

THE LIVELIHOOD REGULATIONS REPORT

CHENNAI



PREPARED BY



IN PARTNERSHIP WITH



Centre for Civil Society

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PREFACE

The Livelihood regulations report aims at documenting the livelihood regulations and barriers in the informal sector. It was conducted in 63 cities across India where the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) is being implemented. This project was conducted by Centre for Public Policy Research, Cochin in partnership with Centre for Civil Society, New Delhi and is financed by Sir Dorabji Tata Trust (SDTT), Mumbai.

The report aims to unveil the laws applicable to entry level professions like Auto Rickshaws, Barber Shops, Dhaba's, Meat Shops and mobile/stationary street vegetable/fruit vendors. These documents will effectively draw public attention to the issues faced by the entry-level professions in the informal sectors.

Chennai formerly known as Madras is the fourth largest metropolitan area of India and the capital city of the Indian state of Tamil Nadu. Chennai's economy has a broad industrial base in the automobile, technology, hardware manufacturing, and healthcare industries. The city is home to much of India's automobile industry and is the country's second-largest exporter of Software, information technology (IT) and information-technology-enabled services (ITES), behind Bangalore. Chennai Zone contributes 39 per cent of the State's GDP. Chennai accounts for 60 per cent of the country's automotive exports and is sometimes referred to as Detroit of India.

The city is served by an international airport and two major ports; it is connected to the rest of the country by five national highways and two railway terminals. Thirty-five countries have consulates in Chennai.

Chennai hosts a large cultural event, the annual Madras Music Season, which includes performances by hundreds of artists. The city has a vibrant theatre scene and is an important centre for the Bharatanatyam, a classical dance form. The Tamil film industry, known as *Kollywood*, is based in the city; the soundtracks of the movies dominate its music scene. Chennai is known for its sport venues and hosts an Association of Tennis Professionals (ATP) event, the Chennai Open. The city faces problems of water shortages, traffic congestion and air pollution. The state and local governments have undertaken initiatives such as the Veeranam project, Rainwater harvesting and the construction of mini-flyovers to address some of these problems.

The present report of the livelihood regulations in Chennai covers dhaba, vegetable sellers, auto rickshaw, barber shop and meat Shop.

CHENNAI

The sectors chosen for the study are:

1. **Dhabas/food courts**
2. **Vegetable/fruit/flower sellers**
3. **Meat shop**
4. **Barber shop**
5. **Auto rickshaws**

The licensing of trades in Chennai is as per the regulations set down by "THE CHENNAI CITY MUNICIPAL CORPORATION ACT, 1919". Tamil Nadu shops and establishment Act 1947 and Chennai City police Act 1888 also has a key role to play in the issue and monitoring of licenses and is undertaken by the Chennai city municipal corporation. The licenses are also partly monitored by the Commissioner Of Police for Chennai city. Some basic information is also available at

http://www.chennaicorporation.com/rp_trade_license.htm

CLASSES OF TRADE LICENSES:

The following are the categories in which business establishments are divided by the Chennai municipal corporation for licensing purposes :

Class 1:

All eating establishments like Hotels, Restaurants, Refreshments, Sale Of Coffee and Tea, Lodging Houses, Bakeries, Sweet meat stall, Sale of Mutton, Beef, Fish, Pork and Chicken and Provision stores.

Class 2:

All trades which use motive power to run and to manufacture like industries, Factories, Workshops, Power looms, Flour mills etc.

Class 3:

Offensive and dangerous trades like camphor depot, sale of firewood, timber wood, dry clean shops, dhobi shops, beauty parlour, barber shop, sale of edible oil, storage of ammunitions, manufacture camphor and candles

APPLICATION FOR A TRADE LICENSE:

All trade licenses in Chennai are issued by the municipal corporation. A common form is available at the corporation head office for Rs.10 for all license applications. Application Form can be obtained by Sending Demand Draft for of Rs.50/- Drawn In favour of Revenue Officer, Corporation of Chennai. Along with the completed form the following documents need to be submitted to the corporation:

1. Approved Plan of the Building (or) a certificate from the Zonal Executive Engineer confirming that the Buildings are at least 15 years old
2. No objection Certificate from the House Owner
3. Copy of the updated receipt of Property Tax
4. Copy of the Receipt of Profession Tax
5. No Objection Certificate from the Officer of the District Fire Service
6. A Certificate from the Factory Inspector
7. No objection Certificate from the Neighborhood

But as per the RTI reply from the corporation, the following documents also are required:

1. Two pass port size photograph of the applicant
2. A Xerox copy of the National Savings Certificate purchased in favour of the applicant
3. An affidavit in Rs. 20 /- valued stamp paper stating that if any violation of condition / declaration is noticed, the license shall be summarily cancelled

Along with the above, Food related items have to produce the following too:

1. Report on Drinking Water from a Recognized Institute
2. Fitness Certificate of Cook
3. The application will be forwarded to the Executive Engineer (Town Planning) for Proper Verification and to certify the Location for Trade Purposes and For issue of License. The applicant has to pay the Profession Tax while submitting the application. If the Application is rejected, the Profession Tax is refunded.

RENEWAL OF LICENSE:

The annual renewal of the license is between 45 to 90 days of the commencement of the new year according to Section 365 9(A) of the Chennai city municipal corporation act 1919. At present the annual renewal of license is during Feb.1 to 14. Unless otherwise specifically mentioned this date usually falls between February 1 and 14. Sending a Demand Draft for Rs.50/- drawn in favour of the Revenue Officer, Corporation of Chennai, can have the application form. The license fee can also paid by way of Demand Draft drawn in favour of the Revenue Officer, Corporation of Chennai. If the License cannot be renewed within the stipulated period, such cases shall be treated as new ones.

REVOCATION:

The license can be revoked by the corporation at any time if any of the rules of the act or specified by the corporation are evaded or infringed upon by the licensee according to Section 365(4) of the chennai city municipal corporation act 1919 or if the said license has been obtained by misrepresentation or fraud. The corporation must however in such cases produce a written notice to the effect explicitly stating the causes for said revocation.

INSPECTION:

The commissioner is empowered by Section 365(5) to inspect any trading establishment at any time that it is open to public or when there is work in progress if he suspects contravention of any of the rules and regulations of the corporation. He need not produce

any warrant for the same and does not need to give any prior notice or warning to the owner of the establishment. He will not be liable for any inconvenience or damage caused by the inspection.

