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W.P. Nos.8131 and 8709 of 2020

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 02.06.2023

CORAM :

THE HONOURABLE MR. JUSTICE M. DHANDAPANI

**W.P. Nos.8131 and 8709 of 2020 and**  
**W.M.P.Nos.9659, 10562 of 2020 and 31044 of 2022**

|                 |                                       |
|-----------------|---------------------------------------|
| 1. N.Muthukumar | ... Petitioner in W.P.No.8131 of 2020 |
| 2. A.Prakash    | ... Petitioner in W.P.No.8709 of 2020 |

Vs.

1. Tamil Nadu Tourism Development Corporation Limited,  
Rep. by its Managing Director,  
Tamil Nadu Tourism Complex, No.2,  
Wallajah Road, Chennai – 600 002.

2. A.Prakash  
Proprietor, ARP Enterprises,  
H-71, 5<sup>th</sup> Main Road, Anna Nagar East,  
Chennai – 600 102.

3. K.Subburaman  
*(R3 impleaded vide order dated 05.02.2021*  
*in W.M.P.No.2500/2021 in W.P.No.8131/2020)*

... Respondents in  
W.P.No.8131 of 2020

The Managing Director,  
Tamil Nadu Tourism Development Corporation Ltd.,  
Tamil Nadu Tourism Complex,  
No.2, Wallajah Road,  
Chennai – 2.

... Respondent in W.P.No.8709 of 2020

**Prayer in W.P.No.8131 of 2020:** Writ Petition filed under Article 226 of the



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Constitution of India for issuance of a Writ of Mandamus, directing the 1<sup>st</sup> respondent to de-seal the premises comprised in M/s.TTDC building Ward No.9, GWT Road, near Ramanujar Arch, Opp. Rajiv Gandhi Memorial, Sriperambudur 602 105 forthwith and also restraining the 1<sup>st</sup> respondent from interfering in the petitioner's business in the said premises.

**Prayer in W.P.No.8709 of 2020:** Writ Petition filed under Article 226 of the Constitution of India for issuance of a Writ of Certiorarified Mandamus, calling for records related to respondent proceedings made in Letter No.2843/FH/2016 dated 28.05.2020, to quash the same and to consequently direct the respondents to permit the petitioner to continue operation of TTDC hotel at Sriperambudur up to 28.02.2020.

**In W.P.No.8131 of 2020**

For Petitioner : Mr.Richardson Wilson  
For Respondents : Mr.R.Neelakandan, AAG  
Assisted by N.Jaya Suryaa [R1]

Mr.L.Chandrakumar [R2]

Ms.R.Poornima [R3]

**In W.P.No.8709 of 2020**

For Petitioner : Mr.L.Chandrakumar  
For Respondents : Mr.R.Neelakandan, AAG  
Assisted by N.Jaya Suryaa

**ORDER**

Since the issue involved in the above writ petitions are one and the same they are disposed of by way of this common order.



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2. In so far as the W.P.No.8131 of 2020 is concerned, it is the case of petitioner that the Tamil Nadu Tourism Development Corporation Limited (in short 'TTDC') invited open tenders through newspapers to let out the hotel premises on lease basis situated at Sriperumbudur. One A.Prakash / 2<sup>nd</sup> respondent herein was the successful bidder, who entered into an agreement dated 28.07.2016 for a period of six years with the TTDC. Since the second respondent does not possess the requisite technical knowledge to run the hotel, he approached the petitioner and entered upon a business agreement dated 01.11.2017 with the petitioner and the respondents 2 and 3 to run the hotel. Suddenly on 04.06.2020 the TTDC sought to lock and seal the premises. Seeking to de-seal the premises the above writ petition in W.P.No.8131 of 2020 has been filed.

3. In so far as W.P.No.8709 of 2020 is concerned, it is the case of the petitioner that the TTDC invited tenders to lease out their hotel units at Sriperumbudur and the petitioner was the successful bidder, who entered upon an agreement for lease on 28.07.2016 for a period of six years. Thereafter, a show cause notice was issued by the TTDC on 03.12.2019 on the ground that there was breach of conditions of the agreement dated 28.07.2016. Subsequently a termination order dated 28.05.2020 was passed stating that the



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petitioner has entered upon a separate business agreement with one N.Muthukumar i.e., petitioner in W.P.No.8131 of 2020 and K.Subburaman i.e., 3<sup>rd</sup> respondent in W.P.No.8131 of 2020 without the knowledge of TTDC. Challenging the same the above petition in W.P.No.8709 of 2020 has been filed.

