

**IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION**

CIVIL APPEAL NO. 11363 OF 2011

NEW MARKET PMC STALL HOLDERS ASSN.

... APPELLANT

VERSUS

PATNA MUN. CORP. & ANR.

... RESPONDENTS

WITH

CIVIL APPEAL NO. 11364 OF 2011

O R D E R

1. The instant two appeals assail the common impugned judgment dated 19.04.2010 passed by the Patna High Court (hereinafter referred to as "**High Court**") dismissing Civil Writ Jurisdiction Case No. 7212 and 6959 of 2005 filed by the Appellants.

2. The Appellants in both appeals are associations registered under the Societies Act, constituted by shopkeepers of shops situated in New Market Area, near Patna Junction and Vijay Mini Market, Patna. They had, by way of the said writ petitions, challenged the validity of order dated 31.05.2005 passed by the Respondent whereby the rent for the said shops was increased by the Respondent from ₹2.31 to ₹15 per square feet per month for some shops and from ₹1.5 to ₹10 per square feet per month for other shops. Since the impugned judgment

has been passed commonly in both writ petitions, however, both appeals are similar in nature and being decided analogously.

3. Essentially, in these cases, the dispute relates to non-payment of rent by the shopkeepers to the Corporation. The reasons for non-payment may be numerous but the Appellants claim that the sudden increase in rent amount is exaggerated and excessive. During the pendency of this appeal, they continued occupying the shop without paying the increased rent.

4. Upon hearing learned counsel for the parties, this Court had passed an order on 09.11.2022 in the present appeal, which is reproduced as under:

"Before we proceed with the matter, it is informed that the parties have approached to the Chief Municipal Officer who has been authorised to determine the rent of the subject demised property in terms of Section 247 of the Bihar Municipal Act, 2007 which came into force w.e.f. 05.04.2007.

It is pointed out to this Court that the rent determined by the authority and payable by the present appellant w.e.f. 08.04.2002 is the subject matter of challenge in the instant proceedings.

Although, there may be a question as to whether the authority is empowered under the Act in terms of Section 247 to determine the rent prior to the Act came into force.

We find justification in what being submitted

to this Court but in the peculiar facts and circumstances of the case, we consider appropriate to direct the authority to determine the proposed rent payable to the license holder/occupier w.e.f 08.04.2002 which is the period of litigation and submit the report to this Court within a short period.

List the matter on 11.01.2023."

5. In furtherance thereto, the order passed by the Office of the Rent Controller -cum- Sub Divisional Officer, Patna Sadar dated 13.02.2026 was placed before us. For ready reference, the relevant portion of the order is reproduced as under :-

"Heard the arguments of the learned counsels for both the parties. Under perusal of the facts mentioned in the case, documents available on record, enquiry report submitted by the Additional Sub divisional Officer, Patna Sadar and enquiry report submitted by the Three Level Committee uniformity in the monthly rent per square feet mentioned against 430 shops in the list enclosed with the letter of the City Commissioner, Patna Municipal Corporation, after discussion of all the facts and analysis of the reports, the monthly rent of Patna New Market, Harding Road, Shankar Subzi Market, Pirmohani and the shops situated in Vijay Mini Market is fixed at the rate of Rs.14/- per square feet. The fixed rent shall be enforceable with effect from 12.02.2022. A copy of this order be sent to the City Commissioner, Patna Municipal Corporation."

6. In view of the above fact situation, it is clear that now, rent of the shops has been fixed @ Rs.14/- per square feet per month w.e.f. 12.02.2022.

7. During the pendency of these appeals, in Civil Appeal No.11363 of 2011, out of 119 shopkeeper members of the Appellant Association, 101 shopkeepers have deposited ₹2.5 lakhs in pursuance of orders of this Court from time to time. Similarly, in Civil Appeal No. 11364 of 2011, out of 72 shopkeeper members of the Appellant association, 42 shopkeepers have deposited ₹1.5 lakh and seven of them deposited partial amount which is not fully clear. The question of adequacy of payment already deposited is subject to verification by the learned counsel for the Respondent - Corporation and their officers.

8. Now, reverting to the controversy and its resolution, it is seen that the rent has already been fixed by the Rent Controlling Authority w.e.f. 2022. As such, the Appellants are ready to deposit and pay the amount of monthly rent as fixed henceforth. They are further ready to clear the arrears of rent also subject to its division into monthly installments.

