply, and Sewerage connection, provided under the jurisdiction of the Nagar Panchayat which can be regulated by separate authorities.
- r. "Shopkeeper" means any person running and managing the affairs of the shop/premises/place including its owner/occupier.
- s. The words and expression not defined under these Byelaws shall have the same meaning or sense as are defined in Himachal Pradesh Municipal Act, 1994.

### **3. Procedure for Obtaining License**

- a. Any person who wants to operate/run any business/trade as specified in Annexure I and/ or store any article as specified in Annexure I within the areas of the Nagar Panchayat and as per zone definitions in Annexure II shall apply for license on prescribed Format to Secretary of the concerned Nagar Panchayat.
- b. Period of License: The License shall be issued for a period of 1year, 5 Years, 10 years & maximum up to 15 years at a time and the License shall automatically come to an end after completion of such period.

### **4. Renewal of License**

- i. The license will be automatically renewed upon expiration once the applicant deposits the required fee. It can be renewed without any late fee or additional documentation within one month after expiration. If renewed within the following month (2nd Month of Expiry), a 10% penalty will apply. Beyond this period, the license cannot be renewed, and a new trade license must be applied.
- ii. No document is required to be submitted for renewal of License.

### **5. Transfer of License**

- i. The license issued under the Byelaws shall not be transferred in the name of any person except in case of the death of original licensee wherein it shall be made/ transferred in the name of the legal heirs only for the validity period of license on production of supporting documents and shall be decided by Secretary keeping in view the circumstances of the case.
- ii. Transfer of Trade License fees will be charged as per prescribed fees decided by the ULB.

### **6. Closure of License**

The license issued under the byelaws can be requested for closure in case of winding up of the business. The licensee shall provide information as per prescribed guidelines to the Secretary for winding up of his business. Closure of Trade License fees will be charged as per prescribed fees, decided by the ULB.

### **7. Modification of License**

The license issued under the byelaws can be requested for modification in the following heads only.

- i. In-case of Change of Mobile Number (Trade Owner).
- ii. In-case of Change and or Addition in Subcategory or Trade under the preselected sector as per Annexure I. (Note: Sector cannot be Modified, Multiple licenses will have to be applied for, multiple sectors).
- iii. In-case of Change of Business/ Trade Address (Modification of trade address is only allowed in case the address is being changed within the same ward of the ULB.)

Modification of Trade License fees will be charged as per prescribed fees, decided by the ULB.

## 8. License Fees

The license fee for grant of license shall be decided by the Nagar Panchayat from time to time. The fee shall be charged in the following manner:

<b><u>Trade License Fees</u></b>	<b><u>Fees (Scale of Business as per Scale of Business table below)</u></b> ± <b><u>[Fees (Trade Type as defined in Annexure I) x Applicable Zone Factors (Defined in Annexure II)]</u></b>
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Sr. No.	Scale Of Business	License Period 1 Year	License Period 5 Years	License Period 10 Years	License Period 15 years
1	Small scale business/trade	80	800	1600	2400
2	Medium business/trade	200	1000	1900	2700
3	Large scale business/trade	800	2000	3200	4200

## 9. Temporary Trade Licenses

- i. Temporary Trade Licenses are applicable only in case of fairs, festivals, and other such events within the ULB, for a period of 1 day to 30 days only.
- ii. These licenses are specifically issued for temporary or makeshift shops or stalls at fairs and similar events.

Temporary Trade License Fees to be charged as per the formula below:

<b><u>Temporary Trade License Fees</u></b>	<b>Fees (As per Temporary Shop/ Stall Type Table Below)</b> + <b>[Fees (Trade Type as defined in Annexure I) x Applicable Zone Factors (Defined in Annexure II)]</b>
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**In fairs, temporary / makeshift Shop/ stall trade fees within ULB is defined below:**

Sr. No.	Shop Type	Shop Rate
1.	<b><u>Small Size Shop</u></b>	50
2.	<b><u>Medium Size Shop</u></b>	100
3.	<b><u>Large Size Shop</u></b>	150

## 10. Temporary Permissions

**Fee structure for permission for Shooting of the Films/Documentaries in Municipality:**

Big budget Films/Movies	Medium budget Films/Movies	Low budget Films/Movies/TV Serials/Musical Albums/Advertisements (Films upto Rs. 5.00 Crores)
(Films above Rs. 75.00 Crores)	(Films above Rs. 5.00 Cr. upto Rs. 75.00 Cr.)	

