



W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

WEB COPY

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

RESERVED ON: 02.08.2024

DELIVERED ON : 30.09.2024

CORAM

THE HON'BLE MR.JUSTICE K.MURALI SHANKAR

W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

and

W.M.P.(MD)Nos. 6971, 6972, 15788, 15789, 15792, 15793, 15794, 15796, 15797, 15799, 15801, 15803, 15806, 15812, 15813, 15829, 15832, 15835, 15837, 15839, 15843, 15844, 15846, 15850, 15851, 15959, 15960, 15961, 15962, 15964, 15965, 15966, 15968, 15969, 15970, 15971, 15972, 15973, 15974, 15975, 15977, 15978, 15979, 15980, 15981, 15984, 15985, 15987, 15988, 15989, 15990, 15992, 15993, 15994, 15995, 15996, 15997, 15998, 15999, 16000, 16001, 16003, 16004, 16006, 16007, 16244, 16245, 16246, 16247, 16248, 16249, 16250, 16251, 16252, 16253, 16254, 16255, 16256, 16257, 16258, 16259, 16260, 16261, 16262, 16263, 16264, 16265, 16266 and 17691 of 2021

W.P.(MD)No.9259 of 2021

1. A.RABINDRAN KAMAK,
194/3a, West Boulevard Road,
Trichy - 620008
2. M/S Sri Mari Traders
209/13, West Boulevard Road,
Represented .by its proprier J.KATHIRESAN.



W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

3. M/S Mariammal Agency,
209/13, West Boulevard Road,
Trichy - 620008
Rep.by its Proprieter R.Ravi.
4. M/S Namasivayam,
209/13, West Boulevard Road,
Trichy – 620008.
5. M/S Mahesh Enterprises
212/16, West Boulevard Road,
Trichy - 620008
Rep.by its proprier Maheswaran.
6. M/S RAMESH ENTERPRISES
212/16, West Boulevard Road,
Trichy 620008,
Rep.by its Managing Partner G. Damodaran.
7. M/S VIJAY PVC PIPES
212/16, West Boulevard Road,
Trichy 620008
Rep.by its Managing Partner S.Saravanan.
8. M/S GNANAMBAL MARKETING PVT LTD
203/8, West Boulevard Road,
Trichy 620008
Rep.by its Managing Director G. Thomas.
9. THIRU. MSR. BASKAR
193/3, West Boulevard Road,
Trichy 620008,
Rep.by its Managing Partner B.Rajasankar.
10. M/S J.V FURNITURE
216/20, West Boulevard Road, Trichy 620008
Rep.by its Proprietor K.A Chandran



W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

WEB COPY

11. M/S VINOTH TRADING COMPANY
80A, 216/20 West Boulevard Road,
Trichy 620008, Rep.by its Partner Namasivayam
12. M/S VINOTH AGENCY,
127, West Boulevard Road Trichy 620008,
Rep.by its Proprietor Vinoth Kumar.
13. M/S VINOTH AGENCY
127, West Boulevard Road Trichy 620008,
Rep.by its Proprietor Vinoth Kumar.
14. M/S S.SARAVANAN
371, West Boulevard Road Trichy 620008
15. THIRU. N. BALSUBRAMANIAN,
220/4, West Boulevard Road, Trichy 620008
16. THIRU V. SUBRAMANI
250/28B West Boulevard Road, Trichy 620008.
17. THIRU VASUDEVAN
226/8 West Boulevard Road, Trichy 620008
- 18 THIRU SARAVANAN
247/27, West Boulevard Road, Trichy 620008.
19. THIRU CHANDRA PRAKASA NADAR
201/7 West Boulevard Road, Trichy 620008
20. M/S SANGEETHA ELECTRICALS
201/7 West Boulevard Road, Trichy 620008
Rep.by its Proprietor Shankarlal.
21. M/S SUDAR NOVELTIES,



W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

201/7, West Boulevard Road Trichy 620008

Rep by its Proprietor Narpath Singh.

22. THIRU G. SIVAKUMAR

230/12, West Boulevard Road,
Trichy 620008.

23. M/S CAUVERY TRADERS

202/7V West Boulevard Road, Trichy 620008,
Rep by its Proprietor George Roy.

24. THIRU UMAPATHY

121/24, West Boulevard Road Trichy 620008

25. M/S ASIAN

205/10 West Boulevard Road, Trichy 620008,
Rep by its Proprietor Mohamed Ariff.

26. M/S DHARMU TRADERS

2314/18 West Boulevard Road, Trichy 620008,
Rep by its Proprietor Subramani.