According to section 38 of the Chennai City Police Act 1888, the commissioner or any authorized police officer in writing by the commissioner can enter any licensed premises at any time when it is open for reception. It must be noted that the police officer must be above the rank of the constable. After his inspection with the reasons recorded, he can authorize any inspector to enter and inspect any place which is not licensed as per the section 34 and 35 of the Chennai City Police Act 1888. Section 311 of the Chennai city municipal corporation act also provides provisions for inspection of the premises and no claim shall lie against the authorized officer for the enforcement of the provisions of the Act

Operation Timings:

As per the Tamil Nadu shops and establishment Act 1958 no shop can be opened earlier or closed later than the time fixed by the government. Provided that the last customer waiting for being served have to serve before quarter of an hour immediately following the hour of closure. The government has the power to fix different timing for different classes of shops and establishments. As per the act, every shop shall remain closed on one day in a week and it shall be specified by the shop keeper and has to be exhibited permanently in the notice kept in a conspicuous place in the shop and this day cannot be altered more than once in three months.

No person can sell any goods near to any street or public place after the closing hours fixed by the government. No person can be required to work for more than eight hours in a day and for eight hours in a week. He must not work for more than four hours unless he has had an interval for rest.

Trade wise details are as follows:

I. Auto Rickshaw:

The Motor Vehicles Act, 1988, is the principal Central legislation governing the transport system in the country, and as such, is also the source of most of the laws applicable to all Transport systems in India. The MV Act in section 2(7) defines "contract carriage" as a motor vehicle which carries a passenger or passengers for hire or reward and is engaged under a contract, whether expressed or implied, for the use of such vehicle as a whole for the carriage of passengers mentioned therein and entered into by a person with a holder of a permit in relation to such vehicle or any person authorized by him in this behalf on a fixed or an agreed rate on a time basis, whether or not with reference to any route or distance or from one point to another. It also includes maxi cabs. So an auto rickshaw also comes under contract carriages.

Necessity for permits:

As per section 66(1), No owner of a motor vehicle shall use or permit the use of the vehicle as a transport vehicle in any public place without a permit granted or countersigned by a Regional or State Transport Authority or any prescribed authority authorizing him the use of the vehicle in that place

Relevant Motor Vehicles Acts Directions:

Though Chennai Transport authority is not issuing any city permit at present, The Motor Vehicles Act is applicable in the city too. So the procedures can be summarized as:

Application Procedure:

As per the section (73), an application for a permit in respect of a contract carriage shall contain the following particulars namely: -

1. The type and seating capacity of the vehicle;
2. The area for which the permit is required;
3. Any other particulars which may be prescribed

According to the section (74,) the grant of permit is as follows:

A Regional Transport Authority may, on an application made to it under section 73, grant a contract carriage permit in accordance with the application or with such modifications as it deems fit or refuse to grant such a permit: Provided that no such permit shall be granted in respect of any area not specified in the application. The Regional Transport Authority, if it decides to grant a contract carriage permit, may, subject to any rules that may be made under Motor Vehicles Act.

Transfer of permits:

As per section (82) a permit shall not be transferable from one person to another except with the permission of the transport authority which granted the permit and shall not without such permission, operate to confer on any person to whom a vehicle covered by the permit is transferred without any right to use that vehicle in the manner authorized by the permit.

Duration and renewal of permits:

A permit other than a temporary permit issued under section 87 or a special permit issued under sub-section (8) of section 88 shall be effective from the date of issuance or renewal thereof for a period of five years. The permit has to be renewed on an application made not less than fifteen days before the date of its expiry.

Permit Procedure in Chennai:

In Chennai, anyone licensed to drive an auto rickshaw is eligible to apply for a permit. The procedure for obtaining a permit is fairly simple. A form is available with the RTO (Regional Transport Officer) for Rs.500 and one may obtain a permit by submitting this filled in application. The fees are as decided by the RTO (Regional Transport Officer) and there are no other requirements except for a license and the application form. It is however observed that it is simple to obtain this permit through agents.

At present the applications are not available as no permits are being issued as per government directives however no the intern found such order, nor did the RTO official know the details of the order.

At present however the Chennai RTO (Regional Transport Officer) is not issuing any permits for auto rickshaws in compliance with the Government of Tamil Nadu directives.

II. DHABAS:

The licensing of the trades in Chennai is as per the regulations set down by "THE CHENNAI CITY MUNICIPAL CORPORATION ACT, 1919". Tamil Nadu shops and establishments Act 1947 and Chennai City police Act 1888 also has a key role to play in the issue and monitoring of licenses and is undertaken by the Chennai city municipal corporation. The licenses are also partly monitored by the Commissioner Of Police for Chennai city. Byelaws framed under the Act for the premises such as hotels, boarding houses, restaurant etc is also relevant in regard to the licensing of dhaba's.

CHENNAI CITY MUNICIPAL CORPORATION ACT, 1919, section 287 says that no place within the limits of the city shall be used for any purpose mentioned in the schedule without a license or in contrary to the conditions of license granted. So dhaba also requires a license. But at present Chennai corporation is not issuing license to dhaba. According to the Section 35 of the Chennai City Police Act 1888, No enclosed place for building shall be used as an eating house without a license obtained from the commissioner. The commissioner in support of section 36 of the same Act can grant the license with the conditions prescribed by him. The violators according to section 37 is liable to a fine of Rs.50 per day.

License Procedure:

As per the information provided the website, the application form along with the requisite documents needs to be submitted to the corporation to obtain a permit for dhaba.

1. Approved Plan of the Building (or) a certificate from the Zonal Executive Engineer confirming that the Buildings are at least 15 years old
2. No objection Certificate from the House Owner
3. Copy of the updated receipt of Property Tax
4. Copy of the Receipt of Profession Tax
5. No objection Certificate from the Officer of the District Fire Service
6. A Certificate from the Factory Inspector
7. No objection Certificate from the Neighborhood

Some extra documents have to be submitted however for dhaba permits(Food related items) which are as follows:

1. Report on Drinking Water from a Recognized Institute
2. Fitness Certificate of Cook
3. But as per the RTI reply from the corporation, the following are the documents required:
4. Two pass port size photograph of the applicant

5. A Xerox copy of the National Savings Certificate purchased in favour of the applicant
6. An affidavit in Rs. 20 /- valued stamp paper stating that if any violation of condition / declaration is noticed, the license shall be summarily cancelled

As per the provisions of the CHENNAI CITY MUNICIPAL CORPORATION ACT, 1919, the application for license shall be made not less than 45 days and not more than 90 days before the place used for the purpose mentioned within the 30 days of the publication of the notification in the Gazette. This is applicable to dhaba also.

