

W.P(MD)No.20456 of 2025

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

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DATED : 25.07.2025

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THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P(MD)No.20456 of 2025

and

W.M.P(MD)No.15844 of 2025

Gandhi Market Traders United Association,
Through its President,
A.J.M.Solomon,
No.23/1, Mahathma Gandhi Daily Market,
Palayamkottai,
Tirunelveli- 627 002.

... Petitioner

Vs.

1.The Secretary to Government,
Municipal Administration and Water Supply Department,
Secretariat, Fort St.George,
Chennai - 600 009.

2.The Director,
Directorate of Municipal Administration,
75, Urban Administrative Building,
Santhome High Road, MRC Nagar,
Raja Annamalaipuram, Chennai - 600 028

3.Tirunelveli Municipal Corporation,
Through its Commissioner,
S.N.High Road,
Tirunelveli.

...Respondents



W.P(MD)No.20456 of 2025

Prayer: Writ Petition filed under Article 226 of the Constitution of India, praying this Court to issue a Writ of Mandamus, directing the third respondent to allot the newly constructed shops in Mahatma Gandhi Market, Palayamkottai, Tirunelveli District, to the existing lessees of the petitioner's association, in pursuant to the order passed in WP(MD).Nos.2263 of 2021 and batch cases, dated 01.09.2021 by considering the petitioner's representation dated 29.09.2024.

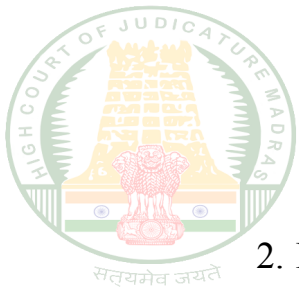
For Petitioner : Mr.V.R.Shanmuganathan

For R1 : Mr.S.S.Madhavan
Additional Government Pleader

For R2 & R3 : Mr.R.Baskaran
Senior Counsel
For Mr.A.Sivanupandian
Standing Counsel

ORDER

The petitioner association, registered under the provisions of the Tamil Nadu Societies Registration Act, 1975 is before this Court for a Mandamus to direct the third respondent to allot the newly constructed shops in Mahatma Gandhi Market, Palayamkottai, Tirunelveli District, to the existing lessees of the petitioner association, pursuant to the order passed in WP(MD).Nos.2263 of 2021 and batch cases, dated 01.09.2021 by considering the petitioner's representation dated 29.09.2024.



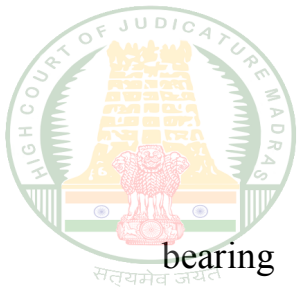
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2. It is the case of the petitioner that about 540 shops existed in the old Mahatma Gandhi Market, Palayamkottai, Tirunelveli District and that due to the decision to construct a new shopping complex, a decision was taken to rehabilitate the existing lessees to an alternate location.

3. The learned counsel for the petitioner submits that a batch of writ petitions was filed before the Division Bench of this Court in W.P(MD)Nos.2263 of 2021 etc. Batch. By an order dated 01.09.2021, this Court passed the following order.

10. Since the second respondent is providing alternate accommodation only on temporary basis, that is till the completion of the construction in the Mahatma Gandhi market, we are of the considered view that the official respondents cannot be prevented from providing alternate accommodation in the lands in the said Survey Numbers. Since we have already stated that the construction in the Mahatma Gandhi Market should be completed as expeditiously as possible, no prejudice would be caused to the residents of the said locality. Instead of granting the relief sought for in the writ petition in W.P.(MD)No.14700 of 2021, we direct the official respondents to complete the construction of the Mahatma Gandhi Market as expeditiously as possible and allot the shops to the lessees at the earliest.