27. M/S GURUJI BOOK STORES

214/18, West Boulevard Road, Trichy 620008,
Rep by its Manager Subramani.

28. M/S SHEIK ABUL SALAM AND SONS,

245/25 West Boulevard Road, Trichy 620008
Rep by its Partner Sulthan Mohideen.

29. TMT. AYESHA BEE

245/25, West Boulevard Road,
Trichy 620008

30. THIRU S. CHELLADURAI

231/12V West Boulevard Road, Trichy 620008.



W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

31. M/S KEERTHIGA AGENCY
201/7 West Boulevard Road Trichy 620008,
Rep by its Proprietor Krisnamoorthy.
32. M/S AYISHA AGENCY,
344 West Boulevard Road Trichy 620008,
Rep by its Proprietor Abdul saleem.
33. THIRU R. MOORTHY AND UMAPATHY
222/6 West Boulevard Road Trichy 620008.
34. THIRU R. MOORTHY AND UMAPATHY
221/5 West Boulevard Road, Trichy 620008.
35. THIRU SARINA YOUSUF
198/4 Thiru R. Moorthy and Umapathy,
222/6 West Boulevard Road, Trichy 620008
36. THIRU N.V.VAIDHYANATHAN
215/19, Thiru R. Moorthy and Umapathy,
222/6 West Boulevard Road Trichy 620008
37. M/S SILPA AGENCY,
208/11.12 West Boulevard Road, Trichy 620008,
Rep by its Managing Partner Rengaraj.
38. THIRU RATHINA PILLAI
204/9, West Boulevard Road, Trichy 620008,
Rep by its Proprietor Christy Ponraj.
39. M/S NAPPA CORPORATION,
363 West Boulevard Road Trichy 620008,
Rep by its Proprietor L.N.Letchumanan,
40. M/S NAPPA CORPORATION
183/7, West Boulevard Road, Trichy 620008
Rep by its Proprietor L.N.Letchumanan.



W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

41. M/S ASIAN

208/11.12 West Boulevard Road, Trichy 620008,
Rep by its Proprietor Mohamed Ariff.

42. THIRY SHAKIR

208/11.12 West Boulevard Road, Trichy 620008,
Rep by its Partner N.Mohamed Rafik.

43. M/S VIJAYA ASSOCIATION

2085/11.12 West Boulevard Road Trichy 620008,
Rep by its Managing Partner S.Saravanan.

44. THIRU. K.R. THETCHINAMURTHY

223/7, West Boulevard Road Trichy 620008.

45. THIRU M.KANNAN

248/28, West Boulevard Road,
Trichy 620008.

46. THIRU MURUGESAN

240/20 West Boulevard Road,
Trichy 620008.

47. THIRU RAMESH

240/20, West Boulevard Road ,Trichy 620008.

48. THIRU. CHOKKALINGAM AASARI

247/27 West Boulevard Road, Trichy 620008.

49. THIRU MADAN

36/10 West Boulevard Road, Trichy 620008.

50. M/S SELVAM MARAKADAI

200/6 West Boulevard Road, Trichy 620008,
Rep by its Proprietor A. Joseph Sundarsamy



W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

51. THIRU GANESAN

210/4, West Boulevard Road, Trichy 620008.

52. THIRU KHUTBUDEEN

240/20 West Boulevard Road, Trichy 620008.

53. THIRU T.V.MADHAVAN

224/24 West Boulevard Road, Trichy 620008,

54. THIRU M.K.N MEERA MOIDEEN

194/1, West Boulevard Road, Trichy 620008.

55. THIRU A.S. ASARAF ALI

249/26, West Boulevard Road, Trichy 620008.

56. THIRU S.M KHADER

250/28 B, West Boulevard Road, Trichy 620008.

57. THIRU M/S S.M SYED SEIT

232/13 West Boulevard Road, Trichy 620008.

58. THIRU S.M MUSTHAFA

396, West Boulevard Road, Trichy 620008.

59. THIRU S.M KAMAL

396 West Boulevard Road, Trichy 620008.

60 T.S. MOHAMED RAOWTHER

250/28B, West Boulevard Road, Trichy 620008.

61. THIRU SEIK DAWOOD,

229/11 West Boulevard Road, Trichy 620008.

62. THIRU MEERA MOHIDEEN

194/1, West Boulevard Road, Trichy 620008.

63. THIRU KADER MOIDEEN,



W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

208/11.12 West Boulevard Road, Trichy 620008.

