

HON'BLE SRI JUSTICE CHALLA KODANDA RAM

WRIT PETITION No.11444 of 2017

ORDER:

The petitioners are lessees of the Shopping Complex belonging to the 2nd respondent – Nagarapanchayat, situated at Lingagiri Road, Huzurnagar Nagarapanchayat, Suryapeta District, in respect of Shop Nos.2 to 15, 18 and 19. They have entered into the lease with the 2nd respondent by way of Agreement in the year 2010, initially for a period of 3 years, and the same has been renewed from time to time till 2016. They have deposited huge amount for construction of shops and have been paying the lease amount regularly. As the lease granted in their favour came to an end by 31.12.2016 and considering the fact that they made huge investments, the petitioners made several representations, latest on 08.02.2017, to the respondent authorities seeking extension of lease. Though they made representations long back, the respondent authorities neither considered for extension of lease nor disposed of the said representations and, on the other hand, the 2nd respondent has issued the impugned notices dated 26.12.2016 and 27.01.2017 directing the petitioners to vacate the leased premises within seven days. Hence, the present writ petition.

2. Learned counsel for the petitioners contends that the petitioners were sought to be evicted from the subject premises by the respondent authorities without disposing of their representations and without considering the fact that they have contributed huge amounts for construction of Shopping Complex.

3. On the other hand, learned Standing Counsel for the 2nd respondent – Nagarapanchayat opposed the relief sought for in the writ petition stating that the alleged deposit made by the petitioners is in terms of the Agreement entered into between the petitioners and the 2nd respondent – Nagarapanchayat and, at any rate, the petitioners had the benefit of getting the leased premises without participating in the tender process and enjoyed the said benefit for a period of six years. He would further contend that as the lease granted in favour of the petitioners expired by 31.12.2016, no indulgence is warranted by this Court.

4. Having regard to the submissions made by learned counsel for the respective parties and considering the fact that the petitioners do not have any vested right to continue in the subject premises beyond the period of lease granted in their favour and there being no material placed before this Court to the effect that it was a condition precedent that the petitioners shall be continued in the leased premises for a fixed period, no interference is called for with the impugned

notices issued by the respondent authorities. However, considering the fact that the petitioners were in possession of the leased premises from 2010 onwards and further considering the fact that the petitioners have contributed huge amount for construction of shopping complex, interest of justice would be met, if the petitioners are permitted to continue in the leased premises till public auction notice is issued and the subject shops are let out through public auction. The petitioners are at liberty to participate in the said public auction being conducted and, if they were emerged as the successful bidders, they may continue in the said premises. The 2nd respondent – Nagarapanchayat shall initiate proceedings for conducting of public auction and complete the bidding process within a period of three months from the date of receipt of a copy of this order. Till such public auction notice is issued and bidding process is completed, there shall be stay of eviction of the petitioners from the subject premises, subject to the condition of the petitioners filing an undertaking before the respondent authorities that in the event of their not succeeding in the said bidding process, they would vacate the subject premises as stipulated by the respondent authorities.

5. Subject to the above directions, this writ petition is disposed of. No order as to costs.

6. Miscellaneous petitions, if any, pending in this writ petition shall stand closed.

JUSTICE CHALLA KODANDA RAM

03.04.2017.

Msr



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