

HON'BLE THE ACTING CHIEF JUSTICE RAMESH RANGANATHAN
AND
HON'BLE SMT. JUSTICE KONGARA VIJAYA LAKSHMI

Writ Appeal No.459 of 2018 and Writ Petition No.7258 of 2018

COMMON JUDGMENT: *(per the Hon'ble The Acting Chief Justice Ramesh Ranganathan)*

Heard Sri B. Mayur Reddy, learned counsel for the appellant, Sri N. Ashok Kumar, learned Standing Counsel for GHMC and -Sri Avinash Desai, learned counsel appearing on behalf of the 1st respondent-Writ Petitioner and, at their request, both the Writ Appeal and the Writ Petition are disposed of by this common order.

The 1st respondent herein filed W.P.No.7258 of 2018 seeking a *mandamus* to declare the action of the Additional Commissioner, GHMC in deciding to invite fresh tenders, vide Memo dated 26.02.2018, for grant of lease of Municipal Land admeasuring 466 sq. yards, Opp. to State Central Library, Afzalgunj, Hyderabad as arbitrary and illegal; and to, consequently, direct the respondents to execute the lease deed, for the subject land, by setting aside the impugned Memo dated 26.02.2018. By the interlocutory order under appeal, the learned Single Judge directed *status-quo* as on the date of the order, with regards cancellation of the earlier highest bid, to be maintained until further orders.

Facts, to the limited extent necessary, are that the subject land was hitherto given on lease to the Appellant-Corporation, for a period of twenty five years, from the year 1982; and was periodically extended, thereafter, till 31.03.2016. The monthly lease rent which the appellant was paying to the GHMC, when the lease came to an end on 31.03.2016, was around Rs.10,000/- per month. A notification was issued on 30.05.2017 inviting bids for

grant of leasehold rights over the subject land for a period of 12 months. A tender cum public auction was held on 30.06.2017, in which the 1st respondent-writ petitioner was declared the highest bidder having offered Rs.3,15,000/- per month as lease rent. The appellant, which had also participated in the tender cum public auction, submitted their bid for a far lesser amount, than that offered by the 1st respondent-writ petitioner. The correspondence placed on record shows that officials of the GHMC had fixed the lease rent at Rs.2,91,250/- on the basis of G.O.Ms.No.82 dated 28.03.2016, calculating the rent at 15% of the current market value of the land. The appellant however, by their letter dated 09.02.2018, requested the GHMC to fix the lease rent at 10% of the current market value of the property. The appellant was not willing to match the highest bid of the first respondent-writ petitioner and it is only later, by their letter dated 09.02.2018, that they offered to pay Rs.3,16,000/- per month with escalation of 11.11% per annum. Soon thereafter, the impugned endorsement dated 26.02.2018 came to be passed, wherein the offer made by the appellant by their letter dated 09.02.2018 has been noted. By the impugned Memo dated 26.02.2018, the Additional Commissioner (Estates), GHMC informed the Zonal Commissioners, South Zone and Central Zone, GHMC that the Deputy Commissioners, Circle Nos.9 and 14 be directed to cancel the old tender in notification dated 30.05.2017, and to conduct fresh tender cum open public auction with respect to the subject land.

It is unnecessary for us to examine the elaborate rival submissions on merits, since Sri B. Mayur Reddy, learned counsel

for the appellant, on instructions from the appellant, undertakes that the appellant would pay arrears of lease rent, at Rs.3,15,000/- per month, from 01.04.2016 (i.e., immediately after their earlier lease came to an end on 31.03.2016) till 15.04.2018 i.e., for a period of two years and 13 days, latest by 20.04.2018; and would request that, on such payment, the respondent GHMC be directed to issue a notification afresh inviting bids for lease of the subject municipal lands, in which both the appellant and the first respondent-writ petitioner could participate along with others, and the highest bidder could be granted lease of the subject lands by the GHMC.

Sri Avinash Desai, learned counsel for the 1st respondent-Writ Petitioner, would express apprehension about the *bona fides* of the appellant, and would request this Court to also consider the possibility of the appellant not paying the said amount, in terms of the undertaken furnished by them today, on or before 20.04.2018.

Suffice it to record that since the order, which we shall now pass, is with the express consent of the appellant, and on the basis of the undertaking furnished by Sri B. Mayur Reddy, learned counsel for the appellant, on instructions from the appellant-Corporation, any violation of the aforesaid undertaking, by the appellant-Corporation, would undoubtedly attract the provisions of the Contempt of Courts Act, and they would violate the undertaking, furnished by them to this Court, at their own peril. In the light of the aforesaid observations, the apprehension expressed by Sri Avinash Desai, learned counsel for the 1st respondent-Writ Petitioner, may not be justified.

On the appellant paying the arrears of the lease amount, of Rs.3,15,000/- per month, to the Commissioner, GHMC from 01.04.2016 to 15.04.2018 by 20.04.2018, the GHMC shall, on or before 30.04.2018, issue a notification afresh inviting fresh bids from eligible tenderers, for lease of the subject municipal lands, fixing the minimum bid, towards lease rent, at Rs.3,15,000/- per month. It is open both to the appellant, and the 1st respondent-Writ Petitioner, to participate in the tender cum auction process. The GHMC shall execute a lease agreement only in favour of the highest bidder in the auction. Irrespective of the result of the auction, the amounts paid by the appellant-Corporation, in terms of the undertaking furnished by them to this Court, shall be appropriated by the GHMC; and the appellant-Corporation shall make no claim for return of the said amount.

With the aforesaid directions, both the Writ Appeal and the Writ Petition are disposed of. No order as to costs. Pending miscellaneous petitions, if any, in the Writ Appeal and in the Writ Petition, shall stand closed.

RAMESH RANGANATHAN, ACJ

KONGARA VIJAYA LAKSHMI, J

Date: 19.03.2018
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62

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Date: 19.03.2018

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