BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

Reserved on : 25.07.2025

Delivered on : 06.08.2025

CORAM

THE HON'BLE MR.JUSTICE A.D.JAGADISH CHANDIRA
and
THE HON'BLE MS.JUSTICE R.POORNIMA

Writ Appeal (MD) Nos.1195, 1196, 1249 and 1250 of 2024
and
C.M.P.(MD) Nos.9221, 9223, 9645 and 9646 of 2024

W.A.(MD) No.1195/2024

Tamil Nadu Tourism Development
Corporation Limited,
rep. by its Managing Director,
Tamil Nadu Tourism Complex,
No.2, Walajah Road,
Chennai 600 002. Petitioner

vs.

1. M/s.SRM Hotels Private Limited,
   rep. by its Executive Director,
   D.Anthony Ashok Kumar,
   Race Course Road,
   Khajamalai, Trichy.

2. The Principal Secretary to the
   Government of Tamil Nadu Information &
   Tourism (Tourism-6) Department,
   Fort St. George, Chennai.

3. The District Collector,
   Tiruchirappalli District. Respondents

Prayer: Writ Appeal filed under Clause XV of the Letters Patent against the order dated 20.6.2024 passed by this court in W.P.(MD) No.12986 of 2024.

W.A.(MD) No.1196/2024

1. Tamil Nadu Tourism Development
   Corporation Limited,
   rep. by its Managing Director,
   Tamil Nadu Tourism Complex,
   No.2, Walajah Road,
   Chennai 600 002.

2. The Regional Manager (Central),
   Tamil Nadu Tourism Development
   Corporation Limited,
   Hotel Tamil Nadu,
   Tiruchirappalli 620 001. Petitioners

vs.

1. M/s.SRM Hotels Private Limited,
   rep. by its Executive Director,
   D.Anthony Ashok Kumar,
   Race Course Road,
   Khajamalai, Trichy.

2. The Additional Secretary to the
   Government of Tamil Nadu,
   Tourism, Culture and Religious
   Endowments (T2-2) Department,
   Fort St. George, Chennai.

3. The District Collector,
   Tiruchirappalli District
   at Tiruchirappalli. Respondents

Prayer: Writ Appeal filed under Clause XV of the Letters Patent seeking to expunge the adverse remarks made by the writ court as against the appellants in paragraph 13 of the order dated 21.6.2024 passed in W.P.(MD) No.13133 of 2024.

W.A.(MD) No.1249/2024

1. The Principal Secretary to the
   Government of Tamil Nadu Information &
   Tourism (Tourism-6) Department,
   Fort St. George, Chennai.

2. The District Collector,
   Tiruchirappalli District. Petitioners

vs.

1. M/s.SRM Hotels Private Limited,
   rep. by its Executive Director,
   D.Anthony Ashok Kumar,
   Race Course Road,
   Khajamalai, Trichy.

2. Tamil Nadu Tourism Development
   Corporation Limited,
   rep. by its Managing Director,
   Trichy. Respondents

Prayer: Writ Appeal filed under Clause XV of the Letters Patent against the order dated 20.6.2024 passed by this court in W.P.(MD) No.12986 of 2024.

W.A.(MD) No.1250/2024

1. The Additional Chief Secretary to the
   Government of Tamil Nadu,
   Tourism, Culture and Religious
   Endowments (T2-2) Department,
   Fort St. George, Chennai.

2. The District Collector,
   Tiruchirappalli District
   at Tiruchirappalli. Petitioners

vs.

1. M/s.SRM Hotels Private Limited,
   rep. by its Executive Director,
   D.Anthony Ashok Kumar,
   Race Course Road,
   Khajamalai, Trichy.

2. Tamil Nadu Tourism Development
   Corporation Limited,
   rep. by its Managing Director,
   Tamil Nadu Tourism Complex,
   No.2, Walajah Road, Chennai 600 002.

3. The Regional Manager (Central),
   Tamil Nadu Tourism Development
   Corporation Limited,
   Hotel Tamil Nadu,
   Tiruchirappalli 620 001. Respondents

Prayer: Writ Appeal filed under Clause XV of the Letters Patent against the order dated 21.6.2024 passed by this court in W.P.(MD) No.13133 of 2024.

For the State of TN : Mr.P.S.Raman, Advocate General
assisted by Mr.P.Thilak Kumar
Government Pleader

For Tourism Development : Mr.J.Ravindran,
Additional Advocate General
and
Mr.Veera Kathiravan,
Additional Advocate General
assisted by Mr.C.Lakshmanan

For SRM Hotels : Mr.Srinath Sridevan, Senior Counsel
for Mr.C.K.M.Appaji

COMMON JUDGMENT

A.D.JAGADISH CHANDIRA, J.
and
R.POORNIMA, J.

An order passed by a learned Single Judge of this court protecting the possession of the writ petitioner in respect of the leased premises, rather restoring *the status quo ante* by rewinding the clock, after repossession on expiry of the lease period and another order, with some adverse remarks against the Government machinery, quashing the order passed by the authority which rejected the claim of the writ petitioner for renewal of lease period, and remitting the matter to the authority for reconsideration by giving personal hearing to the writ petitioner, are put to challenge in the present writ appeals.

2. For better understanding, brief facts of the case are summarized as under:-

i) The writ petitioner-SRM Hotels Private Limited, being the successful applicant among the applicants applied for an outsourcing work of setting up a star and budget accommodation in T.S.Nos.35/1 and 30/4 at Kottapattu Village, Tiruchirappalli to house the delegates attending the 8th World Tamil Conference at Thanjavur in January 1995 as evidenced by G.O.(Ms)No.150 Information and Tourism Department dated 10.06.1994, a huge land of an extent of 4.30 acres together with the superstructure thereon was handed over to them. A lease deed in this regard came to be registered on 29.3.1996 between the Tamil Nadu Tourism Development Corporation (in short TTDC) and the writ petitioner for a period of 30 years commencing from 14.6.1994.

ii) The annual lease amount of Rs.3,85,275/-, revisable once in three years, was agreed upon to be paid in advance viz., 10 days prior to commencement of each year. It was agreed to be fixed at 7% of the market value. It was also agreed that default in payment of lease amount for two consecutive years, shall result in termination of the lease.

iii) The lease period being 30 years from 14.6.1994 to 13.6.2024, expressing disappointment and many grievance over the terms of the lease deed, a request was made by the writ petitioner for outright purchase of the leased premises as evidenced by their letter dated 16.6.2010 on the ground of their financial commitment in the project and low rate of return. In the alternative, the writ petitioner had sought for permission to procure a vacant land of similar extent around the area in the name of TTDC in exchange of lease hold land. The said request was rejected by the TTDC by their letter dated 1.10.2010.

iv) However, the writ petitioner seems to have pursued their further attempts for outright purchase of the leased premises by their letter dated 6.2.2013 and this time, they had added another alternative request of extension of lease period for another 30 years to enable them to undertake development work with borrowed capital from the banks.

v) Such being the initiative of the writ petitioner, the District Collector, Tiruchirappalli, on the recommendations of Revenue Divisional Officer, Tiruchirappalli, had issued a proceedings dated 20.3.2018 contending that a sum of Rs.16,43,29,292/- was due from the writ petitioner for the period from 13.6.2003 to 12.6.2015 on account of enhancement of lease amount as agreed upon, which demand, was, later, reduced to Rs.8,89,83,243/- vide proceedings dated 29.7.2021 considering the fact that the enhancement was agreed only at the rate of 7% of the market rate.

vi) Similarly, a proceedings was issued by the District Collector, Tiruchirappalli issued on 25.3.2022 arriving at a sum of Rs. 13,67,20,029/- to be payable by the writ petitioner for the period from 13.6.2015 to 12.6.2021 on the basis of the guideline value of the land finding that it is greater than the market value.

vii) Both the above proceedings dated 29.7.2021 and 25.3.2022 had been put to challenge in the writ petitions in W.P.(MD) Nos.12709 and 14498 of 2022 by the writ petitioner. The learned Single Judge of this court, by order dated 11.7.2022, quashed such proceedings and remitted the matter to the District Collector, Tiruchirappalli finding that the enhancement of lease amount was arrived at without putting the writ petitioner on notice and it has been made on the basis of guideline value when the enhancement is agreed upon to be made only on the basis of market value.

viii) Thereupon, the District Collector has issued a tentative valuation report dated 25.11.2022 with break up details for the period from 13.6.2003 to 12.6.2021.

ix) The writ petitioner, having submitted his objections on 4.7.2023 to the District Collector, had filed a writ petition in W.P.(MD) No.21123 of 2023 and obtained a mandamus by way of order of this court dated 22.9.2023 for consideration of his objections.

x) Accordingly, the District Collector, after making reconciliation, had issued a proceedings on 20.2.2024 arriving at a sum of **Rs.29,27,73,483/- towards arrears of lease amount** to be paid by the writ petitioner for the period **from 13.6.2003 to 12.6.2021**.

xi) Whileso, the writ petitioner had submitted a letter dated 13.5.2024 to the Principal Secretary, Government of Tamil Nadu, Information & Tourism (Tourism-4) Department, the Managing Director, TTDC, Chennai and the Zonal Manager, TTDC, Tiruchirappalli reiterating their grievances and seeking renewal of licence for a period of 20 years.

xii) At this stage, the District Collector, Tiruchirappalli had issued his proceedings dated 15.5.2024 arriving at the lease amount out standing from the writ petitioner as Rs.29,27,73,483/- for the period from 13.6.2003 to 12.6.2021 and Rs.12,05,54,391/- for the period from 13.6.2021 to 12.6.2024.

xiii) Based on the above, TTDC has issued a letter dated 4.6.2024 to the writ petitioner demanding the writ petitioner to settle a total sum of Rs.38,85,65,837/- after deducting the remittances already made by the writ petitioner, reminding that the 30 years lease period concludes on 13.6.2024.

xiv) The initiatives on either side being so, the Additional Chief Secretary to Government, Government of Tamil Nadu, Tourism, Culture and Religious Endowments (T2-2) Department has issued the impugned order dated 12.6.2024 rejecting the claim of the writ petitioner for renewal of lease for a period of 20 years and directing the writ petitioner to hand over the demised premises to the Regional Manager (C), Tamil Nadu Tourism Development Corporation, Tiruchirappalli.

xv) The writ petitioner, beforeever challenging the initiatives on the part of the authorities by filing the writ petitions in W.P.(MD) Nos. 12986 of 2024 and 13133 of 2024 on 14.6.2024 and 18.6.2024 respectively, had filed a suit before the Vacation Court, Tiruchirappalli on 13.5.2024 against TTDC and the District Collector, Tiruchirappalli seeking declarations that the outstanding lease rent arrived by the

