



W.P.No.42665 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved On:
27.11.2025

Pronounced On:
28.01.2026

CORAM

THE HONOURABLE MR.JUSTICE V.LAKSHMINARAYANAN

W.P.No.42665 of 2025 and
W.M.P.Nos.47718 & 47722 of 2025

Koyambedu Periyar Kaaikari
Aangadi Maempaatu Sangam,
Rep. by its President,
No.E-114, Koyambedu Vegetable Complex,
Chennai – 600 107.

.. Petitioner

Vs.

1.State of Tamil Nadu,
Rep. Secretary to the Local Administration,
Ezhilagam Annex Building. 6th Floor,
Kamarajar Salai, Chempauk, Chennai – 600 005.

2.The Member Secretary,
Chennai Metropolitan Development Authority,
No.1, Gandhi Irwin Road,
Egmore, Chennai – 600 008.

3.Market Management Committee,
Rep. By its Chief Administrative Officer,
Chennai Metropolitan Development Authority,
No.1, Gandhi Irwin Road,
Egmore, Chennai – 600 008.

4.Superintendent Engineer, CMDA,
O/o of Superintendent Engineer,
Zone – 1, 1st floor, A block,
E salai, Koyambedu, Chennai – 600 107.

.. Respondents

Prayer: Writ Petition filed under Article 226 of the Constitution of India praying to issue a Writ of Certiorarified Mandamus,



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calling for the records of the 4th respondent vide impugned computerized notification in E.tender Notice No.14/2025-26 dated 24.09.2025 and quash the same and further direct the respondents 2 & 3 to consider the representation of the Petitioner Sangam dated on 22.10.2025 for transferring or leasing the Godowns No.V/N-124, V/G-88 to the members of the Petitioner Sangam on rental basis.

For Petitioner : Mr.M.S.Krishnan
Senior Counsel
for Mr.M.Raja Sekhar

For R1 : Mr.L.S.M.Hasan Fizal
Additional Government Pleader

For RR 2 & 4 : Mr.V.Sudalai Selvan for CMDA

ORDER

The petitioner is an association of traders in the Koyambedu market. The members of the petitioner association indulge in vegetable business. Each of the members have been allotted shops in the Koyambedu Wholesale Market. In the market, seven godowns were constructed for the benefit of those in retail trade.

2.The petitioner alleges that the seven godowns were constructed in order to provide space for storing goods by the traders, who have been allotted the shops. It is stated that of the seven godowns bearing Nos.VN-124, VG-88, E-88, J-88, H-88, A-124 & C-88, godown No.A-124 alone was the subject matter of



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a sale in the year 2006. Other godowns were initially allotted on rental basis to various associations and individuals, and godown No.C-88 was sold to one, M/s.Indian Vegetables. They plead that the sale of C-88, H-88 & A-124, is contrary to the policy decision taken by the 1st respondent, since the godowns were meant only for the vendors and they ought not to have been sold to third parties.

3.The cause of action for the writ petition is that the 4th respondent – CMDA had issued a tender notification on 24.09.2025, for the sale of godown. It is pleaded that such a sale is in violation of Section 5(2) of the Tamil Nadu Specified Commodities Markets (Regulation of Location) Act,1996 (Tamil Nadu Act 24 of 1996) (hereinafter referred to as 'Act 24 of 1996') and hence, it requires to be interfered with.

4.I heard Mr.M.S.Krishnan, Senior Counsel for Mr.M.Raja Sekhar for the petitioner, Mr.L.S.M.Hasan Fizal, Additional Government Pleader for 1st respondent and Mr.V.Sudalai Selvan for the respondents 2 & 4.

5.It is the plea of Mr.M.S.Krishnan that under Section 5 of



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the Act 24 of 1996, it is only the 3rd respondent, Market Management Committee, which has the jurisdiction to bring the godown for sale and the CMDA does not have the jurisdiction to do so. He invites my attention to Section 2(6), 2(7) and 2(8) of the Act 24 of 1996, to urge that once a Market Committee is formed under Section 5(1) of the Act 24 of 1996, then the property vests with such a committee, and not that any of the other respondents. He points out that the declaration under the Act amounts to vesting of the property with the committee and therefore, the impugned notification issued by the 4th respondent is null and void.

