



W.P. Nos.7568-18017/2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on	Pronounced on
27.11.2025	11.12.2025

CORAM

THE HONOURABLE MR. JUSTICE M.DHANDAPANI

**W.P. NOS.7568 & 18017 OF 2024
AND
W.M.P. NOS. 8489 & 19773 OF 2024**

Dolphin Club
Rep. by its Secretary
No.3/15, Jeswant Nagar
Moggappair West
Chennai 600 037

.. Petitioner in both WPs

- Vs -

The Sports Development Authority
Of Tamil Nadu, rep. by its
Member Secretary
Jawaharlal Nehru Stadium
Raja Muthaiah Road, Periamet
Chennai 600 003.

.. Respondent in both WPs

W.P. No.7568 of 2024 filed under Article 226 of the Constitution of India praying this Court to issue a writ of mandamus directing the respondent to treat the petitioners as licensee from the period April, 2022 to March, 2027 as having been renewed per the terms contained in clause 1



W.P. Nos.7568-18017/2024

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6 of the agreement dated 22.04.2002 and further hold that the petitioner is entitled to further renewal until clause 7 of the Agreement dated 22.04.2002 becomes operational.

W.P. No.18017 of 2024 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorari calling for the records of the respondent in connection with the impugned notice bearing reference number Rc.No.3122/PS-1/2008 dated 24.06.2024 and quash the same.

For Petitioner : Mr.V.Prakash, SC, for
M/s.Gowtham S.Raman in
WP No.18017/2024
Mr. V.Prakash, SC, for
M/s.Raman & Associates
In WP No.7568/2024

For Respondent : Ms. N.S.Tanvi

ORDER

While W.P. No.7568 of 2024 has been filed by the petitioner seeking a direction to the respondent to treat the period between April, 2022 and March, 2027 as license period by considering the license as having been deemed to have renewed and a further prayer to the extent



W.P. Nos.7568-18017/2024

WEB COPY

that the petitioner is entitled for renewal until clause 7 of the Agreement dated 22.04.2002 becomes operational, W.P. No.18017 of 2024 has been filed to quash the impugned notice dated 24.6.2024 in and by which the petitioner was directed to vacate the premises within 10 days from the issue of notice. Aggrieved by the same, the aforesaid writ petitions have been filed.

2. It is the case of the petitioner that it is a society formed in the year 1994, which has produced nationally acclaimed swimmers over its 30 years existence. The petitioner had approached the respondent in the year 2002 with the intent of setting up a state of the art swimming facility with Olympic size swimming pool, gymnasium, conference hall, sports hostel, etc., in furtherance of which an agreement dated 22.04.2022 was entered into between the petitioner and the respondent to construct such a facility in which coaching camps, swimming lessons and promotion of health consciousness in swimming for a period of 20 years starting from 1.4.2002 and ending on 31.3.2022.



W.P. Nos.7568-18017/2024

WEB COPY

3. It is the further case of the petitioner that prior to the expiry of the agreement, vide representation dated 17.2.2022, the petitioner requested the respondent to renew the agreement for which no reply was forthcoming, which prompted the petitioner to file W.P. No.7568/2024. However, all of a sudden, the respondent issued the notice dated 24.6.2024 called upon the petitioner to vacate the premises within 10 days from the date of issue of notice, which expires on 4.7.2024 and, therefore, left with no alternative, the present writ petitions have been filed for the reliefs stated above.

4. Learned senior counsel appearing for the petitioner submitted that the agreement between the petitioner and the respondent provided for construction of the facility at the cost of the petitioner, which shall be held in lease for a period of 20 years for the purpose of conducting coaching camps, swimming lessons, etc. On the basis of the agreement, the petitioner had spent huge sums of money of more than a crore of rupees for putting up the said facility even in the year 2002.