The application is forwarded to the Executive Engineer (Town Planning) for Proper Verification and to certify the Location for Trade Purposes and For issue of License. The applicant has to pay the Profession Tax while Submitting the application. If the Application is rejected, the Profession Tax is refunded.

While granting the license, the number of persons allowed in the premise is also mentioned in the license as per the provisions of bye laws. In the case of the rejection of the application, it is mandatory as per the act for the authorities to conduct a complete investigation in regard to the application.

The licensing procedure and monitoring is the strictest in Chennai in the case of small eateries. Along with the corporation the applicant also needs a permit from the commissioner of police for running his establishment and the police is empowered to prescribe opening and closing hours for these establishments and also to inspect the manufactured food items.

License Fees:

The license fees in case of tea shops is Rs.500 and for tea shops with the provision to sell fried items is Rs. 596. License Fee can also paid by way of Demand Draft Drawn In favour Of Revenue Officer, Corporation of Chennai.

Departments Involved:

The trade licenses are being issued by the Revenue Department of the Corporation of Chennai.

RENEWAL OF LICENSE:

According to Section 365 9(A) of the Chennai city municipal corporation act 1919, the annual renewal of the license must be not less than 45 and not more than 90 days before the commencement of the new year which the renewal is sought. At present for dhaba, the annual renewal of license is during Feb.1 to 14. Unless otherwise specifically mentioned this date usually falls between February 1 and 14. The application form can be had by sending a Demand Draft for Rs.50/- drawn in favour of the Revenue Officer, Corporation Of Chennai. The license fee can also be paid by way of Demand Draft drawn in favour of the Revenue Officer, Corporation of Chennai. If the License can not be renewed within the stipulated period, such cases shall be treated as new ones.

REVOCATION:

The license can be revoked by the corporation at any time if any of the rules of the act or specified by the corporation are evaded or infringed upon by the licensee according to Section 365(4) or if the said license has been obtained by misrepresentation or fraud. The corporation must however in such cases produce a written notice to the effect explicitly stating the causes for said revocation.

INSPECTION:

The commissioner is empowered by Section 365(5) to inspect any trading establishment at any time that it is open to public or when there is work in progress if he suspects contravention of any of the rules and regulations of the corporation. He need not produce any warrant for the same and does not need to give any prior notice or warning to the owner of the establishment. He will not be liable for any inconvenience or damage caused by the inspection.

According to section 38 of the Chennai City Police Act 1888, the commissioner or any authorized police officer in writing by the commissioner can enter any licensed premises at any time when it is open for reception. It must be noted that the police officer must be above the rank of the constable. After his inspection with the reasons recorded, he can authorize any inspector to enter and inspect any place which is not licensed as per the section 34 and 35 of the Chennai City Police Act 1888. Section 311 of the Chennai city municipal corporation act also provides provisions for inspection of the premises and no claim shall lie against the authorized officer for the enforcement of the provisions of the Act.

Operation Timings:

As per the Tamil Nadu shops and establishment Act 1958 no shop can be opened earlier or closed later than the time fixed by the government. Provided that the last customer waiting for being served have to serve before quarter of an hour immediately following the hour of closure. The government has the power to fix different timing for different classes of shops and establishments. As per the act, every shop shall remain closed on one day in a week and it shall be specified by the shop keeper and has to be exhibited permanently in the notice kept in a conspicuous place in the shop and this day cannot be altered more than once in three months. No person can sell any goods near to any street or public place after the closing hours fixed by the government. No person can be required to work for more than eight hours in a day and for eight hours in a week. He must not work for more than four hours unless he has had an interval for rest.

Procedure for regularizing the establishments without licenses:

As per the RTI reply, the trader will be issued notices under section 287, 288 and 289 to obtain the license from the zones of Corporation of Chennai. At present Chennai Corporation is not issuing any license to dhaba As per the RTI reply.

Penalty:

Action will be taken to close the trades which are running without and contrary to the conditions of license and sanitary conditions stipulated under the Chennai City Municipal Corporation Act, 1919. Sections 279, 287, 288, 309, 299(1) and 304 of Chennai City Municipal Corporation Act 1919 supports this. After issuing the notices under the relevant sections, the trade will be closed and sealed with the orders of the Zonal officer as per section 379 (A) of Chennai City Municipal Corporation Act.

According to the Section 35 of the Chennai City Police Act 1888, no enclosed place for building shall be used as an eating house without a license obtained from the commissioner. The commissioner in support of section 36 of the same Act can grant the license with the conditions prescribed by him. The violators according to section 37 are liable to a fine of Rs.50 per day.

III VEGETABLE/FRUIT VENDORS:

The commissioner provides for public landing places for carts which may be used by vegetable vendors after the payment of such fees as the commissioner may decide and publish. In the event of non payment of fees the corporation may confiscate the cart or any other material which can be sold to recuperate the said fees and the surplus if any from such sale has to be paid back to the cart owner.

LICENSE FOR PRIVATE CART:

An application for a license has to be made by the owner to the corporation between 45 to 90 days of opening the cart stand. The license may or may not be granted by the commissioner according to his discretion and may also be cancelled or suspended if he finds a violation of rules. Other procedures as same as that of dhabas which can be summarized as follows :

License Procedure:

As per the information provided the website, the application form along with the requisite documents needs to be submitted to the corporation to obtain a permit for dhaba's.

