



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 18-03-2026

CORAM

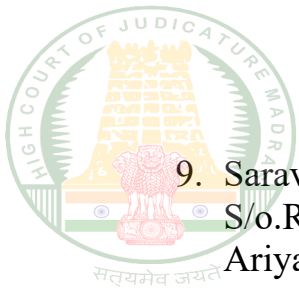
THE HON'BLE MR JUSTICE ABDUL QUDDHOSE

WP No. 30624 of 2025

AND

WMP NO. 9343 OF 2026, WMP NO. 34326 OF 2025, WMP NO. 34329 OF 2025, WP NO. 30628 OF 2025, WMP NO. 34320 OF 2025, WMP NO. 34318 OF 2025

1. Nagarajan
S/o.Arumugam, Shop No.1 West Side, Bus Stand, Ariyalur-621 704.
2. Muthulakshmi
W/o.Veemapillai, Shop No.7 Bus Stand, Ariyalur-621 704.
3. Abdul Malik
S/o.Haja Maideen Shop No.2 Bus Stand, Ariyalur-621 704.
4. Haja Maideen
S/o.Abdul Whab, Shop No.23 Bus Stand, Ariyalur-621 704.
5. K.Adiyaman
S/o.Kaliyaperumal Old Shop No.3 Bus Stand, Ariyalur-621 704.
6. Varadharaj
S/o.Karunanithi, Shop No.33 Bus Stand, Ariyalur-621 704.
7. C.Arivalagan
S/o.Chinnapillai Veemapillai, Shop No.44 Bus Stand, Ariyalur-621 704.
8. Muthamilselvan
S/o.Ramasamy, Shop No. 9 And 10 Bus Stand, Ariyalur-621 704.



9. Saravanan
S/o.Rajalingam, Old Shop No.2 Bus Stand,
Ariyalur-621 704.

10.P.Nirmala
W/o.Perumal, Shop No.43 Bus Stand,
Ariyalur-621 704.

11.P.Revathi
W/o.G.Panneerselvam, Shop No.4, West Side,
Bus Stand, Ariyalur-621 704.

12.R.Periyasamy,
S/o.Rengarajan, Shop No.5, West Side, Bus
Stand, Ariyalur-621 704.

13.Manokaran
S/o.Natesan, Shop No.42, Bus Stand,
Ariyalur-621 704.

..Petitioner(s)

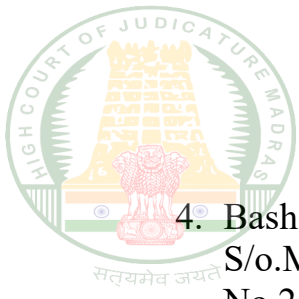
Vs

1. The Secretary To Government
Municipal Administration And Water Supply
Department, For Tst. George, Chennai-600 009.
2. The Municipal Commissioner
Ariyalur Municipality, Ariyalur-621 704.

..Respondent(s)

WP No. 30628 of 2025

1. Ramesh
L.R.Of Muthammal, S/o.Rengarajan, Shop
No.27 Bus Stand Ariyalur-621 704.
2. Arunakumari
Wife And Lar Of Late.Neppolian Shop No.39
Bus Stand, Ariyalur-621 704.
3. Santhi
Lr Of Chellappa, W/o.Sekar, Shop No.25 Bus
Stand, Ariyalur-621 704.



4. Basheer Ahamed

S/o.Mohamed Kasim, Lr Of Samsudeen Shop
No.24 Bus Stand, Ariyalur-621 704.

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..Petitioner(s)

Vs

1. The Secretary To Government,
Municipal Administration And Water Supply
Department, For Tst. George, Chennai-600
009.

2. The Municipal Commissioner
Ariyalur Municipality, Ariyalur-621 704.

..Respondent(s)

Writ petition is filed under Article 226 of the Constitution of India seeking for issuance of a writ of certiorarified mandamus to call for the records pertaining to the impugned Tender-cum-Auction Notice bearing Na.Ka. No. 892/ 2022/ A1, dt.29.07.2025 published in Tamil Daily Dinakaran dt.02.08.2025 by scheduling the auction on 22.08.2025 on the file of the 2nd respondent and to quash the same and to direct the 2nd respondent to give effect to its Notice bearing Na.Ka. No.892/2022/A1 dt.10.07.2025 by allotting a shop to each of the petitioners by following the guidelines given in G.O. (2Pa) No.66 dt.06.08.2024 issued by the 1st respondent.

