



O.A. No.645 of 2022, A. Nos.4422 and 4423 of 2022 and O.A. No.225 of 2023

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In view of inter-connectivity of issues, all these applications are considered and decided by this common order.

2 The summary of facts, as culled out from the applications, is as under:

2.1 The dispute in these applications revolves around the 51.87 acres of land in Ayanambakkam, which is under the control and management of the respondent/A.G. & O.T.

2.2 The respondent floated a tender by effecting a publication on 17.06.2022 in the Dinamalar daily fixing the upset rent as Rs.20 lakhs per annum, for letting the land measuring an extent of 51.87 acres, on lease, in response to which, the applicant, a Trust formed for imparting education by running schools, partook by making payment of a sum of Rs.60 lakhs towards Earnest Money Deposit and eventually, the applicant, who quoted a sum of Rs.4.40 crores per year, was also declared as the successful bidder.



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2.3 While so, on 15.09.2022, the applicant was demanded by the

respondent to pay a sum of Rs.13.20 crores towards rental advance of three years rent as per order dated 26.08.2022 passed by this Court in A.No.3472 of 2022 for execution of tenancy agreement for a period of one year, on or before 28.09.2022, which is claimed as against clause 19 of the terms and conditions, as per which, only 10 months rent has to be paid towards advance and security deposit, and also as against Clause 21, *ibid.*, as per which, the tenancy will be for a longer period. The applicant was further informed that failure to make such payment will result in forfeiture of the Earnest Money Deposit.

2.4 Thereafter, addressing a letter dated 22.09.2022 to the respondent seeking extension of date for executing the lease deed, the applicant filed:

- i. O.A. No.645 of 2022 seeking interim injunction restraining the A.G. & O.T. from demanding the 3 years annual rent of Rs.13.20 crores as advance and also from forfeiting the EMD amount, till the disposal of the main application;
- ii. A.No.4422 of 2022 seeking a direction to the A.G. & O.T. to enter into lease agreement with the applicant trust with respect to the land by receiving 3 months rent as advance and 7 months rent as security deposit, as per clause 19 of the terms and conditions; and



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iii. A. No.4423 of 2022 seeking a direction to the respondent to enter into lease agreement with the applicant Trust with respect to the land for a period of 20 years as per clause 21 of the terms and conditions.

2.5 When things stood thus, after obtaining permission from this Court, by effecting publication in the 19.02.2023 issue of Dinamalar, the respondent brought the land for open tender fixing the date for opening the tender as 27.03.2023.

2.6 Subsequently, the applicant filed O.A. No.225 of 2023 seeking an order of injunction restraining the A.G. & O.T. from opening the tender on 27.03.2023 and granting lease to any intending bidder, pending disposal of A.Nos.4422 and 4423 of 2022 on the file of this Court.

2.7 While so, one Abhishek, who was the successful bidder in the second auction conducted by the A.G. & O.T., filed an application in A.No.5220 of 2023 seeking to implead himself as the second respondent in O.A. No.225 of 2023, which was ordered on 20.10.2023 and accordingly, the said Abhishek was impleaded as the second respondent in O.A. No.225 of 2023.

3 Heard Mr. M.S. Krishnan, learned Senior Counsel representing



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M/s. Adith Narayana Vijayaraghavan, learned counsel on record for the applicant, Mr. N. Ramanathan, learned A.G. & O.T. and Mrs. Chitra Sampath, learned Senior Counsel for Abhishek, the impleaded second respondent.

4 The learned A.G. & O.T. submitted that inasmuch as it is close to two years since the date of the first paper publication being 17.06.2022 and given the present market value, for the fresh auction to be conducted, he may be permitted to fix the upset price as Rs.4 crores per year for 51.87 acres of vacant land.

5 The learned Senior Counsel for the applicant and the learned Senior Counsel for the impleaded respondent have not raised serious objection for a fresh auction to be conducted in respect of the subject land. They have also submitted that they agree to abide by the upset price to be fixed by this Court.

6 Considering the facts and circumstances of the case as well as the submissions made on either side, the learned A.G. & O.T. is directed to conduct a fresh auction by following all the procedures mandated for letting the land measuring an extent of 51.87 acres situated at Ayanambakkam, on lease by fixing the upset price as Rs.4 crores, for a period of thirty years with a



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provision to enhance the rent by 15% once in five years, and the applicant and the impleaded respondent are at liberty to partake in the said fresh auction, along with others by remitting the Earnest Money Deposit, so fixed. After expiry of the lease period, it is open to the AG & OT either to renew the lease for further period or resort to fresh auction. Once the successful bidder is declared and the auction is completed, the Earnest Money Deposit made by the other participants shall be refunded. The AG & OT is permitted to meet out the expenses for the fresh auction, from and out of the estate of M/s.C.K.Naidu Trust.

In fine, O.A. No.645 of 2022, A. Nos.4422 and 4423 of 2022 and O.A.No.225 of 2023 stand disposed of on the above terms.

01.07.2024

cad

To
The Administrator General & Official Trustee
High Court of Campus
Chennai 600 104



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