1. Approved Plan of the Building (or) a certificate from the Zonal Executive Engineer confirming that the Buildings are at least 15 years old
2. No objection Certificate from the House Owner
3. Copy of the updated receipt of Property Tax
4. Copy of the Receipt of Profession Tax
5. No objection Certificate from the Officer of the District Fire Service
6. A Certificate from the Factory Inspector
7. No objection Certificate from the Neighborhood

But as per the RTI reply from the corporation, the following are the documents required:

1. Two pass port size photograph of the applicant
2. A Xerox copy of the National Savings Certificate purchased in favour of the applicant
3. An affidavit in Rs. 20 /- valued stamp paper stating that if any violation of condition / declaration is noticed, the license shall be summarily cancelled

As per the provisions of the CHENNAI CITY MUNICIPAL CORPORATION ACT, 1919, the application for license shall be made not less than 45 days and not more than 90 days before the place used for the purpose mentioned within the 30 days of the publication of the notification in the Gazette. This is applicable to Vegetable Sellers also.

The application is forwarded to the Executive Engineer (Town Planning) for Proper Verification and to certify the Location for Trade Purposes and For issue of License. The applicant has to pay the Profession Tax while Submitting the application. If the Application is rejected, the Profession Tax is refunded.

While granting the license, the number of persons allowed in the premise is also mentioned in the license as per the provisions of bye laws. In the case of the rejection of the application, it is mandatory as per the act for the authorities to conduct a complete investigation in regard to the application.

The licensing procedure and monitoring is the strictest in Chennai in the case of small eateries. Along with the corporation the applicant also needs a permit from the commissioner of police for running his establishment and the police is empowered to prescribe opening and closing hours for these establishments and also to inspect the manufactured food items.

License Fees:

The fees for the cart stand license will be as decided by the commissioner but may not exceed Rs. 600 according to Section 285-C of the Chennai city municipal corporation act. Every license granted will also expire at the end of a year and will then be subject to renewal.

Departments Involved:

The trade licenses are being issued by the Revenue Department of the Corporation of Chennai.

RENEWAL OF LICENSE:

According to Section 365 9(A) of the Chennai city municipal corporation act 1919, the annual renewal of the license must be not less than 45 and not more than 90 days before the commencement of the new year which the renewal is sought. At present for dhabas the annual renewal of license is during Feb.1 to 14. Unless otherwise specifically mentioned this date usually falls between February 1 and 14. The application form can be had by sending a Demand Draft for Rs.50/- drawn in favour of the Revenue Officer, Corporation Of Chennai. The license fee can also paid by way of Demand Draft drawn in favour of the Revenue Officer, Corporation of Chennai. If the License can not be renewed within the stipulated period, such cases shall be treated as new ones.

REVOCATION:

The license can be revoked by the corporation at any time if any of the rules of the act or specified by the corporation are evaded or infringed upon by the

licensee according to Section 365(4) or if the said license has been obtained by misrepresentation or fraud. The corporation must however in such cases produce a written notice to the effect explicitly stating the causes for said revocation.

INSPECTION:

The commissioner is empowered by Section 365(5) to inspect any trading establishment at any time that it is open to public or when there is work in progress if he suspects contravention of any of the rules and regulations of the corporation. He need not produce any warrant for the same and does not need to give any prior notice or warning to the owner of the establishment. He will not be liable for any inconvenience or damage caused by the inspection. According to section 38 of the Chennai City Police Act 1888, the commissioner or any authorized police officer in writing by the commissioner can enter any licensed premises at any time when it is open for reception. It must be noted that the police officer must be above the rank of the constable. After his inspection with the reasons recorded, he can authorize any inspector to enter and inspect any place which is not licensed as per the section 34 and 35 of the Chennai City Police Act 1888. Section 311 of the Chennai city municipal corporation act also provides provisions for inspection of the premises and no claim shall lie against the authorized officer for the enforcement of the provisions of the Act.

Operation Timings:

As per the Tamil Nadu shops and establishment Act 1958 no shop can be opened earlier or closed later than the time fixed by the government. Provided the last customer waiting for being served have to serve before quarter of an hour immediately following the hour of closure. The government has the power to fix different timing for different classes of shops and establishments. As per the act, every shop shall remain closed on one day in a week and it shall be specified by the shop keeper and has to be exhibited permanently in the notice kept in a conspicuous place in the shop and this day cannot be altered more than once in three months. No person can sell any goods near to any street or public place after the closing hours fixed by the government. No person can be required to work for more than eight hours in a day and for eight hours in a week. He must not work for more than four hours unless he has had an interval for rest.

Procedure for regularizing the establishments without licenses:

As per the RTI reply, the trader will be issued notices under section 287, 288 and 289 to obtain the license from the zones of Corporation of Chennai. At present Chennai Corporation is not issuing any license to dhaba as per the RTI reply.

Penalty:

Action will be taken to close the trades which are running without and contrary to the conditions of license and sanitary conditions stipulated under the Chennai City Municipal Corporation Act, 1919. Section 279, 287, 288, 309, 299(1) and 304 of Chennai City Municipal Corporation Act 1919 supports this. After issuing the notices under the relevant sections, the trade will be closed and sealed with the orders of the Zonal officer as per section 379 (A) of Chennai City Municipal Corporation Act.

IV.MEAT SHOPS and Slaughter Houses:

The licensing of trades in Chennai is as per the regulations set down by "THE CHENNAI CITY MUNICIPAL CORPORATION ACT, 1919". Tamil Nadu shops and establishment Act 1947 and Chennai City police Act 1888 also has a key role to play in the issue and monitoring of licenses and is undertaken by the Chennai city municipal corporation. The bye laws for the control of slaughter houses framed under the Municipal act is also relevant. The licenses are also partly monitored by the Commissioner Of Police for Chennai city.

CHENNAI CITY MUNICIPAL CORPORATION ACT, 1919, section 287 says that no place within the limits of the city shall be used for any purpose mentioned in the schedule without a license or in contrary to the conditions of license granted. So meat shops also require a license. Corporation is issuing licenses to meat shops. Section 294 of the Chennai city municipal corporation act prescribes the provision of municipal slaughter houses the use of which may be made after the payment of such fee and rent as may be decided by the corporation. The licensing provisions for private slaughter houses is as follows:

A slaughter house may be set up within the premises of Chennai city or with a distance of 3 miles outside with the permission of the commissioner. The license for the same must be applied for 45 to 90 days before setting up the slaughter house or at the commencement of the year as the case may be. The granting, refusal or revocation of the license will be at the discretion of the commissioner and he may give such an order subject to restrictions and regulations. As far as the shops are concerned the corporation provides public markets where a shop may be occupied after the payment of necessary fees as decided by the municipal commissioner. Section 304 of the Chennai city municipal corporation act provides for the setting up of private markets for which the license will be granted at the discretion of the commissioner. Section 304-A of the said act prescribes a duration not exceeding one year for the license. According to section 304-B the fees for such license although decided by the commissioner cannot exceed more than 15 % of the gross income of the shop owner. Section 307 empowers the commissioner to suspend or revoke the license of the holder if he fails to comply with any of the above directives. Section 309 of the said act however also states that no separate license will be required for a place for selling or for storing for sale of preserved fish or flesh contained in sealed and airtight receptacles.