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5. It is the further submission of the learned senior counsel that the petitioner had produced swimmers, who have achieved laurels not only in State level, but also in National and International levels by representing the country. It is the further submission of the learned senior counsel that the petitioner is identifying talent, nurturing them and training them and who have scaled great heights. It is the further submission of the learned senior counsel that during COVID-19 pandemic, for more than a year, the pool was not operational as there was no competition conducted.

6. It is the further submission of the learned senior counsel that clause 6 and 7 (1) of the Agreement entered into between the petitioner and the respondent disclose that upon the expiry of 20 years, the agreement will be renewed for a period of five years at a time on the terms stated therein and the agreement only contemplates repossession of the premises in the event the petitioner is wound up or is no longer able to maintain the facility.



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7. It is the submission of the learned senior counsel that a harmonious reading of the above mentioned clauses clearly reveal that so long as there is viability in the project, which is run by the petitioner, the respondent is bound to renew the license every five years and throughout the term and even now, the petitioner is in a viable condition and has paid the license fees and all the facilities have been properly maintained. However, inspite of the said fact, without any rhyme or reason the impugned notice has been issued and no reason whatsoever has been assigned by the respondent for not coming forward to renew the agreement.

8. It is the further submission of the learned senior counsel that though the petitioner had reached out to the respondent prior to the expiry of the agreement, vide their representation 17.02.2022, however, the respondent neither renewed the agreement nor sent any reply to the said representation. However, bolt out of blue, the impugned notice had come to be issued.



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9. It is the further submission of the learned senior counsel that the petitioner, on the basis of the order of status quo, is continuing to pay the license fee regularly, which is being received by the respondent, though no acknowledgement is being given by the respondent.

10. It is the further submission of the learned senior counsel that mandatorily as per the agreement, the agreement has to be renewed every five years since as per clause 7 of the agreement, the only ground on which the respondent could refuse renewal is if the petitioner club is dissolved or is unable to maintain the facility. However, in the present case, it is not the case of the respondent through the notice that the petitioner club is not able to maintain the facility or that it is dissolved.

11. It is the further submission of the learned senior counsel for the petitioner WP No.28239/2022 was filed as a public interest litigation calling upon the respondent to issue public tender for leasing out the swimming pool, which was disposed of by this court vide order dated 26.10.2022 in which the petitioner was not a party and, therefore, steps



W.P. Nos.7568-18017/2024

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have been taken by the petitioner to file review. In this backdrop, the petitioner had filed W.P. No.7568/2024 for the relief stated supra calling upon the respondent to renew the license as per the terms of the agreement. Though notice was issued on the same, however, without acting as per the terms of the agreement, the impugned notice had come to be issued.

12. It is the further submission of the learned senior counsel that the language in which the agreement has been couched has not been properly appreciated by the respondent, but merely on the basis of the audit objection, the impugned notice has come to be issued without disclosing the nature of the activity performed or the objectives behind the said activity of the petitioner.

13. In support of the aforesaid submissions, learned senior counsel placed reliance on the following decisions :-

- i) Ram Sarup Gupta (Dead) by LRs – Vs – Bishun Narain Inter College & Ors. (1987 (2) SCC 555);*



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W.P. Nos.7568-18017/2024

- ii) *Hardesh Ores (P) Ltd. – Vs – Hede & Company & Ors. (3007 (5) SCC 614); and*
- iii) *K.Murugan – Vs – The Secretary & Anr. (W.P. No.28239/2022).*

14. Per contra, learned counsel appearing for the respondent submits that the writ petition is not maintainable as the present petition relates to purely contractual issues. It is the further submission of the learned counsel that the petitioner has no right to seek for renewal of the agreement and seek a mandamus for the very same issue. It is the further submission of the learned counsel that renewal of an agreement is purely a contractual dispute and a writ petition is not maintainable.

15. It is the further submission of the learned counsel that audit objection has been raised with regard to the leasing out of the lands belonging to the Government without following public auction, which has resulted in the loss of revenue to the Government in a sum of about Rs.13.46 Crores and further the collection of rent has not been on commercial basis, which was discussed in the Executive Committee



W.P. Nos.7568-18017/2024

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meeting resulting in action being taken to issue the said notice, which cannot be faulted with, as the non-compliance of the procedural aspects necessarily, on being pointed out, have to be addressed.