9. It is also informed that the rent was due and left unpaid since 2002 because of the dispute regarding fixation of the rent which was pending in the instant appeal. Since the rent has been fixed now w.e.f. 2022, the learned senior counsel appearing for the Appellant had supplied a chart and proposed

the rate of the rent which may be paid by the Appellants for the period between 2002 and 2022. The said chart is quoted herein for ready reference:-

Year	Rent per square feet per month
2002	Rs.2.31
2003	Rs.3.00
2004	Rs.3.50
2005	Rs.4.00
2006	Rs.4.50
2007	Rs.5.00
2008	Rs.5.50
2009	Rs.6.00
2010	Rs.6.50
2011	Rs.7.00
2012	Rs.7.50
2013	Rs.8.00
2014	Rs.8.50
2015	Rs.9.00
2016	Rs.9.50
2017	Rs.10.00
2018	Rs.10.50
2019	Rs.11.00
2020	Rs.12.00
2021	Rs.13.00
2022	Rs.14.00
2023	Rs.14.00
2024	Rs.14.00
2025	Rs.14.00
2026	Rs.14.00

10. After receiving the said proposal, on the previous date, on 11.05.2026, this Court directed the learned counsel for the Corporation to seek instructions in the matter on the aspect of rate of rent and its payment for the period between 2002 to 2022. The said order is relevant, therefore, reproduced as under:-

"1) In furtherance to the previous order, the SDO fixed rent at the rate of Rs.14 per square feet per month since 2022. Petitioners are ready to pay the said amount

2) For the previous years, since 2002, a chart has been handed over. The same has also been handed over to the counsel for the Corporation, who may seek instructions.

3) List on 15th May, 2026."

11. In furtherance of the said directions issued by this Court and after passing the order by the Rent Controlling Authority, the compliance affidavit dated 20.05.2026 has been filed by the Corporation. Without going into the merits of the matter, we may refer to the contents of the compliance affidavit for read reference as under:

"3. The in compliance with the order dated 11.05.2026 passed by the Hon'ble Court in Civil Appeal No. 11363 of 2011, instructions were sought from the Patna Municipal Corporation regarding the present status of the subject matter in issue and Letter No. 7928 dated 14.05.2026 has been issued by the Deputy Municipal Commissioner (Revenue),

Patna Municipal Corporation. A copy of the said letter No. 7928 dated 14.05.2026 is annexed herewith and marked as ANNEXURE/R-1 at page no.6-7.

4. That that, as per the said communication, the rate of rent fixed vide order dated 13.02.2026 passed by the Court of House Controller-cum-Sub-Divisional Officer, Patna Sadar in BBC Case No. 14/2022 is presently under review by the Patna Municipal Corporation and, upon such review, steps are being taken to challenge the said determination before the competent court/forum in accordance with law.

5. That it has further been informed that the period of agreement/licence in respect of the concerned shopkeepers/stall holders has already expired. It has also been further stated by the Corporation that a proposal is presently under active consideration for development and construction of a Mall-cum-Vending Zone at the subject location as part of the larger urban redevelopment and decongestion plan being undertaken by the Patna Municipal Corporation.

6. That the Patna Municipal Corporation has also issued Letter No.1255 dated 19.01.2026 seeking approval in relation to issuance of Municipal Bonds for Integrated City Decongestion and Vending Zone Infrastructure Development under the Patna Municipal Corporation. The said initiative has been conceived with the objective of addressing long-standing urban issues including street encroachment, unregulated vending activity and severe traffic congestion in and around the New Market and adjoining areas.

7. It is submitted that the proposed redevelopment project aims to establish organised and modern vending zones in a

structured manner, balancing the interests of local vendors, shopkeepers and the general public within a planned urban framework. It has also been stated that the "Kadam Kuan Model" implemented by the Corporation has proved to be a successful model for regulated vending and urban management, and similar vending zones are proposed to be established by the Corporation in other parts of the city, including the present project area.

8. The proposed Mall-cum-Vending Zone project is therefore part of a broader public infrastructure and urban modernization initiative intended to create an organised, accessible and sustainable commercial environment while simultaneously addressing concerns relating to congestion, encroachment and civic management. A copy of Letter No. 1255 dated 19.10.2026 is annexed herewith and marked as ANNEXURE/R-2 at page no. 8-9.

9. That in view of the facts of the case it is humbly prayed before this hon'ble Court that without prejudice to the rights and contentions of the Corporation, an appropriate schedule/mechanism may also be fixed by this Hon'ble Court for payment of the outstanding dues/rent amount which remains payable by the occupants/shopkeepers in respect of the subject premises."

