



W.A No. 2598 of 2025

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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 03-09-2025

CORAM

THE HON'BLE MR JUSTICE R.SURESH KUMAR

AND

THE HON'BLE MR JUSTICE HEMANT CHANDANGOUDAR

W.A No. 2598 of 2025

AND

CMP.Nos. 20734 and 20736 of 2025

P.P. Ravi

Prop. Of M/s Raksha Agencies
Indian Oil Dealer,
2/245, Nattarampalli Main Road,
Pudupettai,
Tirupathur District -635651 ..Appellant

Vs

1.The Indian Oil Corporation Limited
Chennai Divisional Office,
No.500, Anna Salai,
Teynampet, Chennai-600018.

2.The Executive Director & State Head,
Tamil Nadu State Office,
Indian Oil Corporation Ltd.,
Marketing Division,
Southern Region,
Indian Oil Bhavan,



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(No.1 39, Mahatma Gandhi Road,
Nungambakkam High Road,
Chennai-600034.

3.D.Shivaji

..Respondents

Writ Appeal is filed under Clause 15 of Letter Patent to set aside the order dated 25.07.2025 passed in W.P.No. 3433 of 2025.

For Appellant: Mr.L.Chandrakumar

For M/s. B.Sundarapandiyan

For Respondents : Mr. Mohammed Fayas Ali – R1 & R2

JUDGMENT

(HEMANT CHANDANGOUDAR, J.)

This intra-Court appeal is directed against the order dated 25.07.2025 passed by the learned Single Judge in W.P.No.3433 of 2025. By the said order, the writ petition filed by the appellant herein, challenging the termination of his retail outlet dealership, came to be dismissed.

2. The facts leading to the present appeal are that

2.1 The writ petitioner/appellant was granted a retail outlet dealership by



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the respondent-Corporation under an agreement dated 20.07.2007. The said agreement was for a period of fifteen years and was valid up to 31.05.2022. After the expiry of the original tenure, the dealership agreement was renewed from time to time, each renewal being for a period of one year.

2.2. On 07.06.2022, the third respondent lodged a complaint before the Corporation alleging that he had invested a sum of Rs.73,00,000/- with the writ petitioner and that he had been allowed to operate the outlet for some time, but was subsequently prevented from doing so. Based on this complaint, a show-cause notice dated 04.07.2023 was issued to the writ petitioner. Upon receipt of his reply dated 24.07.2023, the second respondent, by order dated 13.01.2025, terminated the dealership agreement on the ground that the writ petitioner had violated the terms and conditions of the dealership by parting with possession and allowing a third party to run the retail outlet.

2.3. Aggrieved by the said termination order, the writ petitioner/appellant filed W.P.No.3433 of 2025 before this Court. The learned Single Judge, by order dated 25.07.2025, dismissed the writ petition, inter alia holding



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that as on the date of termination the agreement was no longer subsisting and that it was open to the writ petitioner/appellant to seek renewal or execution of a fresh agreement in accordance with law.

3. The grievance of the appellant before us is that unless the termination order dated 13.01.2025 is set aside, his right to seek renewal or execution of a fresh agreement would remain defeated.

4. Per contra, the learned counsel appearing for the respondent-Corporation submitted that the dealership agreement contains an effective arbitration clause, which provides a complete remedy for resolution of disputes between the parties. It was argued that the learned Single Judge, having taken note of the arbitration clause and the nature of the dispute, rightly declined to exercise writ jurisdiction, since the controversy involves seriously disputed questions of fact, which cannot be adjudicated in proceedings under Article 226 of the Constitution of India.

5. We have heard the learned counsel for the parties and perused the records.



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6. It is an admitted position that the dealership agreement between the parties contains an arbitration clause. The impugned termination order dated 13.01.2025 is founded on allegations of violation of the terms of the agreement, namely, that the writ petitioner/appellant had, contrary to the contractual stipulations, allowed a third party to operate the dealership. The said issue squarely raises disputed questions of fact, which would necessarily require detailed evidence and adjudication. Though the presence of an arbitration clause does not, by itself, oust the writ jurisdiction of this Court, it is well-settled that where the lis involves complex factual disputes touching upon private contractual rights, the writ court ordinarily declines to exercise its discretionary jurisdiction under Article 226.

7. In view of the above, we are of the considered opinion that the learned Single Judge was justified in refusing to entertain the writ petition. However, it is made clear that the appellant shall be at liberty to invoke the arbitration clause contained in the dealership agreement and raise all contentions available to him in law. If such recourse is taken, the Arbitral Tribunal shall adjudicate the matter strictly in accordance with law, uninfluenced by any observations



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contained in the impugned order of the learned Single Judge or in this judgment. All rights and contentions of both parties are expressly kept open.

8. In the result, the writ appeal is disposed of in the above terms. Consequently, connected miscellaneous petitions are closed. There shall be no order as to costs.

(R.S.K. J.,) (H.C. J.,)

03.09.2025

Index : Yes / No

Internet : Yes/No

Neutral Citation : Yes / No

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To

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