6.Mr.M.Raja Sekhar, after adopting these submissions, points out that under Section 25 of the Act 24 of 1996, it is the Market Management Committee which has to deal with the issue and not respondents 2 & 4. He states the purpose for which eight godowns were identified in the vegetable market, and four godowns in the flower market, was to enable the wholesale traders, who have been moved to the said area, to store their goods, and alienation of the same amounts to a violation for the very purpose for which the specified markets had been created. He points out to the proceedings of the Market Management



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Committee dated 08.02.2018, to state that the Market Management Committee had decided to lease out these godowns and today, it is moving away from the same and attempting to alienate the same to the prejudice of the traders and merchants. Hence, both the counsel plead that the impugned notification deserves to be quashed on the ground of lack of jurisdiction.

7.I have carefully considered the submissions of both sides and I have gone through the records in detail.

8.This is not the first time that the godowns are being brought for auction. The CMDA had earlier floated a tender on 28.11.2019, for the allotment of VN-124 and VG-88. The tenders were finalized in favour of one N.Karthik and A.Chinnadurai. Challenging the said allotments, two writ petitions came to be presented in this Court in W.P.No.12286 of 2020 & W.P.No.14017 of 2020. By an order dated 05.03.2021, both these writ petitions were dismissed, upholding the tender process.

9.Aggrieved by the order dated 05.03.2021, the writ petitioners had preferred two appeals in W.A.No.1104 of 2021



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and W.A.No.1106 of 2021. A Division Bench of this Court allowed the writ appeals, setting aside the allotment of the aforesaid godowns in favour of N.Karthik and A.Chinnadurai. The Division Bench had directed the CMDA to call for a fresh tender based on the current market value, and complete the process within a period of four (4) months.

10.Challenging these orders, two SLPs were preferred to the Supreme Court in SLP(C).No.22482 of 2024 and SLP(C).No.22349 of 2024. Both the SLPs came to be dismissed on 04.10.2024. The Supreme Court specifically held that it has no reason to interfere with the direction given by the Division Bench of this Court to go for a fresh tender process, as it would secure the best market price, for the godowns.

11.The impugned tender notification was issued pursuant to the directions of the Division Bench in the two appeals. The Division Bench has specifically directed the CMDA to bring the shops for a fresh tender auction.

12.The attempt of the petitioner to challenge the tender notification by way of the present writ petition is an attempt to



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indirectly set aside the directions given by the Division Bench.

Such an attempt cannot be entertained by this Court. It is pertinent to point out that, nowhere in the affidavit has the petitioner disclosed about the previous rounds of litigation. I am holding against the petitioner on this ground alone.

13.Since the issue of jurisdiction has been raised, I have to deal with the said issue independently from the aforesaid paragraph. This is because no order of a Court can confer jurisdiction of an authority which it does not possess statutorily. Hence, I permitted both the counsel to argue on the issue of jurisdiction.

14.The State of Tamil Nadu enacted the Tamil Nadu Specified Commodities Markets (Regulation of Location) Act,1996 (Tamil Nadu Act 24 of 1996). The purpose of this legislation is to regulate the location of market areas and wholesale markets in respect of specified commodities falling within the jurisdiction of Chennai Metropolitan Planning Area and in other local areas. The legislation was brought about on account of issues of congestion, traffic, accommodation, and other similar problems faced in the Chennai Metropolitan Planning Area. In order to de-



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congest certain parts of the city, it was decided to shift as many commercial activities as possible, to places outside the areas where they had been carried on. It was also proposed that by such identification, it would lead to planned development and better public health. Therefore, the State decided that it is essential to declare market areas, in order to establish market for specified commodities at suitable locations.

15.The area where the Koyambedu Wholesale Market is situated was initially acquired by the Government of Tamil Nadu to be used by the Tamil Nadu Housing Board. Subsequently, it was decided that this area would be ideal for establishment of the Koyambedu vegetable, flower and fruit market. After initial resistance, the areas like Kothwal Chavadi, where wholesale businesses were being carried on, were de-congested by shifting the traders to Koyambedu. The management of the Koyambedu Market was given to the Market Management Committee. As stated by the writ petitioner, those indulging in wholesale, as well as retail trade of flowers, fruits and vegetables were allotted shops in the Koyambedu Wholesale Market Complex. Since the goods are perishable by nature, godowns were also constructed for the purpose of sharing the same.



