

W.P(MD)No.23551 of 2025

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 01.09.2025

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THE HONOURABLE MS.JUSTICE P.T.ASHA

Writ Petition(MD)No.23551 of 2025

and

W.M.P(MD)No.18503 of 2025

P.Thirumalai Murugan

..Petitioner

Vs

1.The Commissioner,
Tirunelveli Corporation,
Tirunelveli – 627 001,
Tirunelveli District.

2.The Assistant Commissioner,
Melapalayam Zone,
Tirunelveli Corporation,
Tirunelveli 627 001,
Tirunelveli District.

..Respondents

Prayer: Writ Petition filed under Article 226 of the Constitution of India, praying this Court to issue a Writ of Certiorarified Mandamus to call for the records relating to the Demand Notice dated 15.07.2025 issued by the 2nd respondent and quash the same and consequently direct the respondents to refix the rent at the rate of Rs.140/- per sq ft per month as directed by the Honble Supreme Court of India in respect of other shopkeepers in the order dated 13.12.2023 passed in SLP(C) No. 27248-27249 of 2023 and further to direct the respondents to adjust the excessively collected rental amount from the petitioner during the period from January 2022 to May 2025 towards future rental to be paid by the petitioner within a time limit to be fixed by this court.

For Petitioner : Mr.R.Balamuruganantham
For Respondents : Mr.A.Sivanupandian



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ORDER

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The petitioner seeks to quash the Demand Notice dated 15.07.2025 issued by the 2nd respondent and, consequently, to direct the respondents to refix the rent at the rate of Rs.140/- per sq. ft. per month, as directed by the Hon'ble Supreme Court of India in respect of other shopkeepers by order dated 13.12.2023 in SLP (C) Nos. 27248-27249 of 2023, and further to direct the respondents to adjust the excess rent collected from the petitioner for the period from January 2022 to May 2025 towards the future rent payable by the petitioner.

2. It is the case of the petitioner that the first respondent/Corporation had leased Shop No.97, measuring 176 sq. ft. belonging to them, located at the Bus Stand, for a period of three years commencing from 2003. A sum of Rs. 7050/- was quoted towards rental advance as security deposit. It is further submitted that the lease was subject to renewal once in three years, with an enhancement of 15% for every nine years. The petitioner submits that he has been paying rent, including GST, on the 10th of every succeeding month without any delay. The lease period was extended for a further period of nine years on 18.07.2016, by collecting a renewal fee of Rs. 1,000/-. However, no express order was passed by the respondent in this regard. While so, on 21.08.2020, the first respondent, vide proceedings in Na.Ka.No.6525/2015/E1, issued a circular to the Shopkeepers Sangam



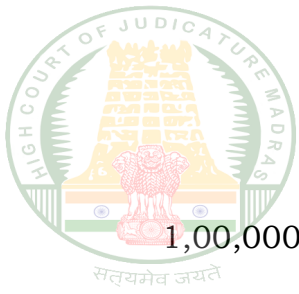
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asking them to cooperate with the construction of new shops on the northern and western sides of the bus stand under the Smart City Scheme.

In continuation of the above proceedings, the second respondent issued a circular dated 24.09.2020, stating that due to the construction of new shops and in the interest of public safety, all shopkeepers in the bus stand were directed to close their shops until completion of the construction. Thereafter, by circular dated 12.04.2021, the shopkeepers were directed to remove their name boards to enable whitewashing of the new construction.

3. The petitioner further submits that 60 additional shops were opened on 08.12.2021, and the petitioner reopened his shop on 10.12.2021. On the very same day, the respondents orally directed the petitioner and other shopkeepers to pay rent on par with the rent fixed for the newly constructed shops opened on 08.12.2021. In this regard, the petitioner and other shopkeepers were compelled to execute a bond accepting the revised rent. However, the petitioner and others refused to execute any such bond and opposed the proposed revision of rent.

4. The respondents nevertheless threatened the shopkeepers and insisted that they accept the revised rent at the rate of Rs. 225/- per sq. ft. per month and remit an additional security deposit of Rs.1,00,000/-. In respect of the petitioner, the first respondent issued a rental revision order dated 15.12.2021 and forcibly collected the additional security deposit of Rs.

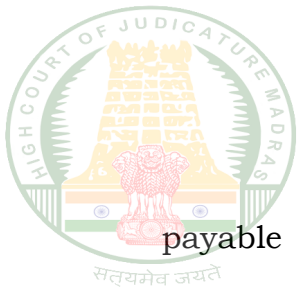


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1,00,000/- . Subsequently, without issuing any prior show cause notice, the first respondent passed an eviction order dated 17.05.2022. Challenging the same, the shopkeepers filed W.P.(MD)No.10394 of 2022 to quash the eviction order dated 17.05.2022, published in Dinamani Daily on 18.05.2022, and for a consequential direction to permit them to continue in the leased shops until the expiry of the lease period. The said writ petition was allowed. Aggrieved thereby, the respondents filed W.A.(MD) No.1530 of 2022. It was reported before the Division Bench that except for 26 shops, the remaining 97 shops had given an undertaking agreeing to pay the revised lease rent of Rs.225/- per sq. ft. Therefore, an order of interim stay was granted for eight weeks and thereafter, the Division Bench, by order dated 30.11.2023, dismissed the writ petition.

