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\* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ **W.P.(C) 16757/2023, CM APPL. 67490-67491/2023, CM APPL. 131/2024 & CM APPL. 8198/2024**

**MS ANIL YADAV SECURITY AGENCY  
ID NO. 6375**

..... Petitioner

Through: **Col. Raj Vijay Rahlania, (Retd.)  
Advocate with Ms. Neelam Verma,  
Advocate**

versus

**INDIAN OIL CORPORATION LIMITED  
& ORS.**

..... Respondents

Through: **Mr. Vikram Jetly, CGSC with Ms. Shreya Jetly, Advocate for Respondents Nos. 2 and 3.  
Ms. Priya Puri with Ms. Pinki Aggarwal, Advocates for R-1, 4 to 6.  
Mr. Sumit K. Batra with Mr. Manish Khurana and Ms. Priyanka Jindal, Advocates for R-7.**

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Date of Decision: 12<sup>th</sup> February, 2024.

**HON'BLE THE ACTING CHIEF JUSTICE  
HON'BLE MS. JUSTICE MANMEET PRITAM SINGH ARORA**

**JUDGMENT**

**MANMOHAN, ACJ: (ORAL)**

1. Present writ petition has been filed seeking inter-alia quashing of the



communication dated 16<sup>th</sup> December, 2023, issued by Respondent No. 6 to the Petitioner apprising him about the determination of the existing Security Contract with effect from 31<sup>st</sup> December, 2023. Consequentially, the Petitioner seeks a direction to Respondent Nos. 5 and 6 to permit the Petitioner to render services until 31<sup>st</sup> July, 2024 as per the letter of extension/ word order dated 31<sup>st</sup> July, 2023.

2. This Court has been informed that the Respondent Nos. 5 and 6 have awarded a new Security Contract for IOCL, Korba Terminal to Respondent No. 7 on 14<sup>th</sup> December, 2023 with a mandate to provide services w.e.f. 01<sup>st</sup> January, 2024 and subsequently, the Respondent No. 7 has commenced its services at the Korba Terminal and has also deployed its guards in furtherance of the new contract. Therefore, as on date the impugned letter dated 16<sup>th</sup> December, 2023 has been given effect to and the services of the Petitioner have been discontinued.

3. Learned counsel for the Petitioner states that the aforesaid subsequent fact is immaterial as the Petitioner herein had approached this Court at the earliest on 27<sup>th</sup> December, 2023. He states that the Petitioner herein was declared successful bidder for the tender floated in June, 2021 and was awarded a Letter of Acceptance ('LOA') on 23<sup>rd</sup> June, 2021 followed by a work order dated 15<sup>th</sup> July, 2021.

4. He states that the contract was valid for three (3) years from the date of placement of the work order. He states that though initially the work order was issued for one (1) year, it was extendable on a year-to-year basis for a further period of maximum two (2) years. He states that vide work order dated 31<sup>st</sup> July, 2023, the Petitioner's contract was extended for one (1) year from 01<sup>st</sup> August, 2023 to 31<sup>st</sup> July, 2024. He states that the



Petitioner in furtherance of the said work order had given letters of appointment to its employees. He states that in the aforesaid circumstances, the termination of the contract on 31<sup>st</sup> December, 2023 by the impugned communicated dated 16<sup>th</sup> December, 2023 is arbitrary and illegal. He states that the Petitioner is entitled to provide services for the entire period of one (1) year ending on 31<sup>st</sup> July, 2024.

5. In reply, learned counsel for Respondent Nos. 1, 4, 5 and 6 states that the present writ petition is not maintainable as the Petitioner has an alternative remedy of seeking recourse to arbitration as per Clause 32 under the contract. She further states that this Court has no territorial jurisdiction as the Courts at Bhopal have exclusive jurisdiction as per Clause 33 under the Contract. She further states that on merits, the Petitioner's claim is untenable as the work order dated 31<sup>st</sup> July, 2023 expressly recorded that the Contract was being extended with effect from 01<sup>st</sup> August, 2023 for a period of one (1) year or until the finalization of the new contract as per the prevailing DGR guidelines, whichever is earlier. She states that therefore, the Petitioner had due notice of the possibility of the truncation of the period. She states that Respondent No. 7 has been awarded the contract in accordance with the DGR guidelines. She states that Respondent No. 7 has already commenced its services w.e.f. 01<sup>st</sup> January, 2024 and the Petitioner's security guards have been withdrawn.