District Collector and the consequential demand are void and permanent injunction against TTDC and the District Collector, Tiruchirappalli restraining them from initiating any further proceedings with regard to their demand of outstanding lease amount. The said suit, was later, on 7.6.2024, taken on file by the II Additional Sub Court, Tiruchirappalli numbering it as O.S.No.296 of 2024 and the same is pending without any positive order.

xvi) Similarly, on 5.6.2024, the writ petitioner had moved another suit in O.S.No.380 of 2024 on the file of Sub Court, Tiruchirappalli against the State and TTDC seeking a mandatory injunction directing the authorities to consider the representation of the petitioner dated 13.5.2024 for renewal of lease on fresh terms and for a permanent injunction restraining them from evicting the writ petitioner from the demised premises except by due process of law.

xvii) The factual scenario being so, the learned Single Judge, by order dated 20.6.2024, had allowed the writ petition in W.P.(MD) No. 12986 of 2024 which sought to forbear the respondents to evict the petitioner from the demised premises except due process of law. Similarly, the learned Single Judge, by order dated 21.6.2024, had allowed the writ petition in W.P.(MD) No.13133 of 2024, which challenged the impugned order passed by the Additional Chief Secretary to Government of Tamil Nadu, Tourism, Culture and Religious Endowments (T2-2) Department.

xviii) Challenging the order passed by the learned Single Judge in W.P.(MD) No.12986 of 2024, TTDC has preferred W.A.(MD) No.1195 of 2024 and the State has preferred W.A.(MD) No.1249 of 2024. Similarly, challenging the order passed by the learned Single Judge in W.P.(MD) No.13133 of 2024, the State has preferred W.A.(MD) No. 1250 of 2024 while the TTDC has preferred W.A.(MD) No.1196 seeking to expunge the adverse remarks made in paragraph 13 of the order passed by the learned Single Judge.

3. Heard the submissions made by Mr.P.S.Raman, learned Advocate General assisted by Mr.P.Thilak Kumar and Mr.Veera Kathiravan, learned Additional Advocate General and Mr. J.Ravindran learned Additional Advocate Generals assisted by Mr.C.Lakshmanan learned counsel for Tourism Development and Mr.Srinath Sridevan, learned Senior Counsel for Mr.C.K.M.Appaji for SRM Hotels at length and perused the materials available on record.

4. Arguments advanced in elaborate by the learned counsel for the parties, in a nutshell, are as under:-

Mr.P.S.Raman, Advocate General:-

i) The writ petitions are not maintainable in view of the fact that the prior to filing the writ petition, the writ petitioner had moved the civil court with the similar prayers and the same are pending adjudication and as on the date of filing the writ petition, there was no valid lease in favour of the petitioner as it has come to an end by 13.6.2024 and possession was also taken by the authorities on 14.6.2024 in the forenoon itself and thereby, the writ petitioner had no *locus standi* to file the writ petitions, however, the learned Single Judge has erred in putting the clock back and granting the relief sought for by the writ petitioner exceeding the writ jurisdiction.

ii) In violation of the terms of the lease leed, the writ petitioner had mortgaged the demised property with Indian Bank for obtaining a loan to the tune of 56 crores and odd. Added to that, the writ **petitioner is a chronic defaulter and is liable** to pay the tune of **Rs.40 crores towards enhancement of lease amount as agreed upon,** which was arrived at after some administrative delay, however, **without initiating for settling the dues,** the writ petitioner had chosen to challenge even against that belated demand, before the civil court and thereafter, the writ court seeking indulgence on the issue, which is pending before the civil court.

iii) The attitude of the writ petitioner shows that they have not come to this court with clean hands but, with intention not only to protract the issue in settling the outstanding, but also to squat on the Government property for a song, which is nothing but, a clear case of abuse of process.

iv) The writ petitioner, having **committed** in payment of enhanced lease amount to an extent of **Rs.40 crores**, is **not entitled to any indulgence on the ground of legitimate expectation**, however, the same learned Single Judge, ignoring such aspect, has committed error in entertaining the writ petitions and granting the relief, which not only led to miscarriage of justice but also set a bad precedent.

v) The learned Single Judge erred in ignoring the ground reality that the writ petitioner is bound by a contract of lease and on expiry of the same, he loses all his rights over the demised premises and he was duty bound to surrender the possession of the same without protracting the issue under the guise of legitimate expectation.

vi) The writ petitioner, having entered into the lease agreement agreeing for the terms of the same, the principle of estoppel applies against them and since they have not come forward to oblige the contractual obligation cast upon them by surrendering the demised premises on expiry of lease period, the authorities had invoked their obligation, which cannot be coloured as illegality or error apparent for the writ court to exercise its jurisdiction against a rightful owner.

vii) The paths of justice has been impeded by citing various decisions not applicable to the facts of the present case.

viii) When the writ petitioner had applied short circuit method of approaching the writ court after approaching the civil court with similar prayers, the learned Single Judge ought to have dismissed the writ and directed the writ petitioner to get the issue resolved in the civil court, however, granted the relief by casting the onus upon the appellant that they ought to have approached the civil court for evicting the writ petitioner.

ix) Though the writ petitioner had moved the civil court seeking the reliefs similar to ones prayed in the writ petitions, without there being any prima facie case in favour of the writ petitioner, the civil court did not grant any interim relief and thereby the appellants have taken re-possession of the demised premises by invoking the terms of the lease deed, which cannot be construed as illegality or taking advantage of any wrong done by them and thus, the maintainability of the litigations of the writ petitioner are in question as per the Contract Law and the Principles of Estoppel.

x) A similar claim arose from a business entrepreneur called Sangu Chakra Hotels Private Limited, Tiruchirappalli in respect of the demised premises therein at Thanjavur in W.P.(MD) No.9824 of 2024 with a prayer for a mandamus directing the respondents to consider the representation of the writ petitioner therein dated 17.04.2024 undertaking to hand over vacant possession of the land of TTDC Unit II at Thanjavur within a period of one year, however, the learned Single Judge, has declined to grant the relief sought for, observing that the writ court cannot direct the corporation to extend the lease. Such being the position, the learned Single Judge, without maintaining the equality, has erred in going into the merits of the present case and granting the relief of forbearing the authorities to evict the writ petitioner from the demised premises, in a way, ordering for restoration of possession when a mandamus alone was sought for by the writ petitioners, especially, after the expiry of the lease period.

xi) The litigations of the petitioners are nothing but vexatious and with ulterior motive to prolong their possession and thereby, they are not maintainable, however, the learned Single Judge has erred in entertaining the same and granting the relief on a misconception that the appellants had committed a statutory violation.

xii) In support of the above submissions, the following decisions have been relied on:-

(a) ***Sugati Beach Resort Pvt. Ltd. vs. Union of India and others*** (2017) SCC OnLine Bom 9418) - confirmed by the Apex Court in Special Leave to Appeal (C) Nos.16-17/2018 dated 12.1.2018.

(b) ***State of W.B. and others vs. Niranjan Singha*** (2001) 2 SCC 326

(c) ***Army Welfare Education Society, New Delhi vs. Sunil Kumar Sharma and others*** (2024) SCC OnLine SC 1683.

5. The submissions made by the learned Additional Advocate Generals, adopting the arguments of the learned Advocate General are as under:-

Mr.J.Ravindran, Additional Advocate General:-

i) The writ petitioner being bound by the terms of the lease and the lease period having come to an end, the writ petitions seeking mandamus and certiorarified mandamus are not at all maintainable.

ii) The writ petitioner is a **chronic defaulter to the tune of Rs.40 crores** and is protracting the settlement of the same by filing petitions one after the other and thereby, they cannot claim to have developed a legitimate expectation that their claim of renewal of lease could be considered.

iii) In fact, there was legitimate expectation on the part of the authorities in anticipating peaceful surrender of demised premises by the writ petitioner, however, the writ petitioner alone had breached it by filing frivolous litigations without there being any maintainability for the same and ignoring the principle of Promissory Estoppel confronting them.

iv) The hotel business and extending hospitality to the customers are not new to the TTDC and thereby, they could very well maintain the demised premises and the interest of the guests to the hotel and the staff already employed there also would be taken care.

v) As per the terms of the lease deed, the writ petitioner is not entitled to claim for renewal of lease. Whileso, rejection of applications seeking renewal of lease period would not give rise to any cause of action to the writ petitioner to go for litigation.

vi) It is the settled law that the disputes relating to contracts cannot be agitated under Article 226 of the Constitution of India of India and the Writ Court cannot interfere in such matters, however, the learned Single Judge has erred in granting the relief in the present case.

vii) While dealing with a similar case in Sangu Chakra Hotels Private Limited, Tiruchirappalli in respect of the demised premises therein at Thanjavur in W.P.(MD) No.9824 of 2024, the same learned Single Judge, had not shown such a greater extent of indulgence as shown in the present case, rather observed that the writ court cannot direct the corporation to extend the lease and therefore, there is no consistency and uniformity in the orders passed by the learned Single Judge and it requires interference.

viii) The TTDC has not acted in violation or in breach of the terms of lease and they had invoked the terms of the lease alone and thus, there is no breach of principles of natural justice or any illegality warranting the Writ Court's interference. however, the learned Single, exceeded the jurisdiction under Article 226 of the Constitution of India and granted the relief in a way assuming the jurisdiction of an appellate court.

ix) The Writ Court's power of judicial review being one that could not be exercised where the decision impugned could be established as an error only by a process of reasoning on points where there may, reasonably, be two opinions.

x) In support of the above submissions, the following decisions have been relied on:-

(a) ***Pimpri Chinchwad Municipal Corporation and others vs. Gayatri Construction Company and another*** (2008) 8 SCC 172.

(b) ***Sant Lal Gupta and others vs. Modern Cooperative Group Housing Society Limited and others*** (2010) 13 SCC 336.

(c) ***West Bengal Central School Service Commission and others vs Abdul Halim and others*** (2019) 18 SCC 39.

