

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED 25.02.2020

CORAM

THE HONOURABLE MR. JUSTICE C.V.KARTHIKEYAN

W.P.No.4746 of 2020

and

W.M.P.No.5604 of 2020

Tiruchengodu Rig Urimaiyalargal Sangam,
Represented by its President,
P.Kandasamy,
T.R.U.S.Building,
Sankari Road,
Tiruchengodu,
Namakkal District-637 211.Petitioner

..Vs..

1.The General Manager (Retail Sales),
TNSO, Indian Oil Bhavan,
No.139, Mahatma Gandhi Road
(Uththamar Gandhi Road),
Nungambakkam High Road,
Chennai-600 034.

2.The Divisional General Manager (DGM),
Salem Divisional Office,
Indian Oil Corporation,
No.234, first Floor,
NH-7, Salem-Bangalore Bypass Road,
Kondalampatti,
Salem-636 010.

...Respondents

PRAYER : Petition filed Under Article 226 of the Constitution of India praying to issue a Writ of Mandamus, directing the respondents to renew the existing dealership of the petitioner for the year 2020-2021 by considering the petitioner's representation dated 19.02.2020 and consequently restraining the respondents from in any way granting the dealership license to any third party other than petitioner for the year 2020-2021 by ensuring uninterrupted Supply and service of Petroleum Products to the petitioner Bunk located at Sankari Road, Tiruchengodu, Namakkal District.

For Petitioner : Mr.R.Vijay Anand
For Respondents : Mr.Mohammed Fayaz Ali

ORDER

Mr.Mohammed Fayaz Ali, learned counsel takes notice for respondents. By consent of the parties, the main writ petition is taken up for final disposal at the admission stage itself.

2.The petitioner has filed the present Writ Petition for issuance of a Writ of Mandamus, directing the second respondent namely the Divisional General Manager, Salem Divisional Office, Indian Oil Corporation, Salem to renew the existing dealership of the petitioner for the year 2020-2021 by considering the petitioner's representation dated 19.02.2020 and consequently restraining the respondents from in any way granting the dealership license to any third party other than petitioner for the year 2020-2021.

3.In the affidavit filed in support of the writ petition, it is stated that the petitioner had been offered the ad-hoc dealership to run the retail outlet at T.R.U.S building, Sankari Road, Tiruchengodu, Namakkal District by the second respondent his communication vide Ref.SLMDO/NMKL2/T.Code dated 01.03.2019. The erstwhile dealer could not run the retail outlet and it was in a dilapidated state and after petitioner was appointed as dealer petitioner had completely renovated the entire outlet. The appointment letter for the dealership was granted to the petitioner on 01.03.2019. It's relevant paragraphs are extracted here under:-

"The said temporary arrangement shall remain in force from for a period of one year commencing from 01.03.2019 i.e the date of handing over to you by the Corporation as hereinafter stated. The period of ad hoc Dealership is purely temporary and the ad-hoc Dealership is liable termination at any point of time without assigning any reason whatsoever."

4.As a matter of fact the respondents have also liberty to terminate this arrangement by giving seven days notice, without assigning any reason without any reason and without any liability to pay any compensation to the petitioner, the said clause is extracted hereunder:-

"The Corporation shall always be at liberty to

terminate this arrangement and your license hereinabove granted at any time by giving to you seven days notice, without assigning any reason and without any liability to pay any compensation to you"

5.It is seen that the dealership was granted only for one year, now the petitioner seeks extension of time.

6.The learned counsel for the petitioner placed relied on the Policy Circular No.203-05/012, which is modification to earlier policy No.164 dated 05.01.2010, it is stated as follows:-

"2.a .All new appointments of adhoc dealer at Temporary COCOs will be made for a period of one year instead of current period of four months.

b. Existing running adhoc dealerships will continue to be governed by appointment conditions i.e. 4 months."

7.The learned counsel further relied on the fact that if there is extension is tenure as provided in clause 3, which is extracted as follows:-

"3.The Extension in tenure of above contracts should not in any way affect/dilute our efforts for divesting of Temporary COCOS in line with the existing guidelines. contracts for Service Provider/Adhoc dealer should be immediately terminated, as per provisions of appointment, upon appointment of regular dealer, without any delay. "

8.The learned counsel states that till a regular appointment is made by the respondents, the respondents may permit the petitioner to continue to run the retail outlet. In this connection, the petitioner had also given a representation dated 14.02.2020. In the said requisition it had been stated that the respondents had orally promised that the dealership is for 3 years. It was also stated that the petitioner had invested a huge amount as a long term plan.

