



W.P.No.27938 of



IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON : 21.09.2023

PRONOUNCED ON : 27.09.2023

CORAM

THE HONOURABLE MR.JUSTICE S.M.SUBRAMANIAM

W.P.No.27938 of 2021

and

W.M.P.Nos.29509 & 29511 of 2021

M/s.Indian Oil Corporation Limited,
Rep. by the Chief Divisional Retail Sales manager,
Marketing Division, Indian Oil Bhavan,
No.8 / 1079, Avinashi Road,
Coimbatore- 641 018.

... Petitioner

Vs.

1. The State of Tamil Nadu,
Rep. by its Secretary,
Revenue Department,
Fort St.George, Chennai- 600 009.

2. The District Collector,
Coimbatore District, Coimbatore.

3. The District Revenue Officer,
Office of the District Collectorate,
Coimbatore District.

4. The Tahsildar,
Coimbatore North Taluk,
Coimbatore.

... Respondents



Prayer: Writ Petition filed under Article 226 of the Constitution of India for issuance of writ of Certiorarified Mandamus, calling for the records pertaining to the issuance of proceedings in ROC. No. 11671 / 97 / A5 dated 01.11.2021 on the file of the 4th Respondent and quash the same consequently direct the respondents to re- determine the lease rentals in accordance with law.

For Petitioner	: Mr.Vijay Mehanath for Mr.AAV Partners
For Respondents	: R.Ramanlaal, Additional Advocate General-IV, assisted by Mr.G.Krishna Raja, Additional Government Pleader.

ORDER

The writ on hand has been instituted questioning the validity of the order dated 01.11.2021, passed by the 4th respondent and to direct the respondents to redetermine the lease rent in accordance with the law. The order dated 01.11.2021 is a demand notice issued by the Tahsildar Coimbatore, North Taluk.



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2. The petitioner is M/s.Indian Oil Corporation Limited. The land measuring to an extent of 4,420 Sq.ft. comprised in T.S.No.966/1 Anupparapalayam Village, Coimbatore District, was leased to IOCL by the 2nd respondent vide proceeding dated 03.01.1966 on rental basis for setting up of retail outlet. The petitioner Corporation has established a retail outlet and has been operating the same. The petitioner states that they are paying the rent periodically but the respondents are threatening the Corporation with eviction proceedings for default in payment of lease rent. The respondents, without considering the fact that the Government land was leased to the Corporation, termed the Corporation as encroacher on the ground of expiry of the lease period.

3. The lease rent determined was exorbitant and unilateral. The Corporation has taken up the issue with the respondents on various occasions and requested to re-consider the issue for fixation of lease rent and renew the lease agreement. But none of the requests made by the Corporation were considered by the respondents till date.



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4. Against the unilateral fixation of exorbitant lease rent, the petitioner Corporation filed W.P.Nos.11492 to 11496 of 2018 and this Court passed an interim order on 28.04.2018, directing the petitioner Corporation to pay 4% of the land cost as annual lease rent instead of 2% without prejudice, till the disposal of the present writ petition. Even thereafter, the respondents have issued demand notice to the petitioner. The 4th respondent Tahsildar issued an order in proceeding dated 23.06.2020, directing the petitioner Corporation to remit a sum of Rs.35,91,651/- towards arrears of lease rent from 01.01.2019 to 31.12.2020.

5. Challenging the said demand notice, the petitioner filed W.P.No.1892 of 2021 and the said writ petition was disposed of directing the 3rd respondent-District Revenue Officer to conduct inquiry and pass orders. The 3rd respondent, without following the due process of law and in a prejudiced manner, rejected the request of the petitioner Corporation. Again the petitioner filed W.P.No.20569 of 2021 and notice was ordered to the respondents. During the pendency of the writ petition, the 4th respondent again issued a demand notice directing the petitioner to pay a sum of Rs.45,05,367/- as lease rent from 01.01.2021 to 31.12.2021. Since the arrears



of lease rent claimed by the respondents are exorbitant, the petitioner is constrained to move the present writ petition.

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6. The respondents have stated that the arrears of lease rent, to be paid by the petitioner is running to the tune of Rs.1,07,01,254/-. The respondents have furnished the copy of the provisional document made by them as on 31.08.2023.

7. The District Collector filed counter affidavit stating that an extent of 4,420 Sq.ft of Government Poramboke land (Sarkar Jaga) situated in Coimbatore city is leased out to the petitioner Indian Oil Corporation in proceeding dated 03.01.1965 of the District Collector Coimbatore. The lease was granted for 5 years up to 31.12.1970. The Government land is in the prime locality of the Coimbatore City, just opposite to the District Court Complex and covering major Government Offices, educational and commercial places and the motorists use the retail outlet operated by the petitioner. Pertinently, the petitioner did not operate the retail outlet on its own and has given it to a partnership firm i.e., M/s.K.R.Service Station with partners K.R.Lakshmanan (father) and K.L.Prakash (son). Therefore, the



contention of the petitioner that the Corporation is operating the outlet is incorrect.

