

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 27.02.2025

CORAM:

THE HONOURABLE MR. JUSTICE J. SATHYA NARAYANA PRASAD

W.P.No.3998 of 2025
and WMP.Nos.4453 & 4455 of 2025

1.M/s.Saravana Selvarathinam Retail Private Limited

2.M/s.Shri Rathna Akshya Estates Private Limited
Rep by its Managing Director S.Sravana Arul,
No.9, Thuraipakkam – Pallavaram Radial Salai,
Pallavaram, Chennai – 600 047.

... Petitioners

vs

The Commissioner
Tambaram Municipality
Tambaram, Chennai – 600 044.

... Respondent

prayer: Writ Petition is filed under Article 226 of the Constitution of India, praying to issue a Writ of mandamus to call for the records on the file of the respondent in his proceedings in Na.Ka.No.050/2025/H1(M2) dated 28.01.2025 and quash the same as illegal and further for a direction, directing the respondent to renew the Trade License applied vide application dated 28.01.2025.

For Petitioners : Mr.G.Karthikeyan, Senior Counsel
for M/s.A.Jagadeeswari

For Respondent : Mr.P.Srinivas, Standing Counsel.



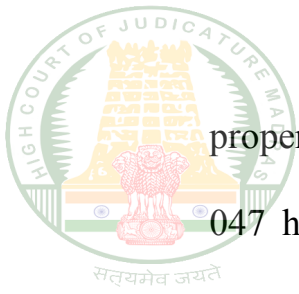
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ORDER

This writ petition has been filed to call for the records on the file of the respondent in his proceedings in Na.Ka.No.050/2025/H1(M2) dated 28.01.2025 and to quash the same as illegal and further to direct the respondent to renew the Trade License applied vide application dated 28.01.2025.

2.The respondent passed the impugned order dated 28.01.2025 stating that the petitioner has filed application for renewal in online application on 28.01.2025 without enclosing the relevant documents prescribed under Section 289, 290, 301, 302 and 303 of Tamil Nadu Urban Local Bodies Act 2023. Aggrieved over the said impugned order passed by the respondent, the petitioner has come forward with the present writ petition.

3. The learned counsel for the petitioner would submit that the petitioner company is running a business of retail show room for sale of Textiles, household articles, jewellery etc in and around Chennai city. For expansion of business, the petitioner established a retail showroom in the



property bearing Door No.9, Thoraipakkam – Pallavaram, Chennai – 600 047 has been purchased. He would submit that after obtaining requisite approvals from the concerned Development Authorities, the showroom was constructed consisting of Basement Level 1, Basement Level 2, stilt + 13 floors in two blocks. The total extent of the built up area of two blocks is 10,22,756 sq.ft. The building was fully constructed and put to use only during the month of October 2022. The trade license for the petitioners business was applied under the Tambaram City Municipal Corporation Act, 2008. The trade license was duly issued by the respondent for a period of one year from 01.04.2023 to 31.03.2024, and further for a period of one year from 01.04.2024 to 31.03.2025 and the license was renewed by the respondent vide dated 17.02.2024.

4. The learned counsel would further submit that the license fees was duly paid and licence for trade is renewed rightly on payment of necessary licence fee. The petitioner is prompt in its payments and obedient to law and its procedure. In the meantime, the trade in the licensed addressed was commenced and the trade licence renewed in the year 2023, under the Tamil Nadu Urban Local Bodies Act, 2023 which came into effect repealing the Tambaram City Municipal Corporation Act, 2008, under its provisions the



applications for issuance of Trade License and renewal of the same is being entertained and the same is being processed. The respondent/corporation informed that the upgrading of its website is under process and so the applications are processed under the old format. It is pertinent to state that as per the Tamil Nadu Urban Local Bodies Rules 2023, the Trade License is to be issued for a period of three years and renewed for three years, whereas, the respondent continued to issue license only for one year.