5. Aggrieved thereby, the shopkeepers filed SLP (C) Nos. 27248–27249 and 27739–27756 of 2023. In the meantime, the Corporation itself reduced the lease rent to Rs.140/- per sq. ft. Accordingly, the SLPs were disposed of by orders dated 13.12.2023 and 14.12.2023, directing the petitioners therein, including the present petitioner, to furnish an undertaking to pay rent at Rs.140/- per sq. ft. within a period of three weeks. It was further directed that the petitioners shall not be dispossessed from their respective shops.

6. The petitioner submits that in view of the aforesaid orders, the rent



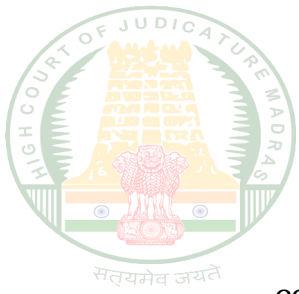
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payable is only Rs.140/- per sq. ft. However, the respondents have been forcibly collecting Rs. 225/- per sq. ft., i.e., monthly rent of Rs. 39,600/- plus GST. The first respondent has sent a proposal to the Director of Municipal Administration, Chennai, to reduce the lease rent. While so, the second respondent issued a Demand Notice dated 15.07.2025, demanding arrears of rent at Rs. 225/- per sq. ft. and further at the enhanced rate of Rs.258.75 per sq. ft., which is in total violation of the order of the Hon'ble Supreme Court.

7. It is further submitted that the first respondent's proposal to the Director of Municipal Administration, Chennai, recommended a reduction of rent from Rs. 225/- per sq. ft. to Rs.90/- per sq. ft. for certain shops and platforms. Despite this, the respondents have not implemented the order of the Hon'ble Supreme Court fixing the rent at Rs.140/- per sq. ft. for the shopkeepers. Challenging the same, the petitioner has approached this Court.

8. Heard the learned counsel for the petitioner and the learned counsel for the respondents.

9. Admittedly, the Hon'ble Supreme Court, in SLP (C) Nos. 27248-27249 and 27739-27756 of 2023, by order dated 13.12.2023, issued the following direction:



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“It is further submitted that the Municipal Corporation could not secure any person willing to pay the demanded lease rate of Rs.225/- per sq. ft., and therefore, the Corporation on their own have reduced the lease rental to a much lower rate for the first floor shops. The petitioners are willing to match the reduced rate of Rs.140/- per sq. ft.

Issue notice, returnable in four weeks.

The petitioners have agreed and subject to their furnishing individual undertaking to pay @ Rs.140/- per sq. ft within three weeks' time, the leaseholders shall not be dispossessed from the respective shops.”

10. Thus, the Hon'ble Supreme Court has fixed the rate of rent only on the representation made by the first respondent himself. Therefore, the present demand is contrary to the order passed by the Hon'ble Supreme Court. The learned counsel for the petitioner relies on the judgment of this Court in a similar matter in W.P.(MD) No. 21972 of 2025, etc. batch, dated 12.08.2025, in support of his contention.

11. Even according to the petitioner, the rental amount is liable to be enhanced once in nine years. The petitioner had originally agreed to pay the enhanced rent for a further period of nine years commencing from 18.07.2016. It is also their case that once in nine years, the rent has to be enhanced by 15%. However, the affidavit is silent about the original rent fixed in respect of the shops.



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12. Be that as it may, the revised rate of Rs.225/- per sq. ft. was the subject matter of challenge, which ultimately resulted in the Hon'ble Supreme Court directing the respondents to refix the rent at Rs. 140/- per sq. ft. The said order was passed in writ proceedings initiated in the year 2021.

13. Accordingly, this writ petition is allowed. The impugned Demand Notice dated 15.07.2025 issued by the 2nd respondent is quashed. Consequently, the respondents are directed to refix the rent at the rate of Rs.140/- per sq. ft. per month, as directed by the Hon'ble Supreme Court of India in respect of other shopkeepers, by order dated 13.12.2023 passed in SLP (C) No. 27248-27249 of 2023. Further, the respondents are directed to adjust the excess rental amount collected from the petitioner during the period from January 2022 to May 2025 towards the future rent payable by the petitioner. No costs. Consequently, connected miscellaneous petition is closed.

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