

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 05.01.2018

CORAM

THE HONOURABLE Mr.JUSTICE K.KALYANASUNDARAM

W.P.No.16184 of 2017

and

W.M.P.Nos.17483 and 17484 of 2017

S.K.Subbiah

...Petitioner

Versus

- 1.The Commissioner,
Municipal Administration and
Water Supply Department,
Chepauk, Chennai - 600 005.
- 2.The Commissioner,
Greater Chennai Corporation,
Lord Rippon Buildings,
Chennai - 600 003.
- 3.The Zonal Officer,
Zone-13,
Greater Chennai Corporation,
No.115, Dr.Muthulakshmi Salai,
Adyar, Chennai - 600 020.
- 4.The Assistant Revenue Officer,
Zone-13,
Greater Chennai Corporation,
No.115, Dr.Muthulakshmi Salai,
Adyar, Chennai - 600 020.

.. Respondents

Prayers: The Writ Petition is filed under Article 226 of the Constitution of India, seeking for a Writ of Certiorarified Mandamus, to call for the records of the impugned demand notice of the 3rd and 4th respondent in MA 13 Na.Ka.No.R3/0065/2017, dated 02.05.2017 pertaining to the Shop No.16, situated at Ward No.175, Vegetable Market, Corporation Commercial Complex, 3rd Avenue, Indira Nagar, Chennai - 600 020 and quash the same and consequently direct the respondents 2 to 4 to revise and fix and fair rent for the above shop No.16 in accordance with the rules and recommended guidelines.

For Petitioner :Mr.R.Kandasamy

For Respondents :Mr.V.Shanmuga Sundar,
Special Government Pleader, for R1
Mr.T.C.Gopalakrishnan, for R2 to R4

O R D E R

The petitioner has come up with the Writ Petition for the issuance of writ of certiorarified mandamus to quash the impugned Demand Notice of the third and fourth respondent in MA 13 Na.Ka.No.R3/0065/2017, dated 02.05.2017.

2. The case of the petitioner is that he is the lessees of the shops owned by the respondents-Corporation, after entering into a lease agreement with them, based on which, the lease amount was fixed and it was revised once in every three years. It is submitted that he has been promptly paying the rent to the respondents-Corporation without fail and there are no arrears of rent. It is his grievance that the respondents-Corporation has exorbitantly increased the monthly rent of the shops without comparing the same with the market value.

3. The learned counsel for the petitioner contended that the respondents-Corporation ought to have adopted a humane and practical approach while fixing the revised rent, and re-fixing it at such exorbitant rate is not reasonable. It is his further contention that the guideline value of the properties had been reduced to 33% by the State and fixing it on the higher side, more particularly, asking the petitioner to pay the rent at such unreasonable rates, needs to be interfered with.

4. The learned standing counsel appearing for the respondents-Corporation 2 to 4 submitted that the petitioner has been periodically paying the revised rent once in every three years as per G.O.M.S.No.92, Municipal Administration and Water Supply Department, dated 03.07.2007. According to the respondents, if the petitioner is not willing to pay the revised rent as demanded, it is open to them to go for a public auction. Referring to clauses 4(ii) and 4(iii) of the said Government Order, he further submitted that an opportunity has to be given to the petitioner, once the revised rent is fixed and that if the petitioner do not accept the same, it is open for the respondents to go ahead with the public auction. He has further submitted that, in view of the pendency of the writ petition, the respondents are not able to bring the shops for auction, once it is disposed of, all the shops will come for public auction.

5. Heard the learned counsel on either side and perused the material documents available on record.

6. The sum and substance of the issue in question is as to whether the Corporation is entitled to fix the rent on a higher side, be it lease/rent and demand the amount from the petitioner, as calculated by them.

7. It is not in dispute that the petitioner is in occupation of the premises in question as lessees and paying the rent regularly and that it was revised periodically once in every three years as per the said Government Order.

8. In a similar circumstance, a Division Bench of this Court in the case of P.V.Subramanian v. Secretary to Government, 2014 (5) MLJ 129, has held that licence cannot be converted into one of lease and that the object of letting out the shop is to collect more revenue for the Corporation/Municipality and that the extension granted to the existing licensees is only by way of concession and that the revision is made based on the prevailing market value and not otherwise. For better understanding, relevant portion of the said decision reads as under:

"20. The facts narrated above would clearly indicate that the petitioners have been given only a licence to run the shops. Just because the word "lease" has been mentioned, a licence cannot ipso facto be converted into a lease. Admittedly, the licence issued has a fixed terms. Therefore, the petitioners do not have a legal or a vested right to continue in occupation for ever. There is no doubt that the provisions of the Tamil Nadu Buildings (Lease and Rent Control) Act, 1961, does not apply to the case on hand. The petitioners can very well participate in the proposed auction. In other words, they cannot claim the right of a statutory tenant.