Mr.Veera Kathiravan, Additional Advocate General:-

i) The present lis between the writ petitioner and the appellants arose out of contractual obligations and in contractual matters, there is no question of legitimate expectation overriding the contractual obligations and the writ court could not exercise its power of judicial review over the breach of contractual obligations, especially, when the appellants had invoked the terms of the lease in requesting the writ petitioner to surrender possession and in fact, the writ petitioner alone had not properly complied with the terms of lease, by defaulting in payment of lease amount and also mortgaging the demised property with the Bank for availing financial assistance.

ii) In a similar case, in Sangu Chakra Hotels Private Limited, Tiruchirappalli in respect of the demised premises therein at Thanjavur in W.P.(MD) No.9824 of 2024, where it was contended that the petitioner therein was under genuine and bona fide impression that the lease would be extended, the same learned Single Judge, having observed that the writ court cannot direct the corporation to extend the lease, has gravely erred in the present case by deeply interfering with the domain of the appellants.

iii) Moreover, the writ petitioner being a **chronic defaulter to the tune of Rs.40 crores** adopting all the dilatory tactics without settling the same by filing petitions one after the other and thereby, they cannot contend that they had developed a legitimate expectation that the authorities would consider the request for renewal of lease.

iv) The writ petitioners, even after running the hotel business in the demised premises for 30 long years, claim that they sustained only huge loss and they had chosen to challenge the demand of enhanced lease amount to the tune of about 40 crores, however, it is very strange to note that they seek for renewal of lease for a further period of 20 years.

v) The learned Single Judge, having observed in the first limb of para 9 of the order in W.P.(MD) No.12986 of 2024 to the effect that the lease period was concluded the writ petitioner's request for renewal was also rejected, has erred in describing, in the later portion of the said para itself, the repossession initiated by the authorities as an unlawful conduct, which is beyond the scope of Article 226 of the Constitution of India.

vi) When the lease deed and its terms are unambiguous with regard to renewal thereof, the writ petitioner cannot maintain a case of breach of legitimate expectation.

vii) While the Tamil Nadu Tourism Development Corporation is already running hotel business and they are well versed with the same, the learned Single Judge has made an unwarranted remarks in para 13 of of the order dated 21.6.2024 passed in W.P.(MD) No. 13133 of 2024 and the same needs to be expunged.

6. Leaving for the decision of the Bench the issue with regard to the prayer sought for by the appellants to expunge the remarks made by the learned Single Judge, the learned **Senior Counsel Mr.Srinath Sridevan, appearing for Mr.C.K.M.Appaji learned counsel appearing for the first respondent/writ petitioner** submitted his elaborate arguments, the crux of which is as under:-

i) The case in Sangu Chakra Hotels Private Limited in W.P.(MD) No.9824 of 2024, being one filed seeking a positive mandamus for extension of lease, cannot be equated with the case of the present writ petitioner.

ii) Sofar as the contention of the appellants that the writ petitioner has violated the terms of the lease by mortgaging the demised premises is concerned, clause 4(g) of the terms of the lease deed retrains mortgaging of demised premises alone, whereas, the later portion of the said clause makes it clear that the lessor has no objection for the lessee to mortgage only the leasehold rights and the writ petitioner has mortgaged the leasehold rights alone as evidenced from the fact that the list of documents in the Memorandum of Deposit of Title Deed produced in the typed set of papers shows the original lease deed as the first document and thereby, it cannot be construed that the writ petitioner had violated the terms of the lease deed.

iii) TTDC has its own limitations in running a Star Hotel which requires a sophisticated approach and that is the reason, the State has chosen to entrust the same on lease to the private entrepreneurs and accordingly, the writ petitioner was inducted in the year 1994 as per G.O.(Ms) No.150 Information and Tourism Department dated 10.06.1994 for the outsourcing work of setting up a star and budget accommodation in T.S.Nos.35/1 and 30/4 at Kottapattu Village, Tiruchirappalli to house the delegates attending the 8th World Tamil Conference at Thanjavur in January 1995.

iv) Though the writ petitioner was entrusted with the work in the year 1995 itself considering the exigency viz., the proposal to conduct the Conference in January 1995, the lease deed was registered only on 29.3.1996. In the meanwhile, believing the assurances of the bureaucrats, the writ petitioner had incurred a huge capital expenditure for the construction and infrastructure in the demised premises for running a Star Hotel, however, when they found that many terms of the lease deed were not amenable to the writ petitioner and in consonance with the assurances made by the officials, the writ petitioner had addressed the TTDC expressing their grievances and seeking for their reliefs viz., for outright purchase or an alternative place for running their business. Though the hue and cry of the writ petitioner was not redressed, they could not go away from the contract and were constrained to pursue their venture considering their commitment by way of huge investment.

v) The writ petitioner was, continuously, making all their attempts to set right the loss sustained by them, however, the appellants, having chosen to reject the other request made by the writ petitioner viz., for outright purchase and alternative place for running their business, have not replied with regard to renewal of lease, leaving a legitimate expectation on the part of the writ petitioner that it would considered on expiry of lease, but, breaching the same, they had rejected the said claim at the fag end of the expiry of lease period. The Government, being lessor, it should act fairly and reasonably in the matters of lease.

vi) The conduct of the appellants in reacting to the claim of the writ petitioner had been rightly analysed by the learned Single Judge to show indulgence in the matter, which does not warrant any interference.

vii) So far as the contention that the writ petitioner had defaulted in payment of lease amount is concerned, the ground reality is that the writ petitioner has never defaulted in payment of lease amount and it is only enhancement of lease amount, of course, as per the terms of the lease, but, the writ petitioner challenges only the amount that has been arrived on a wrong calculation at a very belated stage. Even a calculation sheet filed at this stage is based on some wrong calculation.

viii) A perusal of letter addressed by the writ petitioner to TTDC on 18.5.1996 and similar letters addressed subsequently would make it clear that from the beginning, the writ petitioner was insisting the authorities for making fresh terms for the lease and for atleast three renewals of the lease each for 30 years, however, the appellants have not chosen to reject the request of the writ petitioner for renewal on any occasion prior to the impugned order, which made the writ petitioner to develop a legitimate expectation.

ix) The legitimate expectation can be split into two, one being substantive legitimate expectation and other being procedural legitimate expectation and the writ petitioner claims only procedural legitimate expectation and not substantive legitimate expectation. In fact, every citizen has a right to expect that a Government will act fairly and reasonably and with good governance.

x) In support of the above submissions, the following decisions have been relied on:-

(a) **Sivanandan C.T. and others vs. State of Kerala** (2024) 3 SCC 799.

(b) ***Food Corporation of India vs. M/s.Kamadhenu Cattle Feed Industries*** (1993) 1 SCC 71.

(c) ***Coop. Group Housing Society and others vs. Union of India and others*** *(1992) 4 SCC 477.*

(d*) **Shrilekha Vidyarthi vs. State of U.P.*** *(*1991) 1 SCC 212

(e) ***Jamshed Hormusji Wadia vs. Board of Trustees, Pot of Mumbai and another*** (2004) 3 SCC 214)

(f) ***Mcinnes vs. Onslow-Fane and another*** (1976 M.No. 6063(CD))

(g) ***Subodh Kumar Singh Rathour vs. Chief Executive Officer and others*** (2024) SCC OnLine SC 1682

7. Before going into the merits of the case, this court feels that it would be appropriate to place on record certain strange aspects, which had been noticed in these cases. The chronological events narrated

above disclose that the period of lease being for 30 years, the specific clause in respect of renewal thereof on conclusion of such lease period is one of discretionary and vested with the State of Tamil Nadu, of course, subject to certain escalation of lease amount and the acceptance of the same by the lessee, but, not a mandatory one.

8. The indisputable fact being so, a perusal of the case status in respect of the lis initiated by the writ petitioner before the court below and this court and also the affidavits furnished in the typed set of papers produced before this court would disclose that the writ petitioner, having filed two suits before the Principal Sub Court, Tiruchirappali, one in O.S.No.296 of 2024 on 13.5.2024 seeking declarations that the outstanding lease rent arrived by the District Collector and the consequential demand are void and permanent injunction against TTDC and the District Collector, Tiruchirappalli restraining them from initiating any further proceedings with regard to their demand of outstanding lease amount and the other suit on 5.6.2024 in O.S.No.380 of 2024 on the file of Sub Court, Tiruchirappalli against the State and TTDC seeking a mandatory injunction directing the authorities to consider the representation of

the petitioner dated 13.5.2024 for renewal of lease on fresh terms and for a permanent injunction restraining them from evicting the writ petitioner from the demised premises except by due process of law, had filed the writ petition in W.P.(MD) No.12986 of 2024, which could have been prepared on 13.6.2024, as could be seen from the date typed in the affidavit and filed on the next day viz., on 14.6.2024. The same having been taken on board on 14.6.2024 itself, as an emergent measure, an interim protection was granted by the learned Single Judge on that day itself, only for four days on the ground that no order in writing was produced, despite the submissions made by the learned Additional Advocate General that Government has taken a decision not to renew the lease period and possession was already taken in the forenoon on that day and the contra submission made on the side of the writ petitioner that 80% of occupancy continues. Granting the interim protection, the matter was adjourned to 18.6.2024.

9. While the above said interim relief granted by the learned Single Judge was supposed to have come to an end by 18.6.2024, the other writ petition viz., W.P.(MD) No.13133 of 2024, which could have been prepared on 18.6.2024, as seen from the date typed in the writ

petition and the supporting affidavit found in the typed set of papers, came to be filed on 18.6.2024 itself, challenging the order dated 12.6.2024 passed by the State rejecting the claim of the writ petitioner for renewal of lease period and the said case found a place as item number "1" of the "additional list-III for admission" and stood adjourned, while other writ petition in W.P.(MD) No.12986 of 2024, which was also listed on the same day as item 63 (last item of the regular list), was also adjourned.

10. On the next day viz., on 19.6.2024, both the writ petitions were listed consecutively as 77 and 78 and stand adjourned. Whileso, on 20.6.2024, once again, both the writ petitions were listed as item numbers 90 and 91, but, peculiarly, the interim relief granted for a limited period of four days in W.P.(MD) No.12986 of 2024, was made absolute by allowing the main writ petition itself while merely adjourning the other writ petition viz., W.P.(MD) No.13133 of 2024, which challenged the impugned order dated 12.6.2024. Curiously, on the very next day viz., on 21.6.2024, the other writ petition viz., W.P.(MD) No.13133 of 2024, which challenged the impugned order dated 12.6.2024, was also allowed.

11. The suits on one side and the writ petitions on the other side with almost similar relief claimed in the suit, filed consecutively by the writ petitioner shows the short-circuit method being adopted by the writ petitioner, with an idea of riding on two horses simultaneously. Such litigations initiated consecutively by the writ petitioner also raises much suspicion and presumption that the writ petitioner could have very well been aware of the impugned order having been passed, however, suppressing the same, had moved the earlier writ petition in the eleventh hour and posed as if an emergent situation was being confronted by them as an outcome of breach of their legitimate expectation.

