

THE HON'BLE SRI JUSTICE P.NAVEEN RAO

WRIT PETITION No.44679 OF 2018

DATED :13.12.2018

Between :

K. Rama Krishna Rao S/o.Venkateswara Rao,
Hindu, Aged about 53 yrs, Contractor,
R/o.D.No.1-298, High School Road,
Vuyyuru, Krishna District.

..

Petitioner

And

The Andhra Pradesh State Road Transport Corporation,
Rep., by its Managing Director,
Pandit Nehru Bus Complex,
Vijayawada, Krishna District & another.

...

Respondents



This court made the following :

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ORDER :

Heard learned counsel for the petitioner and Sri P. Durga Prasad, learned Standing counsel for APSRTC for the respondents.

2. Petitioner was awarded contract work of Moping, glass cleaning, cleaning of mud and dust under the chasis, washing and parking of RTC vehicles, in the 2nd respondent depot at Machilipatnam in respect of Pallevelugu and Delux buses. The contract initially granted was for three years commencing from 01.02.2015 to 31.01.2018. This was renewed for further period of two years and valid till 31.01.2020. During the subsistence of contract, on 28.11.2018 the impugned notice was served on the petitioner terminating the contract by giving one month notice. On 29.11.2018 a tender notification was issued calling for fresh tenders. Alleging that the termination is illegal, this writ petition is filed.

3. In the counter affidavit filed on behalf of the respondent-Corporation, the only stand taken is that there are two different contractors operating in the same bus depot and doing the same work. But decision was taken to integrate the work and award contract to only one person to undertake the job for all categories of buses. It appears the contract with reference to other buses is going to expire on 31.01.2019.

4. It is not in dispute that two different contracts were awarded to two different persons dealing with different categories. The contract awarded to other category is valid till

31.01.2019, whereas, as per the extension of contract, the contract of petitioner is valid till 31.01.2020.

5. Heavy reliance is placed on Clause (7) of the terms of agreement. According to clause (7) the contract can be terminable with one month notice by either party after completion of one year period. On renewal of contract, the new contract is in operation from 01.02.2018. *Per se*, this clause may not be attracted. Even otherwise, though it is permissible to terminate the contract, the reasons assigned for termination should be germane to exercise such power. The reason assigned for termination is that they want to entrust a comprehensive contract to deal with all buses. The order of termination does not attribute any mis-conduct on the contractor, in order to resort to such termination. Invoking the said clause in the facts of this case, amounts to arbitrary exercise of power and authority and the same is not sustainable.

6. Having granted renewal, and having satisfied with the performance of the petitioner, on the ground that a decision is now taken to integrate the entire activity and to award consolidated contract to a single contractor, is not valid to terminate the contract midway through the 2nd term.

7. Having regard to the above, the tender notification is set aside. The Writ Petition is allowed. Petitioner contract shall be continued until he completes the term subject of course petitioner complying with all the required terms of contract and does not invite any disqualification. However, this order does not preclude the respondent-Corporation to call for fresh tenders

with reference to any other work other than the work entrusted to petitioner. Pending miscellaneous petitions shall stand closed.

13th December, 2018
Rds

P.NAVEEN RAO,J

