

**WRIT APPEAL NO: 1631 of 2017**

Union of India, Ministry of Railways, rep. by General ...Appellant(s)
Manager, S.C.R., Secunderabad and Others

Vs.

Shaik Azad and Others ...Respondent(s)

Advocate for Appellants: Mr.VENNA HEMANTH KUMAR
(CENTRAL GOVERNMENT
COUNSEL)

Advocate for Respondents 1, 3 to 6: Mr.D S SIVADARSHAN

**CORAM : THE CHIEF JUSTICE DHIRAJ SINGH THAKUR
SRI JUSTICE CHALLA GUNARANJAN**

DATE : 27th January, 2026

JUDGMENT: (per Hon'ble Sri Justice Challa Gunaranjan)

This intra-Court appeal is preferred under Clause 15 of the Letters Patent Act, challenging the order, dated 20.12.2016, passed in W.P. No.12362 of 2012. By the aforesaid order, the learned single Judge allowed the writ petition by holding that levy of revised rent at the rate of Rs.1,931/- per day on the writ petitioner to be unsustainable and therefore, has set aside the notice, dated 14.04.2012, and so also letter, dated 03.06.2011.

2. 1st respondent-writ petitioner was a licensed contractor for running catering stall at Platform Nos.5 and 6 of Guntakal Railway Station. An

unused space of 105.73 sq. feet adjacent to said catering stall was allotted, on his request, on 16.12.2010. The said allotment was subject to payment of provisional ground rent of Rs.1,080/- per annum, however, subsequently, to his surprise, letter dated 10.05.2011, came to be served intimating that the rent for additional space has been revised to Rs.1,931/- per day and therefore, he was called upon to pay the differential rent from 16.12.2010 to 10.05.2011 by quantifying it as Rs.2,80,846/-. Immediately, writ petitioner addressed a letter, dated 23.05.2011, informing Senior Divisional Commercial Manager, Railways, that he would vacate and surrender the additional space with effect from 23.05.2011. Despite the same, the writ petitioner was issued another letter, dated 03.06.2011, calling upon him to pay the rent for additional space at the revised rate, totalling to Rs.3,14,524/-. Subsequently, the Railways have issued impugned letter, dated 14.04.2012, deciding to terminate the license granted in favour of writ petitioner for running the catering stall due to default in remittance of aforesaid amounts. Assailing the same, he chose to file the writ petition.

3. A detailed counter-affidavit was filed by the Railways opposing the writ petition. A specific plea was raised that the rent had to be revised on account of change in the policy decision taken by the Board on 18.04.2011, which resulted in revision of the license fee, therefore, imposition of the revised fee of Rs.1,931/- per day was sought to be justified.

4. Learned single Judge, having considered the respective pleas raised by both the writ petitioner and as well as the Railways, has come to conclusion that the policy decision of the Railways to revise the license fee, including the subject rent, since emanated from the Board decision, dated 18.04.2011, the same would have only prospective effect, but not retrospective effect. Learned single Judge has also come to conclusion that inasmuch as the writ petitioner has already expressed his intention to vacate the property on account of enhancement of license fee/rent, he cannot be thrust to continue with the property by paying higher license fee and that too by applying the said enhanced license fee from anterior date.

5. Heard Sri V.Hemanth Kumar, learned Standing Counsel for Central Government, appearing for the appellants-Railways and Sri D.S. Siva Darshan, learned counsel, appearing for the unofficial respondents-writ petitioners.

6. Learned standing counsel appearing for the appellants-Railways contended that the reasoning given by the learned single Judge in allowing the writ petition suffers from severe infirmity in law inasmuch as the appellants were well within their rights to enhance the license fee and the fee that was agreed to be paid initially being provisional in nature, the unofficial respondents-writ petitioners cannot otherwise wriggle out of the

obligation to pay the revised enhanced license fee/rent. Therefore, the order of the learned single Judge requires to be set aside.

7. On the other hand, learned counsel for the unofficial respondents-writ petitioners supported the order of the learned single Judge by contending that inasmuch as the decision to revise the license fee was taken by Railway Board on 18.04.2011, much later to the allotment of unused additional space in favour of 1st respondent-writ petitioner, the enhanced rates could have been applied only prospectively for leases granted thereafter, and not for anterior period. The said legal aspect has been candidly considered by the learned single Judge holding in favour of 1st respondent/writ petitioner, therefore, does not call for any inference.

8. It is not in dispute that the unused space of 105.73 sq. feet adjacent to the existing catering stall of 1st respondent/writ petitioner was allotted to him on 16.12.2010, fixing the ground rent on provisional basis as Rs.1,080/- per annum. The decision of Railway Board enhancing the license fee was taken on 18.04.2011. Only, thereafter, the appellants Railways tried to enhance the license fee of Rs.1,080/- per annum to Rs.1,931/- per day. The initial letter of allotment did not specifically provide for such enhancement. Nonetheless, on 1st respondent having intimated of such license fee, he chose to vacate the premises by addressing letter, dated 23.05.2011. In this background, learned single Judge has

specifically rendered a finding that any enhancement of license fee in pursuance to the Railway Board decision, dated 18.04.2011, would only apply prospectively, but not for anterior period. Further, it has also been held that the allotment letter did not specifically envisage the revision of license fee or ground rent, rather than the provisional ground rent that has fixed as Rs.1,080/- per annum. The reasoning given by learned single Judge, in our opinion, is justified and we are unable to be persuaded with any other view. Therefore, we find no reason to interfere with the order of the learned single Judge.

9. Accordingly, the Writ Appeal stands dismissed. No order as to costs.

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

DHIRAJ SINGH THAKUR, CJ

CHALLA GUNARANJAN, J

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