

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 18.10.2019

CORAM

THE HONOURABLE MR.JUSTICE T.RAJA

W.P.Nos.26631. 27306 to 27309 of 2016

G.Vincent Paulraj .. Petitioner in W.P.No.26631 of 2016
P.Soundarrajan .. Petitioner in W.P.No.27306 of 2016
V.Sekar .. Petitioner in W.P.No.27307 of 2016
G.Mathew Donbosco .. Petitioner in W.P.No.27308 of 2016
T.Shanthi ... Petitioner in W.P.No.27309 of 2016

-vs-

The Commissioner
Salem City Municipal Corporation
Salem .. Respondent in all the Writ Petitions

Petitions under Article 226 of the Constitution of India, praying to issue a Writ of Mandamus, to direct the respondent to open the tender file by the petitioner for Shop Nos.51, 39, 9, 1, 2 respectively, at New Bus Stand, Suramangalam Ward, Salem Municipal Corporation and direct the respondent to confirm the successful bidder.

For Petitioners :: Mr.B.Nedunchezhiyan

For Respondent :: Mr.S.Sathish
Standing Counsel

ORDER

The petitioners have filed these five writ petitions for issuance of a mandamus directing the Commissioner, Salem City Municipal Corporation, the respondent herein to open the tenders submitted by the petitioners for Shop Nos.51, 39, 9, 1, 2 respectively situate at New Bus Stand, Suramangalam Ward, Salem Municipal Corporation and also to confirm the successful bidder.

2. Mr.B.Nedunchezhiyan, learned counsel appearing for all the petitioners argued that the respondent-Salem City Municipal Corporation brought the shops for public auction and invited the bidders to take part in the auction by

depositing Rs.3,00,000/- for each shop as a security deposit. The auction dates were also fixed for the shops located in Suramangalam ward new bus stand on 19.7.2016 and 20.7.2016. Similarly, for the shops located in Hasthampatti ward, the auction date was fixed on 19.7.2016 and for the shops in Ammapettai ward, the auction dates were fixed on 20.7.2016 and 21.7.2016. The respondent also fixed the lease amount at Rs.15,040/- for all the shops. Therefore, the petitioners, namely, Mr.G.Vincent Paulraj and Mr.Mathew Don Bosco submitted their tenders by quoting Rs.24,000/- as the bid amount and the other petitioners, namely, Mr.P.Soundarrajan, Mr.V.Sekar and Mrs.T.Shanthi submitted their tenders by quoting Rs.21,000/- as the bid amount for the respective shops. But their tenders were not opened, though they quoted the highest bid amount. He also submitted that when the existing lessees are running the shops for more than 20 years by paying a lesser amount as licence fee and that some of them have also sublet the shops and earning enormous amount, the respondent cannot refuse to open the tenders.

3. It is at this stage, the learned standing counsel for the respondent, refuting the allegations made by the petitioner, contended that the existing lessees are put to stringent conditions that they should not violate any of the tender conditions by subletting the shops to any third parties without the knowledge of the respondent and if anyone violates the conditions, action will be immediately taken and the said shop will be put to public auction. The said statement is recorded.

4. Continuing his arguments, Mr.Nedunchezhiyan also stated that when the petitioners have deposited a huge sum, either the shops should be given to the petitioners or the money should be returned.

5. Detailed counter affidavits have been filed by the respondent. Restating the stand taken in the counter affidavit, the learned standing counsel for the respondent submitted that when the Government issued G.O.Ms.No.92, Municipal Administration and Water Supply Department dated 3.7.2007 revising the guidelines for leasehold rights and also revised the lease amount for the leased out shops belonging to the Corporation on completion of nine years from the date of issuance of the said Government Order, a clause has been added in the said Government Order to the effect that preference can be given to the current lessees on the revised fixation and the lease period can be

extended for a further period of nine years. Only in case of non-acceptance by the current lessees towards the revised rate fixation, the shop has to be brought to public tender and auction to be conducted. In view of the preference clause given to the current lessees for accepting the revised lease amount and the security deposit, many of the existing lessees have agreed to pay the revised lease amount and the revised security deposit. In view of their acceptance to pay the revised lease amount and the revised security deposit for the shops in question for which the petitioners have come to this Court, the respondent has not opened the tenders submitted by the petitioners, as a result, the existing lessees are continuing. Therefore, the petitioners are entitled to take back the money without interest and sought for two weeks time to return the amount.

6. Since the respondent-Corporation as a policy decision has allowed the existing lessees to continue in the shops in question, as they had agreed to pay the revised lease amount and the revised security deposit, this Court finds no fault on the part of the respondent in not opening the bids of all the five petitioners. Therefore, the respondent is given two weeks time from the date of receipt of a copy of this order to return the security deposit amount paid by the petitioners by way of pay order/demand draft/cheque. With this observation, all the writ petitions are dismissed. Consequently, W.M.P.No.22829 of 2016 is also dismissed. No costs.

Sd/-
Assistant Registrar(CS)

//True Copy//

Sub Assistant Registrar

ss
To

The Commissioner
Salem City Municipal Corporation
Salem

+2ccs to Mr.B.Nedunchezhiyan , Advocate SR.No. 87829,87290
+1cc to Mr.S.Sathish , Advocate SR.No. 87165

W.P.Nos.26631, 27306 to
27309 of 2016

A.SK(21/11/2019)