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16. In terms of Section 5(1) of Act 24 of 1996, the 1st respondent established the 3rd respondent. It is the 3rd respondent, who has the duty to enforce the provisions of the Act 24 of 1996 and the Rules made thereunder in the Koyambedu Market. In order to confer the market committee with certain functions, powers and duties, with respect to Koyambedu Market, such a provision should be specifically incorporated by virtue of Section 5(2), the Market Committees were declared to be body corporates. Section 5(2) also enables the 3rd respondent to acquire and to hold property, both movable and immovable, with the right to lease or transfer the property vested in it or acquired by it, in favour of others. The second proviso to Section 5(2) imposes a condition that the Market Committee cannot alienate an immovable property vested in it, unless and until it has the prior permission of the Government. For ready understanding, Section 5 is extracted hereunder:-

“5. Establishment of market committee.-

(1) The Government shall establish a market committee for every market area. It shall be the duty of the market committee to enforce the provisions of this Act and the rules and by-laws made under this Act in such market area.



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(2) Every market committee shall be a body corporate by such name as the Government may specify, shall have perpetual succession and a common seal, may sue and be sued in its corporate name, and shall, subject to such restrictions as are imposed by or under this Act, be competent to acquire and hold property, both movable and immovable, shall, lease or otherwise transfer any movable or immovable property which may have become vested in or been acquired by it and to contract and to do all other things necessary for the purposes for which it is established:

Provided that any land required for the purposes of this Act shall be acquired under the provisions of the Land Acquisition Act, 1894 (Central Act I of 1894) as provided in Section 28 of this Act :

Provided further that no immovable property shall be transferred by way of sale, lease or otherwise by a market committee without the prior permission of the Government.

(3) Where, after the establishment of a market committee under sub-section (1), any declaration is made in respect of any other specified commodity under section 4 in relation to that market area, then, the market committee shall be deemed to have been established in respect of that specified commodity also.”



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17.It is the plea of Mr.M.S.Krishnan that by virtue of Section 5(2), the Koyambedu Wholesale Market Complex vests with the Market Management Committee and hence, any alienation made by the CMDA would be erroneous.

18.I should point out here that, if I were to agree with this argument, the petitioner would be shooting at its members in their foot. This is because the shops purchased by them were not alienated by the Market Committee, but it was done so by the CMDA. Be that as it may, my reading of Section 5(2) does not lead me to such a conclusion. The purpose of creating legal persons / juridical person is rooted in commerce. By conferring such status, the liability of individual members or shareholders becomes limited, thereby protecting them from personal liability of the entity's debts and obligations. To give an example, if a corporate entity like a company were to declare bankruptcy, then the creditors can have a claim against the assets of the company and cannot proceed against the personal assets of the shareholders or directors. This broad proposition, which is meant only to explain the purpose of clothing a body with legal personality, should not be understood to mean that in all circumstances, the directors and shareholders are not liable. At



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the first instance, it is the property of the company which is answerable to the claim.

19.The second reason for conferring an entity with the juridical personality is to ensure perpetual succession. By clothing an entity with legal personality, the death, retirement, or change in the composition of its voting members does not impinge upon the life of the institution. This ensures continuity and stability.

20.Insofar as Government institutions are concerned, it is statutorily declared as a corporate personality for the aforesaid purpose. Once continuity is ensured, public resources and services can be rendered efficiently, regardless of the musical chair by which those governing it change. Conferment of a legal personality is an instrument that provides a convenient and effective structure for allocating the rights, duties and responsibilities clearly, thereby ensuring specialization and accountability beyond what can be achieved by human beings. Not stopping with the conferment of such status, it also explicitly empowers the market committee to acquire, hold, lease, and alienate movable and immovable properties.



21.By virtue of Section 5(2), the Koyambedu Market does not vest with the Market Management Committee. As to what is the meaning of 'vesting', has already been gone into by the Supreme Court on more than one occasion. Vesting implies “to settle, secure or put in fixed right of possession; to endow, to descend, devolve or to take effect, as a right”, see, ***Vatticherukuru Village Panchayat Vs. Nori Venkatrama Deekshithulu and others, [1991 Supp (2) SCC 228]***.

