

THE HON'BLE SRI JUSTICE CHALLA KODANDA RAM

WRIT PETITION No.24131 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 nowhere that petitioners would be able to survive with the rates, which are offered by a regular transporters. But, 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, which was offered to the petitioners. 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, it 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 I Class 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, the 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 domain 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 low that it would be unworkable for them. The respondent-corporation to protect its own business interest may reconsider and may rework out the rate. The same would define 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, considering the fact that the rate offered by the corporation in relation to the previous years rate being much lower, the respondent-corporation by taking into consideration of the grievance of the petitioners before taking a decision as to whether to accept the suggestions made by them.

6. Subject to the above observation, the writ petition is disposed of and the petitioners shall be at liberty to make a representation to the respondent authorities, which shall be considered.

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

JUSTICE CHALLA KODANDA RAM

Date: 04-08-2017.

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