



W.P.No.10047 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 20.03.2025

CORAM:

THE HONOURABLE MR. JUSTICE J.SATHYA NARAYANA PRASAD

W.P.No.10047 of 2025
and W.M.P.Nos.11272 of 2025

M.Pandian

...Petitioner

-Vs-

- 1.The District Collector,
District Collector Office,
Salem District
- 2.The Director,
A D Panchayat Office,
Omalur Main Road,
First Agraharam,
Salem District.
- 3.The Commissioner Cum
Block Development Officer (Block Panchayat)
Thalivasal Town & Taluk,
Salem District.
- 4.The Special Officer cum
The Block Development Officer (Village Panchayat)
Block Development Office,
Thalivasal Town & Taluk,
Salem District.



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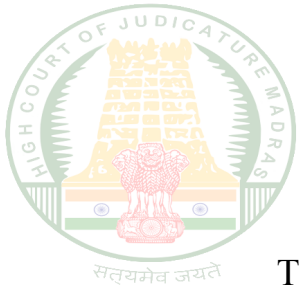
5. The Secretary,
Thalaivasal Panchayat Office,
Thalaivasal,
Salem District.

...Respondents

Prayer: Writ Petition filed under Article 226 of the Constitution of India, praying for the issuance of a direction in the nature of Writ of Certiorarified Mandamus to call for the records of the auction notice dated 10.03.2025 on the file of the 4th respondent and quash the same as arbitrary and illegal, violative of Article 19(1) (g) of the Constitution of India and further direct the respondents to fix a reasonable as the security deposit to participate in the auction.

For Petitioner	:	Mr.S.Neduchezhiyan for Mr.S.Rajanikanth
For Respondents	:	Mr.Rajendran Additional Government Pleader for R1 & R2 Mr.Maithereya Chandru Special Government Pleader for R3 to R5

ORDER



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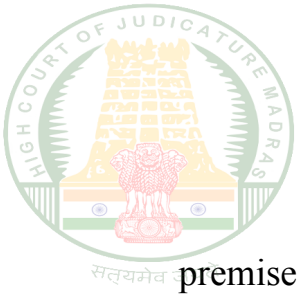
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The writ petition is filed seeking to quash the auction notice dated 10.03.2025 on the file of the 4th respondent and quash the same as arbitrary and illegal, violative of Article 19(1) (g) of the Constitution of India and further direct the respondents to fix a reasonable as the security deposit to participate in the auction.

The brief facts are as follows:

2. Every year lease holding rights of the public premises owned by the panchayat is auctioned. In 2025-2026, the premises of Panchayat that is No.1 Two wheeler parking area, 2.Daily Market, 3.Weekly Market, 4.Paid Toilet, 5.shops, 6.Weekly Market Shops were auctioned wherein the total value auctioned is Rs.96,00,000/- and the security deposit was fixed which was more than 50 % of the auction value of the previous financial year. Aggrieved by the auction notice by the 4th respondent, petitioner files the present writ petition.

3.The learned counsel appearing for the petitioner would submit that once in a year lease hold rights of the public premises owned by the panchayat is auctioned and as such for the financial year 2025-2026, the



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premises of Panchayat that is No.1 Two wheeler parking area, 2.Daily Market, 3.Weekly Market, 4.Paid Toilet, 5.shops, 6.Weekly Market Shops were auctioned. He further submitted that the last financial year, the total value auctioned is Rs.96,00,000/- and the security deposit was fixed at exorbitant i.e., to the tune of 50% of the auctioned value of the last financial year i.e., 2024-2025.

4.Learned counsel for the petitioner further submitted that in the auction notice dated 10.03.2025 the auction amount fixed for the daily market for the period commencing from 01.04.2025 to 31.03.2026 the amount is sum of Rs.40,00,000/- as EMD which is exorbitant and the petitioner is not in a position to deposit the same and the other persons who wanted to compete in the auction were also not in a position to deposit this amount.

5.The learned counsel would further submit that in the last auction EMD was fixed at Rs.30,00,000/- for the period commencing from 01.04.2024 to 31.03.2025. He further submitted that in the year 2008 it was



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Rs.2,00,000/- whereby now they are charging Rs.40,00,000/- in the auction notice dated 10.03.2025.

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6.Learned Additional Government Pleader appearing for the respondents 1 & 2 submitted that it is true that EMD amount is fixed at Rs. 40,00,000/- in the auction notice dated 10.03.2025 and the auction is scheduled to be held on 24.03.2025 at 11.30 a.m. He further submitted that the petitioner shall pay the amount of Rs.30,00,000/- as it was the EMD amount for the earlier period from 01.04.2024 to 31.03.2025.

7.Heard both sides and perused the materials available on record.

8.In this case, the EMD amount Rs.40,00,000/- which was been fixed by the 3rd respondent for collection of Sungam/Toll in the daily market is exorbitant and because of this huge amount many of the persons will not be in a position to participate in the above said auction which is scheduled to be conducted on 24.03.2025 at 11.30 am. The same respondent for the previous year commencing from 01.04.2024 to 31.03.2025 had fixed EMD amount as Rs.30,00,000/- and within a year for the next financial year it has been increased by Rs.10,00,000/- which is not fair and proper on the part of the 3rd respondent.



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9.In view of the above facts and circumstances of the case, the petitioner is directed to deposit a sum of Rs.30,00,000/- towards EMD pursuant to the auction notice dated 10.03.2025 on the file of the 4th respondent and participate in the auction scheduled to be held on 24.03.2025 at 11.30 am.

10.Accordingly, the writ petition stands disposed of. No costs.
Consequently, connected miscellaneous petition is closed.

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vsn

Index : Yes / No

Speaking / Non-Speaking Order

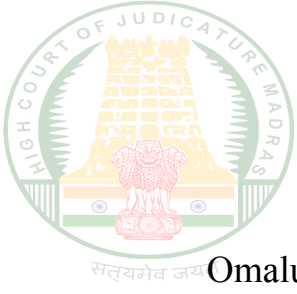
Note:Issue order copy on 21.03.2025

To

1.The District Collector,
District Collector Office,
Salem District

2.The Director,
A D Panchayat Office,

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Omalur Main Road,
First Agraharam,
Salem District.

- 3.The Commissioner Cum
Block Development Officer (Block Panchayat)
Thalivasal Town & Taluk,
Salem District.
- 4.The Special Officer cum
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Block Development Office,
Thalivasal Town & Taluk,
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- 5.The Secretary,
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J.SATHYA NARAYANA PRASAD, J.

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