16. It is the further submission of the learned counsel that a cross-verification of the data submitted by the petitioner with regard to achievers in swimming for the last seven years under the Champions Development Scheme revealed that no champions were produced at any level by the said swimming pool for over 16 years. Further the non-fixation of commercial rent has resulted in a loss of about Rs.13.46 crores for the Government from the year 2002 to 2018, as license fee has to be revised as per the commercial rent as per the guideline value.

17. It is the further submission of the learned counsel that the petitioner was informed of the minutes of the Executive Committee with regard to leasing rights of Government lands and also the audit objection, more particularly in view of the directions issued by the Division Bench in



W.P. Nos.7568-18017/2024

WEB COPY

W.P. No.28239/2022 and, therefore, the petitioner cannot claim renewal as a matter of right.

18. It is the further submission of the learned counsel that license ended on 31.3.2022 and in the Executive Committee meeting held on 7.12.2022, since the period has already elapsed, the Executive Committee resolved to extend the agreement for a period of one year and fixed the license fee for the said period at Rs.91,560/-, which extension ended on 30.6.2023 and, therefore, after the said period, the petitioner cannot have any right of continuance and his continuance on the basis of the order of status quo is only affecting the exchequer.

19. Therefore, it is submitted that the petitioner has right whatsoever as a matter of fact to seek for renewal, moreso, when the lands are public lands and the benefits of which should go to the public at large, which has resulted in the audit objections, which have since been corrected by the respondent. In the light of the above, the petitioner cannot seek for continuance of occupation by way of renewal and both



W.P. Nos.7568-18017/2024

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the petitions questioning the notice and seeking auto-renewal deserves to be dismissed.

20. A rejoinder affidavit has been filed by the petitioner in which the counter contentions raised by the respondent have been refuted. More specifically the petitioner has submitted through the rejoinder that the agreement was entered into in furtherance of the respondent's public duty and the present matter cannot be confined within the realm of contractual dispute, is grossly erroneous as the activities undertaken by the petitioner is for the welfare of the public.

21. It is the further submission of the learned counsel that though the petitioner claims that the agreement provides for termination only when the petitioner is no longer able to maintain the facilities or is being wound up and that the performance record of the petitioner is also not lucrative, however, no material evidencing the same have been placed, though the tabulated statement produced by the petitioner would reveal



W.P. Nos.7568-18017/2024

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the extent of acclaim the petitioner has achieved through its activities over the period of its occupation.

22. This Court gave its careful consideration to the submissions advanced by the learned counsel on either side and perused the materials available on record.

23. There is no quarrel with the fact that the 20 year period ended on 31.3.2022, whereinafter, by virtue of the interim directions of this Court, the petitioner has been continuing in occupation of the premises, which has since been permitted over the license granted for the period of one year and, thereafter, till date, by virtue of the interim orders of this Court.

24. Though the issue of maintainability of the writ petition in matters relating to contractual dispute has been raised by the respondent, it is to be pointed out that merely because the issue revolves around a contractual dispute, the issue cannot be held to be not maintainable, as



W.P. Nos.7568-18017/2024

WEB COPY

even in contractual matters, based on the facts and circumstances of the case, a writ could be maintained. Therefore, this Court is not venturing into the question of maintainability of the petition.

25. The core issue that requires to be considered is whether as per the earlier agreement, renewal has to be granted to the petitioner as a matter of right.

26. There could be no quarrel with the fact that the respondent is a public utility and it has to secure the interest of the public and all the acts done by it should be in the interest of the public. In the present case, initially, the respondent had given the place to the petitioner for development of sports facility, at the cost of the petitioner, towards which very minimal license fee was alone charged. In fact, the license fee, it is stated is in an amount of Rs.30,000/- per year, which, even at the lowest standards is a pittance, as it works out to only Rs.2,500/- per month and in fact the amount is payable monthly. Therefore, the amount charged is only Rs.2,500/- per month for the said facility.