Rs. 70,000/-per day	Rs. 30,000/- per day	Rs. 15,000/- per day
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## 11. Conditions for Grant of License

- i. Trade registration with the Labour & Employment Department, Government of Himachal Pradesh, is a mandatory prerequisite for applying for a Trade License from Urban Local Bodies (ULBs).
- ii. The License shall not be valid for any other purpose, except for the items/articles for which it is granted under these Bye Laws.
- iii. The permission shall, unless specified otherwise in the license, be valid in the entire NP limits, subject to such conditions as may be imposed by the **Secretary**.
- iv. The owner /occupier of the premises shall have to produce the license before the Inspector or the licensing officer at any point of time as may be ordered by them.
- v. The **Secretary** shall have a right to impose or alter any of conditions in the license as may be deemed fit by him/her under the provisions of Section 214 of the Himachal Pradesh Municipal Act, 1994.
- vi. Additional Permissions for any article/ trade mentioned in annexure I may be added by the Secretary as and when deemed necessary.**
- vii. The applicant shall submit a self-declaration regarding information submitted by him / her about the premises to be used for business/ trade viz. type of business, area, approval of map and nature of property i.e. commercial and domestic etc. to be true to the best of his knowledge and belief.
- viii. The licensee shall maintain proper record of the articles kept for sale or storage and trade activities being performed in the premises as may be required by the Licensing Officer. Further the licensee shall comply with all the directions and instructions issued to him by the **Secretary** or the Licensing Officer from time to time.
- ix. The licensee will ensure timely payment of NP dues.
- x. Time period for issue of License: The license shall be issued as per the timelines notified/specified for this service under Public Service Guarantee Act, 2011.
- xi. Subject to these Byelaws, license to any person, who applies online to the **Secretary** or Licensing Officer in this behalf and tenders the prescribed fee shall be granted by that officer, unless for reasons to be recorded in writing by him.
- xii. The Licensee shall be liable to pay transfer, modification, closure charges as prescribed by ULB per license at the time of effecting transfer of License, modification of license, closure of license.**
- xiii. The licensee shall abide by the terms and conditions of the license and the license shall be displayed at the convenient/ conspicuous place /reception of the premises.
- xiv. The Inspector or inspecting staff concerned shall have a right to enter and inspect the premises and the licensee shall provide necessary assistance to the inspecting staff at the time of inspection of licensed premises.
- xv. The licensee shall not make any encroachment/ overhanging projection on public streets and NP drains in any manner.

## 12. Denials of License

1. The license shall not be granted:
  - i. to a person suffering from any loathsome infections or contagious diseases:
  - ii. to a person convicted for unlawful sale or storage of any articles mentioned in Section 125, 126, 127, 128 read with section 202 and 214 of the Himachal Pradesh Municipal Act, 1994
  - iii. to a person who has been found to have habitually committed the breach of these Bye- Laws or the terms of the license.
  - iv. to a person not below the age of 18 years.
  - v. To a person involved in any unlawful activity as decided by the Municipality.

## 13. Offenses and Penalties

- i. In addition to the penalty as provided under Himachal Pradesh Municipal Act, 1994 any person in possession of the premises found violating any of the provisions of these Byelaws shall in the first instance be liable for a penalty of Rs 1000/- only and suspension of license for a period of one month and for repetition of the same violation within three months be liable for penalty of Rs. 5000/- only and permanent Cancellation/withdrawal of license.**

- ii.If the information submitted by the applicant under self-declaration is found to be false, he/she shall be liable for the penalty of ten times of the license fee and his/ her license will be cancelled.
- iii.In case of repeated violations, the concerned person, owner, or occupier, as the case shall be liable for cancellation/withdrawal of License which can only be restored on receiving written undertaking accompanied by surety from the person violating these Bye-laws subject to the satisfaction of the Secretary.

**14. Penalization for Default on NP Services.**

In the interest of maintaining compliance and to ensure the seamless provision of NP services, the Nagar Panchayat hereby enacts the following:

**1. Interlinked Service Compliance:**

All NP Services, including but not limited to Garbage Collection, Property Tax, Electricity, Water, and Sewerage, provided under the jurisdiction of the Nagar Panchayat and regulated by separate authorities, shall be interlinked for compliance purposes.

**2. Cross- Service Penalization:**

Any resident or entity found to be in violation of the regulations pertaining to any one of the NP services shall be subject to cross-NP service penalization. This includes but is not limited to:

- i.Suspension or limitation of other NP services.
- ii.Imposition of additional fines and penalties across all utilities.
- iii.Notification and reporting of violations across regulatory authorities for coordinated enforcement.

**3. Repercussions for Trade License service**

NP Service Defaulters will not be allowed to apply/ renew/ modify/ close trade licenses till the violation is resolved.

**4. Notification and Appeal:**

Prior to the enforcement of cross-NP penalties, the affected party shall receive a written notice detailing the nature of the violation, the affected services, and the penalties to be imposed.

