



W.P.(MD).No.17908 of 2025

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

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DATED : 02.07.2025

CORAM

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P(MD) No.17908 of 2025 and
W.M.P(MD) Nos.13703 & 13704 of 2025

Mayandi

... Petitioner

Vs.

- 1.The Executive Officer,
Pudhuvayal Town Panchayat,
Pudhuvayal,
Sivagangai District.
- 2.The President,
Pudhuvayal Town Panchayat,
Sivagangai District.
- 3.The Director of Municipal Administration,
Chennai.
- 4.The District Collector,
Sivagangai, Sivagangai District.
- 5.The Tahsildar,
Karaikudi,
Sivagangai.

...Respondents

Prayer : Writ Petition filed under Article 226 of the Constitution of India, praying this Court to issue a Writ of Certiorarified Mandamus, calling for the records relating to the proceedings of the Impugned Tender Notification in Na.Ka.No.685/2024/A2 dated 20.06.2025 on the file of the 1st respondent and



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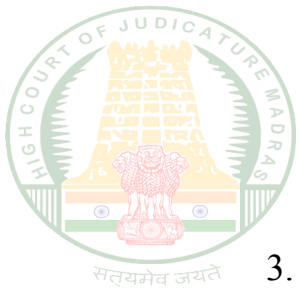
quash the same and further directing the respondents to give preference to the Petitioner as per Section 316(11) of Tamil Nadu Urban Local Bodies Act 1988 in allotting vending space in the newly constructed weekly market premise of Puthuvayal Town Panchayat, Sivagangai.

For Petitioner	: Mr.Selva Aditya S
For R1 and R2	: Mr.M.Senthil Ayyanar Government Advocate
For R3 to R5	: Mr.Veera Kathiravan Additional Advocate General III assisted by Mr.D.Ghandiraj Special Government Pleader

ORDER

This Writ Petition is disposed of at the time of admission after hearing the learned counsel for the petitioner and the learned counsel for the respondents.

2. The petitioner has challenged the impugned auction notice, dated 20.06.2025 issued by the first respondent / the Executive Officer of Puthuvayal Town Panchayath. The respondent No.1 has proposed to auction the rights in respect of 126 shops, which were built in Puthuvayal Town Panchayath.

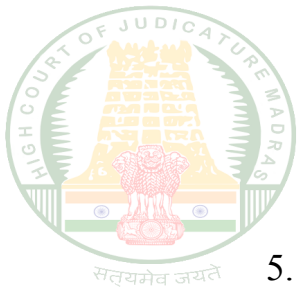


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3. The petitioner claims that the petitioner along with other agriculturists are using the space for vending agricultural produce and paying entrance fee to the local body and they have forcefully vacated the petitioner for putting up a construction. During the course of Peace Committee Meeting that was held in the presence of the Tahsildar, Karaikudi on 05.12.2025, it was agreed that 50 shops will be kept in priority quota, for those, who were already vending in the said location after new construction is put up. It is submitted that the petitioner is also entitled to the preference in terms of Section 316 11(A)(B) of the Tamil Nadu Urban Local Bodies Rules, 2023.

4. The learned Additional Advocate General appears on behalf of the respondent Nos.3 to 5 would submit that since the space was required for putting up construction, the signature was affixed in the Peace Committee Meeting held before the Tahsildar based on the undertaking given by the petitioner. However, it is submitted that preference cannot be given except in strict accordance with the provisions of the Tamil Nadu Urban Local Body Rules, 2023 .



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5. It is submitted that only preference can be given for the persons with disability willing to match the highest bid. It is submitted that as far as other categories of preference are concerned, it is to be strictly in accordance with Rule 316 11(A) of Tamil Nadu Urban Local Body Rules, 2023, which reads as under:

(11) (a) In case of auction for licence of rental shops belonging to the municipality, the Council may, on application by the concerned person, give preference to,—

(i) In case of demolition and reconstruction, existing licensees of the demolished shopping complex;

(ii) Licensees of another shopping complex belonging to the municipality which was demolished or diverted to some other use by the municipality;

(iii) Commercial shop owners in lands acquired by the municipality;

6. It is submitted that merely because the petitioner was paying entrance fee earlier would not mean that the petitioner will be entitled for preference. It is further submitted that there is no demolishing or reconstruction of the shopping complex and a new construction has been put up for the first time and



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that the Town Panchayat cannot be stopped out the revenue from renting out of the new shopping complex consisting of 126 shops.

7. Considering the arguments advanced by the learned counsel for the petitioner and the learned counsel for the respondents, the petitioner cannot claim a lien over the space occupied for vending agricultural produce merely on the ground that a Peace Committee Meeting was held and an undertaking was given by the respondents before the Tahsildar on 05.01.2025.

8. The local bodies, which are spending money for putting up the construction for the benefit of the vendors as well as the public are entitled for reasonable compensation for expending the money in construction.

9. Preferences if any can be only in accordance with Section 316 11(A) r/w. 11(B) and 11(C) of the Tamil Nadu Urban Local Bodies Rules, 2023. The case of the petitioner does not come within the purview of any of the categories in Section 316 11(A) or 11(B) or 11(C), which reads as under for the shake of clarity.

(11) (a) In case of auction for licence of rental shops belonging to the municipality, the Council may, on application by the concerned person, give preference to,—



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(i) In case of demolition and reconstruction, existing licensees of the demolished shopping complex;

(ii) Licensees of another shopping complex belonging to the municipality which was demolished or diverted to some other use by the municipality;

(iii) Commercial shop owners in lands acquired by the municipality;

(b) (i) Any person claiming such preference shall be required to match the highest bid price and submit necessary documents proving eligibility for preference;

(ii) The order of preference shall be in the same order as in clause

(a) and within each category, the preference shall be in order of seniority within that category with respect to the month and year of demolition or acquisition;

(iii) Preference in allotment shall not be applicable to legal heirs of such persons if the said person is deceased;

(c) Five per cent of the shops may be allotted to persons with disability, willing to match the highest bid.

10. That apart, the auction has fixed reasonable minimum rent ranging from Rs.400 to Rs.600. Therefore, the petitioner could have participated in the tender by offering his bid, the last date for which expired on 07.07.2025. In case



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of any malpractice or irregularity committed by the respondents, it is always open to the petitioner to work out his remedy in the manner known to law.

11. With the above said liberty, this Writ Petition stands disposed of.

Consequently connected Miscellaneous Petitions are closed. No costs.

02.07.2025

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

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C.SARAVANAN, J.

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