



WEB COPY



W.A.Nos.1587 and 1588 of 2025

THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 27.06.2025

CORAM:

**THE HONOURABLE MR. JUSTICE R.SUBRAMANIAN
AND
THE HONOURABLE MR. JUSTICE K.SURENDER**

**W.A.Nos.1587 and 1588 of 2025
and
C.M.P.Nos.11925 and 11923 of 2025**

Shivshankar Agencies,
50 1/A Mahalakshmi Nagar,
Karambakkam,
Chennai – 600 116.
Represented by its Sole Proprietrix
Geetha Rajamahendran

... Appellant in W.A.No.1587/2025

M/s.Ranie Enterprises,
No.44/11 Perumal Nagar,
II Street, Nanganallur,
Chennai – 61.
Represented by its Sole Proprietrix
S.Nalini.

... Appellant in W.A.No.1588/2025

Vs.



W.A.Nos.1587 and 1588 of 2025

WEB COPIES

1.Union of India,
Represented by its Secretary,
Shastri Bhavan,
Dr.Rajendra Prasad Road,
New Delhi 1.

2.Indian Oil Corporation Limited,
Represented by its Chairman and Managing Director,
Indian Oil Bhavan,
G9, Ali Yavar Jung Marg,
Bandra [East]
Mumbai – 500 051.

3.The Divisional LPG Sales Head,
Indian Oil Corporation Limited,
Chennai Divisional Office,
500 Anna Salai, Teynampet,
Chennai – 35.

... Respondents in both W.As

Common Prayer: Writ Appeal filed under Clause 15 of Letters Patent, praying to set aside the common order made in W.M.P.No.15752 of 2025 in W.P.No.13987 of 2025 and W.M.P.No.15763 of 2025 in W.P.No.14005 of 2025 dated 23.04.2025.

For Appellants : Mr.S.Vijayakumar, Senior Counsel
for Mr. J.Melwin Jabaz in WA.1587/2025

Mr.Issac Mohanlal, Senior Counsel
for Mr.J.Melwin Jabaz in WA/1588/2025

For Respondents : Mr.AR.L.Sundaresan,



WEB COPY



W.A.Nos.1587 and 1588 of 2025

Additional Solicitor General
in both the Writ Appeals

COMMON JUDGMENT

(Judgment of the Court was delivered by R.SUBRAMANIAN, J.)

Challenge is to the refusal of interim order pending Writ Petitions, challenge in which was to the policy of the Oil Company regarding transfer of dealership.

2. The learned Single Judge refused interim orders on the ground that earlier policy introduced by the Oil Company in the year 2018 was upheld by a Division Bench of this Court in ***P.Radhakrishnan Vs. Union of India and 5 others*** dated **07.07.2017** made in ***W.P.(MD)No.12607 of 2017***. Two other Single Judges of this Court pronounced orders following the said pronouncement.

3. The said policy was subject matter of challenge in various High Courts. We find that a Division Bench of the Kerala High Court had by its judgment dated 3rd December 2021 upheld the said policy. However, the



W.A.Nos.1587 and 1588 of 2025

WEB COPY

Division Bench of the Bombay High Court had quashed the policy by its judgment in *Shailaja R.Khanvilkar and others Vs. Union of India through Ministry of Petroleum and Natural Gas and others* reported in *2019 SCC OnLine Bom 2289* dated *30th September 2019*. It is not in dispute that this judgment of the Bombay High Court is subject to challenge before the Hon'ble Supreme Court. Though leave has been granted, the operation of the judgment has not been stayed.

4. It is in these circumstances, the Ministry of Petroleum and Natural Gas came up with a new policy, which is slightly modified form of the old policy for transfer of customers from the dealers of the Oil Company. This new policy was also challenged in various High Courts across the Country. At least 14 High Courts had granted stay of the policy.

5. The learned Single Judge on the premise that uniformity should prevail within this Court, refused interim orders, since a Division Bench of this Court had already upheld the policy. The learned Judge also on the facts concluded that this policy which has been introduced now in 2025 is not as strict as the earlier policy and there is a consideration of the welfare of the



W.A.Nos.1587 and 1588 of 2025

existing dealers in the new policy.

WEB COPY

6. Mr.S.Vijayakumar, learned Senior Counsel and Mr.Isaac Mohanlal, learned Senior Counsel appearing for the appellants would contend that since the judgment of the Bombay High Court quashing the earlier policy has not been stayed by the Hon'ble Supreme Court and in view of the fact that 14 other High Courts in India had granted stay of the new policy, if the new policy is implemented in Tamil Nadu and Puducherry alone, because of the refusal of the interim order by the learned Single Judge, the result will be an anomalous situation, where a dealer in Kerala or Gujarat or Delhi where the policy has been stayed by the respective High Courts will not suffer the transfer, but, a dealer in Tamil Nadu and Puducherry will suffer the transfer. Further 14 High Courts across the Country has granted stay of the policy, therefore, the dealers in at least half of the Country will not face a situation of transfer of customers.

