

22.08.2024
Sl. No.6(DL)
srm

W.P.A. No. 21178 of 2024
M/s. Soham Cycle Store & Anr.
Versus
Union of India & Ors.

Mr. Sandipto Bose,
Mr. Chandragupta Kamal

...for the Petitioners.

Mr. Sanajit Kumar Ghosh

...for the Respondents.

1. Affidavit-of-service is taken record.
2. The petitioners are the existing licensee of cycle/scooter/motorbike stand lot No.LKRP-2 at Lakshmikantapur Railway Station by virtue of an agreement dated December 3, 2021.
3. The petitioners are aggrieved by an e-auction held by the respondents. The petitioners contend that the agreement for licence is for a period of three years from August 27, 2021 to August 26, 2024. The petitioners are entitled to a renewal under clause 9(ii) of the agreement. The renewal clause is binding upon the railways and should have been implemented in this case.
4. The petitioners rely on a decision of the Delhi High Court in the matter of M/s. Jai Singh & Co. vs. National Highways

Authority of India and M/s. Dimple Chaudhary vs. National Highways Authority of India (Neutral Citation Number:2023/DHC/000262). According to the petitioners, the Delhi High Court held that terminating the contract midway, without following the terms and conditions of the contract, was arbitrary. According to the petitioners, in the instant case as well, the authority terminated the contract by issuing the notice inviting tender.

5. Learned Advocate for the respondents submit that the inviting e-auction notice was published for the subsequent period, i.e., after expiry of the contract of the petitioners. The petitioners were not to be removed until August 26, 2024. According to the respondents, the petitioners duly participated in the subsequent e-auction and were unsuccessful. Now, the petitioners have come back with the plea that the said process should be cancelled and the petitioners should be allowed to continue.
6. From an order of the Divisional Commercial Manager, Eastern Railway/Sealdah dated August 9, 2024, it appears that the process is complete. The e-auction was conducted on August 7, 2024 and the licence is for a period of three years. The start date of the agreement would be August 27, 2024.

7. It also appears that by a letter dated June 12, 2024, the petitioners were informed that the contract was valid up to August 26, 2024 and the petitioners were under an obligation to peacefully handover railway land to the railway administration without any delay, after the expiry of the contract period. The railways reserved the right to take action against the licensee and cost for the same would be chargeable to the licensee. The railways dues, as detailed in the said letter, for the 4th quarter of the 3rd year amounting to Rs.602/-, was also claimed. The said intimation was received by the petitioner No.2 on June 20, 2024.
8. The decision of the Delhi High Court will not be applicable in this case as this is not a case of premature termination of the agreement which the railways entered into with the petitioners. New term of licence for a further period of three years commences on and from August 27, 2024, i.e., a day after the agreement of the petitioners ends with the railway authorities. Moreover, the petitioners participated in the e-auction and were unsuccessful. The bidding process is complete. The successful bidder has been selected. The records do not reveal that pursuant to the notice issued by the authority, the petitioners had prayed for renewal. It also

appears from several documents that the petitioners were defaulters on many occasions.

9. Under such circumstances, the writ petition is disposed of without any interference. The petitioners shall not be disturbed till August 26, 2024. Thereafter, clause 9(ii) shall be applicable, with regard to handing over the lot to the railways as per the regulations of the railways and as per the communication.
10. There shall be no order as to costs.
11. Parties are directed to act on the basis of the server copy of this order.

(Shampa Sarkar, J.)