License Procedures:

Licensing procedures other than the requirement of slaughter houses is exactly the same as that of dhaba. But provisions of Chennai city police Act for eating houses will not be applicable to vegetable vendors. The procedures can be summarized as follows:

License Procedure:

As per the information provided the website, the application form along with the requisite documents needs to be submitted to the corporation to obtain a permit for dhaba.

1. Approved Plan of the Building (or) a certificate from the Zonal Executive Engineer confirming that the Buildings are at least 15 years old
2. No objection Certificate from the House Owner
3. Copy of the updated receipt of Property Tax
4. Copy of the Receipt of Profession Tax
5. No objection Certificate from the Officer of the District Fire Service
6. A Certificate from the Factory Inspector
7. No objection Certificate from the Neighborhood

But as per the RTI reply from the corporation, the following are the documents required:

1. Two pass port size photograph of the applicant
2. A Xerox copy of the National Savings Certificate purchased in favour of the applicant
3. An affidavit in Rs.20 /- valued stamp paper stating that if any violation of condition / declaration is noticed, the license shall be summarily cancelled

As per the provisions of the CHENNAI CITY MUNICIPAL CORPORATION ACT, 1919, the application for license shall be made not less than 45 days and not more than 90 days before the place used for the purpose mentioned within the 30 days of the publication of the notification in the Gazette.

The application will be forwarded to the Executive Engineer (Town Planning) for Proper Verification and to certify the Location for Trade Purposes and For issue of License. The applicant has to pay the Profession Tax while Submitting the application. If the Application is rejected, the Profession Tax is refunded. While granting the license, the number of persons allowed in the premise is also mentioned in the license as per the provisions of byelaws. In the case of the rejection of the application, it is mandatory as per the act for the authorities to conduct a complete investigation in regard to the application.

The licensing procedure and monitoring is the strictest in Chennai in the case of small eateries. Along with the corporation the applicant also needs a permit from the commissioner of police for running his establishment and the police is empowered to prescribe opening and closing hours for these establishments and also to inspect the manufactured food items.

License Fees:

The license Fees is Rs.400 /- and the conservancy charge is Rs.500/- and Prevention of Food Adulteration charge is Rs.150 /-

Departments Involved:

The trade licenses are being issued by the Revenue Department of the Corporation of Chennai.

RENEWAL OF LICENSE:

According to Section 365 9(A) of the Chennai city municipal corporation act 1919, the annual renewal of the license must be not less than 45 and not more than 90 days before the commencement of the new year which the renewal is sought. At present for dhaba, the annual renewal of license is during Feb.1 to 14. Unless otherwise specifically mentioned this date usually falls between February 1 and 14. The application form can be had by sending a Demand Draft for Rs.50/- drawn in favour of the Revenue Officer, Corporation Of Chennai. The license fee can also paid by way of Demand Draft drawn in favour of the Revenue Officer, Corporation of Chennai. If the License can not be renewed within the stipulated period, such cases shall be treated as new ones.

REVOCAATION:

The license can be revoked by the corporation at any time if any of the rules of the act or specified by the corporation are evaded or infringed upon by the licensee according to Section 365(4) or if the said license has been obtained by misrepresentation or fraud. The corporation must however in such cases produce a written notice to the effect explicitly stating the causes for said revocation.

INSPECTION:

The commissioner is empowered by Section 365(5) to inspect any trading establishment at any time that it is open to public or when there is work in progress if he suspects contravention of any of the rules and regulations of the corporation. He need not produce any warrant for the same and does not need to give any prior notice or warning to the owner of the establishment. He will not be liable for any inconvenience or damage caused by the inspection.

According to section 38 of the Chennai City Police Act 1888, the commissioner or any authorized police officer in writing by the commissioner can enter any licensed premises at any time when it is open for reception. It must be noted that the police officer must be above the rank of the constable. After his inspection with the reasons recorded, he can authorize any inspector to enter and inspect any place which is not licensed as per the section 34 and 35 of the Chennai City Police Act 1888. Section 311 of the Chennai city municipal corporation act also provides provisions for inspection of the premises and no claim shall lie against the authorized officer for the enforcement of the provisions of the Act.

Operation Timings:

As per the Tamil Nadu shops and establishment Act 1958 no shop can be opened earlier or closed later than the time fixed by the government. Provided the last customer waiting for being served have to serve before quarter of an hour immediately following the hour of closure. The government has the power to fix different timing for different classes of shops and establishments. As per the act, every shop shall remain closed on one day in a week and it shall be specified by the shop keeper and has to be exhibited permanently in the notice kept in a conspicuous place in the shop and this day cannot be altered more than once in three months. No person can sell any goods near to any street or public place after the closing hours fixed by the government. No person can be required to work for more

than eight hours in a day and fort eight hours in a week. He must not work for more than four hours unless he has had an interval for rest.

Procedure for regularizing the establishments without licenses:

As per the RTI reply, the trader will be issued notices under section 287, 288 and 289 to obtain the license from the zones of Corporation of Chennai. At present Chennai Corporation is not issuing any license to dhaba as per the RTI reply.

Penalty:

Action will be taken to close the trades which are running without and contrary to the conditions of license and sanitary conditions stipulated under the Chennai City Municipal Corporation Act, 1919. Section 279, 287, 288, 309, 299(1) and 304 of Chennai City Municipal Corporation Act 1919 supports this. After issuing the notices under the relevant sections, the trade will be closed and sealed with the orders of the Zonal officer as per section 379 (A) of Chennai City Municipal Corporation Act.

V.BARBER SHOP:

As per the CHENNAI CITY MUNICIPAL CORPORATION ACT, 1919, section 287 no place within the limits of the city shall be used for any purpose mentioned in the schedule without a license or in contrary to the conditions of license granted. So barber Shops also needs a license to operate within the limits of Chennai city.

