

THE HON'BLE SRI JUSTICE CHALLA KODANDA RAM

WRIT PETITION No.25496 of 2017

Date : 01-08-2017

Between:

G. Radha and others.

... Petitioners.

And

Union of India,
Ministry of Petroleum and Natural Gas,
Shastri Bhavan, New Delhi,
Rep by its Secretary and others.

... Respondents



THE HON'BLE SRI JUSTICE CHALLA KODANDA RAM**WRIT PETITION No.25496 of 2017****ORDER:**

Petitioners' claim is that they are Registered Oil Dealers. Pursuant to the expression of interest called for transportation of the oil, petitioners agreed to transport the goods like oil etc., as per the lowest rate that was obtained pursuant to a tender called for by the respondent oil corporation. It is not in dispute that one of the tenderers, who participated in the tender, who is a regular transporter and not an oil dealer, has offered Rs.2.398 P.S and 2.273 P.S as against the earlier prevailing rates at the rate of 2.77 per KM/KL. It is a case of the petitioners that the rates offered by the regular transporter is unworkable rate and the same is not in conformity with the inflationary trends, which are prevailing in the market and that there is no way that petitioners would be able to survive with the rates, which are offered by a regular transporters. In those circumstances, it is the contention of the petitioners that there is an element of arbitrariness in arriving at the rates fixed by the oil corporation. Hence the writ petition.

2. Learned counsel appearing for the respondent-corporation submits that petitioners have a choice of entering into a contract and transporting the oil. At any rate, all of the petitioners had agreed to accept the rate that was obtained in the process and had in fact responded by offering under the expression of interest process.

3. In those circumstances, the rate that was obtained by the respondent-corporation in the bidding process was offered to the petitioners and in those circumstances, they cannot be found fault in any manner and there is no arbitrariness.

4. Having considered the respective submissions, this Court is inclined to accept the argument of the learned counsel for the respondents. Basically, the issue is in the realm of contracts. Petitioners belong to one class of contractors apart from being transporters, they are also dealers, who own the petrol pumps engaged in dispensing with the oil products in retail. The persons who had offered the lower rates even as per the petitioners are the individual tanker owners who have quoted the price as workable to them. Whether to choose the rate offered by the transporters or continue to avail the services of the oil dealers who also have the facility to transport the oil products is within the exclusive discretion and the right of the corporation. Further at what rates such award of contract can be given is within the exclusive right of the respondent-corporation. In a given case, if the respondent-corporation finds that the transporters, who had offered the rate i.e., offered by the transporters, is so low that it would be unworkable for them eventually they would not execute the work. The respondent-corporation to protect its own business interest may reconsider and may rework out the rate. The same would depend entirely on market dynamics. As the respondent-corporation also being engaged in the business of production and marketing of the oil, they would be entitled to take the decision depending up on the market conditions.

5. In those circumstances, this Court cannot direct any particular rate to be given to the petitioners. However, it is open for the petitioners to file a detailed representation to the corporation which shall be considered by respondents.

6. Subject to the above observation, writ petition is dismissed.

7. As a sequel, miscellaneous petitions as if any pending in this writ petition, shall stand dismissed.

JUSTICE CHALLA KODANDA RAM

Date: 01-08-2017.

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