12. In view of the foregoing facts and considering the affidavit filed by the Corporation and also the oral submissions made by the learned senior counsel appearing for the Appellants, we can crystallize the issue as under and dispose of the appeal with the following directions issued by the consent of the parties:

- (i) The rent for the period between 2002 and 2022 be fixed as per the calculation in the chart proposed by the learned senior counsel for the Appellants and the rent for each shop be determined as per the area occupied by the individual shopkeepers.
- (ii) On ascertainment of the area, the total rent due shall be calculated by the Corporation till the end of July 2026, applying the rental rates as per the aforementioned chart and fixed by the Rent Controlling Authority with effect from 2022.
- (iii) If it is necessary, the Corporation and their officers shall furnish an opportunity of hearing to the individual shopkeepers / occupants regarding ascertainment of the area and fixation of the amount of rent / arrears in terms of the proposal as well as the order of rent determination and needful be done within a period of three months.
- (iv) After determination of the amount due till 31st July, 2026, the total amount due shall be paid by the shopkeeper members of the Appellants in twelve equal monthly installments which shall be fixed by the Corporation. The Appellants have undertaken before us

to deposit the said amount of arrears within 12 equal monthly installments and also to further continue payment of regular rent from August onwards.

13. It is further clarified that the shopkeepers who are members of the Appellant society who have not made the payment of rent and are not agreeing to pay the rent in terms of the order passed by this Court today, the Corporation is at liberty to take recourse of law to get the occupied premises vacated from them. It is also clarified that in case the Corporation wishes to bring some project for development as proposed in the compliance affidavit dated 20.05.2026, they are at liberty to take recourse as permissible.

14. We further make it clear that in case the Corporation wishes for enhancement of the rent, they are at liberty to do the needful and at that time, the order passed by this Court shall not come in the way. Since the other occupiers who are not members of the Appellant associations are not before us, no direction may be issued against them or in favour of the Corporation with respect to those occupiers. It will suffice to say that the Corporation is at liberty to take recourse against them as permissible under the law.

15. In view of the above, the appeals stand disposed of with

the aforesaid directions. Pending applications, if any, shall also stand disposed of.

....., J.
[J.K. MAHESHWARI]

....., J.
[ATUL S. CHANDURKAR]

New Delhi;
May 22, 2026.

ITEM NO.65

COURT NO.3

SECTION XVI

S U P R E M E C O U R T O F I N D I A
R E C O R D O F P R O C E E D I N G S

Civil Appeal No(s). 11363/2011

NEW MARKET PMC STALL HOLDERS ASSN.

Appellant(s)

VERSUS

PATNA MUN.CORP. & ANR.

Respondent(s)

(IA No. 184737/2025 - APPROPRIATE ORDERS/DIRECTIONS IA No. 130684/2022 - EXEMPTION FROM FILING O.T. IA No. 313945/2025 - EXEMPTION FROM FILING O.T. IA No. 313944/2025 - MODIFICATION OF COURT ORDER IA No. 130681/2022 - PERMISSION TO FILE ADDITIONAL DOCUMENTS/FACTS/ANNEXURES IA No. 28376/2026 - PERMISSION TO FILE ADDITIONAL DOCUMENTS/FACTS/ANNEXURES IA No. 305135/2025 - PERMISSION TO FILE ADDITIONAL DOCUMENTS/FACTS/ANNEXURES)

WITH

C.A. No. 11364/2011 (XVI)

(IA No. 1/2010 - CONDONATION OF DELAY IN FILING)

Date : 22-05-2026 These matters were called on for hearing today.

CORAM : HON'BLE MR. JUSTICE J.K. MAHESHWARI
HON'BLE MR. JUSTICE ATUL S. CHANDURKAR

For Appellant(s) : Mr. C. George Thomas, AOR

Mr. Yashraj Singh Deora, Sr. Adv.
Mr. Harshvardhan Jha, Adv.
Mrs. Yugandhara Pawar Jha, AOR
Ms. Shruti Sharma, Adv.
Mr. Aman Pathak, Adv.

For Respondent(s) : Mr. Neeraj Shekhar, AOR
Mrs. Kshama Sharma, Adv.
Mr. Rajesh Maurya, Adv.
Mr. Ujjwal Ashutosh, Adv.

**Mr. Ritwik Prasad, Adv.
Mr. Rajat Singh Chandel, Adv.**

**UPON hearing the counsel the Court made the following
O R D E R**

The appeals stand disposed of with the directions as contained in the signed order. Pending applications, if any, shall also stand disposed of.

**(GULSHAN KUMAR ARORA)
DEPUTY REGISTRAR**

**(KOMAL)
COURT MASTER**

(Signed order is placed on the file)