12. Further, it is seen that while allowing the writ petition in W.P.(MD) No.12986 of 2024 on 20.6.2024, a clear reference has been made by the learned Single Judge in para 9 of the order with regard to the rejection of the writ petitioner's request for renewal of lease by the State and its assailment by the writ petitioner in W.P.(MD) No.13133 of 2024, however, the learned Single Judge, having continued to have a misplaced sympathy towards the writ petitioner, probably on the basis of the conduct and manner attributed towards the district

administration and the jurisdictional police in entering the premises and taking possession in the forenoon of 14.6.2024, held that the appellants had acted arbitrarily and illegally. Needless to say that the cart has been put in front of the horses.

13. In the factual background of the case and the submissions of the learned counsel for the parties, what is to be decided is whether the orders passed by the learned Single Judge granting the relief sought for by the writ petitioner hold good.

14. On perusal of the orders passed by the learned Single Judge, this court feels that the concept of legitimate expectation on the part of the writ petitioner and its alleged breach had predominantly prevailed in the mind of the learned Single Judge for passing the said orders. The arguments of the learned counsel for the parties and the decisions relied on by them also point out such a concept alone.

15. In this regard, the learned Senior Counsel appearing for the writ petitioner would submit that legitimate expectation can be split into two, one being substantive legitimate expectation and other being

procedural legitimate expectation and the writ petitioner, certainly, claims only procedural legitimate expectation and not substantive legitimate expectation.

16. Mere hope or a strong desire or belief of a party for something to happen cannot substitute an assurance of the authority, either express or implied that creates a reasonable expectation. A procedural legitimate expectation rests on the presumption that a public authority will follow a certain procedure in advance of a decision being taken. Therefore, what is significant to be found out is whether any legitimacy could be attributed to the expectation of the writ petitioner enabling them to claim that they had been under procedural legitimate expectation and the same was breached by the authorities. Further, we feel that the questions as to whether the facts and circumstances of the case warrants invocation of such a ground or whether the writ petitioner has fulfilled the requirements to contend breach of legitimate expectation on the part of the authorities, need to be answered to decide the sustainability of the orders passed by the learned Single Judge.

17. In this regard, it would be relevant to note that the writ petitioner being lessee in respect of the premises and TTDC being the lessor, they are bound by the terms of the lease deed dated 29.3.1996. For deciding the issues involved in the present cases, an analysis over the terms of lease specified in clause 4(c), (d) (e) and (g) would be relevant. For ready reference, they are extracted hereunder:-

> "*(c) The lessee shall not be entitled to claim renewal of the lease after the expiration of the lease period stipulated in this lease deed. However, if the Government of Tamil Nadu directs the lessor to renew the lease beyond the period of 30 years, the lessor shall abide by it subject to lease amount to be stipulated by the Government, if agreeable to the lessee.*
>
> *(d) After the expiration of the lease the lessee shall surrender possession of the demised premises together with all immovables including superstructure that now exist and also to be constructed by them for the purpose of upgrading to star hotel.*

(e) The lessee shall claim no title to the superstructure already put up and to be put up by him or claim any compensation at the time of surrendering possession after the expiration of the lease.

.....

(g) The lessee shall have no right to mortgage the demised land or superstructure already put up or to be put up over the demised land. The entire superstructure over the demised land shall be treated as an integral part of the demised premises over which the lessee has no right. If at all the lessee wants to avail of any financial facility from any finance institutions, the lessor has no objection for the lessee to mortgage only the leasehold rights."

18. The writ petitioner claims that though their other claims viz., outright sale of the demised premises and exchange of the demised premises were rejected then and there, the claim of renewal of lease period was never answered earlier and that gave a legitimate expectation to them that it could be considered at any point of time

and with such a hope, the writ petitioner claims to have waited for such a long period. For a moment, we feel that it may be beyond imagination that for such a length of period they waited without any positive reply from the Government without any negative presumption.

19. Factually, it is relevant to note that even as per the case of the writ petitioner, after getting the outsourcing work in the year 1994, they had invested their huge money in the said work, but, later, after registration of the lease deed in the year 1996, they had been sending various representations to the authorities from the year 1996, referring to the discussion alleged to have been had by them with the authorities, raising very many difference of opinion over the terms of policy, the likelihood of non-achievement of investment-return ratio and seeking for many reformative action with fresh terms of lease, however, no initiative was forthcoming from the authorities throughout lease period viz., from 1994 to 2024.

20. When the correspondence pointed out by the learned Senior Counsel appearing for the writ petitioner was perused, it is seen that the writ petitioner, by their representations dated 18.5.1996,

25.9.2000 and 16.10.2006, addressed to TTDC seeking for outright purchase of the demised premises to set right the loss alleged to have been sustained by them, ignoring the very fact that the terms of the lease deed does not encourage renewal of lease at the instance of the writ petitioner, while the State Government alone was vested with the option to go for renewal, subject to escalation of lease amount and acceptance thereof by the lessee/writ petitioner.

21. Such being the initiative of the writ petitioner, the claim of the writ petitioner for outright purchase of the demised premises was rejected in the Board Meeting conducted by TTDC, as evidenced by the Resolution dated 9.3.2007 found at page 72A of the typed set of papers. In fact, the Board had further resolved to address the Government for amendment of existing lease agreement to provide for standard escalation clause for revising the lease rentals at periodic intervals for the remaining lease period instead of lease rent to be fixed by the District Collector every time for three years, which shows that the interest of the Government revenue was sought to be protected sufficiently.

22. Even thereafter, it is seen that the writ petitioner, once again, sent a representation to TTDC alone on 26.7.2007 insisting for outright purchase of the demised premises reiterating their grievance and later, on 4.1.2008, they had sent another representation only to TTDC, wherein, the writ petitioner had chosen to make a second option of seeking for allotment of an alternative vacant land. When there was no reply for such second round of representations, the writ petitioner had addressed the Secretary to Government for the first time on 16.6.2010 seeking for outright purchase or in the alternative for procurement of a similar land, which request was promptly rejected by the State Government, by their proceedings dated 1.10.2010.

23. Thereafter, interestingly, the writ petitioner has chosen to address the Hon'ble Minister for Tourism on 6.2.2013 introducing the third option of renewal of lease for a further period of 30 years, for the first time. Though there was no reply for such correspondence claimed to have been addressed to the Hon'ble Minister, the writ petitioner had not shown any interest and went into slumber for about 11 years and woke up on 13.5.2024, on which date, they had sent a fresh representation, of course, reiterating their grievances, to the Principal

Secretary to Government, Managing Director, TTDC and Zonal Manager, Madras TTDC, Trichy. Such a representation, submitted by the writ petitioner, just one month prior to conclusion of lease period, was rejected by the Government and requesting the writ petitioner to hand over the demised premises.

24. From the correspondence, rather representations claimed to have been sent by the writ petitioner, it is seen that the writ petitioner, being an entrepreneur, having taken the demised premises on lease from the Government Body for a period of 30 years commencing from 14.6.1994, for running a hotel business, accepting all the terms of it, from the inception of lease, started claiming that they had sustained huge loss when compared to their investment on the demised premises, sought for outright purchase of the land originally and later, as an alternative, they had been seeking for renewal of lease period, which could be construed nothing but, claiming a lien over the developments made by them during the lease period or rather a compensation in an indirect way and thereby the writ petitioner had violated almost all the above conditions referred to above.

25. Despite that a perusal of the materials available on record would disclose that till 2010, the writ petitioner had been addressing the the TTDC alone and only on 16.6.2010, they had addressed the Government, wherein also, the option of renewal of licence was not made and the request of outright purchase of land or offer of an alternative land alone was made and the same was also rejected by the Government by their correspondence dated 1.10.2020. The writ petitioner does not appear to have chosen to challenge the said rejection.

26. Similarly, in the year 2013 itself, reiterating the difficulties alleged to have been faced by them, they had insisted for renewal of the lease for a further period of 30 years as a third option, but, this time, they seem to have addressed their representation to the Hon'ble Minister and despite the fact that there was no reply for the same, they seem to have remained silent for the rest of the lease period and just one month prior to conclusion of the lease period, they had chosen to harp on the issue by addressing the Government as well as TTDC.

27. Added to all, the most relevant aspect to be noted is that even prior to entering into the lease deed dated 29.3.1996, the writ petitioner, by their letter dated 13.10.1995 (found at page 36 of the typed set of papers) had requested the Managing Director of Tamil Nadu Tourism to incorporate two clauses in the lease deed. The relevant portion of the letter is extracted hereunder for ready reference:-

> *"As we agree to transfer our lease hold rights in the demised property. We request you to please incorporate the following clause also in the present agreement as follows:*
>
> *a)* ***The lease is for a period of 30 years*** *involving immovable property and the lessee may transfer his lease hold rights in the demised property. In other words he cannot transfer the property itself to anyone and what could be transferred is only his interest in the property i.e., lease hold rights and the lessee has no right to mortgage the said property in favour of anyone.*
>
> *b) In the event of surrendering the possession by the*

lessee on expiry of the lease, the lessee shall be permitted to remove the movables and (not clear) a compensation which may be fixed in accordance with the market value (not clear) as on that date by a common committee consisting of members of the lessor and lessee, should be paid to the lessee by the lessor."

28. In the above letter, the writ petitioner themselves had insisted for incorporation of a clause restricting the lease period for 30 years, whereas, in their letter dated 18.5.1996, which was sent after entering in the lease deed dated 29.3.1996, they seem to have claimed for minimum 3 renewals of 30 years each. Such a conflicting stand taken by the writ petitioner from the inception of lease and the subsequent letters addressed by them to TTDC alone for almost half of the lease period and then alone to the Government and the silence maintained by the writ petitioner without making any challenge towards such rejection orders, would show that the writ petitioner was not stable in their stand and due to some afterthought, they had been insisting the authorities for some reformation beyond the terms of the lease they had agreed upon.

29. It is relevant to note that the terms of the lease are well structured to cater the needs of both lessor and the lessee. If the terms of the lease deed are not amenable to the writ petitioner, they could have very well withdrawn from the play at an early stage itself. From their progression itself, it could be logically construed that they could not have ventured to merely invest in the demised premises over and above their achievements in returns.

30. As a consequence, this court feels that the writ petitioner cannot effectively maintain the ground of breach of legitimate expectation under the guise that they require the renewal of lease to set right the loss alleged to have been sustained by them. The writ petitioner, having entered into the lease deed with the TTDC on a fixed rent per annum with a reasonable escalation alone for every three years but, not on a share of their profit earned by them, cannot expect the lessor or the Government to compulsorily renew the lease period for 20 years in lieu of the loss alleged to have been sustained by the writ petitioner in their business.