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8. After expiry of the lease period of 5 years on 31.12.1970, the lessee did not come forward to get the lease renewed for further period by filing applications, but continued to operate the retail outlet through the dealer i.e., K.R.Service Station, even without paying any lease rent for years together i.e., nearly for about 30 years.

9. Thus, the occupation of the lessee M/s. Indian Oil Corporation Limited and its dealer K.R.Service Station, during the period of about 30 years after the expiry of the original lease period on 31.12.1970, without payment of any amount as lease rent is nothing but an unauthorized occupation and an encroachment of the valuable Government land, which is liable to be evicted at any time.

10. The Revenue Department of the Government of Tamil Nadu issued demand notices periodically. The demand notices were not honoured by the petitioner Corporation nor by their private dealer. Therefore, the



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petitioner has no locus standi to raise objections in respect of fixation of arrears of lease rent. The lease rent was periodically revised once in three years and it was fixed strictly in accordance with the instructions of the Government issued with G.O.No.460, Revenue Department dated 04.06.1998 and circular dated 24.09.2001 of the Commissioner of Land Administration Chennai, and Government Letter No.155, Revenue Department dated 10.03.2005. The petitioner was duly informed of the factual possession.

11. The petitioner, instead of paying the arrears of the lease rent, has filed a writ petition and by virtue of the interim order, they are running the retail outlet in the valuable Government land making huge profits through private dealers and not paying the enhanced lease rent as fixed by the Government. The respondents have categorically stated that enhancement of lease rent, once in 3 years, is contemplated under the Revenue Standing Orders. The lease conditions are also stipulated in Government RSO 24. The petitioner has not come forward to renew the lease after the year 1970. They are in unlawful occupation of the valuable Government land in Coimbatore City for several years which is causing huge financial loss to the State Exchequer.



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12. The lease land held by the petitioner is in the prime area of Coimbatore city and surrounded by Commissionerate of City Police, District and Sessions Court Complex, K.G.Hospital, K.G.Cinema Complex, Commercial area of Avinashi Road, Collectorate, Offices of the Registration Department, Coimbatore Main Telephone Exchange, District Police Office, State Bank of India, Coimbatore Main Branch, Coimbatore Railway Station, Government Arts College, Race Course, e.c.t., and therefore, the grounds adduced by the petitioner are untenable and the corporation as well as their private dealer are making huge profit by running the retail petrol bunk in the Government property and not paying the lease rent for several years despite the fact that the guidelines value of the land has been increased by the Government.

13. The petitioner is a commercial establishment. They are doing commercial activity and making profit by selling petroleum products and diesel to the public. They are not doing any service at free of cost. Therefore, the commercial activity of the Indian Oil Corporation cannot be compared with the social services being performed by the Government of Tamil Nadu



or the Government of India. The petitioner is in unlawful occupation of the valuable Government land for more than 30 years without paying the lease rent to the Government. Even now the petitioner has failed to pay the provisional lease rent demanded by the 4th respondent and continue to be in unauthorized occupation.

14. Shockingly, it is brought to the notice of this Court by the learned Additional Advocate General that the lease rent has not been paid from the year 1970 to 2000 (for 30 years). The lease expired on 31.12.1970. After expiry of the lease, the petitioner Corporation is in unlawful occupation and the private dealer appointed by the petitioner Corporation is making huge profits from and out of the retail Petrol Bunk.

15. The petitioner cannot evade payment of lease rent due to the Government of Tamil Nadu. It is the public revenue and loss, if any, will infringe the right of We People of India and thus, the Government Authorities are duty bound to recover the lease rent in respect of the Government properties. Even as per the Tamil Nadu Financial Code, the lease rent and dues to the Government of Tamil Nadu are to be recovered



punctually by initiating all appropriate action by the Government Officials.

Failure in this regard would result in financial loss to the State Exchequer and the Government may not be in a position to implement the Government welfare schemes for the benefit of the people at large.

16. Therefore, revision of lease rent, protection of Government properties and recovery of lease rent are of paramount importance and it is the constitutional duty of the Government Authorities to protect the interest of the people as well as the financial affairs of the State.

17. Accordingly, this Court is inclined to pass the following orders:

- (i) The relief as such sought for in the present writ petition stands rejected.
- (ii) The respondents are directed to evict the petitioner from the Government land within a period of one month from the date of receipt of a copy of this order.
- (iii) The respondents are directed to initiate all appropriate action against the petitioner to recover the arrears of lease rent due to the Government of Tamil Nadu by following the procedures as contemplated.



18. With the above directions, the writ petition stands **disposed of** .

No costs. Consequently, the connected miscellaneous are closed.

27.09.2023

Index:Yes
Speaking order
Neutral Citation:Yes
(sha)

To

1. The State of Tamil Nadu,
Rep. by its Secretary,
Revenue Department,
Fort St.George, Chennai- 600 009.

2. The District Collector,
Coimbatore District, Coimbatore.

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