The rules applicable for barber shops are exactly the same as those which are applicable to the dhaba and meat shops. The corporation officials stated that there are no separate provisions for barber shops and they require no separate permit as per the Chennai city municipal corporation act. They do however require permits to use shops which are the same as those needed by meat shops or any other small business concerns. So the problems faced too are much the same.

Contrary to the statement of the officials, there is a separate byelaw for Barber Shop for securing cleanliness of barber shops and shaving saloons. It is formed under section 349(2) of Madras city Municipal Act 1919. The barber shop must follow the guidelines of the Bye law. Some important conditions of Bye laws are:

- a. Barber shops must be constructed of masonry or other durable materials
- b. There should b the suitable means for drainage, ventilation, water and lighting
- c. Every internal surface of the walls and ceiling of the building must be hot-lime washed at least twice in every year in months of April and October as required by the commissioner
- d. Covered receptacles must be there for waste disposal and it must be cleaned every day
- e. No infected persons of any contagious disease can run a or be employed in a barber shop
- f. A clean Apron is a must for every barbers and operators while attending customers
- g. Hands of the barber must be thoroughly cleaned with soap and water before and after serving each customer. In addition the hands must be dipped for not less than two minutes in disinfectants as may be approved by the commissioner
- h. The razors must be well cleaned after the usage and must be dipped in boiling water o disinfectant as required by commissioner
- i. Shaving Mug and Brush shall be rinsed in hot water after usage. Brush, towel and comb shall be sterilized every day

- j. Alum or other materials used to stop the flow of blood shall be applied in liquid or powder form only
- k. No person suffering from infectious or contagious disease can be served
- l. The barber shall obtain a medical certificate every half- year from a corporation medical Healthy Officer to show that he is free from diseases

The breach of by- laws shall be punishable for a fine which may extend to Rs.50 and in the case of continuing breach with fine may extend to Rs. 15 per day during which the breach continues after conviction for the first breach. It shall be Rs.10 for everyday during which the breach continues after receipt of notice from the commissioner to discontinue such breach.

Other Licensing procedures are exactly the same as that of dhaba. But provisions of Chennai city police Act for eating houses will not be applicable to vegetable vendors. The procedures can be summarized as follows:

License Procedure:

As per the information provided the website, the application form along with the requisite documents needs to be submitted to the corporation to obtain license.

1. Approved Plan of the Building (or) a certificate from the Zonal Executive Engineer confirming that the Buildings are at least 15 years old
2. No objection Certificate from the House Owner
3. Copy of the updated receipt of Property Tax
4. Copy of the Receipt of Profession Tax
5. No objection Certificate from the Officer of the District Fire Service
6. A Certificate from the Factory Inspector
7. No objection Certificate from the Neighborhood

But as per the RTI reply from the corporation, the following are the documents required:

1. Two pass port size photograph of the applicant
2. A Xerox copy of the National Savings Certificate purchased in favour of the applicant
3. An affidavit in Rs.20 /- valued stamp paper stating that if any violation of condition / declaration is noticed, the license shall be summarily cancelled

As per the provisions of the CHENNAI CITY MUNICIPAL CORPORATION ACT, 1919, the application for license shall be made not less than 45 days and not more than 90 days before the place used for the purpose mentioned within the 30 days of the publication of the notification in the Gazette.

The application will be forwarded to the Executive Engineer (Town Planning) for Proper Verification and to certify the Location for Trade Purposes and For issue of License. The applicant has to pay the Profession Tax while Submitting the application. If the Application is rejected, the Profession Tax is refunded.

While granting the license, the number of persons allowed in the premise is also mentioned in the license as per the provisions of byelaws. In the case of the rejection of the application, it is mandatory as per the act for the authorities to conduct a complete investigation in regard to the application.

The licensing procedure and monitoring is the strictest in Chennai in the case of small eateries. Along with the corporation the applicant also needs a permit from the commissioner of police for running his establishment and the police is empowered to prescribe opening and closing hours for these establishments and also to inspect the manufactured food items.

License Fees:

The trading license fees for barber shops is Rs. 50 and the Conservancy Charge is Rs.500/-

Departments Involved:

The trade licenses are being issued by the Revenue Department of the Corporation of Chennai.

RENEWAL OF LICENSE:

According to Section 365 9(A) of the Chennai city municipal corporation act 1919, the annual renewal of the license must be not less than 45 and not more than 90 days before the commencement of the new year which the renewal is sought. At present for dhaba, the annual renewal of license is during Feb.1 to 14. Unless otherwise specifically mentioned this date usually falls between February 1 and 14. The application form can be had by sending a Demand Draft for Rs.50/- drawn in favour of the Revenue Officer, Corporation Of Chennai. The license fee can also paid by way of Demand Draft drawn in favour of the Revenue Officer, Corporation of Chennai. If the License can not be renewed within the stipulated period, such cases shall be treated as new ones.

INSPECTION:

The commissioner is empowered by Section 365(5) to inspect any trading establishment at any time that it is open to public or when there is work in progress if he suspects contravention of any of the rules and regulations of the corporation. He need not produce any warrant for the same and does not need to give any prior notice or warning to the owner of the establishment. He will not be liable for any inconvenience or damage caused by the inspection.

According to section 38 of the Chennai City Police Act 1888, the commissioner or any authorized police officer in writing by the commissioner can enter any licensed premises at any time when it is open for reception. It must be noted that the police officer must above the rank of the constable. After his inspection with the reasons recorded, he can authorize any inspector to enter and inspect any place which is not licensed as per the section 34 and 35 of the Chennai City Police Act 1888. Section 311 of the Chennai city municipal corporation act also provides provisions for inspection of the premises and no claim shall lie against the authorized officer for the enforcement of the provisions of the Act.

REVOCATION:

The license can be revoked by the corporation at any time if any of the rules of the act or specified by the corporation are evaded or infringed upon by the licensee according to Section 365(4) or if the said license has been obtained by

misrepresentation or fraud. The corporation must however in such cases produce a written notice to the effect explicitly stating the causes for said revocation.