5. The trade license renewed vide license dated 17.02.2024 in the name of the petitioner is in force upto 31.03.2025. But to the shock and surprise of the petitioner, the respondent had issued notice under the Rules 289, 301, 302, 303 and 304 of the Tamil Nadu Urban Local Bodies Act, 2023 dated 24.01.2025, calling upon the petitioner to pay the license fee with an information that the petitioner is running its respective business without any Trade license and in case of failure to remit the license fee within a period of 7 days, with a warning for locking and sealing the business premises was given. On receipt of such notice dated 24.01.2025, the petitioner had replied the respondent vide letter dated 28.01.2025, pointing out that the license fee had been paid and renewed the license on



17.02.2024 for the year 2025-2026, the petitioners had remitted the payment and applied for renewal.

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6. In the notice dated 24.01.2025, had no information as to the period, it was orally informed by the respondent office concerned that the respondent demanded for renewal of license for the next subsequent years. On receipt of the above information, the license fees for the period from 01.04.2025 to 31.03.2026 has been paid and applied for renewal and the same was informed to the respondent in the reply dated 28.01.2024. The said reply dated 28.01.2024 was refused by the respondent and demanded for payment of property tax. The said oral demand of property tax cleared the clouds as to why the respondent had illegally demanding for license fee, when the same has been paid and the license is in force upto 31.03.2025.

7. It is further submitted that the property tax payment for the business premises of the petitioner it is stated that as against the enhanced and exaggerated assessment and demand of property tax by the respondent, the petitioner filed WP.No.25265 of 2023 before this Court, wherein the demand of property tax was stayed by an interim order dated 31.08.2023. In the meanwhile, the respondent had demanded the property tax assessed.

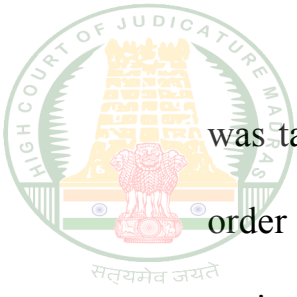


The said order of cancellation dated 28.01.2025 was served on the petitioner only on 30.01.2025, the cancellation of valid trade license issued to the petitioner vide license dated 28.01.2025 on the face of it is illegal and cannot be substantiated in the eye of law. The license issued on 17.02.2024 is valid upto 31.03.2025 and it should be renewed for the subsequent year. The reasons assigned in the impugned notice dated 28.01.2025 cancelling the trade license fails to specify the documents required for renewal. The notice issued under Rules 289 is issued without any application of mind and it is for the grant of new license. As per Rules 290 the procedures for renewal of licence and according to which the license issued on 17.02.2024 is valid for 3 years and if at all the 2 years of payment if any can be demanded, but it does not provides for the cancellation of trade license. Any such cancellation of trade license, done in the impugned notice dated 28.01.2025 without any notice of cancellation is unjustifiable and violative of Rule 290. The license issued under the Tambaram City Corporation Act 2008 is valid and extends even after the implementation of the Tamil Nadu Urban Local Bodies Rules 2023 as per the transitional provisions of the Act 1998.



8. The learned standing counsel for the respondent filed counter affidavit on 10.02.2025, the learned standing counsel submits that the petitioner had not applied for the renewal of the Trade license three months before the expiry of the license as per Rule 289 of the Tamil Nadu Urban Local Bodies Rules, only after notice dated 24.01.2025 with regard to the non renewal of the license, the application dated 28.01.2025 was made by the petitioner in the online portal of the respondent.

9. The renewal of the license is auto issued by the portal without any approval of the officials. The said auto issue is a glitch that has been noticed as the said system is in its first year of operation particularly with regard to the renewal of the licenses. As soon as the payment is done in the online portal, the renewal gets issued, as the system does not differentiate the licenses for ordinary business premises such as small shops and that of the building that are having huge footprint of a public building, the said glitch is being addressed. The system is administered in the O/o. Director of Municipal Administration, the said glitch is being addressed by the said office as it handles the operations for all over the state in a common server. It is further stated that in the case of the petitioner, since the application was made much after the deadline of 31.12.2024, the scrutiny of the renewals



was taken up only at the end of the day and it was found that the renewal order had been auto generated without the required compliances under the various other enactments.