7. In matters involving Pan India consequences, the uniformity that is sought to be achieved by the judiciary cannot be the uniformity in the



W.A.Nos.1587 and 1588 of 2025

pronouncement of each High Courts, it should be the uniformity all over the Country. This is the precise reason why the Hon'ble Supreme Court had held that if the Central Law, which applies Pan India is struck down by the High Court, it is invalid throughout the territory of the Union and it should not be restricted to the area within the jurisdiction of the High Court.

8. No doubt, there are two conflicting judgments, one rendered by the Division Bench of this Court on 07.07.2017 and another by a Division Bench of the Bombay High Court on 30th September 2019. But, the consequence of the judgment of the Bombay High Court, rendered on 30th September 2019, is that the policy of transfer of customers from one dealer to another by the Oil Company has been declared to be void. Therefore, it could not be applied to any dealers across the Country.

9. This judgment of the Bombay High Court has not been stayed by the Hon'ble Supreme Court. It is in this background the present policy has been introduced. No doubt, a certain amount of concession is given, but, the present policy is same old wine in a new bottle. Minor changes here and there will not make a new policy or make it any different from the old



WEB COPY

policy. What is in question is the right of the Oil Company to transfer customers from one dealer to another without reference to the dealer. In fact, in paragraph No.13 of the judgment of the Bombay High Court in ***Shailaja R.Khanvilkar and others Vs. Union of India through Ministry of Petroleum and Natural Gas and others (supra)***, the Court has observed that policy of transfer made without consultation of the dealer whose rights will be impinged by such transfer is bad. It is not shown as to whether any consultation made with the dealers before introduction of the new policy also.

10. Therefore, we are of the considered opinion that this is a case where there should be a stay of the new policy, only to ensure that uniformity prevail across the Country. If the stay is not granted, the consequence would be a dealer in the neighbouring State of Kerala will not suffer because of the transfer policy, whereas, dealers in Tamil Nadu and Puducherry will suffer the consequence of the transfer policy viz., transfer of customers from one dealer to another or a new dealer. Hence, we find that there is a *prima facie* case for grant of stay. Therefore, there will be an order of stay of policy pending disposal of the Writ Petition.



WEB COPY

11. The learned Additional Solicitor General would contend that the stay should be restricted only to the appellants before us.

12. This again would relate to a greater anomaly. The transfers will not be effected from the appellants before us, but, the transfers will be effected from the other dealers. A mutilated implementation of the policy cannot be allowed by the Court. Restricting the stay order to the appellants only would amount to making the law or policy implementable only in respect of those who are not before the Court. This we certainly cannot permit as it would result in other dealers moving this court there by burdening this court with more dockets.

13. Therefore, there will be an order of stay of implementation of the transfer policy across the board for all the dealers. The Writ Appeals stand **allowed** as indicated above. However, in the circumstances without costs. We would request the learned Single Judge to expedite the disposal of



W.A.Nos.1587 and 1588 of 2025

the Writ Petitions. Consequently, the connected miscellaneous petitions are

WEB COM closed.

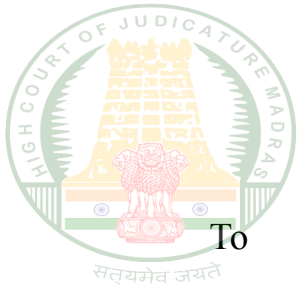
(R.S.M.,J.) (K.S.,J.)
27.06.2025

dsa

Index : No

Neutral Citation : No

Speaking order



W.A.Nos.1587 and 1588 of 2025

To

WEB COPY

- 1.The Secretary,
Union of India,
Shastri Bhavan,
Dr.Rajendra Prasad Road,
New Delhi 1.
- 2.Chairman and Managing Director,
Indian Oil Corporation Limited,
Indian Oil Bhavan,
G9, Ali Yavar Jung Marg,
Bandra [East]
Mumbai – 500 051.
- 3.The Divisional LPG Sales Head,
Indian Oil Corporation Limited,
Chennai Divisional Office,
500 Anna Salai, Teynampet,
Chennai – 35.



WEB COPY



W.A.Nos.1587 and 1588 of 2025

R.SUBRAMANIAN, J.
and
K.SURENDER, J.

dsa

W.A.Nos.1587 and 1588 of 2025

27.06.2025