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Commissionerate of
Municipal Administration,
Chepauk, Chennai-05.

Roc.No: 14627/05/SEP-2

Dated: 18-05-2005

CIRCULAR.

Sub: SJSRY- Municipalities - allotment of shops at Municipal markets, shopping complexes, bus stands and prominent vacant places with nominal rent to the Self Help Groups by dispensing with public auction on lease basis - guidelines issued - regarding.

Ref: GO[2D] No: 7 Municipal Administration and water Supply Department dated : 28.02.2005.

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A copy of Government Order in the reference cited is communicated.

According to the above Government Order, the following guidelines are issued.

- 1] The applications from Self Help Groups/Neighbour Groups for allotment of shops should be scrutinised by the Municipal Commissioner and screened and selected by the Municipal Council. If two or more Self Help Groups wish to join together and apply for joint business in single premises, there is no objection.
- 2] A reasonable nominal rent should be worked out adopting 7 percent (Non-Commercial rate) of the capital cost for vacant land and building and 50 percent of the calculated amount should be fixed as licence amount.
- 3] After selecting the Self Help Groups by the Municipal Council, the licence amount for the Self Help Groups should be fixed by the Municipal Council and approval of Commissioner of Municipal Administration should be obtained for the allotment and the rate of licence amount.
- 4] The licence period is three years initially on the lease basis and the other lease procedures prescribed in the Municipal Manual like execution of agreement, obtaining deposits should be followed.

Hence the Municipal Commissioners are instructed that the current land value for the vacant land indicated with the Town Survey Number should be obtained from the Registration Department and the schedule of rates for the Buildings should be obtained from the Public Works Department.

After calculating the licence amount, as per the above guidelines, the proposed licence amount should be informed to the Self Help Groups along with the usual lease conditions for their acceptance and the agreement deed, advance/ security deposit should be obtained.

After fixing the licence amount by the Municipal Council, necessary proposal should be sent to this office for approval of Commissioner of Municipal Administration for each case along with the following enclosures.

1] Application, acceptance letter and copy of agreement of the Self Help Groups.

2] Rough plan for vacant land or building indicating the Town Survey Number.

3] Copies of the Municipal Council's resolution regarding the selection of Self Help Groups and fixing the licence amount.

4] Calculation sheet for the licence amount with the copies of letters of the current land value obtained from the Registration Department and the schedule of rates for the buildings issued by the Public Works Department.

If the Self Help Groups requested to extend the lease for another three years, the licence amount should be enhanced at 15 per cent on the existing licence amount following the above procedures and the approval of Commissioner of Municipal Administration also for renewal of lease period.

The Circular should be acknowledged by return of post without fail.

Enclosure : Copy of Government Order.

**/Sd/ Hemant Kumar Sinha,
Commissioner of Municipal Administration**

To
All Municipal Commissioners.

All Regional Directors of Municipal Administration.