Operation Timings:

As per the Tamil Nadu shops and establishment Act 1958, no shop can be opened earlier or closed later than the time fixed by the government. Provided the last customer waiting for being served have to serve before quarter of an hour immediately following the hour of closure. The government has the power to fix different timing for different classes of shops and establishments. As per the act, every shop shall remain closed on one day in a week and it shall be specified by the shop keeper and has to be exhibited permanently in the notice kept in a conspicuous place in the shop and this day cannot be altered more than once in three months. No person can sell any goods near to any street or public place after the closing hours fixed by the government. No person can be required to work for more than eight hours in a day and fort eight hours in a week. He must not work for more than four hours unless he has had an interval for rest.

Procedure for regularizing the establishments without licenses:

As per the RTI reply, the trader will be issued notices under section 287, 288 and 289 to obtain the license from the zones of Corporation of Chennai. At present Chennai Corporation is not issuing any license to dhaba as per the RTI reply.

Penalty:

Action will be taken to close the trades which are running without and contrary to the conditions of license and sanitary conditions stipulated under the Chennai City Municipal Corporation Act, 1919. Section 279, 287, 288, 309, 299(1) and 304 of Chennai City Municipal Corporation Act 1919 supports this. After issuing the notices under the relevant sections, the trade will be closed and sealed with the orders of the Zonal officer as per section 379 (A) of Chennai City Municipal Corporation Act.

FINDINGS FROM THE STUDY

General Findings:

1. The licensing of trades in Chennai is as per the regulations set down by " THE CHENNAI CITY MUNICIPAL CORPORATION ACT, 1919". Tamil Nadu shops and establishment Act 1947 and Chennai City police Act 1888 also has a key role to play in the issue and monitoring of licenses and is undertaken by the Chennai city municipal corporation
2. The licenses are also partly monitored by the Commissioner Of Police for Chennai city
3. Chennai corporation has dived the trades into different categories as follows:
4. **Class 1:** All eating establishments like Hotels, Restaurants, Refreshments, Sale Of Coffee and Tea, Lodging Houses, Bakeries, Sweet meat stall, Sale of Mutton, Beef, Fish, Pork and Chicken and Provision stores.
5. **Class 2:** All trades which use motive power to run and to manufacture like industries, Factories, Workshops, Power looms, Flour mills etc.
6. **Class 3:** Offensive and dangerous trades like camphor depot, sale of firewood, timber wood, dry clean shops, dhobi shops, beauty parlour, barber

shop, sale of edible oil, storage of ammunitions, manufacture camphor and candles

7. All trade licenses in Chennai are issued by the municipal corporation. A common form is available at the corporation head office for Rs. 10 for all license applications. Application Form can be obtained by Sending Demand Draft for of Rs.50/- Drawn In favour of Revenue Officer, Corporation of Chennai. Along with the completed form the required documents need to be submitted to the corporation
8. Documents required includes Approved Plan of the Building (or) a certificate from the Zonal Executive Engineer confirming that the Buildings are at least 15 years old), No objection Certificate from the House Owner, Copy of the updated receipt of Property Tax, Copy of the Receipt of Profession Tax, No objection Certificate from the Officer of the District Fire Service, A Certificate from the Factory Inspector, No objection Certificate from the Neighbourhood,etc are required
9. But as per the RTI reply from the corporation, Two pass port size photograph of the applicant, A Xerox copy of the National Savings Certificate purchased in favour of the applicant.An affidavit in Rs. 20 /- valued stamp paper stating that if any violation of condition / declaration is noticed, the license shall be summarily cancelled etc also are required
10. Along with the above, Food related items have to produce the Report on Drinking Water from a Recognized Institute and Fitness Certificate of Cook
11. Documents required as per the RTI reply of the corporation and the information provided in the website is different
12. The applicant has to pay the Profession Tax while Submitting the application. If the Application is rejected, the Profession Tax is refunded
13. The annual renewal of the license is during Feb.1 to 14. Unless otherwise specifically mentioned this date usually falls between February 1 and 14.
14. If the License can not be renewed within the stipulated period, such cases shall be treated as new ones
15. The license can be revoked by the corporation at any time if any of the rules of the act or specified by the corporation are evaded or infringed upon by the licensee The corporation must however in such cases produce a written notice to the effect explicitly stating the causes for said revocation
16. The commissioner is empowered by Section 365(5) to inspect any trading establishment at any time that it is open to public or when there is work in progress if he suspects contravention of any of the rules and regulations of the corporation
17. According to section 38 of the Chennai City Police Act 1888, the commissioner or any authorized police officer in writing by the commissioner can enter any licensed premises at any time when it is open for reception. It must be noted that the police officer must be above the rank of the constable
18. As per the Tamil Nadu shops and establishment Act 1958 no shop can be opened earlier or closed later than the time fixed by the government. Provided that the last customer waiting for being served have to serve before quarter of an hour immediately following the hour of closure. The government has the power to fix different timing for different classes of shops and establishments
19. As per the act, every shop shall remain closed on one day in a week and it shall be specified by the shop keeper and has to be exhibited permanently in the notice kept in a conspicuous place in the shop and this day cannot be altered more than once in three months

20. No person can sell any goods near to any street or public place after the closing hours fixed by the government. No person can be required to work for more than eight hours in a day and for eight hours in a week. He must not work for more than four hours unless he has had an interval for rest
21. As per the Tamil nadu shops and Establishments Act, the state government may ask the shop keeper to close the shop at any fixed hours in afternoon and the hours will be fixed by government. This will be in addition to the requirement of the closure of shops and establishments for one day in a week. Act also gives an employer the right to have one whole holiday in a week in addition to the day which the shop is closed. In the act, it is also mentioned that the work time cannot be spread over for more than 12 hours in a day and this includes the interval time for rest too
22. There is no clear distinction between the different procedures for different licenses
23. The officials of the corporation for the most part are unsure of the information themselves and they direct the seeker to other places
24. It has generally been noted in Chennai that while the prescribed procedure is largely simple and well laid out, it is not usually followed in practice. Neither the traders nor the authorities are too well aware of the procedure nor do they set much store for it
25. Both the corporation and the RTO were unsure about the jurisdiction under which the permits for cycle rickshaws come. They stated simply that cycle rickshaw permits are not issued anymore but neither assumed responsibility for them

Trade wise findings are as follows:

AUTO RICKSHAWS:

