



**IN THE HIGH COURT OF JUDICATURE AT BOMBAY**  
**NAGPUR BENCH, NAGPUR**

**WRIT PETITION NO. 2918 OF 2024**

( Bharat Petroleum Corporation Limited vs. Sanjeev V. Chimote (HUF) and others )

**with**

**WRIT PETITION NO. 2236 OF 2024**

( Marwah & Co. and others vs. The Territory Manager (Retail), Bharat Petroleum Corporation Limited, Nagpur Territory and others )

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*Office Notes, Office Memorandum of Coram,  
appearances, Court's orders of the directions  
and Registrar's orders.*

*Court's or Judge's order*

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**WP No.2918/2024 :-**

Mr. Abhijeet Khare, Advocate for petitioner.  
Mr. R.M.Sharma, Advocate for respondent Nos.1 to 4.  
Mr. V.A.Bramhe, Advocate for respondent Nos.5 to 7.

**WP No.2236/2024 :-**

Mr. Rohan Chhabra, Advocate for petitioners.  
Mr. Abhijeet Khare, Advocate for respondent Nos.1 and 2.  
Mr. V.A.Bramhe, Advocate for respondent Nos.3 & 4.  
Mr. N.S.Deshpande, DSGI for respondent No.5.  
Mr. R.M.Sharma, Advocate for respondent Nos.6 to 10.

**CORAM : AVINASH G. GHAROTE AND**  
**ABHAY J. MANTRI, J.**

**DATE : MARCH 28, 2025**

1) Mr. Khare, learned counsel for the petitioner in Writ Petition No.2918/2024 by inviting our attention to the impugned communication dated 16/01/2024 (page 57) submits that it is an order cancelling the petroleum license in terms of Rule 152(1)(i) of the Petroleum Rules, 2002 and also order of suspension with immediate effect after which a show cause notice of 21 days has been issued as to why the subject license should not be cancelled. It is submitted that this is in contravention to the mandate of Rule 152(1) proviso (a) which mandates before suspending or cancelling a licence under this rule, the holder of the licence shall be given an opportunity of being heard. It is

therefore, contended that the impugned communication dated 16/01/2024, insofar as cancel the license and suspend on the same day and thereafter, called upon the petitioners to show cause within 21 days is liable to be quashed and set aside.

2) It is also contended that the appeal before the Appellate Authority filed on 15/02/2024 was also dismissed on 21/03/2024 without any opportunity of hearing to the petitioner/BPCL.

3) He further contends that under the terms of the lease dated 23/09/1983 (page 20), specifically clause 4(b) (page 22) the lessee had right to renew the lease for a fresh term, the proviso of which indicated that lessee would be entitled to occupy and used the demised premises for such further period as it may desired notwithstanding whether a fresh lease has been executed and registered or not by the lessor. This clause according to him in conjunction with the communication dated 11/02/2003 (page 25) by the original lessor would indicate that the original lessor had agreed to renew the lease for a further period of 29 years w.e.f. 01/04/2003 for the rent of Rs.21,500/- per month and taxes being borne by the BPCL, this would indicate that the original owner had agreed to renewal of lease and continuation of the petitioner cannot be said to be illegal, or for that matter litigious possession in view of the fact that the suit bearing RCS No.201/2014, is pending in between the parties.

4) Mr.Chabra, learned counsel for petitioners in Writ Petition No.2236/2024, who is the dealer, supports the above contentions.

5) As against this, Mr.Sharma appearing for the landlord/complainant submits that the BPCL has not filed any suit, for enforcement of the aforesaid condition in the lease, which was necessary in view of the fact, that the communication dated 11/02/2003 contemplated grant of a lease for 29 years which would require registration in terms of the provisions of the Registration Act, 1908. He further submits that in absence thereof, merely a suit being filed by the dealer being RCS No.25/2025 for protection of its possession, cannot enure to the benefit of the petitioners, as the dealer has no legal right vis-a-vis the property in question. He further contend that a litigious possession is not a legal possession and cannot be protected in law for which he places reliance upon **C.Albert Morris vs. A.Chandashekharan and others (2006) 1 SCC 228** and the judgment of this Court in **Vijay Harinarayan Chaudhary vs. M/s. Indian Oil Corporation Ltd. Writ Petition No.8508/2022** decided on 28/06/2023.

6) Insofar as the plea of learned counsel Mr.Khare and Mr.Chabra is concerned, it is necessary to note that since the communication dated 11/02/2003 contemplates lease of 29 years in absence of any document being executed in pursuance thereto, it would merely be a promise to agree to lease, as renewal of lease would require a registered document in terms of Section 17 of the Registration Act, 1908 on account of the fact that the period of the lease, is more than 11 months. That apart it is further necessary to note that the BPCL has not initiated any proceeding for enforcement of the said clause (4) as contained in the lease deed dated 23/09/1983 on account of which, any possession which is now being claimed by BPCL is without a legal document in its favour. The contention therefore, that the clause

(4) in the lease deed dated 23/09/1983 coupled with communication dated 11/02/2003, created a renewed lease in favour of the petitioner/BPCL cannot be accepted. The petitioner in Writ Petition No.2236/2024, being merely a dealer, cannot claim any right independent of BPCL.

7) That takes us to the plea on behalf of the petitioners, that the impugned communication dated 16/01/2024 is in contravention to the Rule 152(1) proviso of the Petroleum Rules, 2002. A perusal of the communication dated 08/01/2024 (page 55) would indicate that it does not call upon the petitioner/BPCL to show cause regarding the continuation of the license granted in its favour. All that it indicates, is to furnish legal possession land document of subject site without even a whiff for what it is required for. The impugned communication dated 16/01/2024 (page 57) in fact not only terminates the petroleum license with immediate effect, but also issues show cause notice calling upon the petitioner/BPCL to show cause within 21 days why the petroleum license should not be suspended at the same time suspending the license. Such a course of action, in our considered opinion in light of the proviso (a) to Rule 152(1) of the Petroleum Rules, 2002, cannot be sustained. Though Mr.Sharma relies upon **Dharampal Satyapal Ltd. Vs. Deputy Commissioner of Central Excise, Gauhati and others 2015(8) SCC 519**, to contend that failure to comply with the principles of natural justice would not adversely affect the party, if the consequences are inevitable, we however, find that since there is statutory mandate, for grant of an opportunity of being heard before cancellation or suspension of license, that statutory provision needs to be complied with, more so in view of the fact that the impugned order dated 16/01/2024 clearly smacks of the

authorities having connived with the landlord, to issue it as is apparent, from a bare perusal of the same in which all three directions of show cause notice, suspension and cancellation are clubbed together. We therefore, quashed and set aside the impugned communication dated 16/01/2024.

8) Since we have set aside the impugned communication dated 16/01/2024, the appellate order dated 21/03/2024 which is a consequence thereto is also hereby quashed and set aside. Writ Petition No.2918/2024 is therefore allowed in the above terms.

9) Since Writ Petition No.2236/2024 also seeks the same relief, to same extent, it is partly allowed in the above terms. Rest of the reliefs as claimed in Writ Petition No.2236/2024 are declined as the petitioners therein being merely a dealer of BPCL has no independent right to agitate, available to it. No costs.

**(ABHAY J. MANTRI, J.)**

**(AVINASH G. GHAROTE, J.)**