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27. In the aforesaid backdrop, the 20 year contract period came to a close on 31.3.2022 and though the petitioner sought for renewal of the period in terms of the agreement, however, based on the audit objections and the resultant loss to the public revenue to the tune of Rs.13.46 crores over the period of time when the agreement was subsisting between the petitioner and the respondent, the respondent had issued the notice to the petitioner to vacate.

28. It is to be pointed out that only upon the contract period coming to an end the notice had come to be issued. Though the contract period came to an end on 31.3.2022, however, one year extension was granted, keeping in mind the fact of non-utilisation of the said sports facility during the COVID-19 pandemic. Further, the petitioner has also been the beneficiary of the order of status quo passed by this court based on which till date the petitioner is continuing in occupation. Therefore, for more than three years after the completion of the contract period the petitioner has been in occupation.



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29. Though it is the claim of the respondent that no champion achievers have been produced by the petitioner, which is countered by the petitioner, however, this Court is not inclined to enter into the same as it is a disputed question of fact, which cannot be gone into by this Court sitting under Article 226 of the Constitution.

30. The main ground on which the renewal is sought for by the petitioner is that the renewal could be rejected only if the petitioner club is not able to maintain the facility properly or that it is wound up and since both the scenarios have not arisen, the respondent is bound to renew the contract.

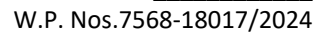
31. It is to be pointed out that though such a clause is incorporated in the contract, it would only be relatable to termination and no condition can be pressed upon the respondent for the purpose of renewal as the property is a public property of which the respondent is the custodian and it is the duty of the custodian to get the better benefits out of the said



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property for the benefit of the public. The petitioner cannot impose conditions on the respondent for the purpose of renewal of the contract, even if such a condition is imposed, it would run against the interests of the public and, therefore, this Court could very well interfere with the said contract. However, in the present case, the contract has come to an end and it is only renewal which has to be considered by the respondent and based on the audit objections and the loss to the public, the respondent has given the notice calling upon the petitioner to vacate the premises. The said action on the part of the respondent cannot be said to be impermissible, perverse or arbitrary and it is very much within the realm of the respondent, who could invoke their powers to safeguard the interests of the public by following the transparent tender process for leasing out the facility.

32. Further, it is to be pointed out that no right accrues to the petitioner to seek for renewal as a matter of right as the respondent, being the custodian of a public property, has to lease out the property on the best terms in the interest of the public.



34. In the present case, but for the clause in the agreement, which is relied upon by the petitioner, there is nothing which mandates that the respondent should renew the agreement with the petitioner and when



W.P. Nos.7568-18017/2024

WEB COPY

such renewal is against the interests of the public, which is the main reason audit objection is raised, the petitioner cannot prevail upon the respondent to renew the contract. In fact, only based on the audit objection the Executive Committee had resolved not to renew the contract and had called upon the petitioner to vacate the premises while extending the period of contract till 31.3.2023. Therefore, the petitioner cannot seek any further indulgence, as already much indulgence has been granted to the petitioner by this Court.

35. For the reasons aforesaid, there are no merits in the present writ petitions and accordingly both the writ petitions fail and they are accordingly dismissed. Consequently, connected miscellaneous petitions are closed. There shall be no order as to costs.

11.12.2025

Index : Yes / No

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W.P. Nos.7568-18017/2024

To

The Member Secretary
Sports Development Authority
Of Tamil Nadu, Jawaharlal Nehru Stadium
Raja Muthaiah Road, Periamet
Chennai 600 003.



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W.P. Nos.7568-18017/2024

M.DHANDAPANI, J.

GLN

**PRE-DELIVERY ORDER IN
W.P. NOS.7568 & 18017 OF 2024**

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W.P. Nos.7568-18017/2024

11.12.2025