



W.P.(MD)Nos.19348 and 19217 of 2025

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

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DATED: 16.07.2025

CORAM:

THE HON'BLE MR.JUSTICE S.M.SUBRAMANIAM

AND

THE HONOURABLE DR.JUSTICE A.D.MARIA CLETE

W.P(MD).Nos.19348 and 19217 of 2025

and

W.M.P(MD)Nos.14876, 14877, 14751 and 14752 of 2025

W.P.(MD)No.19348 of 2025:-

N.R.Balapandian

... Petitioner

-vs-

1. The Secretary,
Government of Tamil Nadu,
Municipal Administration and TWAD Department,
Secretariat,
Chennai-09.

2. The Director of Municipal Administration,
MRC Nagar,
Raja Annamalipuram,
Chennai.

3. The Commissioner,
Ramanathapuram Municipality,
Ramanathapuram.

... Respondents



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Prayer: Writ Petition filed under Article 226 of Constitution of India, for issuance of a Writ of Certiorarified Mandamus to call for the records, pertaining to the impugned G.O.[2pa], No.66, dated 06.08.2024 issued by the 1st respondent and the tender cum auction notification issued by the 3rd respondent dated 30.06.2025 in Na.Ka.No.934/2025/Aa1 and quash the same and consequently direct the respondents to go in for fresh e-tender in respect of all the shops in Ramathapuram new bus stand after completion of construction work and in compliance of the provision of the Tamil Nadu Transparency in Tenders Act, 1998 and Rules.

For Petitioner	: Mr.S.Vashik Ali
For R1 and R2	: Mr.P.Thilak Kumar Government Pleader
For R3	: Mr.M.Ajmal Khan Additional Advocate General assisted by Mr.K.Saravanan

W.P.(MD)No.19217 of 2025:-

D.Ramasubramaniyan

... Petitioner

-VS-

1. The State of Tamil Nadu,
Rep. by its Principal Secretary to Government,
Municipal Administration and Water Supply Department,
St. Fort George,
Chennai - 600 009.



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2. The Director,
Directorate of Municipal Administration,
Santhome High Road.
MRC Nagar,
Chennai-600 028.

3. The District Collector,
Ramanathapuram,
Ramanathapuram District.

4. The Commissioner,
Ramanathapuram Municipality,
Ramanathapuram,
Ramanathapuram District.

... Respondents

Prayer: Writ Petition filed under Article 226 of Constitution of India, for issuance of a Writ of Certiorarified Mandamus to call for the records relating to the impugned Tender Notification issued by the 4th respondent Commissioner in Na.Ka.No.934/2025/A1 dated 30.06.2025 quash the same as illegal and further direct the respondents 2 to 4 to issue a fresh tender notification for the allotment of shops in the new bus stand at Ramanathapuram Municipality after proper completion of construction and to conduct the tender through e-auction in accordance to law.

For Petitioner	: Mr.Issac Mohanlal Senior Counsel
For R1 to R3	: Mr.P.Thilak Kumar Government Pleader
For R4	: Mr.M.Ajmal Khan Additional Advocate General assisted by Mr.K.Saravanan



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ORDER

(Order of the Court was made by S.M.SUBRAMANIAM, J.)

By this common order both the writ petitions are being disposed of.

The writ petitions on hand have been instituted challenging the guidelines issued by the Government in G.O.[2pa].No.66 Municipal Administration and Water Supply Department dated 06.08.2024 and the consequential Tender -cum- Auction Notification issued by the Commissioner Ramanatham Municipality on 30.06.2025.

2. The learned senior counsel appearing for the petitioners would mainly contend that floor price has not been fixed. Details regarding the shops are not provided clearly. That apart, priority is given contrary to the Rules. They have already allotted 14 shops to the erstwhile lessees which is improper and not in accordance with law. Wide publications are not issued to the public regarding conduct of public auction. For all these reasons, the writ petitions are to be considered.



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WEB COPY 3. Mr.Ajmal Khan, learned Additional Advocate General appearing on behalf of the respondents would oppose by stating that publications are made through the Pubic Relations Office of the Collectorate and therefore, the procedures as contemplated were followed. Restrictive price if fixed, would result in financial loss to the Municipality and therefore, floor price at this stage cannot be fixed. When there is a likelihood of enhancement of bid amount then the authorities are bound to consider those aspects instead of fixing restrictive prices which would be detrimental to the financial interest of the Municipality.

4. Further, it is contended that regarding priority, the Government Order states that shops are to be allotted to the erstwhile lessees as per the Government guidelines. Therefore, the guidelines issued by the Government is to be followed by the Municipal Authorities. Regarding the procedures, it was followed scrupulously and thus, the writ petition is liable to be rejected.

