

THE HON'BLE SRI JUSTICE P.NAVEEN RAO

WRIT PETITION No.17737 OF 2017

DATED :21.02.2018

Between :

M/s. Baldia Petrol Supply,
A Proprietary concern, rep., by
Its Prop.Sherfuddin Ahmed Qadri,
S/o.late Shaik Mohiuddin, Occu : Dealer BPCL,
R/o.D.No.15-5-2/12, Osman Shahi Road,
Opp : State Central Library, Afzalgunj,
Hyderabad, Telangana State.

.. Petitioner

And

The State of Telangana,
Rep., by its Principal Secretary,
Municipal Administration Dept.,
Secretariat, Hyderabad, Telangana State & others.

.. Respondents



This court made the following :

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ORDER :

The subject property was leased out to Bharat Petroleum Corporation Limited (BPCL) as early as in the year 1982, renewed from time to time and was in operation till 31.03.2016. In the leased premises petitioner was operating petroleum retail out let on behalf of BPCL. After expiry of lease period, the Greater Hyderabad Municipal Corporation (GHMC) enquired from the BPCL willingness to renew lease. On their disinclination to renew the lease, GHMC has gone ahead in issuing open auction notification on 30.05.2017 calling for tenders from willing public to take the premises on lease. In the tender process, offer of BPCL was Rs.95,000/- and highest lease amount offered was Rs.3,15,000/- by the 5th respondent. After opening the bids, the GHMC sought to know from the BPCL whether it is willing to match the highest bid offer to renew the lease. The BPCL by its letter dated 30.06.2017 rejected the proposal of GHMC to accept the highest bid offer of Rs.3,15,000/-.

2. While that being so, this writ petition is instituted challenging the tender notification.
3. This Court by order dated 19.06.2017 while granting liberty to the respondents to proceed with the auction directed not to finalize the tender process.
4. Praying to vacate the said interim order, the 5th respondent filed I.A.No.01 of 2018.

5. Heard Sri A.Ravinder Reddy, learned counsel for petitioner, learned Government Pleader for 1st respondent, Sri N.Ashok Kumar, learned Standing counsel for 2nd & 3rd respondents-GHMC, Sri B.Mayur Reddy, learned Standing Counsel for the 4th respondent-BPCL, and Sri Avinash Desai, learned counsel for the 5th respondent.

6. On hearing the counsel only issue for consideration is whether the BPCL being the lease holder of premises, which was valid up to 31.03.2016 is entitled to seek renewal of lease at this stage, even though the offer given by the GHMC was earlier rejected?

7. Sri A. Ravinder Reddy, and Sri B.Mayur Reddy contend that leased premises is in their possession and they have been paying lease amount for last more than 35 years and that as the BPCL is now willing to offer the highest bid amount and also to pay rent till date, their request for awarding lease to them should be considered by the GHMC and throwing them out of the subject premises at this stage, would cause lot of hardship and suffering to the petitioner as well as the BPCL.

8. By relying on provision introduced vide G.O.Ms.No.82 dated 28.03.2016, where under, the relevant rules governing lease of municipal premises was amended it is contended that existing lease holder has the first right of accepting the lease amount offered by the highest bidder and same should be granted to the petitioner and BPCL. It is contended that due to some lapse, earlier request of GHMC was rejected, but the issue was reconsidered by BPCL and they have already submitted a letter to the GHMC to grant renewal and the same ought to have been

considered by the GHMC in right perspective instead of seeking to grant lease to highest bidder.

9. *Per contra*, learned Standing counsel Sri N.Ashok Kumar contended that though there was no obligation on GHMC, the GHMC gave opportunity to BPCL for renewal. But they refused to renew. As the lease expired, the GHMC was forced to lock the premises in July, 2016 and having waited for considerable time, the GHMC has gone for fresh tender process. Because of attitude of BPCL, the GHMC lost huge revenue for all this period. He further submits that even after tenders were opened, further offer was given to BPCL. But they refused to match highest bid amount. He therefore, submits that it is not open to BPCL or its licensee i.e., petitioner to nullify the tender process and to award lease in their favour.

10. Learned counsel for the 5th respondent submits that as the lease expired and the lease period is more than 30 years, the BPCL has no right to ask for renewal of lease. The maximum period of lease that can be granted is only 30 years. He further submits that the BPCL offer was far low compared to bid offered by the 5th respondent and even assuming that they have right of seeking renewal by matching highest bid amount that opportunity was also lost by them by refusing to accept proposal of GHMC to match highest bid amount and therefore, it is no more open to them to interdict the process of awarding lease by the GHMC.

11. The facts on record would disclose that lease expired on 31.03.2016 and only after ascertaining from BPCL that they are not in favour of renewing the lease, fresh auction proceedings were initiated.

12. The GHMC is owner of the property and only after expiry of lease granted to the BPCL, they have gone for fresh auction to grant lease. The properties owned by GHMC in prime locations of the city are the major source of revenue for the GHMC. The revenue generated from such properties is spent for civic amenities. Therefore, it is for the GHMC to deal with the properties and to ensure securing higher returns from the properties.

13. It is clear from the material on record that in the tender process the bid amount offered by BPCL is far low as compared to the higher bid amount offered. When the same was pointed out and opportunity was afforded to BPCL, they refused to match the higher bid amount. It is also appropriate to note, as rightly pointed out by learned counsel for the 5th respondent, petitioner did not even participate in bidding process.

14. Thus, the process undertaken by GHMC cannot be said as vitiated amounting to arbitrary exercise of power and authority or the decision to go for fresh tenders is perverse. Awarding contract to highest bidder by open tender process cannot be said as perverse decision or the decision made not in public interest, warranting interference by this Court.

15. Thus, I do not see any merit in the writ petition and the Writ Petition is accordingly dismissed. There shall be no order as to costs. All miscellaneous petitions pending in this writ petition shall stand closed.

P.NAVEEN RAO,J

21st February, 2018
Rds