WEB COPY

64. M/S MEENA AGENCY,
208/11.12, West Boulevard Road,
Trichy 620008 Rep by its Partner K.Sudhakar.
65. THIRU PEER DIWAN MOHIDEEN
249/28, West Boulevard Road, Trichy 620008.
66. THIRU PEER DIWAN MOHIDEEN
223/7, West Boulevard Road, Trichy 620008.
67. THIRU N.BALASUBRAMANIAN,
121/24, West Boulevard Road, Trichy 620008.
68. SANKAR OIL MILL
198/4, West Boulevard Road, Trichy 620008,
Rep by its Proprietor Selvaraj.
69. SIVA SANKAR MARA VIYABARAM,
382, West Boulevard Road Trichy 620008.
70. TMT. AMUTHA
241/21 West Boulevard Road, Trichy 620008.
71. THIRU KADER MOHIDEEN
250/28 B, West Boulevard Road,
Trichy 620008.
72. SILPA AGENCY
204/9 West Boulevard Road, Trichy 620008,
Rep by its Managing Partner Rengaraj
73. M/S BISMI TIMBER COMPANY,
237/17, West Boulevard Road, Trichy 620008,
Rep by its Propretor Azharudheen.



W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

74. THIRU R. AZHARUDHEEN
238/18, West Boulevard Road, Trichy 620008.
75. THIRU BALASUBRAMANIAN
245/25, West Boulevard Road, Trichy 620008.
76. M/S SRI BALAJI
208/11.12, West Boulevard Road,
Trichy 620008, Rep by its Proprietor G.Lalitha.
77. THIRU LATCHUMANAN CHETTIAR
195/2, West Boulevard Road, Trichy 620008.
78. TIRUCHIRAPALLI CITY LAND LEASE MERCHANTS
WELFARE ASSOCIATION,
Rep by its Secretary, Mr. A. Rabindran Kamak,
No.148, West Boulevard Road Trichy 620 008.

... Petitioners

Vs.

1. State of Tamil Nadu,
represented by its Secretary to Government,
Department of Local Administration,
Chepauk, Chennai-600 009.
2. The Secretary,
Municipal Administration and
Water Supply Department,
Secretariat, St. George Fort,
Chennai-600 005.



W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

3.The Director,
Municipal Administration,
Ezhilagam, Beach Road,
Chennai-600 005.

4.The Commissioner,
Tiruchirapalli Corporation,
Tiruchirapalli.

... Respondents

PRAYER : Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorarified Mandamus to quash the impugned order bearing reference Na.Ka.No.A1/2550/2010/sri, dated 24.04.2021, issued by the fourth respondent and to consequently direct the fourth respondent to continue to collect the rents from the petitioner Association at the prevalent rate.

For Petitioners : Mr.VR.Shanmuganathan
in W.P.(MD)No.9259 of 2021

For Respondents : Mr.V.Om.Prakash
in W.P.(MD)No.9259 of 2021 Government Advocate
for R.1 to R.3
: Mr.R.Baskaran
Senior Counsel
for Mr.R.B.Law Associates
for R.4



W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

WEB COPY

COMMON ORDER

These Writ Petitions, except the writ petition in W.P.(MD)No. 9259 of 2021, are directed against the proceedings of the fourth respondent dated 08.10.2021 and for direction to the fourth respondent to continue collecting rent at Rs.6/- per sqmt.

2. W.P.(MD)No.9259 of 2021 is directed against the eviction notices dated 24.04.2021 issued by the fourth respondent and for direction to the fourth respondent to continue to collect rents from the petitioner association at the prevalent rate.

3. Heard the learned Counsel appearing for the petitioner in all the petitions, the learned Government Advocate appearing for the official respondents and the learned Standing Counsel appearing for the Tiruchirappalli Municipal Corporation and perused the materials available on record.



W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

4. The learned Counsel for the petitioners would request the Court that since the batch of the writ petitions came to be filed challenging the impugned notices redetermining the rent and whereas the Writ Petition in W.P.(MD)No.9259 of 2021 came to be filed challenging the impugned eviction notice may be considered and pass orders separately. But considering the issues involved in all the writ petitions and also the fact that the impugned notices redetermining the rent and the impugned eviction notices came to be issued, subsequent to the orders passed by the Hon'ble Division Bench of this Court and for the sake of convenience, this Court decides to pass a common order in all the writ petitions.