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10. The learned standing counsel further submitted that the total floor area of the building is 10.59,929sq.ft and since the same is a public building used by thousands of people on a daily basis, the license under the public buildings license rules issued by the jurisdictional Tahsildar under Form-D has to be submitted. Further, due to huge sprawling nature of the building with several nature of the building with several exits and entry points and also due to the fact that the building is used as commercial building frequented by a large number of public each day, the continued licenses issued by the Fire Department under the fire safety regulations and that of the Traffic Police with regard to their filed of operations have to be in currency for the renewal of the Trade license. For the said reasons, the impugned order was issued on 28.01.2025 informing the petitioner of the refusal of the renewal till submission of the required documents. The order of rejection of the application are being issued in a common format to all such large commercial establishments.



11. It is further submitted that the the petitioner needs to submits the required documents such as (i)Public building licence (ii)Fire Department and (iii)Traffic Police Department NOC. In case of rental buildings, the rental or lease agreement is to be produced as well as the property tax receipt paid upto the last half years as per the Rules that are set out in the impugned order.

12. The learned counsel appearing for the petitioner has also filed rejoinder / reply dated 17.02.2025 to the counter affidavit filed by the respondent dated 10.02.2025.

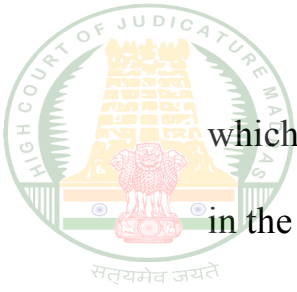
13. Heard the learned senior counsel appearing for the petitioner and the learned standing counsel appearing for the respondent and perused the materials available on record.

14. In this case, the previous license was issued on 17.02.2024 and the same is valid till 31.03.2025 and it should be renewed for next subsequent years. The trade license was also duly issued by the respondent for the previous period of one year from 01.04.2023 to 31.03.2025. The



trade in the licensed address was commenced and the trade license was renewed in the year 2023 under the Tamil Nadu Urban Local Bodies Act, 2023 came into effect repealing the Tambaram City Municipal Corporation Act, 2008 under its provisions the applications for issuance of Trade License and renewal of the same is being entertained and the same is being processed. The trade license has to be issued for a period of three years and renewal for three years, whereas the respondent continued to issue license only for one year, the present trade license of the petitioner is valid upto 31.03.2025.

15. With regard to the present renewal of the trade license for the period from 01.04.2025 to 31.03.2026, the following documents are required by the respondent (i)Public building licence (ii)Traffic Police Department NOC and (iii) Fire Department NOC. For the NOC from the fire service, the petitioner had already submitted the same which is valid for one year period commencing from 27.11.2024 to 26.11.2025, the said license was issued by the fire and rescue service dated 27.11.2024 vide Licence No.662/2024 (Issue). With regard to the public building license, as per the Tamil Nadu Building licence Rules in Form-D was issued by the Tahsildar is required by the respondent, but the particular Rule based on



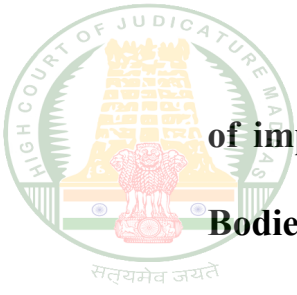
which the above documents is required by the respondent is not mentioned in the counter affidavit.

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16. With regard to the NOC from the Traffic Police there is no provisions in the rules which provides that the NOC has to be submitted for obtaining trade license. It is pertinent to note that the petitioner submitted a NOC from the Traffic police department dated 27.03.2019, is only with regard to the construction of the said building.

17. It is also pertinent to mention the Rule 290(1) of the Tamil Nadu Urban Local Bodies Rules 2023 reads as follows :- *“290.Validity and Renewal of Licences :- (1)A licence issued by the Commissioner under Rule 289, shall be valid for a period of three years from the date of issue and may be renewed for a further period of three years”*.

18. The aforesaid Rule came into effect from 13.04.2023 and the petitioner has renewed his licence on 17.04.2024 which is valid for a period of three years i.e., from 01.04.2024 to 31.03.2027 and there is no need for the petitioner to renew his license, which was cancelled by way

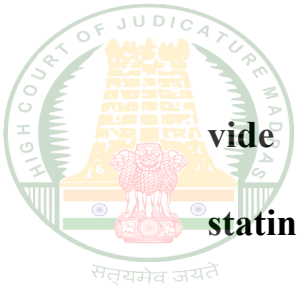


of impugned order. In the said rule 290 of Tamil Nadu Urban Local Bodies Rules, there is no demand for Form-D.