31. Further, it could be seen from the correspondence between the petitioner and the authorities that the orders directing the writ petitioner to hand over vacant possession and the repossession taken by the authorities do not appear to have been done overnight. The chronological events in the matter narrate above would be self-explanatory. The terms of the lease do not assure any renewal of lease and make it clear that the discretion with regard to the renewal of lease lies with the Government, subject to escalation of the lease amount and the acceptance thereof by the writ petitioner. When the writ petitioner is said to have become a chronic defaulter and chosen to litigate in respect of the escalated lease amount arrived at by the authorities that too after a long holiday period gained due to the delay on the part of the authorities in arriving at the escalated lease amount, no fault could be attributed on the part of the Government in deciding to reject the claim of the writ petitioner for renewal of lease. Having kept such a huge public money at stake, whether the writ petitioner can claim to have come to the court with clean hands to claim legitimate expectation is the relevant question that requires an answer.

32. Further, the writ petitioner, being a private entrepreneur, having entered into a lease agreement with a Government Body in respect of occupational right alone over a Government premises for a reasonable period of 30 years, cannot go on claiming renewal of the lease period eternally, under the guise of legitimate expectation as it would result in nothing but, monopoly and capitalism ignoring the social welfare measures of the State Body, especially, when on one hand, the writ petitioner claims to have sustained huge loss and on the other hand, they peculiarly intend to sustain such business by seeking renewal of lease period for a more longer period. The intention on the part of the Government in taking the writ petitioner for developing the Government property for a noble scheme appears to be one inclusive of welfare measure to the public however, not ignoring the profit to be earned by the writ petitioner in lieu of their contribution in developing the vacant land.

33. The non-entitlement of the writ petitioner to claim renewal of lease as a matter of right, despite the developments that could be made by the writ petitioner in the vacant land, emphasized in the lease deed, makes it clear that a balanced approach had been visualized at

the time of entering into the lease deed itself and the terms of lease including the lease amount that had been agreed on the basis of cost-benefit analysis of the Government as well as the lessee and thereby no ambiguity can be attributed to the terms of the lease.

34. Added to the above, as evident from a copy of the Memorandum of Deposit of Title Deed dated 11.6.2008 found at the typed set of papers, it is seen that the writ petitioner had mortgaged the demised premises with Indian Bank for obtaining a loan to the tune of 56 crores and odd, in violation of clause 4(g) of the terms of lease deed.

35. On the above aspect, the learned Senior Counsel appearing for the writ petitioner would submit that the writ petitioner had mortgaged only the leasehold right as permitted under clause 4(g) of the lease deed and not the demised premises itself and thus, there is no violation of the specific clause with regard to the restriction on mortgaging the demised property.

36. In this regard, a perusal of the copy of the Memorandum of Deposit of Title Deed furnished at page 80 of the typed set of papers would throw some light on the issue. Even on a careful reading of the same would not reveal that anywhere in the said deed, the words "leasehold right" are mentioned, rather, in the places concerned, only the words "title deeds" and "title" have been used as if the title deeds have been deposited in lieu of the mortgage, except in the tabular column showing the list of documents, which names it as original lease deed. However, we feel that this issue need not be construed as a strong violation of terms of lease in view of the probability of a clerical error that could have been crept in and that the repossession taken by the appellants seems to be on conclusion of the lease period and probably not based on this ground.

37. Coming to the decisions relied on by the learned counsel for the parties, the appellants have relied on certain decisions and they are extracted hereunder:-

(a) Sugati Beach Resort Pvt. Ltd. vs. Union of India and others (2017) SCC OnLine Bom 9418):-

"The expenditure was incurred or investment made during past twenty years during the subsistence of the lease, was for commercial exploitation of leased property and the petitioner has already reaped financial benefits by commercial use of the lease land in a tourist place. ... we are also surprised at the approach of the petitioner to invoke the jurisdiction of this Court under Article 226 of the Constitution when the dispute that the petitioner is raising is purely under a lease deed, a contract between the parties, and the contentions as raised are in the nature of a challenge to the terms and conditions of the contract on a spacious plea that the lease deed created an absolute right in the petitioner for extension of the lease, however, which we see none."

(b) State of W.B. and others vs. Niranjan Singha (2001) 2 SCC 326:-

"The doctrine of "legitimate expectation" is only an aspect of Article 14 of the Constitution in dealing with the citizens in a non-arbitrary manner and thus, by

itself, does not give rise to an enforceable right but in testing the action taken by the government authority whether arbitrary or otherwise it would be relevant."

(c) Army Welfare Education Society, New Delhi vs. Sunil Kumar Sharma and others (2024) SCC OnLine SC 1683:-

"It is clear that legitimate expectation, jurisprudentially, was a device created in order to maintain a check on arbitrariness in state action. It does not extend to and cannot govern the operation of contracts between private parties, wherein the doctrine of promissory estoppel holds the field."

(d) Pimpri Chinchwad Municipal Corporation and others vs. Gayatri Construction Company and another (2008) 8 SCC 172:-

"In respect of contractual matters, the writ court should not interfere in view of availability of alternative remedy."

(d) Sant Lal Gupta and others vs. Modern Cooperative Group Housing Society Limited and others (2010) 13 SCC 336:-

"The High Court ought to have considered that it was

a writ of certiorari and it was not dealing with an appeal. The writ of certiorari under Article 226 of the Constitution can be issued only when there is a failure of justice and it cannot be issued merely because it may be legally permissible to do so. There must be an error apparent on the face of record as the High Court acts merely in a supervisory capacity. An error apparent on the face of the record means an error which strikes one on mere looking and does not need long drawn out process of reasoning on points where there may conceivably be two opinions. Such error should not require any extraneous matter to show its incorrectness. Such errors may include the giving of reasons that are bad in law or inconsistent, unintelligible or inadequate. It may also include the application of a wrong legal test to the facts found, taking irrelevant considerations into account and failing to take relevant considerations into account, and wrongful admission or exclusion of evidence, as well as arriving at a conclusion without *any supporting evidence. Such a writ can be issued when there is an error in jurisdiction or authority whose order is to be reviewed has acted without jurisdiction or in excess of its jurisdiction or has failed to act. While issuing the writ of certiorari, the order under challenge should not undergo scrutiny of an appellate court. It is obligatory on the part of the petitioner to show that a jurisdictional error has been committed by the statutory authorities. There must be a breach of the principles of natural justice for resorting to such a course."*

(f) West Bengal Central School Service Commission and others vs Abdul Halim and others (2019) 18 SCC 39:-

28. In any case, the High Court exercises its extraordinary jurisdiction under Article 226 of the Constitution of India to enforce a fundamental right or some other legal right or the performance of some legal duty. To pass orders in a writ petition, the High Court would necessarily have to address to itself the question of whether there has been breach of any *fundamental or legal right of the petitioner, or whether there has been lapse in performance by the respondents of a legal duty.*

29. The High Court in exercise of its power to issue writs, directions or orders to any person or authority to correct quasi-judicial or even administrative decisions for enforcement of a fundamental or legal right is obliged to prevent abuse of power and neglect of duty by public authorities.

30. In exercise of its power of judicial review, the Court is to see whether the decision impugned is vitiated by an apparent error of law. The test to determine whether a decision is vitiated by error apparent on the face of the record is whether the error is self-evident on the face of the record or whether the error requires examination or argument to establish it. If an error has to be established by a process of reasoning, on points where there may reasonably be two opinions, it cannot be said to be *an error on the face of the record, as held by this Court in Satyanarayan Laxminarayan Hegde v. Millikarjun Bhavanappa Tirumale [Satyanarayan Laxminarayan Hegde v. Millikarjun Bhavanappa Tirumale, AIR 1960 SC 137]. If the provision of a statutory rule is reasonably capable of two or more constructions and one construction has been adopted, the decision would not be open to interference by the writ court. It is only an obvious misinterpretation of a relevant statutory provision, or ignorance or disregard thereof, or a decision founded on reasons which are clearly wrong in law, which can be corrected by the writ court by issuance of writ of certiorari."*

38. While the decisions relied on behalf of the appellants speak about the scope of extraordinary jurisdiction of the writ court in contractual matters and in the presence of alternative remedy to the claimants and also the scope of doctrine of legitimate expectation, the learned Senior Counsel appearing for the writ petitioner mainly relied

upon various decisions in support of his case on the aspect of legitimate expectation. The decisions so relied on by him and its applicability or otherwise to the present case are discussed hereunder:-

(a) **Sivanandan C.T. and others vs. State of Kerala** (2024) 3 SCC 799:-

> "***Doctrine of legitimate expectation under Indian law***
>
> ***24.*** *By the 1990s, the Indian courts incorporated the doctrine of legitimate expectation in the context of procedural fairness and non-arbitrariness under Article 14 of the Constitution. In Food Corpn. of India v. Kamdhenu Cattle Feed Industries [Food Corpn. of India v. Kamdhenu Cattle Feed Industries, (1993) 1 SCC 71] , this Court held that public authorities have a duty to use their powers for the purposes of public good. This duty raises a legitimate expectation on the part of the citizens to be treated in a fair and non-arbitrary manner in their interactions with the State and its instrumentalities. This Court held that a*

decision taken by an executive authority without considering the legitimate expectation of an affected person may amount to an abuse of power : (SCC p. 76, para 7)

> *"7. … To satisfy this requirement of non-arbitrariness in a State action, it is, therefore, necessary to consider and give due weight to the reasonable or legitimate expectations of the persons likely to be affected by the decision or else that unfairness in the exercise of the power may amount to an abuse or excess of power apart from affecting the bona fides of the decision in a given case. The decision so made would be exposed to challenge on the ground of arbitrariness. Rule of law does not completely eliminate discretion in the exercise of power, as it is unrealistic, but provides for control of its exercise by judicial review."*

The Court held that whether the expectation of a claimant is legitimate or not is a question of fact which has to be decided after weighing the claimant's expectation against the larger public interest. Thus, while dealing with the claims of legitimate expectations, the court has to necessarily balance the *legitimate expectation of a claimant against the larger public interest.*

....