5. The lands, in which the shops which are the subject matter of the above batch of litigations, originally belonged to the Government and subsequently, after independence, the lands came to be vested with the then Tiruchirapalli Municipality. The lands now in dispute are situated in West Boulevard Road, Srirangam. It is not in dispute that the persons who had taken the land on lease had put up superstructures and were paying ground rent at 35 paise per sqft and subsequently the same was



W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

revised and enhanced to 44 paise per sqft in the year 2001. Meanwhile, the Government has issued a Government Order in G.O.Ms.No.147, dated 30.12.2000 directing the local bodies to fix the rent as per the market rates after the stipulated block period is over. The fourth respondent placing reliance on the said Government Order, has cancelled the earlier enhancement at 44 paise and passed a resolution on 30.06.2003 and issued proceedings enhancing the ground rent to Rs.6/- per sqft. Aggrieved by the said enhancement of the rent, some of the lessees have moved this Court by filing writ petitions in W.P.(MD)No. 4913 of 2015 and W.P.(MD)No.21324 of 2015 and the said writ petitions came to be disposed of vide order dated 27.04.2016, remitting the matter back to the Municipal Corporation. After remission, the fourth respondent has issued the proceedings dated 28.07.2016 directing the shop keepers / lessees to pay rent Rs.6/- per sqft with effect from 01.04.2001 and for further direction to pay 15% enhancement of rent once in 3 years.

6. The Tiruchirappalli City Land Lease Merchants Welfare Association – 78th petitioner in W.P.(MD)No.9259 of 2021, has filed a



W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

WEB COPY writ petition in W.P.(MD)No.22394 of 2016. When the said petition was moved for admission, an interim stay was granted on condition that the members of the petitioner Association shall pay the current rent at the rate of Rs.3/- per sqft until further orders and in respect of arrears to be payable, they were directed to deposit Rupees One Lakh within a period of 8 weeks from the date of the said order, which came to be passed on 30.11.2016.

7. When the matter was taken up for final hearing, a learned Judge of this Court, taking note of the issuance of G.O.Ms.No.147, dated 30.12.2000, has fixed the rent, by giving 15% enhancement, vide order dated 23.09.2020 and the relevant passages are extracted hereunder:

“I am therefore of the view that fixing Rs.3.00/- per sq.ft for the property in question would definitely meet the ends of justice. Of course as rightly pointed out by the learned Standing counsel, once the ground rent is fixed as Rs.3.00 per sq.ft with effect from 01.04.2004 onwards, the periodical revision at the rate of 15% once in three years as laid down in G.O.Ms.No.147 dated 30.12.2000 will automatically kick in. The learned senior counsel appearing for the petitioner-



W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

WEB COPY

association has no quarrel on that score. Therefore, the members of the petitioner-association shall pay at the rate of Rs.3.45/- per sq.ft with effect from 01.04.2007 and at the rate of Rs.4.00/- per sq.ft with effect from 01.04.2010 and Rs. 4.60/- per sq.ft with effect from 01.04.2013.

8. The petitioner-association gives an undertaking that they would pay at the rate of Rs.6.00/- per sq.ft with effect from 01.04.2016 onwards. Since more than 4½ years have gone by, it is open to the Corporation to redetermine the ground rent payable with effect from 01.04.2021 by taking into account the market rate. On such redetermination, the corporation will offer to the members of the petitioner-association as to whether they are accepting the offer and on that basis, they would continue as lessees of the corporation. The petitioner-association will be entitled to avail such an offer from the fourth respondent corporation only if the arrears have been cleared by them. The petitioner-association gives a further undertaking that if they do not clear the arrears on or before 01.04.2021, they will vacate and hand over the premises to the fourth respondent corporation. The ground rent for the period from 01.04.2016 to 31.03.2021 will be flat @ Rs.6.00/- per sq.ft.”



W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

8. The fourth respondent has challenged the said order by filing a Writ Appeal in W.A.(MD)No.261 of 2021. The Hon'ble Division Bench, by taking note of the fact that the members of the petitioner association paid the arrears to the tune of Rs.10,51,00,000/-, has confirmed the first part of the order of the learned Single Judge in fixing the rent for the period till 01.04.2021, but set aside the subsequent part of the order and directed the fourth respondent to offer the redetermined rent to the members of the association and if they are agreeable to pay the redetermined rent, they can continue in the same place and directed the fourth respondent to redetermine the rent in accordance with law in a fair and transparent manner and conduct public auction inviting offers for grant of lease / licence from the public and the relevant portions are extracted hereunder:

“However, we do not approve a part of the findings rendered in paragraph No.8 of the impugned order that after 01.04.2021, the Corporation will offer the redetermined rent to the members of the first respondent association and if they are agreeable to pay the redetermined rent they can continue in the same place. This observation is beyond the jurisdiction of the Writ Court. There are several decisions by the Hon'ble Division Benches of this Court, which has deprecated the



W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

WEB COPY

practise of the Government to extend the lease or licence to the same licensees by enhancing the rent at the rate of 15% once in a block period of three years and it has been held that such a Government Order allowing licensees or lessee to continue is against public interest and therefore, the directions issued by the learned Writ Court calls for interference. Having said so, we will also have to interfere with paragraph 10 of the impugned order because once re-determination has taken place, it should be on par with the market rate and the right to bid for the license or lease should be made available to this public. Therefore, recognising the legal heirs of the deceased licensees as licensees of the respondent Corporation does not arise and cannot be permitted.

8. Accordingly, the Writ Appeal is partly allowed and the direction issued in paragraph 8, directing re-determination of the rent and offering the same to the first respondent association stands vacated and stands deleted and the appellant Corporation is directed to redetermine the rent in accordance with law in a fair and transparent manner and conduct public auction inviting offers for grant of lease/licence from the public. For the reasons stated above, paragraph 10 of the impugned order is quashed, leaving it open to the appellant to redetermine the rent as indicated above. No costs.”



W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

WEB COPY

9. Subsequent to the order of the Hon'ble Division Bench of this Court, the fourth respondent has issued the impugned eviction notices dated 24.04.2021 to all the shop keepers who are the members of the petitioner association directing them to vacate the premises and hand over the vacant possession within a period of one week to the fourth respondent Corporation. Aggrieved by the impugned eviction notices, the shop keepers / lessees and the association have jointly filed the writ petition in W.P.(MD)No.9259 of 2021.

10. Thereafter the fourth respondent has issued the proceedings to all the shop keepers / lessees, dated 08.10.2021, directing them to pay the arrears by calculating for the period between 01.04.2001 and 31.03.2021 at the rate fixed by the learned Single Judge and for the subsequent period at Rs.59/- which was allegedly fixed by the fourth respondent in pursuance of G.O.Ms.No.147, dated 30.12.2000. Aggrieved by the said impugned notices, the shop keepers / lessees have filed the present batch of writ petitions in W.P.(MD)Nos.18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021.



W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

WEB COPY

11. The learned Counsel for the petitioners would contend that before issuing the impugned proceedings enhancing the rent, the petitioners were not given any notice nor opportunity of being heard and as such, the impugned proceedings came to be passed in violation of the principles of natural justice, that the rent fixed at Rs.59/- is usurious and exorbitant and arbitrary, that a sum of Rs.6/- per sqft has been enhanced to Rs.59/- per sqft, which is almost 10 times increase and that the petitioners have already paid Rs.1.29 Crores, Rs.10.51 Crores and Rs.1.29 Crores towards arrears of rent from 2001, but the impugned proceedings does not reflect any such payment.

12. The learned Standing Counsel for the fourth respondent would submit that the notice for increase of rent was issued in the year 2001 and due to the various litigations initiated by the petitioners, the process and the increase was stalled, that the petitioners are the habitual defaulters and have paid huge amount of arrears only at the intervention of this Court and still there are huge arrears to the tune of several crores, that the petitioners are bound to pay Service Tax and since the GST was



W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

introduced in the year 2017, the term GST was used, that as per the order of the High Court, the base rental value was fixed and the actual amount of rent will be finalised only as per the public auction proceedings and as such, the final rent amount could only be ascertained after the public auction proceedings, that the base value was given as rent to the petitioners, since they are in possession of the property and hence, no notice has to be given to the petitioners for fixing base value for public auction proceedings, that the respondents had initiated the proceedings to bring the property to the public auction immediately after the disposal of the writ appeal and that the petitioners had successfully delayed the proceedings by continuous litigations, that the petitioners are paying rent only at Rs.6/- from 01.04.2021 till date and due to the same, an amount of Rs.5,43,29,072/- was pending as on 31.09.2021 and as on date, the total arrears will be more than Rs.20 Crores, that the financial burden due to the same is now shifted on the general public in the form of other taxes and grants from the Government and that the petitioners being the encroachers, had to be evicted from the property to bring the same to auction and hence, the notices came to be issued.



