



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 27-02-2026

CORAM

THE HON'BLE MR.JUSTICE V. LAKSHMINARAYANAN

**WP No. 8045 of 2026
and WMP Nos. 8706 & 8707 of 2026**

Dhanapal

..Petitioner(s)

Vs

The Commissioner
Tittakudi Municipality,
Tittakudi,
Cuddalore District.

..Respondent(s)

Prayer : This petition is filed to call for the records pertaining to the Auction Notice (Undated) issued pursuant to Municipality Resolution No.507 of 2025, dated 29.12.2025, and quash the same as being illegal, arbitrary.

For Petitioner(s):	Ms.M.Ramya for Mr.S.Sivagurunathan
For Respondent(s):	Dr.T.Seenivasan, SGP

O R D E R

Heard Ms.M.Ramya representing Mr.S.Sivagurunathan for the petitioner and Dr.T.Seenivasan for the respondent.

2. The petitioner challenges the auction of shops situated in Tittakudi bus-stand. The petitioner is running a fruit shop within the municipal bus-stand belonging to the respondent. He has been in such occupation from the year 2007. *Inter se* between the parties, a dispute arose when the respondent



allegedly refused to receive the rents from the petitioners. Hence, the petitioner approached the District Munsif Court for a mandatory direction to the respondent to receive the rents. The matter was referred to Lok Adalat. A compromise was entered into on 12.11.2016. In terms of the settlement, the respondent agreed to receive the rents.

3. The respondents decided to pull down the existing superstructure and construct a new one to augment its income. The petitioner claims that the respondent had held out to the petitioner that he would be allotted a shop on such reconstruction. It is admitted by both sides that reconstruction is completed, but the petitioner has not been allotted a shop. Hence, he is before this Court challenging the notice notifying auction for the newly constructed shops.

4. Ms.Ramya states that the petitioner had vacated and handed over the possession of the shop only on account of the assurance that was given by the respondent that he would be allotted a shop, once the reconstruction is completed. When the petitioner approached the respondent seeking for an allotment, he was orally informed that, in case the petitioner is given the allotment, he would yet again go to the Court and create legal issues for the respondent. Hence, the Petitioner had not other option, but to challenge Resolution No. 507/2025 dated 29.12.2025, whereunder the shops have been



directed to be auctioned by the Municipal Council.

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5. *Per contra*, Dr.T.Seenivasan reports that the petitioner was not considered for re-allotment on account of the fact that the petitioner has left arrears to the tune of Rs.2,848/- for the financial year 2022-23 and an amount of Rs.6,540/- for the financial year 2023-24. He states, in all, an amount of Rs.9,388/- is due from the petitioner. He states that unless and until the petitioner clears the arrears, he is not entitled to participate either in the auction or seek for preferential allotment.

6. I have carefully considered the submissions of both sides and gone through the records.

7. The respondent, being a Local Body, is covered by the Tamil Nadu Urban Local Bodies Rules of 2023. Rule 316(11)(a)(i) of the said Rule directs that on demolition and reconstruction of a shopping complex, the existing licensees should be given a preference in the allotment of the shop. In the order of preference fixed under Rule 316(11)(b)(i), the petitioner, being the person claiming such preference, would have to match the highest price for which the auction has gone about. The Government has further tempered its condition by stating a person, who had been carrying on the business in the shopping complex, which has been demolished, the average auction price must be taken



and the petitioner must express his willingness to pay the average auction price in order to get preferential allotment.

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8. In addition, the Municipal Council is entitled to reject an offer made by a person, who is a defaulter. As on today, the petitioner is a defaulter to a tune of Rs.9,388/-. If the petitioner wants preferential allotment, then, he will have to, at the first instance, clear the arrears and thereafter, express his willingness to pay to the respondents the average amount that the shops would fetch in the auction. Only thereafter, he will be entitled to seek preferential allotment in terms of Rule 316(11)(a)(i). Hence, this writ petition is disposed of with the following directions:-

- (i) The petitioner shall pay the amount of Rs.9,388/-, being the arrears to the respondents, on or before 03.03.2026. On payment of the aforesaid amounts, the respondents shall issue a receipt to the petitioner for the payment of the aforesaid amount;
- (ii) Once the arrears are cleared, the petitioner will give a letter, undertaking to pay the average value, which the shops would fetch after the auction is conducted;
- (iii) The respondents will communicate the average value of the shops in a transparent manner, giving the details of the value for which the shops have gone for auction and on how they have arrived at such value; and



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(iv) If the petitioner agrees to pay the average value intimated to him, then he will be considered for the preferential allotment under Rule 316(11)(a)(i). In case, the petitioner does not comply with the payment of arrears or express his willingness to take the shop on the average value arrived at, this order will not enure in his favour.

No costs. Consequently, connected miscellaneous petitions are closed.

27-02-2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No

Maya

To

The Commissioner
Tittakudi Municipality,
Tittakudi,
Cuddalore District.



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WP No. 8045 of 2



V.LAKSHMINARAYANAN, J.

Maya

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