

**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

102

**CWP No.28076 of 2023
Date of Decision:15.01.2024**

Satpal

....Petitioner

vs.

Union of India and others

....Respondents

CORAM: HON'BLE MR. JUSTICE JAGMOHAN BANSAL

Present: Mr. Ishnoor Singh, Advocate for
Mr. Vikram Singh, Advocate
for the petitioner
Mr. Dharam Chand Mittal, Senior Panel Counsel
for Union of India
Mr. Raman Sharma, Advocate
for respondents No. 2 and 3

JAGMOHAN BANSAL, J. (ORAL)

1. The petitioner through instant petition under Articles 226/227 of the Constitution of India is seeking setting aside of letter/order dated 04.12.2023 (Annexure P-13) whereby Letter of Intent (for short "LOI") dated 31.03.2015 has been cancelled by Respondent No. 2- Hindustan Petroleum Corporation Limited (for short "the Corporation").

2. The Corporation vide advertisement dated 25.10.2014 invited applications for setting up of petrol pump at Tehsil Indri, District Karnal. The petitioner applied for allotment of petrol pump vide application dated 26.12.2014. The petitioner was selected in the draw of lots and thereafter issued LOI. The Corporation applied for No Objection Certificate in terms

of Rule 144 of the Petroleum Rules, 2002. The Corporation vide letter dated 04.12.2023 has cancelled LOI on the ground that spouse of the petitioner is having retail outlet of Indian Oil Corporation Limited.

3. Counsel for the petitioner contends that petrol pump to spouse of the petitioner was allotted subsequent to LOI issued to the petitioner, thus, LOI issued to the petitioner could not be cancelled.

4. Counsel for the Corporation submits that Clause 21 of the LOI specifically provides that if the applicant or his/her close relative receives anytime or have received LOI for any other dealership or distributorship of any oil company, the LOI shall be liable to be cancelled. The spouse of the petitioner, subsequent to LOI issued to the petitioner, was allotted petrol pump, thus, case of the petitioner is squarely covered by aforesaid Clause.

5. Clause 21 of the LOI which is relevant for the case in hand, is reproduced as below:-

“21. This LOI will stand automatically withdrawn and cancelled on the happening of any of the following events:-

a) In case you or your close relatives like spouse, unmarried son(s) and unmarried daughter(s) receive anytime or have received a LOI for any other dealership or distributorship from our company or any other oil company either in your individual capacity or in partnership with any other individual(s).

b) If it is found that you have suppressed and/or misrepresented any material facts in your application.

c) In case you are found to be convicted for any criminal/economic offence involving moral turpitude.

d) In the event of death if you are an individual/partner.”

6. From the perusal of aforesaid Clause, it is quite evident that LOI is liable to be cancelled if another LOI is subsequently issued or have been issued to any close relative. The spouse of the petitioner is having dealership of Indian Oil Corporation Limited, thus, case of the petitioner is squarely covered by the aforesaid Clause.

7. In the wake of above facts and circumstances, the petition is devoid of merit and dismissed accordingly.

(JAGMOHAN BANSAL)
JUDGE

15.01.2024

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Whether speaking/reasoned: Yes/No

Whether reportable: Yes/No