11.02.2022.
Court No.13
Item No. 36
ap

W.P.A. No. 1091 of 2022
(Through Video Conference)

M/s. CIPEL & Ors.
Versus
Union of India & Ors.

Mr. Y. Balaji,
Mr. Manoj Kumar Singh.
...For the petitioners.

Mr. Susanta Kumar Gangopadhyay.
...For the UOI.

Mr. Amit Kumar Nag.
...For the respondent nos.2 & 3.

Affidavit-of-service filed in Court today be taken on record.

The writ petitioners are aggrieved by the termination letter dated 4th January, 2022 passed by the Indian Oil Corporation.

By a letter dated 6th November, 2018 the petitioners were awarded tender for construction of plant and non-plant buildings and allied facilities including roads, drains, culverts and gates at LPG Bottling plant at Kharagpur, West Bengal.

Counsel for the petitioners submits that by reason of a letter of termination as many as 100-200 workers of the petitioners remain unpaid and would be rendered jobless. It is further submitted that the petitioners have completed 60% of the work under the contract and could not complete the balance amount despite two extensions for the ongoing COVID Pandemic.

Reliance in this regard is placed on a decision of the Hon'ble Supreme Court of India in the case of ***UMC Technology (P) Limited – Vs. – Food Corporation of India Limited & Ors.*** reported in ***2012(2) Supreme Court Cases 551***.

Counsel for the Indian Oil Corporation has questioned the jurisdiction of this Court to entertain the dispute under Article 226 of the Constitution.

This Court has carefully heard the Counsel for the parties at length. This Court notices that the letter of termination dated 4th January, 2022, is the final order passed after considering a reply to a show-cause issued by the Indian Oil Corporation. Answering each ground raised by the petitioners, the impugned order of 19 pages was passed terminating the contract.

This Court, therefore, is of the view that the petitioners have been afforded a fair hearing and cannot complain of any violation thereof.

The argument of the petitioners that it has completed 60% of the work and could not complete the balance for non-payment of dues from 2020 cannot be decided by the Writ Court under Article 226 of the Constitution of India.

There are large numbers of disputed questions of fact that would be involved here and there are not admitted or crystallized dues.

The decision of ***UMC Technology (P) Limited*** (supra) cited by the petitioners was in the context of a blacklisting order after termination of service contract. The blacklisting order was found to have been issued in gross violation of the principles of natural justice. The said decision, therefore, would have no application in the facts of the present case.

For the reasons, inter alia, discussed hereinabove, the instant writ petition must fail and is hereby dismissed.

It is made clear that the remedy of the petitioners against the respondents, on the subject matter of the instant petition, and particularly the letter of termination dated 4th January, 2022 shall remain open for being agitated before an appropriate Civil forum.

There will be no order as to costs.

All parties are directed to act on a server copy of this order duly downloaded from the official website of this Court.

(*Rajasekhar Mantha, J.*)