

Item No. – 1
29.01.2025
Rohan
Court No. 8

**In the High Court at Calcutta
Civil Appellate Jurisdiction
Appellate Side**

**MAT 127 OF 2025
with
IA No.: CAN 1 OF 2025**

**Abdul Haque Laskar
Versus
Union of India & Ors.**

**Mr. Saptarshi Roy,
Ms. Gargi Roy,
Ms. Salma Sultana Shah**

... for the Appellant

**Mr. Ganga Prasad Mukherjee,
Mr. Subrata Santra**

... for the UOI

1. Though the contract between the parties has run the full tenure yet, the licensee intended to continue with the contract either in the garb of an extension or renewal. The rights of the parties emanates from a written contract containing various clauses including the tenure for which it would remain binding upon them. The moment the tenure has expired by efflux of time, it put an end to contractual obligations of the parties thereto except for a limited purpose, more particularly in the event of any dispute having arisen during the life span of the contract, it would still be regarded as a contract for redressal of the dispute through the mechanism provided therein. The contract can still be enforced in the event it contains a clause relating to renewal or extension, as the case may be, provided the conditions enshrined therein are satisfied.

2. Admittedly, the agreement for license to operate cycle-motorcycle-scooter stand at Lakshmikantapur Railway Station contained a renewal clause with an option to the licensee but such decision to renew the agreement is agreed to be at the sole discretion of the licensor, i.e., the Railway authorities.
3. There is a distinction between a right to exercise of such option and the discretion of the authority to grant renewal which cannot be blurred. Once the right to option is duly exercised, it is a duty of the licensor to see whether it would renew the contract or not. It is at the sole discretion of the licensor in this regard and does not create any legally enforceable right in favour of the licensee that once the option is exercised, the renewal is automatic or enforceable. The moment the renewal is dependent upon a discretion of the licensor and such discretion having being exercised, it is not open to the licensee to challenge the same unless it is successfully proved by cogent evidence that such decision is tainted by malice, irrelevant factors, against the settled parameters of law, irrational and above all does not stand the test of reasonability. The Court should not interfere with the discretion exercised by the authority under the said contract unless the parameters as set forth therein are imminently and evidently proved by a cogent piece of evidence.
4. Though in the representation of the appellant, the prayer for renewal of a license was made at an enhanced rate of license fees, but it has taken a diametrically opposite turn when the invocation of right is founded upon the policy guidelines framed by the Railway Board providing an extension of the tenure on certain contingencies. At the very outset, we must record that the litigant should not be permitted to varicate his stand at the different stages and must

approach the Court with a clean hand on the right which it claimed before the authorities.

5. Be that as it may, in an earlier round of litigation, the writ petition was disposed of directing the authorities to take a conscious decision on such representation made by the appellant. The authorities have rejected such prayer but interestingly quoting one paragraph of the policy guidelines framed by the Railway Board, which in our opinion, was unwarranted. Such reference of the clauses of the policy guidelines gave an impetus to the appellant to approach the writ Court claiming a right of extension at an enhanced rate of license fee on the score that the exigencies and/or contingencies is stipulated therein unless disclosed by the authorities leads to an inescapable conclusion that the right of extension is automatic. Paragraph 7 of the said guidelines postulates for extension of the existing contract period as an exceptional case, which is also defined in the said paragraph as contingencies in this regard.
6. Without venturing to delve upon as to whether the said policy guidelines have a statutory flavor or not, meaning thereby creating a right into a third party to legally enforce the same, we proceed to decide the matter whether the rights emanating therefrom, has been infringed and/or violated. Admittedly, the period of license expired on 23rd January, 2025 after it has successfully run its tenure. Application was made as indicated hereinabove for renewal but the writ petition was filed seeking the extension of the period obviously under the aforesaid paragraph. The said paragraph is quoted herein:

“Para 7. Extension of contract

Extension of existing contract period should be avoided by the proper advance planning. However, in unavoidable and exceptional circumstances, for ensuring uninterrupted services of parking to the passenger at station, subject to willingness of a contractor, extension to the existing contract period may be considered for a period of maximum 06 (six) months with a provision of 10% hike in the license fee for extended period on pro rata basis with divisional finance concurrence and approval of DRM. such exception circumstances include:

(i) Open Tender floated in advance but could not be finalized due to unavoidable administrative circumstances.

(ii) Open Tender floated in advance but could not be finalized due to poor response.

(iii) Subsequent quotations could not be obtained due to poor response.”

7. The first sentence of the said paragraph conveys a laudable intention of the framers of the policy guidelines that the extension of the existing contract should be avoided if a proper advance planning is undertaken by the respective Railway authorities. However, exceptions were carved out therefrom, in unavoidable and exceptional circumstances, with an avowed object of ensuring seamless services or parking to various passengers at the said railway station and the extension to the existing contract may be considered for a period not exceeding six months from the date of the expiration thereof with a hike of the license fee by 10 percent provided the contractor/licensee agrees to the same. The exceptional circumstances have been qualified by using the word ‘include’ which gives the same an expanded

meaning, but at the same time restrict the consideration to such contingencies, if found to be true.

8. Admittedly, the tender for the said parking site has already been floated by the respective Railway zone much prior to the expiration of the existing contract with the appellant. The stand of the parties does not reveal that the tender so floated have been finalized, meaning thereby that the contract has already been awarded to a third party.
9. Be that as it may, since the tender has already been floated prior to expiry of the period of the license as an advance planning contemplated under the said paragraph, it cannot be said to be a situation which is beyond the control of the authorities in discharge of their administrative functions. No case is made out that the said open-tender floated received a poor response or could not be finalized because of unavoidable administrative circumstances. The Railway authorities are still in the process of finalizing the said tender process and upon entering into a further agreement and, therefore, we do not find that the contingencies contemplated in the said paragraph can be of any assistance or come to the aid of the appellant. Above all, the authorities have decided neither to renew the contract nor extend the same beyond the stipulated time and, therefore, we do not find any illegality and/or infirmity in the said decision.
10. Since the Single Bench dismissed the writ petition being devoid of merit, we do not find any justification warranting interference with the same.
11. The appeal being MAT 127 of 2025 is dismissed.
12. Connected application, if any, is also disposed of.

13. No order as to cost.

14. Urgent certified copy of this order, if applied for, be given to the parties within three days upon compliance with all requisite formalities.

(HARISH TANDON, J.)

(HIRANMAY BHATTACHARYYA, J.)