W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

WEB COPY

13. No doubt, the learned Counsel for the petitioners has raised a ground that since the impugned proceedings make a demand from the year 2001, but the retrospective demand of rent is barred by limitation and in the absence of any specific law relating to limitation for demand of arrears, the Limitation Act provides three years time for recovery and that therefore, the impugned proceedings demanding arrears of rent from 2001 is barred by limitation.

14. As rightly contended by the learned Standing Counsel, notices for increase of rent came to be issued in the year 2001 and due to various litigations initiated by the petitioners, the proceedings for increase in rent kept stalled and as such the petitioners cannot take a plea of limitation for their own wrong. It is pertinent to note that the petitioners, in the Writ Appeal in W.A.(MD)No.261 of 2021 have taken a stand that the order passed by the learned Single Judge in W.P.(MD)No.22394 of 2016 was a consent order, but the appellate Court has refused to accept the said stand. But according to the petitioners, it was a consent order, wherein the learned Single Judge has fixed the rent for the period



W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

between 2004 and April 2021. Admittedly, the petitioners have not challenged the order passed in W.P.(MD)No.22394 of 2016 fixing the rent for the said period.

15. As rightly pointed out by the learned Counsel for the petitioners, in the impugned notices, dated 08.10.2021, the fourth respondent has claimed rent from 01.04.2001. As already pointed out, the learned Single Judge of this Court by specifically observing that when the fourth respondent proposed to redetermine the ground rent by taking into account the market reality only in the year 2004, the redetermination could have been given effect only from the year 2004 and nor for the period prior thereto and on that basis proceeded to fix the rent for the period from 01.04.2004 onwards. Moreover in the Writ Appeal filed by the fourth respondent, the Division Bench confirmed the order of the learned Single Judge fixing the rent for the period upto 01.04.2021. Hence the fourth respondent has claimed rent at the previous rate of 44 paise per sqft for the period from 01.04.2001 to 31.03.2004 and as such, the same cannot be found fault with.



W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

WEB COPY

16. Since the Division Bench have confirmed the order of the learned Single Judge fixing the rent from 01.04.2004 till 31.03.2021, the petitioners are certainly liable to pay the rent as fixed by the learned Single Judge for the said period. It is not in dispute that the petitioner association has already paid Rs.1.29 Crores, Rs.10.51 Crores and Rs.1.29 Crores towards arrears of rent. But admittedly, the said amounts were not given credit in the impugned proceedings. Hence, the fourth respondent is duty bound to give credit for the payments made and after deducting the same, are entitled to claim the balance arrears.

17. Now turning to the disputed period, ie., from 01.04.2021, the petitioners have been alleging that they have been paying rent at the previous rent ie, Rs.6/- per sqft. As already pointed out, the fourth respondent claimed rent at Rs.59/- per sqft. The fourth respondent has taken a specific stand that in the impugned proceedings, they have fixed base rental value and the actual amount of rent will only be finalised as per the public auction proceedings and that since the petitioners have been in possession of the property, they have claimed base value as rent for the period from 01.04.2021.



W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

WEB COPY

18. Considering the above, it is clearly evident that the fourth respondent has only shown the proposed rent and finally it has to be ascertained at the public auction proceedings. Since the final rent is not at all determined, claiming rent at Rs.59/- for the period from 01.04.2021 is not proper. But at the same time, the petitioners cannot be allowed to squat the property by paying rent of Rs.6/- per sqft continuously from 01.04.2021. In order to balance the interest of both parties, this Court is of the view that fixing 50% of the amount claimed by the fourth respondent would meet the ends of justice. Hence, the petitioners are directed to pay rent at Rs.29.50/- per sqft with effect from 01.04.2021 till now. As already pointed out, the Hon'ble Division Bench has specifically directed the fourth respondent to redetermine the rent in accordance with law in a fair and transparent manner and conduct public auction inviting offers for grant of lease / licence from the public. The Division Bench has also specifically observed that individual licensees are also also entitled to participate in the auction along with other willing participants because their status on and after 01.04.2021 as good as any other participant.



W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

WEB COPY

19. Considering the above, the petitioners are certainly entitled to take part in the auction proceedings provided they have to pay the rent arrears as directed by this Court. After the determination of the final rent in the auction proceedings and if the rent exceeds Rs.29.50/- per sqft, then the petitioners are liable to pay the balance amount.