6. This Court has considered the submissions of the learned counsel for the parties and perused the record.

7. The Petitioner was initially issued a letter of acceptance on 23<sup>rd</sup> June, 2021. The operative portion of the letter of acceptance reads as under:

*"This has reference to your offer submitted against Tender no.*



WRCC/2021-22/41, opened on 02.06.2021. We are pleased to inform you that your offer of (+) 14% has been accepted for the work of 'CONTRACT FOR SECURITY AND ALLIED SERVICES AT KORBA TERMINAL FROM DGR SPONSORED AGENCIES' at a maximum financial value of **Rs. 5,77,94,390.46** inclusive of GST@18% for three years. However, GST will be paid as per Terms & Conditions as per the tender.

Contract shall be valid for 3 years from the date of placement of Work order. Initially work order will be issued for one year which may be extended on a year to year basis or part thereof for a further period of maximum 2 years, at the sole discretion of IOCL, at the same rates, terms and conditions, subject to the validity of DGR sponsorship."

(Emphasis supplied)

8. The first work order was dated 15<sup>th</sup> July, 2021 and the relevant portion reads as under:

*"Contract for Security and Allied Services at korba terminal for a period of 1 year (01.08.2021 to 31.07.2022).*

***Further extension will be given at the sole discretion of IOCL."***

(Emphasis supplied)

9. The details of the second work order for the period 01<sup>st</sup> August, 2022 to 31<sup>st</sup> July, 2023 are not mentioned in the writ petition. However, it is admitted on record that the Petitioner's contract was extended for the said period. Thereafter, the Petitioner's contract was conditionally extended w.e.f. 01<sup>st</sup> August, 2023, vide work order 31<sup>st</sup> July, 2023. The relevant portion of the said work order reads as under:

*"We are pleased to inform you that **Contract for Security and Allied Services at Korba Terminal from DGR Sponsored Agencies**, which was awarded to you in response to our **Tender No. WRCC/2021-22/LT/41(E-tender ID 2021\_WRO\_135653\_1)** is **further extended to one year from 01.08.2023 to 31.07.2024 or till the finalization of new contract/** as per prevailing DGR guidelines whichever is earlier as per the terms and condition of the existing contract."*

(Emphasis supplied)



10. A conjoint reading of the LOA dated 23<sup>rd</sup> June, 2021 and the work order dated 31<sup>st</sup> July, 2023 make it clear that the concerned Respondents unequivocally reserved the right to extend the contract for a 'part' of the year. The work order dated 31<sup>st</sup> July, 2023 categorically put the Petitioner to notice that the contract could be valid until the finalisation of the new contract. The Petitioner without any demur accepted the work order dated 31<sup>st</sup> July, 2023. In these facts, the impugned communication dated 16<sup>th</sup> December, 2023 communicating the termination of the work order dated 31<sup>st</sup> July, 2023 upon appointment of a new contractor i.e., Respondent No. 7 is in consonance with the terms of the work order dated 31<sup>st</sup> July, 2023. This Court finds no merit in the submission of the Petitioner that the extended period of 01<sup>st</sup> August, 2023 to 31<sup>st</sup> July, 2024 could not have been truncated by the concerned Respondents. Therefore, the prayer sought by the Petitioner for quashing of the impugned communication dated 16<sup>th</sup> December, 2023 is without any merits.

11. The Petitioner effectively is seeking a writ of specific performance in the present proceedings; however, the Petitioner is not entitled to the direction as prayed for in the facts of this case.

12. The contention of the Petitioner that it had promised employment to its employees for the entire period of one (1) year and he has suffered damages on account of the early determination of the extended contract is neither proved on record and nor can the same be adjudicated in these proceedings. The Petitioner has an appropriate remedy of arbitration available to it under the contract and if so, advised, it may invoke the said remedy for maintaining a claim for damages. It is, however, made clear that this Court has not examined the claim of damages alleged by the Petitioner



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on merits.

13. In view of the aforesaid findings, the present petition is dismissed.  
Pending applications stand disposed of.

**ACTING CHIEF JUSTICE**

**MANMEET PRITAM SINGH ARORA, J**  
**FEBRUARY 12, 2024/hp/MG**  
*Click here to check corrigendum, if any*