26. *In Hindustan Development Corpn. [Union of India v. Hindustan Development Corpn., (1993) 3 SCC 499] , this Court cautioned against the use of the doctrine of legitimate expectation to safeguard a substantive right. Yet, in a series of subsequent decisions, this Court accepted that the doctrine of legitimate expectations has become a source of both procedural and substantive rights. [M.P. Oil Extraction v. State of M.P., (1997) 7 SCC 592; National Buildings Construction Corpn. v .S.Raghunathan, (1998) 7 SCC 66 : 1998 SCC (L&S) 1770.] In Punjab Communications Ltd. v. Union of India [Punjab Communications Ltd. v. Union of India, (1999) 4 SCC 727] , this Court explained the difference between procedural and substantive legitimate expectation in the following terms : (Punjab Communications case[Punjab*

Communications Ltd. v. Union of India, (1999) 4 SCC 727] , SCC p. 742, para 27)

> *"27. … The procedural part of it relates to a representation that a hearing or other appropriate procedure will be afforded before the decision is made. The substantive part of the principle is that if a representation is made that a benefit of a substantive nature will be granted or if the person is already in receipt of the benefit that it will be continued and not be substantially varied, then the same could be enforced."*

....

27. *A claim based on the doctrine of procedural legitimate expectation arises where a claimant expects the public authority to follow a particular procedure before taking a decision. This is in contradistinction to the doctrine of substantive legitimate expectation where a claimant expects conferral of a substantive benefit based on the existing promise or practice of the public authority. The doctrine of substantive legitimate expectation has now been accepted as an integral part of both* *the common law as well as Indian jurisprudence.*

....

40. *The principle of fairness in action requires that public authorities be held accountable for their representations, since the State has a profound impact on the lives of citizens. Good administration requires public authorities to act in a predicable manner and honour the promises made or practices established unless there is a good reason not to do so. In Nadarajah [R.(Nadarajah) v. Secy. of State for the Home Deptt., 2005 EWCA Civ 1363] , Laws, L.J. held that the public authority should objectively justify that there is an overriding public interest in denying a legitimate expectation. We are of the opinion that for a public authority to frustrate a claim of legitimate expectation, it must objectively demonstrate by placing relevant material before the court that its decision was in the public interest. This standard is consistent with the principles of good administration which require that State actions must* *be held to scrupulous standards to prevent misuse of public power and ensure fairness to citizens.*

....

44. *In a constitutional system rooted in the rule of law, the discretion available with public authorities is confined within clearly defined limits. The primary principle underpinning the concept of rule of law is consistency and predictability in decision-making. A decision of a public authority taken without any basis in principle or rule is unpredictable and is, therefore, arbitrary and antithetical to the rule of law. [S.G. Jaisinghani v. Union of India, 1967 SCC OnLine SC 6]. The rule of law promotes fairness by stabilising the expectations of citizens from public authorities. This was also considered in a recent decision of this Court in SEBI v. Sunil Krishna Khaitan [SEBI v. Sunil Krishna Khaitan, (2023) 2 SCC 643], wherein it was observed that regularity and predictability are hallmarks of good regulation and governance. [SEBI v. Sunil*

Krishna Khaitan, (2023) 2 SCC 643]. This Court held that certainty and consistency are important facets of fairness in action and non-arbitrariness : (Sunil Krishna Khaitan case [SEBI v. Sunil Krishna Khaitan, (2023) 2 SCC 643], SCC pp. 678-79, para 59)

> *"59. …Any good regulatory system must promote and adhere to principle of certainty and consistency, providing assurance to the individual as to the consequence of transactions forming part of his daily affairs. [Union of India v. Raghubir Singh, (1989) 2 SCC 754. Also see: The Nature of the Judicial Process, Benjamin N. Cardozo, p. 33: "I am not to mar the symmetry of the legal structure by the introduction of inconsistencies and irrelevancies and artificial exceptions unless for some sufficient reason, which will commonly be some consideration of history or custom or policy or justice. Lacking such a reason, I must be logical just as I must be impartial, and upon like grounds. It will not do to decide the same question one way between one set of litigants and the opposite way between another."(emphasis supplied)] … This does not mean that the regulator/authorities cannot deviate from the*

past practice, albeit any such deviation or change must be predicated on greater public interest or harm. This is the mandate of Article 14 of the Constitution of India which requires fairness in action by the State, and non-arbitrariness in essence and substance. Therefore, to examine the question of inconsistency, the analysis is to ascertain the need and functional value of the change, as consistency is a matter of operational effectiveness."

....

***45.** The underlying basis for the application of the doctrine of legitimate expectation has expanded and evolved to include the principles of good administration. Since citizens repose their trust in the State, the actions and policies of the State give rise to legitimate expectations that the State will adhere to its assurance or past practice by acting in a consistent, transparent, and predictable manner. The principles of good administration require that the decisions of public authorities must withstand the test of consistency, transparency, and predictability to* *avoid being regarded as arbitrary and therefore violative of Article 14."*

The above decision rendered by the Constitution Bench is totally on a different set of facts and circumstances. The dispute involved in that case revolved around a decision taken by the Kerala High Court to apply a cut off mark for the viva voce test for which, it was previously notified that there shall be no cut off marks and thereby, a grievance arose and the Constitution Bench concluded that the High Court's decision to apply the minimum cut-off marks for the viva voce frustrates the substantive legitimate expectation of the petitioners and thereby it was held as arbitrary and violative of Article 14 of the Constitution of India, whereas in the present case, no such deviated decision had been taken by the authorities so as to attribute any arbitrariness on their part and they had only invoked the terms of the lease.

(b) ***Food Corporation of India vs. M/s.Kamadhenu Cattle Feed Industries*** (1993) 1 SCC 71:-

*"**7.** In contractual sphere as in all other State*

actions, the State and all its instrumentalities have to conform to Article 14 of the Constitution of which non-arbitrariness is a significant facet. There is no unfettered discretion in public law : A public authority possesses powers only to use them for public good. This imposes the duty to act fairly and to adopt a procedure which is 'fairplay in action'. Due observance of this obligation as a part of good administration raises a reasonable or legitimate expectation in every citizen to be treated fairly in his interaction with the State and its instrumentalities, with this element forming a necessary component of the decision-making process in all State actions. To satisfy this requirement of non-arbitrariness in a State action, it is, therefore, necessary to consider and give due weight to the reasonable or legitimate expectations of the persons likely to be affected by the decision or else that unfairness in the exercise of the power may amount to an abuse or excess of power apart from affecting the bona fides of the *decision in a given case. The decision so made would be exposed to challenge on the ground of arbitrariness. Rule of law does not completely eliminate discretion in the exercise of power, as it is unrealistic, but provides for control of its exercise by judicial review.*

8. *The mere reasonable or legitimate expectation of a citizen, in such a situation, may not by itself be a distinct enforceable right, but failure to consider and give due weight to it may render the decision arbitrary, and this is how the requirement of due consideration of a legitimate expectation forms part of the principle of non-arbitrariness, a necessary concomitant of the rule of law. Every legitimate expectation is a relevant factor requiring due consideration in a fair decision-making process. Whether the expectation of the claimant is reasonable or legitimate in the context is a question of fact in each case. Whenever the question arises, it is to be determined not according to the claimant's* *perception but in larger public interest wherein other more important considerations may outweigh what would otherwise have been the legitimate expectation of the claimant. A bona fide decision of the public authority reached in this manner would satisfy the requirement of non-arbitrariness and withstand judicial scrutiny. The doctrine of legitimate expectation gets assimilated in the rule of law and operates in our legal system in this manner and to this extent."*

The above decision relates to sale of damaged foodgrains by the appellant Food Corporation of India by inviting tenders. Though the respondent therein was the highest bidder, the appellant, being not satisfied about the adequacy of the amount offered in the highest tender, instead of accepting any tender submitted, invited all the tenderers to participate in the negotiation and accepted more higher offer, which decision was challenged in the writ petition. The decision taken by the writ court in favour of the writ petitioner was put to challenge before the Apex Court wherein, after making the above incidental observation, the Full Bench had, in fact, set aside the order of the writ court holding that the decision of the appellant-Food Corporation of India as one without any arbirariness.

(c) ***Coop. Group Housing Society and others vs. Union of India and others*** *(1992) 4 SCC 477:-*

> *"15. The existence of 'legitimate expectation' may have a number of different consequences and one of such consequences is that the authority ought not to act to defeat the 'legitimate expectation' without some overriding reason of public policy to justify its doing so. In a case of 'legitimate expectation' if the authority proposes to defeat a person's 'legitimate expectation' it should afford him an opportunity to make representations in the matter ....*
>
> *16. It may be indicated here that the doctrine of 'legitimate expectation' imposes in essence a duty on public authority to act fairly by taking into consideration all relevant factors relating to such 'legitimate expectation'."*

It is a case of allotment of land based on seniority and the Apex Court, while holding that introduction of new guidelines laying down a new criterion of determining seniority without affording any opportunity to the affected societies of making representations is violative of the principle of legitimate expectation, made the above observation. In the case on hand, there is no introduction of any new guidelines or terms for the lease and existing ones were invoked by the authorities.

(d*) **Shrilekha Vidyarthi vs. State of U.P.** (*1991) 1 SCC 212:-

"***48.*** *In our view, bringing the State activity in contractual matters also within the purview of judicial review is inevitable and is a logical corollary to the stage already reached in the decisions of this Court so far. Having fortunately reached this point, we should not now turn back or take a turn in a different direction or merely stop there. In our opinion, two recent decisions in Dwarkadas Marfatia and Sons [(1990) 3 SCC 752 : JT (1990) 1 SC 363] and Mahabir Auto Stores [(1984) 3 All ER 935] also lead in the same direction without saying so in clear* *terms. This appears to be also the trend of the recent English decisions. It is in consonance with our commitment to openness which implies scrutiny of every State action to provide an effective check against arbitrariness and abuse of power. We would much rather be wrong in saying so rather than be wrong in not saying so. Non-arbitrariness, being a necessary concomitant of the rule of law, it is imperative that all actions of every public functionary, in whatever sphere, must be guided by reason and not humour, whim, caprice or personal predilections of the persons entrusted with the task on behalf of the State and exercise of all power must be for public good instead of being an abuse of the power."*

It is a case where the validity of the Circular G.O. No. D-284-Seven-Law-Ministry dated February 6, 1990 issued by the Government of State of Uttar Pradesh, by which the State of Uttar Pradesh had terminated the appointments of all Government Counsel (Civil, Criminal, Revenue) in all the Districts of the State of U.P. w.e.f. February 28, 1990 and directed preparation of fresh panels to make appointments in place of the existing incumbents, irrespective of the fact whether the term of the incumbent had expired or was subsisting and the same was quashed by the Apex Court. In the case on hand, there is no such termination of lease in the midway.