20. Now turning to the impugned eviction notices, the learned Counsel for the petitioner would mainly contend that though the impugned notices read that the said proceedings have been passed based on the directions of the High Court, in its order dated 23.09.2020 and 16.04.2021, the High Court has nowhere directed the fourth respondent to evict the petitioners, that the impugned eviction notices have been issued in total violation of the principles of natural justice as no notice was issued and no enquiry was conducted, that since the petitioners are in occupation of the petition mentioned premises as lessees and by payment of rent, the impugned notice for eviction is an arbitrary exercise of power and unless and until the lease in their favour is terminated by Corporation, there cannot be any auction for which, that the fourth



W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

respondent in the impugned notice has stated that the petitioners are encroachers and trespassers, without noticing the fact that the petitioners have been in possession of the premises as lessees and not as encroachers, that the petitioners have paid the entire arrears and in the absence of any arrears of rent, their contention that the petitioners were in default of payment of rent, cannot be sustained and on that ground, eviction cannot be claimed, that the impugned notices does not refer to any provision of law under which the same came to be issued, that the respondent Corporation by their subsequent conduct of redetermining the rent for the period 01.04.2021 and by making the demand of the rent from the petitioners, they have waived their right to evict the petitioners and as such, the fourth respondent is estopped from seeking eviction of the petitioners, that the impugned notice is tainted with malafide as the property adjacent to the premises of the petitioners, rent was charged at Rs.7.50/- per sqft and whereas they have claimed Rs.59/- per sqft for the petition mentioned premises and that the very reliance by the fourth respondent on Section 319 of the Urban Local Bodies Act is misconceived, as the said Act came into force only from 2023 and has no application to the case on hand.



W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

WEB COPY

21. The learned Standing Counsel for the fourth respondent would submit that the fourth respondent issued the eviction notices in order to bring the properties to public auction and since the petitioners are habitual Court mongers, unless the possession of the property is vested with the respondent, there will not be any potential participants in the auction, that since this Court directed the fourth respondent to bring the properties to the public auction, the impugned notices came to be issued and the respondent is only executing the orders of this Court in W.A. (MD)No.261 of 2021, that the petitioners are not the lessees of the petition mentioned premises, as no lease was granted or extended by the respondent and this Court had also decided that the petitioners can only be considered as trespassers and not as lessees, that there is no automatic extension of lease as per G.O.Ms.No.147, that the petitioners were paying only the ground rent and that too after the intervention of this Court and they are attempting to mislead the Court by giving wrong interpretation to the terminology used in the notice, that the impugned notices came to be issued under the Tamil Nadu Public Premises Act and in furtherance of the order passed in the Writ Appeal and the same is challenged in the present writ petition, that the redetermination of the



W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

rent is not for the petitioners, but is only base value for the property for auction, that since the petitioners are in possession of the property, the same was given as rent for the use of the property, that the property alleged to be leased for Rs.7.50 sqft is also going into brought to the auction and since owing to the litigations, the same could not be brought into the auction, that the order of the Division Bench of this Court can only be implemented once the petitioners are evicted due to the litigative nature of the petitioners and if an auction is conducted and the petitioners will initiate any legal action, then the complications will be at large, that they have already given undertaking affidavit and the same would go to show that they have no right to remain in the property, that the standard period of lease can be granted for another 3 years, which had expired as on 31.03.2024 and as such, the new lease that is to be granted by the public auction can only be granted following Section 319 of the Urban Local Bodies Act and that G.O.Ms.No.147 does not entertain a perpetual lease of the Government properties, but only states that the properties can be leased out by fixing the rent at market value for a block period of three years and that therefore, the petitioners have no right to remain in the property for the fact that they are only encroachers.



W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

WEB COPY

22. No doubt, as rightly contended by the learned Counsel for the petitioners, the Hon'ble Division Bench in its order has nowhere directed the fourth respondent to take necessary steps for evicting the petitioners, but at the same time, directed the fourth respondent to conduct public auction inviting offers for grant of lease / licence from the public and for redetermining the rent in accordance with law in a fair and transparent manner.

23. The main contention of the fourth respondent is that since the petitioners have initiated several litigations for the past several years and that if public auction is proceeded with, there will not be any potential participants in the auction, as they may fear for further litigations from the petitioners and that therefore, unless the possession of the petition mentioned property is vested with the respondents, they are not in a position to proceed with the public auction. It is pertinent to note that the Hon'ble Division Bench in their order have specifically permitted the petitioners/lessees to participate in the auction along with the other willing participants, but at the same time, have also observed that the



W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

status of the petitioners/lessees on and after 01.04.2021 is as good as any other participants in the public auction. Considering the above, it is clearly evident that the Hon'ble Division Bench have categorised the petitioners as outsiders and not as lessees / licensees, after 01.04.2021. Admittedly, the fourth respondent has not taken any steps for conducting public auction.

