



Biological E. Limited

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for compliance with the principles of natural justice, the demand notice is issued just in violation and contrary to the provisions of the Act and the principles of Natural Justice. Such unilateral notice is contrary to and in violation of the solemn contract that the parties have entered into. The lease constitutes a private contract between both the parties and as such one party shall not alter and vary the terms of contract in any manner detrimental/adverse to the other party. The escalation effected in Premium and Quit rent is in breach of the terms of the lease in as much as the lessor is not having the right to enhance the premium and quit rent. Though the Act also contained a suitable provision for converting the lease hold rights into free-hold rights, the same is illusory as no company can afford to spend crores of rupees for re-purchasing the plots. Hence the Demand Notice is bad on the face of it and it is contrary to the objects of the legislation as given out in the preamble to the Act 1992 and also in total derogation of the undertaking given by the State Government before the Apex Court in 1995 and the status report submitted before the Court.

That the Government whose object is to protect the tenants and prevent rent being increased and prevent people being ejected, would not itself when it is the landlord, do those very things which it sought to prohibit its people from doing and therefore the underlying assumption of this exemption is that government would not increase the premium and quit rent and would not terminate the leases unless it was absolutely necessary in public interest and unless a particular area is required for a public purpose. The Government shall not be actuated by any profit making motive so as to unduly enhance the premium and quit rent and also terminate the lease as private landlord is or is likely to be. Government shall not act for their own purpose as private landlord do, but must act for public purpose. Every action of the State, must be informed by reason. The statutory power conferred for public purpose is conferred as it were upon trust.