4. It is the contention of the learned counsel for the petitioner in W.P.No.8131 of 2020 that though the termination order was issued, TTDC is not permitting the petitioner to remove the movables from the hotel. However, the alleged termination order dated 28.05.2020 and the show cause notice dated 03.12.2019 issued by the first respondent came to the knowledge of the petitioner only after the TTDC attached the notice to the hotel premises. Hence, this Court may direct the TTDC to de-seal the premises.

5. It is the contention of the learned counsel appearing for the petitioner in W.P.No.8709 of 2020 that though the show cause notice was issued by the respondent on 03.12.2019 on the ground that there was breach of conditions of the agreement dated 28.07.2016 and also that the petitioner has entered upon a separate business agreement with one N.Muthukumar i.e., petitioner in W.P.No.8131 of 2020 and K.Subburaman i.e., 3<sup>rd</sup> respondent in



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W.P.No.8131 of 2020 without the knowledge of TTDC and the said business agreement is no way related to or in violation of the agreement with TTDC, as such it will not tantamount to giving up any right or encumbrance, pledge, hypothecation mortgage, charge, licence to the business agreement holder as alleged in the show cause notice. It is only a private commercial arrangement for augmenting funds and it no way violates the agreement with TTDC. Hence, he prayed to quash the impugned termination order dated 28.05.2020.

6. Per contra learned Additional Advocate General appearing for TTDC submits that the petitioner in W.P.No.8709 of 2020 has done certain additions and alterations in the Hotel unit at Sriperumbudur without obtaining the prior permission from TTDC and the petitioner in W.P.No.8709 of 2020 has awarded the premises for sub-lease to the petitioner in W.P.No.8131 of 2020 who is not at all a party to the agreement dated 28.07.2016. Hence it is a breach of contract entered with TTDC and is liable for termination of contract.

7. He further contended that pursuant to the termination order, the National Highways sought for a proposal to the TTDC seeking to handover the premises for future expansion of National Highways. Therefore, de-sealing and handing over the possession to the petitioners is not possible. Hence, he prays



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for dismissal of these writ petitions.

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8. The learned counsel appearing for the second respondent in W.P.No.8131 of 2020 and the petitioner in W.P.No.8709 of 2020 submits that since there was a dispute with regard to the management of the hotel unit, the petitioner in W.P.No.8131 of 2020 filed a suit in O.S.No.5 of 2020 against the petitioner in W.P.No.8709 of 2020 before the District Munsif Court, Sriperumbudur seeking permanent injunction, which is still pending. Hence, this Court may direct the succeeding parties to collect the materials lying in the hotel premises after the disposal of the said suit pending before the District Munsif Court, Sriperumbudur.

9. Heard learned counsel appearing on either side and perused the materials placed on record.

10. It is brought to the notice of this Court that the aforesaid premises is required for the purpose of extension of National Highways. In such circumstances, de-sealing and handing over the same to the respective parties could not be done by the TTDC. Admittedly, a suit in O.S.No.5 of 2020 is filed by the petitioner in W.P.No.8131 of 2020 seeking permanent injunction against



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the petitioner in W.P.No.8709 of 2020 and is pending before the District Munsif Court, Sriperumbudur. In view of the said pendency, this Court without interfering with the impugned order in W.P.No.8709 of 2020, directs the TTDC to store the movables in a separate place which was identified by the petitioner, second and the third respondents in W.P.No.8131 of 2020. However, it is open to the succeeding parties to take possession of the movables subject to the outcome of the said suit pending on the file of District Munsif Court, Sriperumbudur and there is no legal impediment for the TTDC to take possession and hand over the hotel premises to the National Highways for future expansion.

11. With the aforesaid directions, these writ petitions are disposed of. There shall be no order as to costs. Consequently, connected miscellaneous petitions are closed.

**02.06.2023**

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*(rap)*

Index : Yes / No

Speaking order : Yes / No

NCC : Yes / No



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To  
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The Managing Director,  
Tamil Nadu Tourism Development Corporation Ltd.,  
Tamil Nadu Tourism Complex,  
No.2, Wallajah Road,  
Chennai – 2.



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**M.DHANDAPANI, J.**

*rap*

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**W.M.P.No.10561 of 2020**

**in**

**W.P.No.8709 of 2020**

**M.DHANDAPANI, J.**

Dispensed with for the present.

**02.06.2023**

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*(rap)*