

IN THE HIGH COURT OF ANDHRA PRADESH AT AMARAVATI

THURSDAY, THE NINETH DAY OF APRIL

TWO THOUSAND AND TWENTY SIX

:PRESENT:

HONOURABLE SRI DHIRAJ SINGH THAKUR, THE CHIEF JUSTICE

AND

THE HONOURABLE SRI JUSTICE R RAGHUNANDAN RAO

WRIT APPEAL NO: 410 OF 2026



(Writ Appeal under clause 15 of the Letter Patent is filed being aggrieved by the Order dated 24.02.2026 made in W.P.No.28747 of 2025)

Between:

1. M/s VRED EXIM, Rep., by its Proprietor K.Vivek Reddy, Having office D.No.35-3-69-371(c), Bhagyanagar, 4th Lane, Near Revenue Ward No.26, Dharavari Thotha, Ongole, Prakasam District, rep., by its Proprietor P.Vivek Reddy.
2. P.Vivek Reddy, S/o.P.Vijaya Kumar Reddy, Aged about 30 years, Occ Proprietor, M/s.VRED EXIM, Having office D.No.35-3-69-371(c), Bhagyanagar, 4th Lane, Near Revenue Ward No.26, Dharavari Thotha, Ongole, Prakasam District.

...Petitioners/Appellants

AND

1. The State of Andhra Pradesh, rep., by its Principal Secretary, Department of Transport, Secretariat Buildings, Velagapudi, Amaravati.
2. The Transport Commissioner, The State of Andhra Pradesh, Arrival Block, Pandit Nehru Bus Station, Vijayawada.
3. The Additional Transport Commissioner, The State of Andhra Pradesh, Arrival Block, Pandit Nehru Bus Station, Vijayawada.
4. M/s.Vasi Reddy Acqa Farm, Rep., by its Proprietor Vasi Reddy Vandana, W/o. Ramaiah, Aged about 30 years, R/o.I24

Venkanapalem Village, Manunolu Mandal S.P.S.R Nellore District,
also having office at D.No.22, Sri Satya Ice Factory, Oragalli Cross
Road, Chillakur, SPSR Nellore District.

...Respondents/Respondents

IA No. 2 OF 2026

Petition under Section 151 of CPC is filed praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to suspend the operation of the Order, dated 24.02.2026 in W.P.No.28747 of 2025, Pending disposal of WA No. 410 of 2026, on the file of the High Court.

IA No. 3 OF 2026

Petition under Section 151 of CPC is filed praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to direct the respondents to stop the construction of the Automated Testing Station of Bapatla District at Sy.No.810, Yazali Village, Karlapalem Mandal, Bapatla District, by suspending the operation of the Preliminary Registration Certificate No.18021/25/2024/RSC, Pending disposal of WA No. 410 of 2026, on the file of the High Court.

The Appeal coming on for hearing, upon perusing the Petition and the affidavit filed in support thereof and upon hearing the arguments of SRI B.ABHAY SIDDHANTH MOOTHA Advocate for the Petitioners, and of GP FOR TRANSPORT, for the Respondent Nos.1 to 3, and of Sri Mulla Sohail Shareef, Advocate for the Respondent No.4, the Court made the following

ORDER:

The present Writ Appeal, under Clause 15 of the Letters Patent, has been preferred against the judgment and order, dated 24.02.2026, passed in W.P.No.28747 of 2025. By virtue of the judgment and order impugned, the writ petition filed by the petitioner/appellant herein, challenging the decision of the official respondents to permit the private respondent No.4 to establish the Automated Testing Station in Bapatla District, was dismissed.

2. The case set up by the petitioners was that, in the bid document, the relevant clause envisaged the successful bidder to enter in a lease agreement within thirty days from the Award of the contract, failing which the Award would get cancelled automatically. In this case, it is stated that the private respondent No.4 came to be declared as H1, whereas the appellant herein was declared as H2.

3. It is stated that the contract was awarded on 16.04.2025 and that, despite the mandatory clause, the private respondent No.4 did not enter into a lease agreement with the owner of the proposed site, which was located in Karlapalem Mandal, Bapatla District. Contrary to that, it was stated that the private respondent No.4 changed the location and offered Yazali Village at Karlapalem Mandal, Bapatla District.

4. According to Clause 5(c), falling under 'Section 4 – Scope of Work, the site offered ought not to have been at a place which was beyond the radius of 30 kms from the District Magistrate Office. In the instant case, it is not denied that the alternate site, which was offered by the successful bidder/private respondent No.4, was within the prescribed distance.

