

IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

Civil Writ Petition No. 6142 of 2018 (O&M)
Date of Decision: 19th April, 2018

M/s Hindustan Enterprises

.....Petitioner

versus

Punjab State Power Corporation Ltd. and others

...Respondents

CORAM: HON'BLE MR. JUSTICE S.J.VAZIFDAR, CHIEF JUSTICE
HON'BLE MR. JUSTICE AVNEESH JHINGAN, JUDGE

Present: Mr. Anupam Bhardwaj, Advocate, for the petitioner.

Mr. Sehaj Bir Singh, Advocate, for the respondents.

S.J.VAZIFDAR, CHIEF JUSTICE

The petitioner has challenged the respondents' refusal to extend the transportation contract entered into between the parties. The respondents had invited tenders for transportation of cables and stacking of material by 9 MT Trucks and 6 MT Trucks. Different rates for each of the categories of the trucks were quoted. The clause relating to the extension reads as under:-

“OTHER IMPORTANT INSTRUCTIONS

1 to 7

8. The contract will be valid for two years and it may be extended for further two (1+1) years on the basis of performance of the contractor.”

(emphasis supplied).

2. The respondents are not bound to extend the contract. This is clear from the word ‘may’. There is no warrant for reading word ‘may’ as ‘shall’. We do not find the respondents’ decision not to extend the contract to be irrational, unfair or illegal.

3. In the affidavit reply, the respondents have tabulated the rates quoted for 6MT and 9 MT trucks by the other bidders as well. The bids of two bidders for each category are lower than the petitioner's bid. This itself would entitle the respondents to refuse to extend the contract instead to invite fresh bids.

4. The learned counsel for the petitioner, however, contended that the respondents have extended the contract for the other contracts despite the fact that the bids of some of the other contractors are higher than the bids of other contractors. We will assume that this is an arbitrary exercise of power by the official respondents. Indeed the higher authorities of the official respondents ought to have examined this aspect. However, even assuming it is established that the award of the contract to the other bidders was unfair, that would not entitle the petitioner to an extension of his contract.

5. The respondents, however, stated that their decision does not rest on one ground alone. There have been differences of opinion between the Directors of the petitioners and the respondents. We do not wish to express any view regarding the same. What is important, however, is that the respondents alleged that the petitioners have violated the following clause-5(d) of the Notice Inviting Tenders, which reads as under:-

“5. PAYMENTS:-

(a) to (c)

(d) Owner/contractor will be responsible for complying with all rules and regulations under factories Act, Industrial Dispute Act, EPF Act, Labour Act, Bonus Act and Workmen Compensation Act and other relevant Acts.”

The respondents contend that the petitioner failed to comply with the obligations under the Act. The respondents have referred to several letters and reminders in this regard.

6. In the circumstances, the petition is dismissed. We do not express any views as to the legality of the extension of contracts of other bidders. That is a matter which the higher authorities of the respondents must look into.

(S.J. VAZIFDAR)
CHIEF JUSTICE

19th April, 2018
ravinder

(AVNEESH JHINGAN)
JUDGE

Whether speaking/reasoned
Whether Reportable:

√ Yes/No
Yes/No√