IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 25.01.2016

CORAM :

THE HONOURABLE MR.JUSTICE R.MAHADEVAN

W.P.Nos.38764 & 39199 of 2015
& M.P.Nos.1&2 and 1 to 3 of 2015

P.Subramani ...Petitioner in W.P.38764 of 2015
C.Shanmugam ...Petitioner in W.P.39199 of 2015

Vs.

1. The Managing Director,
Tamilnadu State Marketing Corporation
Ltd., (TASMAC), CMDA Tower - II, 4th Floor,
Egmore, Chennai 600 008.

2. The District Manager,
Tamilnadu State Marketing Corporation Ltd.,
(TASMAC),
No.2/92, Santhiyur Village, S.Attiyampatti Post,
Salem 636 203. ... Respondents in both WPs.

Prayer : Writ petition filed under Article 226 of the Constitution of India praying for issuance of writ of Certiorarified Mandamus to call for the records of order passed by the 2nd respondent in Na.Ka.No.1333/A5/2015/C.V. dated 28.11.2015 and quash the same and consequently direct the respondents herein to the petitioners security deposit sum of Rs.64,616/-(Rupees Sixty Four Thousand Six Hundred and Sixteen Only) within a time frame fixed by this Court(in both WPs.)

For Petitioners(in both WPs.) : Mr.K.Sasindran

For Respondents(in both WPs.) : Mr.B. Nedunchezhian
(TASMAC)

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C O M M O N O R D E R

The Petitioners have filed these writ petitions challenging the impugned orders dated 28.11.2015 passed by the 2nd respondent and consequently seeking a direction to the respondents to accept the security deposit amounts that had already been deposited by the petitioners within the time limit framed by this Court.

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2. Heard Mr.K.Sasindran, learned counsel appearing for the petitioners and Mr.B. Nedunchezhian, learned Standing counsel appearing for the respondent/ TASMAC.

3. It is the case of the petitioners that for the purpose of running bars attached to the TASMAC shops, the 2nd respondent called for tenders. Accordingly, the petitioners participated in the same and were declared as successful bidders. Subsequently, on payment of security deposits fixed by the 2nd respondent and one month rental amount in advance, they were granted licence for the period 2014-2015.

4. It is the further case of the petitioners that after expiry of the licence period, the 2nd respondent, again, called for tenders and the petitioners submitted their applications agreeing to pay security deposit as fixed by the 2nd respondent along with one month rental fee in advance and on payment of the same, they were declared as successful bidders and in pursuant of which, the petitioners were given licence for the period from 1.8.2015 to 31.07.2016.

5. While so, the 2nd respondent issued an order dated 28.11.2015 stating that as per notice from the 1st respondent, the amounts fixed as upset price for the respective shops were wrongly calculated and after forfeiting the amounts that had already been deposited as security deposits by the respective petitioners for respective shops, the petitioners were asked to remit the remaining balance amounts within seven days from the date of receipt of notice, failing which, further action would be initiated against them. Aggrieved against the same, the petitioners have filed the present Writ petitions.

6. Learned counsel appearing for the petitioners submitted that the 2nd respondent never issued any show cause notice, nor communicated the notice received from the 1st respondent dated 26.11.2015 to the petitioners before passing the impugned order. He further submitted that the 2nd respondent has forfeited the security deposits already paid by the petitioners without issuing any notices. Hence, the impugned orders are arbitrary, illegal and against the principles of natural justice.

7.On the other hand, learned Standing Counsel appearing for the TASMAC submitted that due to variations in the upset price deposits with that of the security deposits, the recovery was sought to be made by the respondents. However the learned Standing Counsel, on instructions from the Department submitted that the respondents are now inclined to furnish the details or calculations pertaining to fixation of present upset prices to

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the petitioners.

8. In view of the above, the impugned orders passed by the 2nd respondent are set aside and the matters are remanded back to the 2nd respondent for passing fresh orders. The 2nd respondent is directed to furnish all the details pertaining to the calculations of fixation of upset price to the petitioners within a period of two weeks from the date of receipt of a copy of this order. On receipt of the same, the petitioners shall file their objections, if any, and on filing of such objections, the 2nd respondent is directed to consider the same and pass appropriate orders on merits and in accordance with law, after providing due opportunity of personal hearing to the petitioners, within a period of six weeks thereafter.

9. With the above directions, these Writ Petitions are disposed of. No costs. Consequently, the connected miscellaneous petitions are closed.

Sd/-
Assistant Registrar(CS II)

//True Copy//

Sub Assistant Registrar

dn/msr

To

1. The Managing Director,
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2. The District Manager,
   Tamilnadu State Marketing Corporation Ltd.,
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   Salem 636 203.

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+2cc's to Mr.K.Sasindran, Advocate, S.R.No.4185 & 4187
+2cc's to Mr.B. Nedunchezhian, Advocate, S.R.No.4585 & 4586

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PPA(CO)
CA(08/02/2016)

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