The affected party shall have the right to appeal against the penalization within a stipulated period as prescribed by the Nagar Panchayat.

**5. Inter-Authority Coordination:**

Regulatory authorities governing each NP service shall establish a coordination mechanism to ensure the efficient and timely exchange of information regarding violations and enforcement actions.

Regular meetings shall be held between regulatory authorities to review compliance status and address issues related to cross-NP service penalization.

**6. Zone Categorization**

Nagar Panchayat should consider categorizing trade license fees within their jurisdiction based on the zone in which the trading unit is located.

**These Byelaws shall come into effect immediately upon its inclusion in the Nagar Panchayat Byelaws. The Municipality shall periodically review and update the cross-NP penalization framework to address emerging challenges and ensure fair and effective enforcement.**

**By Order**

Sd/-

Secretary,  
Nagar Panchayat Kotkhai  
Himachal Pradesh.

**Trade Sector Type and Trade Categorizations Annexure I**

<b>Sr No.</b>	<b>Sector</b>	<b>ULB Name</b>	<b>Trade Fees INR</b>
1	Agriculture	Nagar Panchayat Kotkhai	100
2	Automotive	Nagar Panchayat Kotkhai	200
3	Banking Finance Services Insurance (BFSI)	Nagar Panchayat Kotkhai	300
4	Common Trades	Nagar Panchayat Kotkhai	120
5	Education, Skills & Development	Nagar Panchayat Kotkhai	200
6	Fairs, Festivals, Events, and Exhibitions (Temporary Licenses Only)	Nagar Panchayat Kotkhai	100
7	Handloom & Handicrafts	Nagar Panchayat Kotkhai	80
8	IT/ ITES Services	Nagar Panchayat Kotkhai	100
9	Luxury Goods	Nagar Panchayat Kotkhai	200
10	Manufacturing, Industries and Industrial Materials	Nagar Panchayat Kotkhai	400
11	Petroleum, Chemicals & Other Regulated Products	Nagar Panchayat Kotkhai	800
12	Tourism & Hospitality	Nagar Panchayat Kotkhai	600
13	Transportation & Logistics	Nagar Panchayat Kotkhai	400

**Annexure - II**

**Zone Categorization Table**

1.	A	As per priority Zones defined in Property Tax under the NP Property Tax Bye Laws	3
2.	B	As per priority Zones defined in Property Tax under the NP Property Tax Bye Laws	2.5

## Form A - Trade License

<b>1</b>	<b>Applicant information</b>	
	Name:	
	Father/Husband Name:	
	Pan Card No.	
	Aadhar No.	
<b>2</b>	<b>Applicant permanent Address:</b>	
	Building Name/ Number:	
	Area/Street:	
	Ward Number and Name,	
	City /District	
	Pin	
<b>3</b>	<b>Applicant contact details:</b>	
	Email:	
	Mobile No.	
<b>4</b>	<b>Trade Address</b>	
	Building name/ number	
	Area/Street/landmark:	
	Ward	
	Name of ULB:	
	City /District	
	Pin	
<b>5</b>	<b>Trade Contact Details:</b>	
	Email:	
	Mobile No.	
<b>6</b>	<b>Trade Classification/ category:</b>	
	Trade Type:	
<b>7</b>	<b>Trade Details</b>	
	Trade details (Brief description)	
	Year for the license is required (Max. 5 years)	
	Area of premises ( i.e.<125 sqft,>125 sqft)	
<b>8</b>	<b>Documents to be submitted</b>	
	Photo ID Proof	
	Lease Deed/ Rent Agreement	
	PAN/TAN/TIN*	
	NOC (where required)	

(Signature of the Applicant)

Declaration:-

I.....S/o,D/o,W/o .....resident of.....do hereby solemnly affirm and declare that information submitted by me for acquiring Trade License is true and correct to the best of my knowledge and belief if any information submitted by me is found incorrect/misleading at any stage, then I will be liable for legal action.

**Form for Renewal of Trade License**

Existing License Number	
Name of Licensee	
Nature of Trade/Business	
Date of Issue	
Date of Expiry	
Period/date of renewal license	

**Form for Transfer of License**

Existing License Number	
Name of Original Licensee	
Nature of Trade/Business	
Date of Death of Original Licensee	
Name of Applicant to whom license is to be transferred	
Period of renewal of License	
Detail of attached supporting documents	

**Information to be provided for winding up of business / trade**

I ..... s/d/w.....r/o .....hereby inform in advance that I shall be winding up my business /trade registered under registration no ..... And trade license No..... with effect from dated .....

Signature of Applicant