(e) ***Jamshed Hormusji Wadia vs. Board of Trustees, Pot of Mumbai and another*** (2004) 3 SCC 214):-

"***16.*** *The position of law is settled that the State and its authorities including instrumentalities of States have to be just, fair and reasonable in all their activities including those in the field of contracts. Even while playing the role of a landlord or a tenant, the State and its authorities remain so and cannot be heard or seen causing displeasure or discomfort to Article 14 of the Constitution of India.*

17. *It is common knowledge that several rent control legislations exist spread around the country, the emergence whereof was witnessed by the post-World War scarcity of accommodation. Often these legislations exempt from their applicability the* *properties owned by the Government, semi-government or public bodies, Government-owned corporations, trusts and other instrumentalities of State. What is the purpose? Do the legislatures intend to leave such entities absolutely unbridled and uncontrolled as landlords from the operation of the rent control legislation or do they do so with some hope and trust in such institutions? In Dwarkadas Marfatia and Sons [(1989) 3 SCC 293] a few decisions and authorities were cited before this Court. The observations of Chief Justice Chagla (as His Lordship then was) in Rampratap Jaidayal v. Dominion of India [(1952) 54 Bom LR 927] were quoted with approval stating that while enacting rent control legislations, the Government seeks to achieve the object of protecting the tenants and preventing the rent from being increased and people from being ejected unreasonably; then it cannot be assumed that the very Government would itself be indulging in those very activities which it was* *proposing to prevent by enacting such laws. The underlying assumption behind granting exemption from the operation of the rent control legislations was that the Government would not increase rents and would not eject tenants unless it was necessary to do so in public interest and a particular building was required for the public purpose. It was also pointed out that the Government or local authority or the Board would not be actuated by any profit-making motive so as to unduly enhance the rents or eject the tenants from their respective properties as private landlords are or are likely to do. This Court in Baburao Shantaram More v. Bombay Housing Board [(1953) 2 SCC 845 : AIR 1954 SC 153 : 1954 SCR 572] recognised that the basis of differentiation in favour of public authorities like the Bombay Port Trust, was on the ground that they would not act for their own purpose as private landlords do but would act for public purposes. The Court held in Dwarkadas Marfatia [(1989) 3 SCC 293] that the public* *authorities which enjoy the benefit without being hidebound by the requirements of the Rent Act, must act for public benefit and where they fail to do so they render themselves amenable to adjudication under civil review jurisdiction of the Court. A Division Bench of the Bombay High Court presided over by Mrs Sujata Manohar, J. (as Her Lordship then was) held in Ratti Palonji Kapadia v. State of Maharashtra [1992 Bom LR 1356] that the exemption from the provisions of the rent control law casts an obligation on the State and its instrumentalities and authorities to comply with the public policy of ensuring a fair return of investments without charging exorbitant rates based on the prevailing market price of the land. Thus, a balance has to be struck between ensuring a fair return on investment and charging exorbitant rates based on the prevalent market prices of land, which would be of utmost relevance to any other landlord. The State Government in order to justify a steep increase in rent, cannot plead* *exploitative increases in prices of lands. Reference in this connection may also be made toKumari Shrilekha Vidyarthi v. State of U.P. [(1991) 1 SCC 212 : 1991 SCC (L&S) 742] wherein this Court held that while acting in the field of contractual rights the personality of the State does not undergo such a radical change as not to require regulation of its conduct by Article 14. It is not as if the requirements of Article 14 and contractual obligations are alien concepts which cannot coexist. Our Constitution does not envisage or permit unfairness or unreasonableness in State action in any sphere of activities contrary to the professed ideals in the Preamble. Exclusion of Article 14 in contractual matters is not permissible in our constitutional scheme. In P.J. Irani v. State of Madras [AIR 1961 SC 1731] the Constitution Bench observed that a tenant in a building owned by the State or its instrumentality is not liable to eviction solely because the tenancy has terminated. The existence* *of rent control legislation, though not applicable to such building, is suggestive of the State's policy of protecting tenants because of the great difficulty of their obtaining alternative accommodation.*

18. *In our opinion, in the field of contracts the State and its instrumentalities ought to so design their activities as would ensure fair competition and non-discrimination. They can augment their resources but the object should be to serve the public cause and to do public good by resorting to fair and reasonable methods. The State and its instrumentalities, as the landlords, have the liberty of revising the rates of rent so as to compensate themselves against loss caused by inflationary tendencies. They can — and rather must — also save themselves from negative balances caused by the cost of maintenance, payment of taxes and costs of administration. The State, as the landlord, need not necessarily be a benevolent and good charitable Samaritan. The felt need for expanding or* *stimulating its own activities or other activities in the public interest having once arisen, the State need not hold its hands from seeking eviction of its lessees. However, the State cannot be seen to be indulging in rack-renting, profiteering and indulging in whimsical or unreasonable evictions or bargains."*

In the above case, the increase in rent proposed by the Bombay Port Trust to be collected from its lessees was put to challenge on the ground that it was exorbitant and the Bombay Port Trust, being an instrumentality of the State within the meaning of Article 12 of the Constitution of India, was bound to be reasonable and fair in its dealing with the lessees. While arriving at a consensus in the matter, the Apex Court has observed as quoted above, whereas in the case on hand, increase in lease amount is not the subject matter in question, but, only the invocation of the terms of the lease deed and repossession done by the authorities on conclusion of the lease period, rejecting the claim of the writ petitioners for renewal that too as stipulated under the terms of the lease deed.

(f) ***Mcinnes vs. Onslow-Fane and another*** (1976 M.No. 6063(CD)):-

"Second, where the court is entitled to intervene, I think it must be considered what type of decision is in question. I do not suggest that there is any clear or exhaustive classification; but I think that at least three categories may be discerned. First, there are what may be called the forfeiture cases. In these, there is a decision which takes away some existing right or position, as where a member of an organisation is expelled or a licence is revoked. Second, at the other extreme there are what may be called the application cases. These are cases where the decision merely refuses to grant the applicant the right or position that he seeks, such as membership of the organisation, or a licence to do certain acts. Third, there is an intermediate category, which may be called the expectation cases, which differ from the application cases only in that the applicant has some

legitimate expectation from what has already happened that his application will be granted. ....

....

The intermediate category, that of the expectation cases, may at least in some respects be regarded as being more akin to the forfeiture cases than the application cases; for although in form there is no forfeiture but merely an attempt at acquisition that fails, the legitimate expectation of a renewal of the licence or confirmation of the membership is one which raises the question of what it is that has happened to make the applicant unsuitable for the membership or licence for which he was previously thought suitable."

Even in the above case, the Court held against the plaintiff therein, who applied to the western area council of the British Boxing Board of Control to be granted a boxers' manager's licence, and asked for an oral hearing and prior information of any thing that might militate against a favourable recommendation, in fact, observing that the plaintiff therein does not fall within the expectation category. However, the observation made by the court in general about the expectation category and the legitimate expectation on the part of such category people is sought to be relied on in support of the case of the writ petitioner.

(g) ***Subodh Kumar Singh Rathour vs. Chief Executive Officer and others*** (2024) SCC OnLine SC 1682:-

> *"**127.** The sanctity of contracts is a fundamental principle that underpins the stability and predictability of legal and commercial relationships. When public authorities enter into contracts, they create legitimate expectations that the State will honour its obligations. Arbitrary or unreasonable terminations undermine these expectations and erode the trust of private players from the public procurement processes and tenders. Once a contract is entered, there is a legitimate expectation, that the obligations arising from the contract will be honoured and that the rights arising from it will not be arbitrarily divested*

except for a breach or non-compliance of the terms agreed thereunder."

In the above case, the tender submitted by the appellant on 13.6.2022 for the maintenance of two underpasses on the Eastern Metropolitan Bypass and its abutting area against a License Fee for Advertisement Rights over designated sites at each underpass, for a period of 10 years was originally accepted and the work was entrusted, however, on 7.2.2023, the respondent issued a notice to the appellant stating that the tender for the work of maintenance has been cancelled on account of a technical fault in the tender and it was stated therein that the tender was found to be 'non-specific' & 'not well defined' and that had created ambiguity resulting in financial losses to the respondent, when actually, the authority had, previously, sent a notice dated 24.01.2023 to the appellant asking him to stop all work in respect of the maintenance of the two underpasses with immediate effect in view of the handing over of the maintenance of the E.M. Bypass to the KMC. The impugned notice therein appears to have been issued without making any reference to the previous notice. In such circumstances, the above remarks were made by the Apex Court while dealing with attitude of the authority and describing the same as nothing but a classic textbook case of an arbitrary exercise of powers by the respondent in cancelling the tender that was issued in favour of the appellant. But, in the case on hand, no question of cancellation of lease deed arose and only on conclusion of the lease period, the authorities had invoked the terms of the lease for repossession of the demised premises.

(h) ***Punjab Communications Ltd. vs. Union of India and others*** (1999) 4 SCC 727:-

> *"**26.**The principle of "legitimate expectation" is still at a stage of evolution as pointed out in de Smith's Administrative Law (5th Edn.) (para 8.038). The principle is at the root of the rule of law and requires regularity, predictability and certainty in the Government's dealings with the public. Adverting to the basis of legitimate expectation its procedural and substantive aspects, Lord Steyn in Pierson v. Secy. of State [(1997) 3 All ER 577, HL] (All ER at p. 606) goes back to Dicey's description of the rule of law in his Introduction to the Study of*

the Law of the Constitution [See also "The Rule of Law as the Rule of Reason: Consent and Constitutionalism" in (1999) 115 LQR 221 at 234 that "Fairness is both procedural and substantive": Due Process and Fair Procedureby D.J. Gallagham (1996); and at p. 242 quoting Dicey (1959) at pp. 203-204.] (10th Edn., 1959, p. 203) as containing principles of enduring value in the work of a great jurist. Dicey said that the constitutional rights have roots in the common law. He said:

> *"The 'rule of law', lastly, may be used as a formula for expressing the fact that with us the law of constitution, the rules which in foreign countries naturally form part of a constitutional code, are not the source but the consequence of the rights of individuals, as defined and enforced by the courts; that, in short, the principles of private law have with us been by the action of the courts and Parliament so extended as to determine the*

> *position of the Crown and its servants, thus the constitution is the result of the ordinary law of the land."*

This, says Lord Steyn, is the pivot of Dicey's discussion of rights to personal freedom and to freedom of association and of public meeting and that it is clear that Dicey regards the rule of law as having both procedural and substantive effects. "[T]he rule of law enforces minimum standards of fairness, both substantive and procedural." On the facts in Pierson [(1997) 3 All ER 577, HL] the majority held that the Secretary of State could not have maintained a higher tariff of sentence than recommended by the judiciary when admittedly no aggravating circumstances existed. The State could not also increase the tariff with retrospective effect.