24. As already pointed out, it is pertinent to note that when the above petition in W.P.(MD)No.9259 of 2021 was moved for admission, this Court, while granting interim stay, vide order dated 12.05.2021, directed the petitioners to file an undertaking affidavit to vacate the premises without any further claim whatsoever upon the highest bid being confirmed or accepted by the respondents, pursuant to the public auction. Considering the above facts and circumstances and the orders passed by the Hon'ble Division Bench for conducting public auction, this Court is of the view that the petitioners who have filed undertaking affidavit, in pursuance of the directions of this Court and who are ready to pay the entire rent arrears calculated as per the decision arrived at earlier, those petitioners can be permitted to remain in possession till the



W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

highest bids are being confirmed or accepted by the respondents in pursuance of the public auction. In case, if any of the petitioner becomes successful bidder, then they can very well retain the possession, but in case of others, who have become unsuccessful are liable to vacate the premises as they are not having any right to retain the possession and also in pursuance of the undertaking affidavit given by them. In case if any of the petitioner refuses to vacate the premises within the time stipulated, then the fourth respondent will have every right to get possession of the property immediately and even by using force. Consequently, this Court concludes that the impugned eviction notices are liable to be quashed.

25. The petitioners in W.P.(MD)No.9259 of 2021 have claimed consequential relief to the effect that to direct the fourth respondent to continue to collect the rent from the petitioner association at the prevalent rent. When the above petition was moved before the vacation Court, the maintainability of the above referred consequential prayer was raised, in view of the decision of the Hon'ble Division Bench directing the fourth respondent to proceed with the public auction, the Secretary of



W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

the petitioner association has filed an affidavit before this Court stating that they never had any intention to over reach the orders passed by the Hon'ble Division Bench and the consequential prayer is only for a direction to the respondents to continue to receive the rent for the interregnum period till the fourth respondent gives effect to the orders passed by the Division Bench by fixing the rents by conducting public auction and that if the Court is of the view that the consequential prayer cannot be sustained, they are seeking leave of the Court not to press for the consequential direction.

26. The affidavit filed by the Secretary of the petition association is recorded.

27. In the result, the petitioners are directed to pay the balance arrears amount, after deducting the amount paid, for the period between 01.04.2001 and 31.03.2021 and the petitioners are further directed to pay the rent at Rs.29.50/- per sqft (50% of the rent claimed in the impugned proceedings) for the period from 01.04.2021 till now, all within a period of one month from the date of receipt of a copy of this order. Upon



W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

finalization of rent in the public auction proceedings, the petitioners are obligated to pay the difference, if the rent exceeds Rs.29.50/- paise per sqft and in case of their failure, the fourth respondent is at liberty to take appropriate proceedings for recovery of the same.

28. The impugned eviction notices dated 24.04.2021 issued to the petitioners by the fourth respondent are hereby quashed and the petitioners who have submitted undertaking affidavit in pursuance of the interim direction of this Court and who pays the entire rent arrears as directed by this Court, are entitled to remain in possession and to participate in the public auction. The petitioners who are declared as successful bidders can retain possession in accordance with the contract to be entered into and the petitioners who are declared unsuccessful are liable to vacate the premises within a period of fifteen days from the date on which, the highest bids are being confirmed / accepted and in case of their failure to vacate the premises within the time stipulated, the fourth respondent can take possession of their premises, as they are only the trespassers, even by using necessary force.



W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

29. With the above directions, all the Writ Petitions are disposed of. Consequently, the connected Miscellaneous Petitions are closed.

There shall be no order as to costs.

30.09.2024

NCC : Yes / No
Index : Yes / No
Internet : Yes / No

SSL

To

1.The Secretary to Government,
Department of Local Administration,
Chepauk, Chennai-600 009.

2.The Secretary,
Municipal Administration and
Water Supply Department,
Secretariat, St.George Fort,
Chennai-600 005.

3.The Director,
Municipal Administration,
Ezhilagam, Beach Road,
Chennai-600 005.

4.The Commissioner,
Tiruchirapalli Corporation,
Tiruchirapalli.

34/35



W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

WEB COPY

K.MURALI SHANKAR,J.

SSL

PRE-DELIVERY ORDER MADE IN

W.P.(MD)Nos.9259, 18996 to 19005, 19069 to 19078, 19233 to 19242, 19245 to 19254, 19559 to 19569, 14718, 14719 and 21094 of 2021

30.09.2024