9.The learned counsel for the petitioner states that the petitioner had invested Rs.8,00,000/- towards renovation and put in a lot of effort to increase the goodwill of the customers. It was also promised that the dealership will be on a year to year basis and it will be renewed till 2022, if the petitioner did not commit any misconduct under the Marketing Discipline Guidelines. The first period will expire by 29.02.2020 and till date, the petitioner has not received any communication for

renewal of the dealership for the next year.

10.Mr.Mohammed Fayaz Ali, learned counsel appearing for the respondents stated that the respondents had given a reply to the petitioner by letter dated 18.02.2020. In the reply, they had very specifically stated that the Retail Outlet can be operated only for one year on adhoc basis. There was no promise to continue the contract for a period of 3 years. The relevant paragraphs are extracted hereunder:-

"Once again, while thanking you for successfully operating the Retail outlet, we wish to state that so far we have not finalized for handing over the retail outlet to SLOA, please note that proper policy and procedure of the Corporation will be followed before handing over to any dealer on ad-hoc basis."

11.After this reply, the petitioner had given a further representation on 19.02.2020. By the said representation, the petitioner has relied on the ad-hoc policy revision done pursuant to the Ministry communication dated 10.07.2002. However, the dealership was for only one year.

12.In view of the facts and circumstances of this case, this Court cannot entertain the above writ petition. This Court cannot sit over the shoulders of the respondents and trust the petitioner as a dealer and direct the respondents to grant extension of the contract.

13.Accordingly, the writ petition is dismissed. Consequently, the connected miscellaneous petition is closed.

Sd/-

Assistant Registrar

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Sub Assistant Registrar

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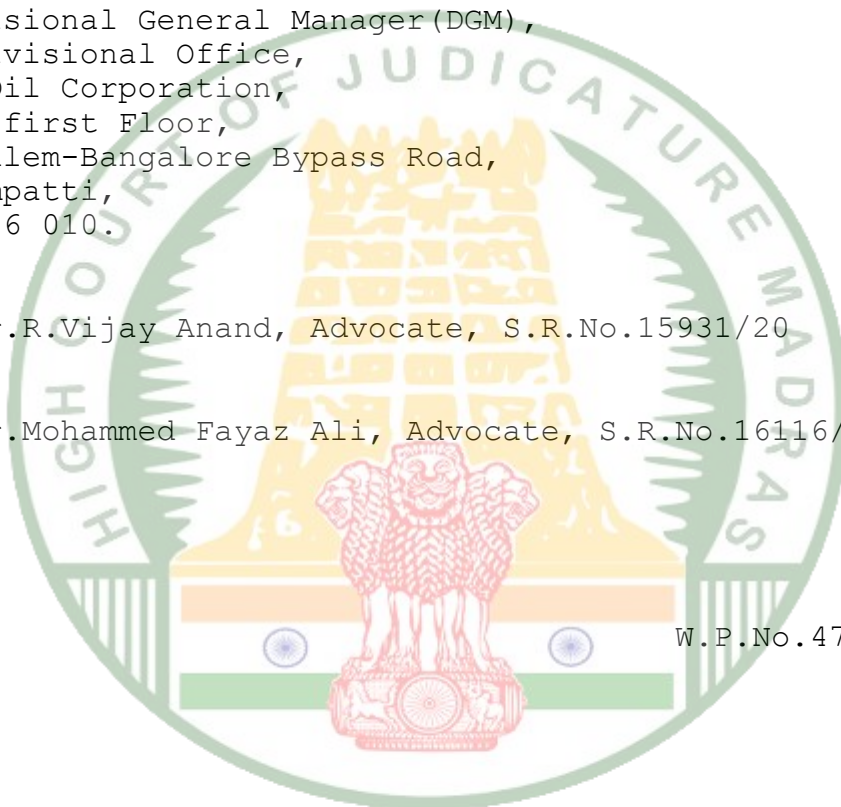
To

1.The General Manager (Retail Sales),
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NH-7, Salem-Bangalore Bypass Road,
Kondalampatti,
Salem-636 010.

+1cc to Mr.R.Vijay Anand, Advocate, S.R.No.15931/20

+1cc to Mr.Mohammed Fayaz Ali, Advocate, S.R.No.16116/20



W.P.No.4746 of 2020

NR (CO)
RN (08/06/2020)

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