5. It is, in that backdrop, that the learned counsel for the appellant set up a case that failure to execute a lease agreement by the successful bidder within a prescribed 30 days' time, as was clearly envisaged in bid document, would have automatically



cancelled the Award of the contract and, therefore, in the normal circumstances, the official respondents ought to have awarded the contract to the petitioner/appellant herein in terms of Clauses (g) and (h) falling under Section 3, which reads as under:

"(g) As soon as the Bid is accepted by the Competent Authority, its written intimation duly signed by Procuring Authority with seal in the form of Letter of Intent (LOI) shall be sent to the Successful Bidder by email by Procuring Authority and Successful Bidder will submit an application to the Transport Commissioner within 15 days for the initial registration certificate on the National Single Window System (NSWS) portal as per the procedure prescribed in the Central Motor Vehicles Rules, 1989.

(h) If the Bidder, whose Bid has been accepted, fails to submit an application on NSWS Portal within 15 days from the date of issuance of Letter of Intent (LOI) as per the procedure prescribed in this RFP, the Competent Authority will cancel the LOI of H-1 and will issue LOI afresh for H-2 with the condition that if the percentage of Transport Department's share quoted by "H-2" in the financial proposal is less than the percentage quoted by "H-1", then he has to give written consent to the payment of revenue share to the Transport Department equal to the percentage of share quoted by the "H-1" applicant within 7 days from the date of issue of LOI. On submission of written consent through mail by "H-2", it will have to submit application on NSWS portal within 15 days from the date of issue of LOI."

6. We, however, are unable to convince ourselves on the argument that failure on the part of the successful bidder after the Award of the contract to enter into a lease agreement in regard to the parcel of land offered for establishing the unit, the contract would get awarded to H2, in this case, the petitioner/appellant herein, in terms of Clause (h), inasmuch as Section 3(h) dealing with 'Acceptance of the Successful Bid and Award of LOI' pertains to a case where there is a failure to submit an application to the

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Transport Commissioner within 15 days for initial registration certificate on the National Single Window System (NSWS) portal as per the procedure prescribed in the Central Motor Vehicles Rules, 1989.

7. There is no other clause to which our attention could be drawn to establish that failure on the part of the successful bidder to enter into a lease agreement would automatically lead to Award of the contract in favour of H2 and that such a condition would be invoked only upon failure on the part of the successful bidder to apply for initial registration in terms of Section 3(g) only.

8. We have gone through the judgment and order impugned where the learned single Judge has placed reliance upon *M/s. Master Marine Services Pvt. Ltd. Vs. Metcalfe & Hodgkinson Pvt. Ltd. and another*¹ whereby the Apex Court has held that even when some defect is found in the decision making process, the Court must exercise its discretionary powers under Article 226 with great caution and should exercise it only in furtherance of public interest and not merely on the making out of a legal point.

9. In the present case, we find that although there was a condition which has been relied upon heavily by the learned counsel for the appellant that the Award of the contract would automatically come to an end, yet the fundamental requirement of location of the automated testing station had been fulfilled by the successful bidder, inasmuch as it was located within 30 kms from the District Magistrate Office.

10. We have also gone through the stand taken by the official respondents in which before permitting the change of location, the site in question was inspected and it was found that the second



¹ (2005) 6 SCC 138

location which was offered was closure to the Office of the District Magistrate.

11. Be that as it may, we do not find any prima facie case for staying the operation of the judgment and order impugned in the present case at this stage, or, for that matter, restraining the respondents from continuing, for the time being, with the business of testing for which the contract stood allotted.

12. The direction with regard to imposition of costs of Rs.25,000/- by the learned single Judge, however, is stayed.

13. Admit.

14. List the matter for hearing on 02.07.2026.

Sd/-Sk.Md.Rafi
DEPUTY REGISTRAR

//TRUE COPY//

SECTION OFFICER

To,

1. The Principal Secretary, Department of Transport, State of Andhra Pradesh, Secretariat Buildings, Velagapudi, Amaravati. (by Special Messenger)
2. The Transport Commissioner, The State of Andhra Pradesh, Arrival Block, Pandit Nehru Bus Station, Vijayawada.
3. The Additional Transport Commissioner, The State of Andhra Pradesh, Arrival Block, Pandit Nehru Bus Station, Vijayawada.
4. The Proprietor Vasi Reddy Vandana, W/o. Ramaiah, Aged about 30 years, M/s.Vasi Reddy Acqa Farm, R/o.124 Venkanapalem Village, Manunolu Mandal S.P.S.R Nellore District, also having office at D.No.22, Sri Satya Ice Factory, Oragalli Cross Road, Chillakur, SPSR Nellore District. (Addressees 2 to 4 by RPAD)
5. One CC to SRI. B.ABHAY SIDDHANTH MOOTHA Advocate [OPUC]

6. Two CCs to GP FOR TRANSPORT , High Court of Andhra Pradesh. [OUT]

7. One CC to Sri Mulla Sohail Shareef, Advocate [OPUC]

8. Two spare copies

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HIGH COURT

**HC,J
&
RRR,J**

DATED:09/04/2026

NOTE: List the matter for hearing on 02.07.2026.

ORDER

WA.No.410 of 2026

INTERIM STAY