21. The object of letting out the shops is to collect more revenue for the respondent-Municipality, which is meant to be used for welfare measures. The Government Orders, as narrated above, are very specific about the purpose of auction followed by lease/licence. Since the transactions are commercial in nature, the petitioners, being licensees, cannot insist that the rent, which as they think, just and proper alone is liable to be paid. Since the licence is to be granted by the respondent-Municipality, while making offer, the said authority can impose its own terms in accordance with law. While accepting the said offer, the petitioners cannot insist that the condition attached therein cannot be imposed. A perusal of the Government Orders referred to above as well as the orders impugned make it clear that

the rent has been fixed based upon the prevailing market value and not otherwise. What has been given by way of extension to an existing licensee was only a concession. The subsequent extension has been made during the pendency of the writ petitions. The said decision was made in view of the undertaking given by the licensees. An undertaking was given in connection with the payment as well as on the withdrawal of the writ petitions. The Government orders also state that in the event of non compliance of the conditions imposed including the payment of appropriate rent, a licensee is liable to be removed.

22. The resolution has been passed after making detailed discussion and it was also passed as a consequence of the earlier order dated 14.12.2012 by which rent was fixed. Since the said rent so fixed was not paid, the respondent- Municipality was made to pass the impugned resolution. Therefore, it cannot be said that the impugned resolution has been unilaterally passed and as such, the said decision is in accordance with the Government Orders passed, which confer the power on the respondent- Municipality to take action towards the eviction from the shops in the event of non payment of rent payable. The extraction of the related paragraphs of the resolution would clearly show that relevant materials have been taken into consideration while passing the same. The respondent- Municipality has got its own duty and obligation to perform. Appointments will have to be made to the public office and salaries will have to be paid. Money will have to be spent towards the welfare measures. The assessment made also indicates that the proposed auction would bring more money. The best way to get the maximum revenue is by way of public auction. This will also create a level playing field enabling others to participate along with the petitioners/licensees. Therefore, we do not find any arbitrariness in the action of the respondent- Municipality. The reliance made by the petitioners on the communication dated 12.03.2009 cannot be accepted since it cannot overreach the Government Orders which speak about removal when conditions

are not complied with. The fact that the Commissioner of Municipal Administration directed the respondent-Municipality to fix the market rent as the rent payable based upon the Government Orders which in turn was complied with would also show that there is no quarrel with the position that the market rent shall be the basis for the fixation of the rent payable by the licensees. In any case, the petitioners, being the defaulters, cannot contend that they should be allowed to continue forever. As the orders impugned have been passed by taking into consideration of the relevant materials, we do not find any room for interference."

9. From the above discussion and in the light of the decision cited supra, it is seen that the respondents-Corporation has fixed the rent with all due considerations. Reduction of 33% in the guideline value would not be a valid reason for the petitioner to interfere with the decision of the respondents-Corporation. The Government might have revised the guideline value to 1/3 (33%) only to safeguard their own interest to avoid paying compensation to the landowners for the lands acquired by them, as they need to pay hefty compensation to the landowners in terms of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, and not otherwise.

10. Thus, this Court finds no merit in this Writ Petition, which is therefore, dismissed accordingly. It is upto the petitioner to accept the offer given by the respondents-Corporation, since they have been in occupation of the premises for several years, failing which, the respondents-Corporation shall go ahead with the auction. In case, the petitioner do not give consent for the payment of the enhanced amount within one month, it is open to the respondents-Corporation to go ahead with the auction, and till such time the auction is announced, the petitioner may continue to function in the same place. As there is a possibility that the petitioner may challenge the auction notice and continue to function in the same place on account of any litigation or interim order, in order to avoid such circumstances, this Court holds that once the auction notification is published, the petitioner is deemed to have vacated the tenements and the respondents can enter the place with the help of police force, if required.

No costs. Consequently, connected Miscellaneous Petitions are closed.

Sd/-
Assistant Registrar (CS-III)

//True Copy//

Sub Assistant Registrar

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To

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Water Supply Department,
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+ 1 cc to MR. R. Kandasamy, Advocate Sr.910
+ 1 cc to Mr.T.C. Gopalakrishnan, Advocate SR.781

W.P.No.16184 of 2017
and
W.M.P.Nos.17483 and 17484 of 2017

PA (CO)
EU (25/01/2018)