27. *The basic principles in this branch relating to "legitimate expectation" were enunciated by Lord Diplock in Council of Civil Service Unions v. Minister for the Civil Service [1985 AC 374 : (1984) 3 All ER*

935] at pp. 408-409. It was observed in that case that for a legitimate expectation to arise, the decisions of the administrative authority must affect the person by depriving him of some benefit or advantage which either

(i) he had in the past been permitted by the decision-maker to enjoy and which he can legitimately expect to be permitted to continue to do until there has been communicated to him some rational grounds for withdrawing it on which he has been given an opportunity to comment; or

(ii) he has received assurance from the decision-maker that they will not be withdrawn without giving him first an opportunity of advancing reasons for contending that they should not be withdrawn.

The procedural part of it relates to a representation that a hearing or other appropriate procedure will be afforded before the decision is made. The *substantive part of the principle is that if a representation is made that a benefit of a substantive nature will be granted or if the person is already in receipt of the benefit that it will be continued and not be substantially varied, then the same could be enforced. In the above case, Lord Fraser accepted that the civil servants had a legitimate expectation that they would be consulted before their trade union membership was withdrawn because prior consultation in the past was the standard practice whenever conditions of service were significantly altered. Lord Diplock went a little further when he said that they had a legitimate expectation that they would continue to enjoy the benefits of the trade union membership. The interest in regard to which a legitimate expectation could be had must be one which was protectable. An expectation could be based on an express promise or representation or by established past action or settled conduct. The representation* *must be clear and unambiguous. It could be a representation to the individual or generally to a class of persons."*

Once again, it is a case where a general observation on the aspect of legitimate expectation was made by the Apex Court as one of binding on the decision-maker, however, holding that the changed policy decision in that case was not irrational or perverse and the Government was not bound by its previous policy decision on the basis of principle of legitimate expectation.

39. Though the decisions relied on by the learned Senior Counsel deal elaborately about the legitimate expectation and the impact on its breach, the relevant aspect to be considered in the case on hand is whether there is any legitimacy in the expectation of the writ petitioner that the lease, which was granted for 30 years, could be renewed on its expiry.

40. While the writ petitioner traces the scope for their legitimate expectation on the alleged silence on the part of the Government authorities for about 30 years from 1994, this court is unable to

understand as to how the writ petitioner could construe some intermittent silence, even assuming that it could be true for a moment, as a signal for them to develop an expectation rather legitimate expectation. Even such intermittent silence on the part of the authorities has to be treated as an illusion of the writ petitioner as the narration made by us in the earlier paragraphs would reveal that the writ petitioner was addressing their lettres and representations till half of the tenure of lease only to the TTDC, who had no authority to renew the lease. Still, those requests were also replied by the authorities, may be with some reasonable delay.

41. The request for renewal of lease and its rejection alone being the subject matter in dispute, the ground reality we could see is that the writ petitioner had virtually addressed on that aspect to the Government only a month prior to conclusion of the lease and it was promptly rejected by the impugned order requesting the writ petitioner to surrender possession of the demised premises. All other previous correspondence relied on by the writ petitioner could not construed as valid ones since all of them had been addressed to the authority, who had no direct role in the matter of renewal of lease.

42. Even in the letter dated 13.5.2024, addressed to the appropriate authorities seeking renewal of lease, at para 10, the writ petitioner has described as if they had been penalised by the belated refixation of lease amount and by referring about the suit filed by them challenging such refixation, they had contended that the matter had not attained its finality and they would pay the enhanced annual rent after a decision is arrived. Therefore, it is seen that the writ petitioner happens to be **a chronic defaulter** in payment of lease amount **to the tune of about Rs.40 crores** for the period from 13.6.2003 to 12.6.2021 and another spell from 13.6.2021 to 12.6.2024, arrived at by the authorities by effecting the enhancement agreed upon, of course with some administrative delay. While such enhanced lease amount itself was arrived at by the authorities belatedly, the writ petitioner, who was, certainly, bound to pay the enhanced lease amount as per the terms of the lease deed, instead of showing any inclination to pay the same, atleast in some instalments, had, once again, entered into their tactics of bargaining with the authorities for renewal of lease and also chosen to file litigations to protract the issue and to squat on the demised property. Such an attitude of the writ

petitioner does not deserve any consideration, especially, on the ground of breach of legitimate expectation.

43.Furthermore the writ petitioner had challenged the Government order which has been issued based on the contractual terms. The writ petitioner had offered their bids by participating in an auction with full knowledge of terms and conditions attached to the auction notice and entered into a lease agreement which is for a specified tenure. In commercial disputes, inconvenience or hardship in the performance can provide no justification for seeking variation of the terms of contract which they have accepted with open eyes. Once the lease expires no vested right to renewal arises, unless statute grants such right. The doctrine of legitimate expectation cannot be traced and pressed into service to claim lease extension with lease terms excluding such renewal. Legitimate expectation must be based on definite terms which are based on contractual terms and not on mere desire or hope. Generally, writ petition under Article 226 of the Constitution of India will not be maintainable, if eviction arises under the contractual obligation under lease and more particularly when there is no statutory violation or no public law element. Further when the competent civil Court is already dealing with a subject matter, the writ petitioner is not parallely entitled to involve a writ jurisdiction on the same cause of action, which would amount to forum shopping. If the Government order is based on terms of lease on expiry and not issued under the statute, it is essentially contractual in nature and not open to judicial review unless there is arbitrariness or bad faith which much be specifically pleaded or proved.

44. In this case the contract clearly stipulates that renewal is at the sole discretion of the Government, the writ petitioner's request for extension does not create any right. At the same time, the Government's silence cannot be treated as implied consent and the subsequent rejection of extension on expiry is legally valid.

45. So far as an opportunity of personal and speaking order to be passed thereafter, emphasised in the order passed by the learned Single Judge, this court feels that since the authorities had only invoked the terms of the lease to request for repossession of the demised premises from the writ petitioner and neither the terms of lease stipulate any such clause nor the writ petitioner had produced

any proof of such past procedure, such a course of action need not be resorted.

46. So far as the remarks made by the learned Single Judge in para 13 of the order dated 21.6.2024 passed in W.P.(MD) No.13133 of 2024, which are sought to be expunged, the said portion of the order with emphasis runs as under:-

> *"13.The petitioner justifiably entertained belief that they would be called for negotiation. The Secretary to the Government was obliged to invite the petitioner and hold discussion to resolve the issue. The aim of the government should be to get the best returns on the land and the building. Of course, the learned Additional Advocate General would claim that TTDC would run the Hotel henceforth.* ***This is like handing over Kaziranga Sanctuary to a provincial zoo keeper. I am reminded of a Tamil film "Kumki". An elephant that used to be taken for temple festivals for show purposes was masqueraded as a trained elephant to confront and chase away a wild elephant. Of course, Manickam, the elephant rose to the occasion but lost its life in the process. Even a die hard optimist will not***

repose trust in TTDC to run a Four Star Hotel. *My conscience assures me that I am not being uncharitable or harsh towards TTDC. In the very nature of things, hospitality industry demands courteous treatment from the staff manning the institutions. Customers would insist on quick response to their needs.* ***Government staff and government institutions are ill-suited for such functions.*** *That is why, there is disinvestment and outsourcing. Certain businesses should be run only by the private players. This wisdom dawned on the government in the year 1991. Even in railways, the catering services have been privatized. Taking into account all these developments, the petitioner rightly thought that they would be taken into confidence before any decision is taken. Consultation with the affected individual lies at the heart of legitimate expectation. In this case, without involving the petitioner at all, the impugned order came to be passed. It is virtually non-speaking. It merely parrot like reiterates the covenant in the contract. That is not what the first respondent was supposed to do."*

47. No one can deny that both public sector and private sector are the backbones of a well governed democracy and we, having

chosen the system of democracy, cannot overweigh or oppress either of them.

TTDC is a Government undertaking founded in the year 1971 and it is a known fact that TTDC is running several hotels throughout the State and is one of the profit making Government undertaking having made profit of Rs.32.33 crores in 2023-2024.

In ***Balco Employees Union(Regd.) .v. Union of India*** reported in ***AIR 2002 SCC 350***, the Hon'ble Apex Court has held that wisdom and advisability of economic policies are ordinarily not amenable to judicial review unless it can be demonstrated that the policy is contrary to any statutory provision or the Constitution. In other words, it is not for the Courts to consider relative merits of different economic policies and consider whether a wiser or better one can be evolved. For testing the correctness of a policy, the appropriate forum is the Parliament and not the Courts.

The learned Single Judge has on assumptions seems to have passed such remarks without any concrete material before him. This

Court feels that the remarks - ***Government staff and government institutions are ill-suited for such functions -*** can only be a personal view of the learned Single Judge. The personal view rather remark made by the learned Single Judge undermining the Government machinery and its officials are unwarranted and could have been avoided when especially the writ petitioner being a defaulter had attempted to delay the handing over of possession by circumventing the process of Court and thereby the remarks based on assumptions are liable to be expunged. Accordingly, they are expunged.

48. Considering the totality of the facts and circumstances of the case, the orders passed by the learned Single Judge impugned in the present Writ Appeals are liable to be set aside and accordingly, they are set aside and the Writ Appeals are allowed. No costs. The connected miscellaneous petitions are closed.

(A.D.J.C., J.) (R.P., J.)
06.08.2025.

Index: Yes/No.
Internet: Yes/No.
ssk/aav

To

1. The Principal Secretary to the
   Government of Tamil Nadu Information &
   Tourism (Tourism-6) Department,
   Fort St. George, Chennai.

2. The Additional Secretary to the
   Government of Tamil Nadu,
   Tourism, Culture and Religious
   Endowments (T2-2) Department,
   Fort St. George, Chennai.

3. The District Collector,
   Tiruchirappalli District.

4. Tamil Nadu Tourism Development
   Corporation Limited,
   rep. by its Managing Director,
   Tamil Nadu Tourism Complex,
   No.2, Walajah Road,
   Chennai 600 002.

5. The Regional Manager (Central),
   Tamil Nadu Tourism Development
   Corporation Limited,
   Hotel Tamil Nadu,
   Tiruchirappalli 620 001.

<u>A.D.JAGADISH CHANDIRA, J.</u>
and
<u>R.POORNIMA, J.</u>

Ssk/aav.

P.D. JUDGMENT IN W.A.(MD) Nos.1195, 1196, 1249 & 1250 of 2024

Delivered on
06.08.2025.