



W.P.(MD) Nos.13429 to 13434 of 2021

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 14.06.2023

CORAM:

THE HONOURABLE MS.JUSTICE P.T.ASHA

W.P.(MD) Nos.13429 to 13434 of 2021

and

W.M.P.(MD) Nos.10377, 10379 and 10380 to 10383 of 2021

W.P.(MD) No.13429 of 2021:

M/s.Sri Lakshmi Transport Service,
Rep., by its Managing Partner,
K.Kavitha,
No.1/34, Nadu Theru,
Tho. Jedarpalayam, Namagiripet Via,
Rasipuram Taluk-637 406,
Namakkal District.

.. Petitioner

Vs.

- 1.The General Manager (LPG/OPS)/TNSO,
Indian Oil Corporation Limited,
8th Level, Indian Oil Bhavan,
No.139, Uttamar Gandhi Salai,
Nungambakkam High Road,
Chennai-600 034.
- 2.The Deputy General Manager (Contract Cell),
Indian Oil Corporation Limited,
(Marketing Division),
Southern Regional Office,
8th Level, Indian Oil Bhavan,



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No.139, Uttamar Gandhi Salai,
Nungambakkam High Road,
Chennai-600 034.

3.The Senior Plant Manager,
Indian Oil Corporation Limited,
Tirunelveli Bottling Plant,
SIPCOT, Gangaikondan,
Tirunelveli-627 352.

.. Respondents

Prayer :- Petition filed under Article 226 of the Constitution of India, praying for issuance of Writ of Mandamus, directing the respondents herein to extend the time and allow the petitioner to execute the agreement and place the trucks for operation as per Letter of Acceptance (LOA) issued in SRCC/PT/077/TNSC/2019-20 dated 16.03.2020 by accepting the security declaration instead of security deposit and consequently refrain from cancelling the Letter of acceptance (LOA) or blacklisting the Trucks bearing Registration Nos.TN 30 BP 6484, KA51 AC 6072, KA51 AC 6069, KA51 AC6083, KA01 AK9398 and KA51 AC6061.

In all W.Ps.

For Petitioner : Mr.K.Saravanan

For Respondents : Mr.K.Muraleedharan
Standing Counsel



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COMMON ORDER

The above writ petitions are filed for a Mandamus directing the respondents herein to extend the time and allow the petitioners to execute the agreement and place the trucks for operation as per Letter of Acceptance (LoA) issued in SRCC/PT/077/TNSC/2019-20 dated 16.03.2020 by accepting the security declaration instead of security deposit and consequently, refrain from cancelling the Letter of acceptance (LOA) or blacklisting the petition mentioned Trucks.

2. The facts are set out briefly hereinbelow:

The petitioners herein had participated in the tender floated by the second respondent for transportation of LPG cylinder in vertical position on unit rate basis Ex Tirunelveli LPG Bottling Plant. The contract period was initially for a period of three years, which is further extendable for an over two years. As per the terms of the tender notification, contract period was to start with effect from the finalisation of the tender.



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3. It is the case of the petitioners that they had participated in the tender and had been declared successful bidders. By proceedings dated 16.03.2020, the second respondent issued Letter of Acceptance (LoA) for the petition mentioned trucks.

4. It is the further case of the petitioners that as per the LoA, it is clearly mentioned that the same was only an offer and was not a demand to award the work order and the offer was subject to withdrawal on the sole discretion of the Corporation. The terms of the LoA stipulate that the petitioners should execute an agreement, furnish security deposit and place the trucks on the third respondent's plant.

5. It is the further case of the petitioners that all the petition mentioned trucks were already under a contract with the respondent-Corporation in other bottling plants and three trucks had been redirected to the third respondent's Tirunelveli plant. It is the further case of the petitioners that there were certain glitches for making available the trucks at the disposal of the respondent-Corporation. That apart, immediately



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after the issuance of the LoA, the Government had introduced the conversion of BS VI engines throughout the country. Since it was a sudden announcement, manufacturing companies were not in a position to switch over to BS VI engine as a result of which delivery of the truck chassis got delayed. Secondly, the Covid-19 pandemic had struck resulting in a national lockdown. The petitioners would submit that they had approached the Bank for issuance of Bank Guarantee to be furnished to the respondent-Corporation towards security deposit in keeping with the tender conditions. By letter on the very same date, the Bank had informed the petitioners that they were unable to process the request on account of the non-availability of staffs in the central office. This factum was reported to the second respondent *vide* petitioner's letter dated 24.03.2020. Thereafter, the petitioners got the Bank Guarantee and by letter dated 18.04.2020, they had informed the first respondent that the truck manufacturing units were not in operation due to lockdown and only after the service operations were resumed, they would be able to call upon the manufacturers to supply the vehicles at the earliest.



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6. Despite being fully aware about these factors, the first respondent had issued a show cause notice on 24.07.2020 highlighting the fact that the petitioners have not complied with the terms of the LoA and seeking an explanation as to why the security deposit submitted by the petitioners could not be forfeited, why the trucks cannot be blacklisted apart from the security deposit being forfeited. Immediately on receiving the show cause notice, the petitioner in W.P.(MD) No.13429 of 2021 had submitted Bank guarantee for a sum of Rs.7,50,000/- and demand draft for a sum of Rs.2,50,000/- towards security deposit. The first respondent had also informed the said petitioner under cover of his letter that two vehicles were placed at the third respondent's premises and waiting for loading. The petitioners had also followed with a letter dated 04.10.2020 stating that they were going through a heavy financial crisis and are not in a position to pay the Equated Monthly Instalments for the existing trucks and therefore, suggested that they would make available the vehicles as and when requested. Thereafter, they have moved this Court by filing these writ petitions.



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7. Admittedly, the petitioners have not complied with the terms of the LoA even after the Covid lockdown had been lifted. Further, it is only a show cause notice that has been issued for which no explanation had been given to date. The petitioners by filing these writ petitions had effectively prevented the respondents from issuing a fresh tender. Therefore, I see no reason to pass the mandamus, since the petitioners admittedly are unable to adhere to the terms of the LoA.

8. In the result, these writ petitions are dismissed as also the connected miscellaneous petitions without costs. It is however, open to the petitioners to submit their response to the show cause notices, if so advised and on such explanation being offered, the respondents shall consider the same and pass orders. This does not preclude the respondents from calling for a fresh tender.

14.06.2023

NCC : Yes/No

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P.T.ASHA, J.

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