WP No. 30628 of 2025

Writ petition is filed under Article 226 of the Constitution of India seeking for issuance of a writ of certiorarified mandamus to call for the records pertaining to the impugned Tender-cum-Auction Notice bearing Na.Ka. No. 892/ 2022/ A1, dt.29.07.2025 published in Tamil Daily Dinakaran dt.02.08.2025 by scheduling the auction on 22.08.2025 on the file of the 2nd respondent and to quash the same and to direct the 2nd respondent to give effect



to its Notice bearing Na.Ka. No.892/2022/A1 dt.10.07.2025 by allotting a shop to each of the petitioners by following the guidelines given in G.O. (2Pa) No.66 dt.06.08.2024 issued by the 1st respondent.

For Petitioner(s): Ms.D.Kamatchi

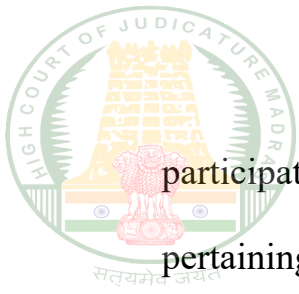
For Respondent(s): Dr.T.Seenivasan, SGP

COMMON ORDER

These writ petitions have been filed challenging the impugned tender-cum-auction notice dated 29.07.2025 issued by the second respondent.

2. The grievance of the petitioners in these writ petitions is that they were not afforded preferential treatment while participating in the impugned auction by the second respondent as per sub-rules 11(a) & 11(b) of Rule 316 of the Tamil Nadu Urban Local Bodies Rules, 2023 (in short “the Rules”). The petitioners are the existing lease holders of small shops from the second respondent corporation, and they claim that in view of the same, they will have to be treated on preferential basis by the second respondent while participating as tenderers to the impugned auction notice.

3. The petitioners are having the benefit of interim stay of the impugned auction notice till date. The learned Special Government Pleader appearing for the respondents on instructions would submit that the respective petitioners can



participate in any auction to be conducted by the respondents in the near future pertaining to the very same shops which are the subject matter of the impugned auction notice dated 29.07.2025. He would submit that the respondents shall follow Rule 316(11-a) and (11-b) of the Rules, which gives preferential treatment for participation by the existing lease holders.

4. In view of the interim stay granted by this Court as well as due to passage of time, the impugned auction notice dated 29.07.2025 of the second respondent has now become *otiose*. Therefore, necessarily, the respondents will have to issue fresh auction notice in respect of the very same shops, as the respondents have agreed for participation of the petitioners in the proposed auction to be conducted for the very same shops by giving them preferential treatment in accordance with Rule 316(11)(a) and (11)(b) of the Rules, which is re-produced hereunder:-

“316. Licencing 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;

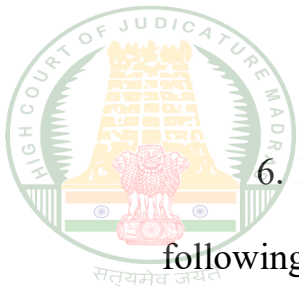


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- (b) (i) Any person claiming such preference shall be required to match the highest bid price and submit necessary documents proving eligibility for preference;
- (ii) The order of preference shall be in the same order as in clause (a) and within 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;
- (c) Five per cent of the shops may be allotted to persons with disability, willing to match the highest bid.”

5. The petitioners also will not be prejudiced as their grievance is that the respondents have not adhered to Rule 316(11)(a) and (11)(b) of the Rules. Eventhough the learned counsel for the petitioners submitted that the conditions imposed on the respective petitioners would be onerous if Rule 316(11)(a) and (11)(b) of the Rules is strictly followed by the second respondent corporation, this Court cannot alter/modify the statutory rules, namely, Rule 316(11)(a) and (11)(b) of the Rules, to suit their convenience. The petitioners will have to necessarily comply with the conditions imposed in the said Rule if they become successful bidders in the auction proposed to be conducted by the respondents in the near future.



6. For the foregoing reasons, these writ petitions are disposed of in the following manner:-

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(a) Interim stay of the impugned auction notice dated 29.07.2025 granted by this Court on 10.09.2025 is vacated.

(b) The respondents are directed to conduct fresh auction for the 45 shops, which are also the subject matter of the impugned auction notice; and in the said auction, the petitioners are permitted to participate.

(c) The respondents are directed to treat the petitioners on preferential basis as per Rule 316(11)(a) and (11)(b) of the Rules, and if the petitioners are declared as highest bidders in the auction for the respective shops, they shall also be strictly bound by the said Rules.

No Costs. W.M.P.No.9343 of 2026 is ordered, and all other remaining writ miscellaneous petitions are closed.

18-03-2026

Neutral Citation: Yes/No
RKM

To

1. The Secretary To Government,
Municipal Administration And Water Supply
Department, For Tst. George, Chennai-600 009.
2. The Municipal Commissioner
Ariyalur Municipality, Ariyalur-621 704.



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WP No. 30624 of 2



ABDUL QUDDHOSE J.

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