

HON'BLE SRI JUSTICE A.RAJASHEKER REDDY

WRIT PETITION No.25096 OF 2017

ORDER :

The case of the petitioners is that they are the lessees of shops belonging to the 3rd respondent and their lease period expires by 31.07.2017. While so, the 3rd respondent published a notice dated 02.06.2017 in the newspapers proposing to conduct auction of the leasehold rights of the said shops on 15.06.2017, but, the same was cancelled due to some reasons and the said issue is pending before the 2nd respondent for further instructions. But, the 3rd respondent even before issuance of auction notice issued notices calling upon the petitioners to vacate the leased premises after 31.07.2017. The case of the petitioners is that they want to continue in the said shops as tenants by paying enhanced rent @ 30% on the existing rent and that they also want to participate in the auction which is pending before the 2nd respondent. The grievance of the petitioners is that if they are evicted by virtue of the notice issued by the 3rd respondent, the petitioners' right of continuation as provided under the rules stands frustrated.

Learned counsel for the petitioners submits that the petitioners are willing to participate in the auction; and that if they become successful in the new auction, they will continue the tenancy, otherwise they will vacate the subject shops, immediately.

Learned Standing Counsel for the 3rd respondent submits that the petitioners have no right to continue beyond lease period; that continuation of tenancy on the enhanced rent does not arise; and that as per the new rules when once the tenancy period is over, the

leasehold rights of the said shops have to be granted by way of public auction.

In this case it is to be seen that admittedly petitioners' lease expires by 31.07.2017 and the auction notice issued on 02.06.2017 could not be take place. More so, no rule is brought to my notice by the learned counsel for the petitioners to show that tenancy can be extended on enhanced rent. On the other hand learned Standing Counsel for the respondents submitted that tenancy cannot be extended.

In view of the above petitioner has no right to continue beyond lease period. But, however, since it is stated that as on today no auction was held, the only relief that can be granted to the petitioners is that they can participate in the new auction and they can continue till new auction of the subject shops is finalised by paying the rents in advance for every month. If the petitioners emerged as successful bidders in the new auction they can continue in the said shops, otherwise, the petitioners shall handover the premises to the 3rd respondent immediately after finalisation of the new auction.

Accordingly, 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

28.07.2017
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