

**IN THE HIGH COURT OF JUDICATURE AT HYDERABAD
FOR THE STATE OF TELANGANA AND THE STATE OF ANDHRA PRADESH**

W.P.No.36921 of 2012

Between:

M/s. Muthoot Finance Ltd

... Petitioner/Appellant (s)

And

The Vijayawada Municipal Corporation,
and another

... Respondent (s)

DATE OF JUDGMENT PRONOUNCED: 21.07.2015

SUBMITTED FOR APPROVAL:

THE HON'BLE SRI JUSTICE A. RAJASHEKER REDDY

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| 1 | Whether Reporters of Local newspapers may be allowed to see the Judgments? | Yes/No |
| 2 | Whether the copies of judgment may be marked to Law Reports/Journals | Yes/No |
| 3 | Whether Their Ladyship/Lordship wish to see the fair copy of the Judgment? | Yes/No |

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HON'BLE SRI JUSTICE A.RAJASHEKER REDDY

W.P.No.36921 OF 2012

ORDER:

This writ petition is filed declaring the Notice dated 08.02.2012, issued by the 2nd respondent to the petitioner under Section 516, 521, 539, 622 and 623 of the Hyderabad Municipal Corporation Act, 1955 (for short 'the Act'), as illegal and arbitrary.

The case of the petitioner is that it is engaged in the business of Gold Loans and carrying on the finance business in various branches of Andhra Pradesh. While so, the 2nd respondent issued notice under Section 516, 521, 539, 622 and 623 of the Act, asking the petitioner to obtain trade licence for running the business, though the provisions mentioned in the notice have no application to the business run by the petitioner. Aggrieved by the same, the present writ petitions are filed.

Counter is filed by the 1st respondent stating that the Corporation is empowered to issue notice for obtaining trade licence to run the business of the petitioner under the provisions of GHMC Act, 1955. The 1st respondent also states that as the petitioner is running its activities and services within the limits of the Corporation, the petitioner shall obtain trade licence and that the Commissioner is empowered to issue trade license or written permission to various trades, operations and services rendered within the limits of the Corporation. Further, it is stated that the petitioner is running finance business in the jurisdiction of the Corporation by keeping the Company open to the public road and also exhibiting the name boards and several advertisements to the public streets of the Municipal corporation, therefore, the Commissioner is empowered to issue licence under Section 625 of the Act. The Commissioner is also empowered under Section 622 of the Act to grant licenses and written permissions by specifying conditions to any trade or any purpose to be carried out in the limits of the Corporation. The Section 622(4) of the Act also empowers the Commissioner to order the discontinuance of premises for unlicensed trades. Hence the notice issued by the Commissioner is valid and is within jurisdiction.

Learned counsel for the petitioner submits that none of the Sections referred in the impugned notice are applicable to the case of the petitioner and no provisions in the Act empowers the respondents to direct the petitioner to obtain license and pay trade license fee. In support of his contentions he relied on judgment reported in ***A.P. Bankers and Pawn Brokers Association, Appellant v. Municipal Corporation of Hyderabad, Respondent***^[1], ***Sri Satyanarayana Trading Co. and others v Secretary and Special Officer, Nellore Municipal Council, Nellore and another***^[2] and the order passed by this Court in **W.P.No.5069 of 2006 and batch**.

On the other hand Sri T.Balaswamy, learned Standing counsel for the respondent submits that since the trade carried on by the petitioner come under the purview of Section 521 of the Act, the impugned notice is issued to the petitioner under Section 521 of the Act. Even otherwise, the petitioners are liable to obtain trade license as per the provision under Section 403, 404, 625 and 625 of the Act. He also submits that the Sections 403, 404, 624 and 625 are not brought to the notice of this Court while deciding W.P.No.5069 of 2006 and batch.

In ***A.P. Bankers and Pawn Brokers Association*** case the Supreme Court held that

“if there are no terms and conditions, which can be imposed by a Commissioner or the Municipality in respect of a particular trade or operation then even if the Commissioner is of the opinion that, that trade or operation is dangerous to life or health or property or that it is likely to create a nuisance he would not be able to regulate or control that trade or operation. Insistence on getting a licence, in such a case, would be useless formality and would not be authorised by Section 521”

9.....that the trade and operation of money lending and pawn broking is controlled and governed by other Acts and other Laws like the Andhra Pradesh Money Lenders Act, the Andhra Pradesh Pawn Brokers Act, etc. Those Acts lay down all terms and conditions on the basis of which such trade or operations could be carried on. In the Hyderabad Municipal Corporation Act, there is no provision empowering the respondents to either carry out inspections or to take any measures to ensure that such

trade and operations are run properly and that exploitation is avoided. This aspect has been noticed by the High Court in the impugned judgment.

In ***Sri Satyanarayana Trading Co. and others*** case, this Court negatived the contention of imposition of licence-fee on carrying on business in gunny bags and on storing/sale of cement.

In view of the ratio laid down in the above judgments, the respondent authorities have no power to collect licence fee under Section 521 of the Act.

A perusal of the other provisions under Section 403, 404 and 624 and 625 reads as follows:

Section 403 and 404 of the Act reads as follows

403. Licence for sale in public places: Except under and in conformity with the terms and provisions of a licence granted by the Commissioner in this behalf, no person shall hawk or exposed for sale in any public street any article whatsoever, whether it be for human consumption or not.

404. Licenses for use of skill in handicraft of rendering services for purposes of a gain in public place or street: Except under and in conformity with the terms and provisions of a licence granted by the Commissioner in this behalf, no person shall, for purposes of gain, use his skill in any handicraft or in rendering services to and for the convenience of the public in public place or public street.

Similarly Section 624 and 625 of the Act reads as follows”

624. Licence for sale in public place: Except under and in conformity with the terms and provisions of a licence granted by the Commissioner in this behalf, no person shall use nay public place or any public street for the purpose of hawking or exposing for sale, any article whatsoever whether it be for human consumption or not.

625. Licence for use of skill in handicraft or rendering services for purposes of gain in public

place or street: Except under and in conformity with the terms and provisions of a licence granted by the Commissioner in this behalf, no person shall, for purposes of gain use and public street for the purposes of using his skill in any handicraft or in rendering service to and for the convenience of the public.

The above said provisions deal with licenses to do business in public places and streets. In the present case, petitioners are not doing business in public places or streets, as such the said provisions have no application. No other provision is brought to the notice of this Court empowering the respondent to insist for trade licence in respect of trade carried on by the petitioner.

In view of the above facts and circumstances, the respondents have no power to levy trade licence fee on the petitioner, as such, the same is without jurisdiction.

Accordingly, the writ petition is allowed setting aside the impugned notice. No costs. As a sequel, miscellaneous petitions pending if any, shall stand closed.

A.RAJASHEKER REDDY,J

Date: 21.07.2015

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[\[1\]](#) AIR 2001 Supreme Court 1356

[\[2\]](#) AIR 1980 288