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19. Further, the learned standing counsel appearing for the respondent placed reliance on the Rule 300 of the Tamil Nadu Urban Local Bodies Rules 2023, wherein the proviso, it is stated that the provisions of the Chennai City Police Act, 1888 (Tamil Nadu Act III of 1888) shall be applicable in the case of Chennai. It is pertinent to note that the above rule is pertaining to licensing of place or building for public resort or entertainment and not for the buildings which is used for business viz., commercial buildings. The said Rule 300 of the Tamil Nadu Urban Local Bodies Act 2023, is not applicable to the instant case on hand.

20. **The demand notice dated 24.01.2025 to renew the license for the period from 2024-2025 and 2025-2026. Whereas, the license was renewed for the period from 2024-2025 as early as 17.02.2024. The trade license was issued to the petitioner under Sections, 360, 361, 377 and 391 of the Tambaram City Municipal Corporation Act 2008 vide license dated 28.01.2025, for the period 01.04.2025 to 31.03.2026, which was subsequently cancelled on the same day by the impugned order**



vide Proceedings in Na.Ka.No.050/2025/H1(M2) dated 28.01.2025,

stating that the petitioner had not submitted the required documents

while applying through the online portal for renewal of trade license. It

is to be noted that the respondent had issued trade license dated

28.01.2025 for the period from 01.04.2025 to 31.03.2026. While issuing

the said trade license, the documents which are now required by the

respondent was not insisted and demanded from the petitioner. But all

of the sudden, after cancellation of trade license on the same day and

stating new reasons that three documents needs to be submitted by the

petitioner for renewal of the trade licence viz., (i)Public building licence

(ii)Traffic Police Department NOC and (iii) Fire Department NOC.

With regard to the NOC from the Fire service, the petitioner had

already submitted the same which is valid for one year period

commencing from 27.11.2024 to 26.11.2025. With regard to the NOC

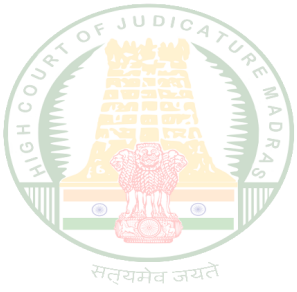
from the Traffic Police, the same is not mentioned under Rule 290 of

Tamil Nadu Urban Local Bodies Rules, 2023. The respondent is not

entitled to seek the documents which are not mentioned under the

Tamil Nadu Urban Local Bodies Rules, 2023, the said Rule came into

effect from 13.04.2023.



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21. If the aforesaid three documents are necessary for the trade license then this Court is unable to understand how the trade license was renewed by the respondent dated 28.01.2025 vide License No.009/2023/02/024/0001355 for period from 01.04.2025 to 31.03.2026. For this, the learned standing counsel for the respondent replied that it is a computer generated license and in the case of renewal of licence as soon as the payment is done in the portal the license gets renewed automatically, which is unsustainable and untenable in law. The licence for the period from 01.04.2024 to 31.03.2025 was issued under the Tamil Nadu Urban Local Bodies Rules, 2023 only and that time the above mentioned three documents were not required by the respondent.

22. In view of the above factual matrix of the case, the order passed by the respondent in its impugned order vide proceedings in Na.Ka.No.050/2025/H1(M2) dated 28.01.2025 is liable to be quashed.

23. Accordingly, the impugned order vide proceedings in Na.Ka.No.050/2025/H1(M2) dated 28.01.2025 is hereby quashed. The



respondent is directed to renew the trade license of the petitioner applied vide application dated 28.01.2025 for the period from 01.04.2025 to 31.03.2026 within a period of four weeks from the date of receipt of a copy of this order.

24. This writ petition is allowed, with the aforesaid observations and directions. No costs. Consequently, connected miscellaneous petitions are closed.

27.02.2025

Speaking order / Non-speaking order
Index : Yes / No
Neutral Citation : Yes / No
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To
The Commissioner
Tambaram Municipality
Tambaram, Chennai – 600 044.



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J. SATHYA NARAYANA PRASAD, J.

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