4. In the said writ petitions, the prayer of the petitioner was to quash the proceedings dated 29.12.2020 issued by the second respondent therein bearing reference Na.Ka.No.A1/6557/2020, in respect of Shop No.9/46

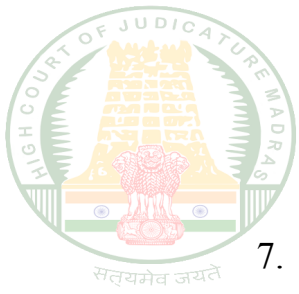


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bearing Tax Assessment No.30187 at Mahatma Gandhi Market, Palayamkottai, Thirunelveli. The rest of the writ petitions in the batch related to other shops for similar relief as they are not specifically extracted in the preamble to the aforesaid order.

5. The learned counsel for the petitioner submits that the members of the petitioner society are entitled to rehabilitation in the new construction that has been put up in the said market as directed by the Division Bench of this Court in the afresaid batch of writ petitions, vide order dated 01.09.2022. It is further subitted that the petitioner Society had spent about Rs.5.55 crores for making a temporary arrangement operational and that the petitioner society have also spent Rs.75,00,000/- in the new complex for putting up shutters in the new shops.

6. It is submitted that 440 shops have been constructed in the newly constructed complex and the members of the petitioner society are entitled for accommodation in the new complex. The petitioner apprehends that the third respondent will proceed to auction the shop rights in the new complex despite clear direction of this Court in the aforesaid writ petitions on 01.09.2021.

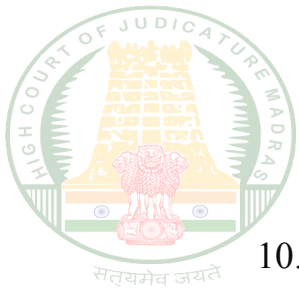


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7. The learned Senior Counsel for the respondents 2 and 3, on instructions, submits that there is no proposal to auction the rights immediately. It is submitted that the earlier order of this Court was passed prior to the Tamil Nadu Urban Local Bodies Act, 1998 came into force. It is submitted that after the said Act came into force on 13.04.2023, the rights of the public is to be governed by Rule 316 of the Tamil Nadu Urban Local Bodies Rules, 2023.

8. It is submitted that the respondent Corporation is committed to allow the members of the petitioner association to occupy 440 shops that have been constructed. However, it will be restricted for the original period of lease, which will expire in July 2027 and thereafter, the respondents will be constrained to auction the rights in accordance with Rule 316(5) of the Tamil Nadu Urban Local Bodies Rules, 2023.

9. The learned Senior Counsel further submits that recently the First Bench of this court has recently struck down Clause 10 of the G.O.(2P)No.66, dated 06.08.2024 as ultra vires in accordance with Rule 316(5) of the aforesaid Rules. Therefore, it is submitted that there will be no scope for giving any pre-emptive rights to the petitioner after the aforesaid terms of lease come to an end.



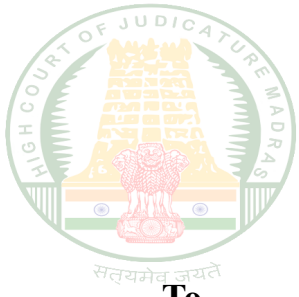
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10. Recording the above submission, the writ petition is disposed of by directing the third respondent to allot the shops in the newly constructed complex at Mahatma Gandhi Market, Palayamkottai, Tirunelveli District to the members of the petitioner association for the period upto July 2027, as per the decision of the Division Bench of this Court. Going forward for the period thereafter the respondents will have to comply with the requirements of Rule 316 of the aforesaid Rules.

11. It is therefore made clear that the members of the petitioner Association shall co-operate with the respondents and shall abide with any auction notice that may be issued as and when it is issued for the subsequent period if they wish to in occupy by partipating in the auction that may be called for. It is made clear that the auction shall be held atleast 6 months prior to the period of expiry of the lease period in July 2027. No costs. Conequently, the connected miscellaneous petition is closed.

25.07.2025

NCC : Yes / No
Index : Yes / No
Internet : Yes / No
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Municipal Administration and Water Supply Department,
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Chennai - 600 009.
- 2.The Director,
Directorate of Municipal Administration,
75, Urban Administrative Building,
Santhome High Road, MRC Nagar,
Raja Annamalaipuram, Chennai - 600 028
- 3.Tirunelveli Municipal Corporation,
Through its Commissioner,
S.N.High Road,
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C.SARAVANAN, J.

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