

In the High Court of Judicature at Madras

Dated : 27.6.2018

Coram :

The Honourable Mr. Justice T.S.SIVAGNANAM

Writ Petition Nos.15749 to 15751 of 2018

D.Baskaran

...Petitioner in
WP.15749/2018

S.Manikandan

...Petitioner in
WP.15750/2018

S.Akkireddy

...Petitioner in
WP.15751/2018

Vs

The Tamil Nadu State Marketing
Corporation Limited (TASMAC),
rep.by its Managing Director,
CMDA Tower, Gandhi Irwin Road,
Egmore, Chennai-8.

The Tamil Nadu State Marketing
Corporation Limited (TASMAC),
rep.by its Senior Regional Manager,
LLA Building, Anna Salai, Chennai-2.

...Respondents 1 &
2 in all the WPs

The Tamil Nadu State Marketing
Corporation Limited (TASMAC),
rep.by its District Manager,
Chennai (South) District, No.B-4,
Ambattur Industrial Estate,
Ambattur, Chennai-58.

...Respondent-3 in
both WP.Nos.

15749 & 15751 of
2018

The Tamil Nadu State Marketing
Corporation Limited (TASMAC),
rep.by its District Manager,
Kancheepuram (North) District,
Industrial Estate, Thirumazhisai
Unit, Kancheepuram District.
600123.

...Respondent-3 in
WP.15750 of 2018

PETITIONS under Article 226 of The Constitution of India praying for the issuance of Writs of Mandamus forbearing the respondents from demanding the huge licence fee of Rs.6,14,554/-, Rs.6,07,663/- and Rs.3,78,996/- respectively for the month of June 2018 for shop Nos.678, 4123 and 976 from the respective petitioner and consequently direct the respondents to reduce the licence fee for the month of June 2018 based on the actual sales in the bar premises of the respective petitioners.

For Petitioners : Mr.K.Selvaraj

For Respondents : Mr.Arumugha Rajan

COMMON ORDER

Mr.Arumugha Rajan learned Standing Counsel accepts notice for the respondents. Heard both. By consent, the writ petitions are taken up for joint disposal.

2. In these writ petitions, the petitioners, who were granted licence to sell eatables and collect empty bottles and cartons in the bar attached to the respective TASMAC retain vending shops, have sought for a direction to forbear the respondents from demanding huge licence fee for the month of June 2018 for their respective shops and consequently direct the respondents to reduce the licence fee for the month of June 2018 based on the actual sales in the respective bar premises of the petitioners.

3. The reason for seeking such a prayer is on account of the fact that around 1700 shops were said to have been closed on and from 29.4.2018 pursuant to the orders passed by the Hon'ble Division Bench of this Court dated 28.4.2018 and that the shops in question, which were not affected by the order of the Hon'ble Division Bench of this Court, had shown an abnormal increase in the sales. Consequently, the respondents now demand that 3.5% of the sales for the month of June 2018 should be paid as a licence fee in July 2018.

4. The case of the petitioners is that the sales in the shops for the month of May 2018 do not reflect the actual figure, that the increase in sales was on account of the closure of the bars, which were abutting the highways and that therefore, the patronage for the shops in question and other similarly located shops are more for the month of May 2018 till the Hon'ble Supreme Court passed an order on 23.5.2018 directing to open all the shops abutting the main roads. Consequently, the State Government issued necessary orders on 04.6.2018 directing

to reopen all the shops, which were closed pursuant to the order of the Hon'ble Division Bench of this Court dated 28.4.2018. In this regard, the petitioners are stated to have given representations and requested the respondents that a realistic amount may be collected from them as a licence fee and that the respondents should not mechanically adopt the sale value in the respective shops for the month of May 2018 so as to fix the licence fee. The representations are stated to be pending and since the authorities are insisting on 3.5% of the sales for the month of June 2018 as a licence fee to be payable in July 2018, the petitioners have rushed to this Court.

5. The learned Standing Counsel appearing for the respondents submit that though it may be true that the sales had increased in May 2018 only on account of the closure of 1700 shops, the petitioners took advantage of the situation and earned more revenue during the said period and that therefore, the respondent - Corporation was justified in their demand of 3.5% of the sales as licence fee payable by the respective petitioners for the month of June 2018.

6. This Court has carefully considered the submissions made by the learned counsel on either side.

7. Though the learned Standing Counsel appearing for the respondents may be right in stating that the petitioners took advantage of the closure of shops abutting the main roads, the fact remains that when more than 1000 shops were closed, the patronage for the other shops, which are remaining open, would be eventually on the higher side, but it is only for a period of one month. Thus, the licence fee, which is demanded from the respective petitioners should have a realistic calculation based on the actual sales, which would normally take place in a shop after the orders are passed by the State Government dated 04.6.2018. Since the licence fee is payable in the month of July 2018, this Court is inclined to issue appropriate directions.

8. For all the above reasons, the writ petitions are disposed of by directing the respective petitioners to pay 3.5% of the sales, which occurred during the month of April 2018 as a licence fee for the month of June 2018 payable in the month of July 2018. The respondents shall accept the same without prejudice to their rights. Along with the payment receipts, the petitioners are also directed to submit representations to the respondents. On receipt of the representations, the respondents shall consider the same, take note of the sales in the respective TSMAC retail vending shops for the months of January, February and March 2018 and take a conscious decision in the matters in accordance with law. The petitioners are further directed to pay the licence fee in terms of the above

directions within a period of one week from the date of receipt of a copy of this order. No costs.

Sd/-
Assistant Registrar (CS VI)

//True copy//

Sub Assistant Registrar

RS

To

- 1.The Tamil Nadu State Marketing Corporation Limited (TASMAC), rep.by its Managing Director, CMDA Tower, Gandhi Irwin Road, Egmore, Chennai-8.
- 2.The Tamil Nadu State Marketing Corporation Limited (TASMAC), rep.by its Senior Regional Manager, LLA Building, Anna Salai, Chennai-2.
- 3.The Tamil Nadu State Marketing Corporation Limited (TASMAC), rep.by its District Manager, Chennai (South) District, No.B-4, Ambattur Industrial Estate, Ambattur, Chennai-58.
- 4.The Tamil Nadu State Marketing Corporation Limited (TASMAC), rep.by its District Manager, Kancheepuram (North) District, Industrial Estate, Thirumazhisai Unit, Kancheepuram District. 600123.

+3cc to Mr.K.Selvaraj, Advocate SR.No.40589

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of 2018

AP (CO)
GN (27/06/2018)