

HON'BLE SRI JUSTICE A.RAJASHEKER REDDY

WRIT PETITION No.11578 OF 2015

ORDER:

This petition is filed for a writ of *Mandamus* declaring the action of the respondents 2 and 3 in auctioning the shops bearing Nos.1 to 9, Grampanchayat Complex, Choutuppal Village & Mandal, Nalgonda District as per the paper notification dated 19.04.2015 published in Eenadu daily newspaper District Edition, as illegal and arbitrary.

The case of the petitioners is that they are the tenants of 2nd respondent Gram Panchayat for the last more than 15 years and doing business and ultimately the authorities have extended the lease of the petitioners up to 30.04.2015. Even before expiry of lease period, petitioners have submitted their representation for extension of lease period before the 2nd respondent, but without considering the same the respondent authorities have issued impugned auction notice dated 17.04.2015, fixing the date of auction as 22.04.2015. Aggrieved by the same, present writ petition is filed.

Learned counsel for the petitioners submits that without considering the representation of the petitioners for extension of lease, the respondents have put the shops in question for auction for grant of leasehold rights of the said shops.

On the other hand Sri P.Raghavender Reddy, learned Standing Counsel for respondents 2 and 3 produced some material documents which shows that earlier when the petitioners made representation for extension of the lease period, the 2nd respondent Gram Panchayat, considering the said representation, issued proceedings dated 02.07.2013, extending the lease period. Again, when the petitioners made representation for extension of lease,

the same was referred to the District Collector, Nalgonda, who in turn issued proceedings dated 24.03.2015 vide proceedings No.740/2015-B5(Pancha), stating that the shops in question have to be leased out by conducting tender-cum-auction. In pursuance of the same, the 2nd issued impugned notice.

A reading of the proceedings dated 24.03.2015, issued by the District Collector, Nalgonda shows that all the representations of the petitioners were placed before the District Collector and after considering the same, the District Collector issued proceedings dated 24.03.2015, directing the Gram Panchayat to conduct auction for grant of leasehold rights of the shops in question. Further, this Court and other Courts in similar circumstances held that for grant of leasehold rights in respect of government properties, auction is the best mode, since it is in the interest of public exchequer. As such, I do not find any illegality in the decision taken by the respondent authorities. Moreso, no rule is brought to my notice by the petitioners that they are entitled for extension as a matter of right.

In view of the above, if the petitioners are interested in continuing the tenancy they can also participate in the tender process and the respondents also shall accept the bids of the petitioners along with others, if they are otherwise eligible. Till finalisation of the auction, the petitioners may be continued in the shops on their paying the existing rate of rent on condition that they execute an undertaking that they would vacate the shops, in case they do not emerge as successful bidders in the auction. If the petitioners emerge as successful bidders they will be continued as such on fresh terms and conditions of the tender notification dated 17.04.2015.

With the above observation, the writ petition is disposed of. No order as to costs.

As a sequel thereto, miscellaneous petitions if any pending in the writ petition shall stand closed.

A.RAJASHEKER REDDY, J

22.04.2015

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