5. This Court, considered the rival submissions made between the parties and perused the materials available on record.



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WEB COPY 6. As far as the Clause X of G.O.(2u) No.66 dated 06.08.2024 is concerned, it was set aside by this Court on the ground that it is violative of Rule 316 of the Tamil Nadu Urban Local Bodies Rules, 2023. Therefore, priority cannot be granted based on the said guidelines issued by the Government in G.O.[2pa].No.66 Municipal Administration and Water Supply Department dated 06.08.2024.

7. When Tamil Nadu Urban Local Bodies Rules, 2023, unambiguously stipulates the procedures for conduct of election and to provide priority to the erstwhile lessee, the same is to be followed by the authorities without any deviation and the said rules framed in exercise of the powers conferred under the Tamil Nadu Urban Local Bodies Act will prevail over the executive instructions issued by the Government through the Government Orders.

8. Thus, the provisions of the Tamil Nadu Urban Local Body Act and the Rules framed thereunder are to be scrupulously followed while undertaking the process of public auction by the Municipal Authorities.



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WEB COPY 9. In the present case, 100 shops are constructed and one is allotted for ATM. Out of 99 shops, impugned auction notification has been issued for 85 shops. Remaining 14 shops exclusively reserved for the erstwhile lessees which in the opinion of this Court is contrary to Rule 316 of the Tamil Nadu Urban Local Bodies Acts and Rules.

10. The method of granting priority has been well enumerated under the Rules and therefore, the authorities cannot reserve shops exclusively for the erstwhile lessees which is improper. However, those erstwhile lessees are entitled to avail the benefits of the priority strictly within the scope of Rule 316 of the Tamil Nadu Urban Local Bodies Rules, 2023. No priority to be granted which would result in causing discrimination amongst the eligible bidders who all are willing to participate.

11. Rule 316 of the Tamil Nadu Urban Local Bodies Rules, 2023 reads as under:-



316. Licensing or leasing of Immovable Properties

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;

11(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.



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12. In view of the fact that 14 shops are exclusively reserved for erstwhile lessees, the same is to be cancelled. The municipal authorities are bound to auction notification in respect of 14 shops on par with the notification already issued and indicate that the preference will be given strictly in consonance with Rule 316 of the Tamil Nadu Urban Local Bodies Rules, 2023. Any deviation in this regard must be viewed seriously as it will affect the rights of other eligible bidders.

13. Equal opportunity amongst the candidates is the constitutional mandate. Thus, the respondent authorities violating the Rules must be held responsible and accountable for any such irregularities in conducting Public Auction in consonance with the provisions of the Acts and Rules.

14. The authorities while conducting public auction should ensure that the financial interest of the Municipality is protected in all respects. The market rental value prevailing in that locality is to be taken as an upset price while conducting public auction. In the event of not meeting out the market rental value then the authorities are bound to initiate further action to issue fresh notification for the purpose of conducting re-auction. In any event no shop should be allotted to the price lesser than that of the market rental value prevailing in that locality.



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15. In view of the fact that the state conceded that they will follow the

Tamil Nadu Urban Local Bodies Acts and Rules scrupulously, the respondents are directed to issue public auction notification in respect of 14 shops reserved for priority category within a period of two (2) weeks from the date of receipt of a copy of this order. The public auction to be conducted for the said 14 shops on par with the conditions stipulated in the auction notification issued for 85 shops and the priority category under Rule 316 is to be scrupulously followed and the scope of Rule 316 of the Tamil Nadu Urban Local Bodies Rules, 2023 also to be clearly stated in the auction notification. As far as other reliefs are concerned, this Court is not inclined to consider the same.

16. Accordingly, these writ petitions stand disposed of with the above observations. No costs. Consequently, connected miscellaneous petitions are closed.

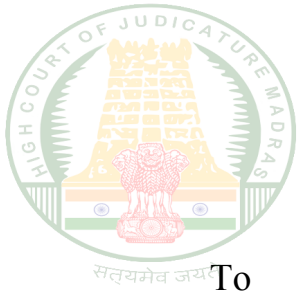
(S.M.S., J.)

(A.D.M.C., J.)

16.07.2025

NCC :yes/No
Index :yes/No
Internet:yes/No
rgm

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3. The Commissioner,
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4. The State of Tamil Nadu,
Rep. by its Principal Secretary to Government,
Municipal Administration and Water Supply Department,
St. Fort George,
Chennai - 600 009.
5. The Director,
Directorate of Municipal Administration,
Santhome High Road.
MRC Nagar,
Chennai-600 028.
6. The District Collector,
Ramanathapuram,
Ramanathapuram District.



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