

THE HON'BLE SRI JUSTICE A. RAJASHEKER REDDY

WRIT PETITION No.8415 of 2015

ORDER:

Petitioners claim to be the tenants of the shops located in Mandal Praja Parishad Shopping Complex of Puttur, Chittoor District. It is their case that pursuant to their becoming successful bidders in the auction conducted in the year 2006, they were allotted the subject shops for a period of three years and since the date of such allotment, they have been running their respective businesses in the respective shops by paying the rents as fixed by the 2nd respondent and that after expiry of lease period in the year 2009, the 2nd respondent extended the lease in their favour from time to time, on enhancement of rent by 30%, and thus they have been continuing in the shops by paying the enhanced rents regularly. It is their further case that in the year 2012-2013, they suffered huge loss in the business and as such they could not pay the agreed rents. While so, the 3rd respondent issued a notice on 03.01.2015 to the petitioners informing that the tenure of the lease would expire by 31.03.2015 and thus directed them to pay the arrears of rent. Thereupon, the petitioners submitted a representation dated 23.03.2015 to respondents 2 and 3, requesting them to extend the lease in their favour for a further period, so as to enable them to run their businesses and pay the arrears of rents. It is the grievance of the petitioners that till date, respondents 2 and 3 have not taken any decision on their representation and on the other hand, they are seeking to evict them from the subject shops without issuing any notice and without there being any auction notice issued in respect of the said shops. The petitioners, therefore, filed the present writ petition seeking to declare the said action of respondents 2 and 3 as arbitrary and illegal and for a consequential direction to the respondent authorities to consider their representation for extension of lease in their favour for a further period.

Heard the learned counsel for the petitioners and Sri G. Seshadri, learned Standing Counsel appearing for respondents 2 and 3.

Learned Standing Counsel submitted that notices were already issued to the petitioners for vacating the subject shops. But the same is disputed by the learned

counsel for the petitioners and he submitted that the petitioners will pay the rents regularly without any default if the lease in their favour is further extended.

Admittedly, the lease in favour of the petitioners expires by 31.03.2015 and they fell in arrears of rent. Merely because the petitioners sustained loss in the business, they cannot seek to continue in the shops after expiry of lease period. However, since no auction notice is stated to have been issued by the respondent authorities till date and the petitioners are continuing in the subject shops, this Court is of the opinion that the following order would meet the ends of justice:

“It is open for the respondent authorities to issue auction notice and proceed with the auction proceedings. The petitioners are at liberty to participate in the auction proceedings to be conducted by the 3rd respondent. If the petitioners emerge as successful bidders in the auction, they will be continued in the subject shops as tenants on fresh terms to be prescribed by the respondent authorities. In the event the petitioners do not succeed in the auction, they shall vacate the subject shops as and when the auction proceedings are finalized and the 3rd respondent proposes to put the successful bidders in possession thereof. Till such time, the respondent authorities shall allow the petitioners to continue in the subject shops, however, subject to payment of rent, which shall be enhanced by 30%. The petitioners shall clear off all the arrears of rent and shall also file an undertaking before the respondent authorities that they would discharge their obligation of vacating the premises as and when the auction proceedings are finalised, without fail.”

With the above observations and directions, the writ petition is disposed of.
No order as to costs.

As a sequel, pending miscellaneous petitions, if any, shall stand closed.

A. RAJASHEKER REDDY, J

31st March, 2015

IBL