1. As per section 66(1), of the Motor Vehicles Act, 1988, no owner of a motor vehicle shall use or permit the use of the vehicle as a transport vehicle in any public place without a permit granted or countersigned by a Regional or State Transport Authority or any prescribed authority authorizing him the use of the vehicle in that place
2. At present no permits are being issued as per government directives however no such order was found by the intern, nor were the details of the order known to the RTO official. At present however the Chennai RTO is not issuing any permits for auto rickshaws in compliance with the government of Tamil Nadu directives
3. Regarding the auto rickshaws the procedure followed is as per the motor vehicles act and the form required is available for around Rs. 500 which is available with the RTO. An RTO official however said that as per a government order the permits are not being issued as of now. The order when asked for was not said be available with the RTO, there was no order number given or date for the order mentioned. On going through the Gazette book for the relevant year, the intern was unable to find any such order. Further enquiry with the RTO yielded no results. On speaking with owners of auto rickshaws it was found that it is easier to obtain the permits if one approaches through "agents" which are outside the prescribed legal procedure. No proper reply was sent to the RTI application too

4. The officials of the RTO were unwilling to give out the information and refused point blank, claiming that it was not their job to provide information to non paying public, which goes against the right to information

DHABAS:

1. According to the Section 35 of the Chennai City Police Act 1888, No enclosed place for building shall be used as an eating house without a license obtained from the commissioner. The commissioner in support of section 36 of the same Act can grant the license with the conditions prescribed by him .The violators according to section 37 is liable to a fine of Rs.50 per day
2. To get a license for dhabas, Report on Drinking Water from a Recognized Institute and Fitness Certificate of Cook are required. This will be more suitable to star hotels than a dhaba
3. The trade licenses are being issued by the Revenue Department of the Corporation of Chennai
4. At present the annual renewal of license is during Feb.1 to 14
5. Action will be taken to close the trades which are running without license and contrary to the conditions of license and sanitary conditions stipulated under the Chennai City Municipal Corporation Act, 1919 9 10, 11 & 12) Section 279, 287, 288, 309, 299(1) , 304 of C.C. M.C Act 1919
6. After issuing the notices under the relevant sections, the trade will be closed and sealed with the orders of the Zonal officer as per section 379 (A) of C.C.M.C Act
7. It is with the establishments selling food that the rules are stricter, however the most important problem in this sector is the authority of the police in regulating their trade practices. It is seen in many areas that some shops and establishments continue to be in the trade even after the prescribed time limit while some others in the same area are not allowed to function
8. It has been noted that the dhaba owners find it mandatory to follow an illegal way in order to run their shops after a certain time at night and payment for such is for them a routine and even a desirable thing as they can then be sure that they are not troubled

III.VEGETABLE/FRUIT VENDORS:

1. Carts which may be used by vegetable vendors after the payment of fees decided by the commissioner . In the event of non payment of fees the corporation may confiscate the cart or any other material which can be sold to recuperate the said fees and the surplus if any from such sale has to be paid back to the cart owner
2. Other procedures as same as that of dhaba. But as per the RTI reply, Chennai Corporation is not issuing any license to dhaba at present
3. The licensing for carts is mostly ignored by the vendors.They will obtain the license only if they set up a shop in government market area. The procedure however is fairly clearly prescribed for both carts as well as shops in markets in the Chennai city municipal corporation act

IV.MEAT SHOPS and Slaughter Houses:

1. A slaughter house may be set up within the premises of Chennai city or with a distance of 3 miles outside the city with the permission of the commissioner
2. As far as the shops are concerned the corporation provides public markets where a shop may be occupied after the payment of necessary fees as decided by the municipal commissioner
3. According to section 304-B the fees for such license although decided by the commissioner cannot exceed more than 15 % of the gross income of the shop owner
4. Meat shops require only the license for holding a shop and the procedure is much the same as for other small trades. It is only the slaughter houses which require special permits which are issued by the corporation. It is often seen that the business men do not obtain the necessary license however and pay off the police for running their business. This trend was noted with all the small establishments in Chennai, especially those which operate in small market areas

V .BARBER SHOP:

1. The rules applicable for barbers shops are exactly the same as those which are applicable to the dhabas and meat shops
2. There is a separate byelaw for Barber Shop for securing cleanliness of barber shops and shaving saloons. It is formed under section 349(2) of Madras city Municipal Act 1919. The barber shop must follow the guidelines of the Bye law.
3. Some important conditions of Bye laws are :
4. Barber shops must be constructed of masonry or other durable materials.
5. There should be the suitable means for drainage, ventilation, water and lighting
6. Every internal surface of the walls and ceiling of the building must be hot-lime washed at least twice in every year in months of April and October as required by the commissioner
7. Covered receptacles must be there for waste disposal and it must be cleaned every day
8. No infected persons of any contagious disease can run a or be employed in a barber shop
9. A clean Apron is a must for every barbers and operators while attending customers
10. Hands of the barber must be thoroughly cleaned with soap and water before and after serving each customer. In addition the hands must be dipped for not less than two minutes in disinfectants as may be approved by the commissioner
11. The razors must be well cleaned after the usage and must be dipped in boiling water or disinfectant as required by commissioner
12. Shaving Mug and Brush shall be rinsed in hot water after usage. Brush, towel and comb shall be sterilized every day
13. Alum or other materials used to stop the flow of blood shall be applied in liquid or powder form only
14. No person suffering from infectious or contagious disease can be served.

15. The barber shall obtain a medical certificate every half- year from a corporation medical Healthy Officer to show that he is free from diseases.
16. The breach of by- laws shall be punishable for a fine which may extend to Rs.50 and in the case of continuing breach with fine may extend to Rs. 15 per day during which the breach continues after conviction for the first breach. It shall be Rs.10 for everyday during which the breach continues after receipt of notice from the commissioner to discontinue such breach
17. Though there is a byelaw, the corporation officials stated that there are no separate provisions for barber shops and they require no separate permit as per the Chennai city municipal corporation act. They do however require permits to use shops which are the same as those needed by meat shops or any other small business concerns. The problems faced too are much the same for other trades.

COMMENT FROM THE INTERN:

1. These procedures must be made clear to the general public and an incentive, either through facility or in terms of avoidance of punitive action. In theory therefore the Chennai city trade licensing procedures are fairly acceptable. However in practice the situation is quite different