22.The word 'vest' means and implies conferment of ownership of the property upon a person, and it gives an immediate and fixed right of present and future enjoyment. Vesting by itself does not have a fixed connotation. It may vest in title or it may vest in possession or it may vest in a limited sense, as indicated in the context in which it may be used in a particular piece of legislation, (see, ***Fruit and Vegetable Market Union, Subzi Mandi, Delhi Vs. Delhi Improvement Trust, (1957) SCR 1***).

23.The act of vesting requires a document recognized in law by which title or possession is handed over to an entity.

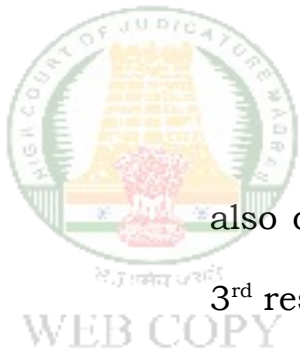


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Section 5(2) makes it clear that the market committee formed under that Section is not only entitled to acquire property and enter into a contract, but also deal with the properties vested in it. The Koyambedu Market was not acquired by the 3rd respondent. It was acquired by the Government of Tamil Nadu and thereafter, it was transferred to the 2nd respondent. In order to divest the 2nd respondent of its title and to vest the same in the 3rd respondent, a document recognized by law should be essential. The petitioners have failed to substantiate the same.

24.The interpretation that Mr.M.Raja Sekhar seeks to give to Section 2(5) and Section 2(6) also does not improve his case. They are mere definitions and they do not vest the property in the 3rd respondent. Section 2(5) merely states that for the city of Chennai, it shall be the 2nd respondent who shall be the local authority, and Section 2(6) speaks about a market similar to the Koyambedu Market.

25.By virtue of Section 5(2), a Market Committee can acquire movable and immovable properties within in the country or even in other parts of the world. This does not mean that Koyambedu Market vests with the 3rd respondent. Section 25



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also does not make the Koyambedu Market, the property of the
3rd respondent.

26. Section 25 merely states that a Market Committee, without the permission of the Government, cannot transfer by sale, lease, exchange, mortgage or otherwise, any land or building vested in it or acquired by it, and constitute a market area. This provision shows that the Market Committee is also entitled to purchase or acquire any land or building in a market area. This is an enabling provision empowering the Market Committee to acquire title to an immovable property in a market area, and it does not mean that the present market area itself is owned by the committee. If the market area itself was owned by the committee, then there arises no necessity for it to acquire it or for the Government to vest the property in it.

27. Transfer of ownership implies transfer of the immovable property from one person to another. One cannot acquire one's own property. Section 25(2) also does not show that establishing of a market committee nor does it declare such committee as owner of the Koyambedu market. It only guides as to how the market committee should dispose of the property vested in it.



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When there is no transfer of the property from the Government to the market committee or from the CMDA to the market committee, this Court cannot hold that the market committee is the owner of the property and therefore, it is that committee alone which can bring the property for auction.

28.Insofar as the plea of Mr.M.Raja Sekhar that if the godowns are sold, the wholesale and retail vendors will not have the place to store their goods is concerned, I am of the view that, unless and until a right is vested in the shop owners stating that the area set apart from godowns must be reserved only for their use, such a plea is untenable. It is a policy decision of the CMDA whether it wants to alienate the property by way of sale or by way of a lease. It is not for this Court to dictate how the owner of the market is supposed to deal with it. The CMDA, is in its wisdom, has decided to alienate its godown by way of a sale. Unless and until, there is a specific bar to that the godowns cannot be alienated, CMDA would be free to do so. A restriction on the right of the ownership cannot be on the ground that if the property is sold, it will affect another.

29.It is always open to the members of the petitioner



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association to enter into a contract with the purchasers of the godown and store their goods. The user of the godown would obviously have to store materials, in order to generate an income to justify the purchase. Merely because some inconvenience will be caused to the petitioners, there cannot be a writ seeking a direction that CMDA should not alienate the property.

30.In the light of the above discussion, I do not find any reason to entertain the writ petition.

31.Accordingly, this Writ Petition stands dismissed. Consequently, the connected miscellaneous petitions are closed. No costs.

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Index : Yes / No
Internet : Yes / No
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V.LAKSHMINARAYANAN, J.

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To

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