



Serial No. 05
Regular List

HIGH COURT OF MEGHALAYA
AT SHILLONG

WP(C) No. 224 of 2024

Date of Decision: 25.10.2024

M/s Ashok Auto Service

... Petitioner(s)

- Versus -

1. The Indian Oil Corporation Ltd.
Through the Managing Director,
The Indian Oil Corporation Ltd.,
Registered Office G-9, Ali Yavar Jung Marg,
Bandra (East) Mumbai-400051.

2. The Divisional Retail Sales Head 'F',
The Indian Oil Corporation Ltd.,
Guwahati Divisional Office, 4th Floor,
East Point Tower, Baminumaidam,
Guwahati, Kamrup (M), Assam

... Respondent(s)

Coram:

Hon'ble Mr. Justice H. S. Thangkhiew, Judge

Appearance:

For the Appellant(s) : Ms. M. Hazarika, Sr. Adv. with
Mr. D. Khan, Adv.

For the Respondent(s) : Mr. K. Khan, Sr. Adv. with
Mr. S.K. Hassan, Adv.
Ms. M. Rahman, Adv.



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| i) | Whether approved for reporting in
Law journals etc.: | Yes/No |
| ii) | Whether approved for publication
in press: | Yes/No |
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JUDGMENT AND ORDER (ORAL)

1. The petitioner before this Court is a dealer of Indian Oil Corporation Ltd., and is stated to have been in business since 1930. The retail outlet of the petitioner situated in Defence Land had to be discontinued, inasmuch as, the Defence Estate Officer had communicated to the petitioner that the leasing of the defence land to public oil companies for petrol pumps etc., were to be discontinued, and allotted only to Ex-Service men.

2. The respondent No. 1, thereafter issued a communication dated 25.03.2022 asking the petitioner to vacate the said retail outlet with an option to relocate its petrol pump to any other premises. In the intervening period however, there were certain developments, inasmuch, as the State of Meghalaya, who had been impleaded in the earlier writ petition being WP(C) No. 193 of 2022, informed that the said plot of land was also required for expansion of the National Highway, and that



the petitioner in lieu of the current location, could be offered an alternative piece of land.

3. Pursuant to these developments, a plot of land was identified and allotted to the petitioner, for which a Lease Agreement was then executed. The petitioner thereafter, had approached the respondents for setting up of a retail outlet but was however informed that in order to shift their current retail outlet, they were required to sub-lease the plot to the respondent No. 1. The petitioner being aggrieved with these directions, more so, as the terms of the lease with the State did not permit sub-leasing of the land to the respondent No. 1, is therefore seeking appropriate directions from this Court to direct the respondent to allow them to set up a fresh retail outlet under IOCL in the said premises, failing which to allow the petitioner to set up a retail outlet with any other oil company.

4. Ms. H. Hazarika, learned Senior counsel assisted by Mr. D. Khan, learned counsel for the petitioner has submitted that the situation being such, as it is not permissible to sub-lease the plot, the petitioner is



left with no alternative but to terminate the relationship with IOCL, for setting up a new retail outlet.

5. Mr. K. Khan, learned Senior counsel assisted by Mr. S.K. Hassan, learned counsel for respondents Nos. 1 & 2, in reply has drawn the attention of this Court to Para-3 of the affidavit filed, and has submitted that the respondent Corporation primarily allots dealership in two categories i.e. “A” site and “B” site, and that the retail outlet of the petitioner is an “A” site, and with regard to an “A” site, the control of the land of the said outlet is with the respondent Corporation, as the land is either purchased by the Corporation, or taken on a long term lease by the Corporation from the land owner. Apart from this, the learned Senior counsel submits that the entire investment for development of the retail outlet is made by the Corporation, and since all the investments are being made by the Corporation, it is imperative that it secures its investments by retaining control of the land. He then submits that the respondent No. 1, being bound by the said directives and company policy, the sub-leasing of the new allotted land to the petitioner was necessary to start the process for allotting a new retail outlet.



6. Ms. M. Hazarika, learned Senior counsel has then submitted that as the sub-leasing is not possible, the petitioner may be given a liberty to approach any other oil company for establishing a new retail outlet in the said allotted piece of land, which would not require sub-leasing of the same to the new entity.

7. This Court has considered the submissions of the learned counsels, and examined the materials on record. It appears that the stalemate occurred due to the directives and company policy by which the respondent is bound. However, as the situation has changed, and as the retail outlet sought to be established is on a newly allotted piece of land, which has been given on lease by the State Government, in the considered view of this Court, the writ petitioner will be at liberty to seek other avenues to establish the same, in accordance with the terms of the lease as given.

8. As ordered above, the matter accordingly stands disposed of.



JUDGE

Meghalaya
25.10.2024
"V. Lyndem-PS"

