IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on	Pronounced on
23.09.2025	16.10.2025

CORAM

THE HONOURABLE MR. JUSTICE M.DHANDAPANI

W.P. NOS.31412, 32726 & 34177 OF 2025
AND
W.M.P. NOS. 38327, 35151, 35152, 36637 & 38329 OF 2025

M/s.Kohinoor Agencies
Rep. By its Proprietor
Mr. L.Periyasamy, S/o Lakshmanan
No.90, Kamaraj Salai .. Petitioner in WP Nos.
Thattanchavady, Puducherry 605 009. 31412 & 32726/2025

The Indian Oil Corporation
Rep. By its Senior Manager (Retail Sales)
Trichy Divisional Office
Triveni, 3rd Floor, B-35, Sastri Road .. Petitioner in W.P. No.
Thillai Nagar, Trichy 620 018. 34177/2025

- Vs -

1. The Joint Chief Controller of
Explosives South Circle – Chennai
Petroleum & Explosives Safety Organization (PESO)
A & D Wing, Block 1-8, 2nd Floor
Shastri Bhavan, No.26, Haddows Road
Nungambakkam, Chennai 600 006. .. R-1 in all WPs

2. The Indian Oil Corporation

Rep. By Divisional Retail Head
Trichy Divisional Office
Triveni, 3rd Floor, B-35, Sastri Road .. R-2 in WP No.31412
Thillai Nagar, Trichy 620 018. & 32726/2025

3. The Union Territory of Puducherry
rep. By the District Collector – cum –
District Magistrate, The District Authority .. R-3 in WP No.31412
under Petroleum Rules, Puducherry. & 32726/2025

4. The M.O.H. Group
Rep. By Mr. M.O.H.Iqbal
M.O.H. Buildings, 3rd Floor .. R-4 in WP Nos.31412,
No.576, Anna Salai 32726/2025 & R-2 in
Teynampet, Chennai 600 006. WP No.34177/2025

5. M/s.Kohinoor Agencies
Rep. By its Proprietor
Mr. L.Periyasamy, S/o Lakshmanan
No.90, Kamaraj Salai
Thattanchavady, Puducherry 605 009. .. R-3 in WP No.34177/2025

W.P. No.31412 of 2025 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorari to call for the records of the 1st respondent dated 12.08.2025 passed in No.P/SC/PY/14/44 (P31642) and quash the same.

W.P. No.32726 of 2025 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorari to call for the records of the 3rd respondent dated 18.08.2025 passed in No.1096/83/F/7270 and quash the same.

W.P. No.34177 of 2025 filed under Article 226 of the Constitution of India praying this Court to issue a writ of certiorari to call for the records of the impugned order of cancellation of license dated 12.08.2025 bearing No.P/SC/PY/14/44 (P31642) passed by the 1st respondent and quash the same.

For Petitioners	:	Mr. V.Raghavachari, SC, for M/s. V.S.Senthil Kumar in WP Nos.31412 & 32726/2025 Mr. Mohd. Fayaz Ali in WP 34177/2025
For Respondents	:	Mr. T.Gowtham, SC, for M/s. R.Ramasubramaniam Raja for R-4 in WP Nos.31412 & 32726/2025 & R-2 in WP 34177/2025 Mr. K.Srinivasamurthy, SPC for R-1 in all petitions Mr. V.Vasanthakumar, AGP (P) For R-3 in WP Nos.31412 & 32726/2025 Mr. V.Raghavachari, SC, for M/s.V.S.Senthil Kumar for R-3 in WP No.34177/2025

COMMON ORDER

While W.P. No.31412 has been filed by the petitioner/lessee, W.P. No.34177 of 2025 has been filed by the Indian Oil Corporation challenging the impugned order of cancellation of the licence passed by the 1st respondent and

W.P. No.32726/2025 has been filed by the petitioner/lessee challenging the cancellation of No Objection Certificate granted by the 3rd respondent therein.

2. For the sake of brevity, the petitioner in W.P. Nos.31412 & 32726/2025 is referred to as 'licensee', the petitioner in W.P. No.34177/2025 is referred to as 'IOCL' and the 4th respondent in W.P. No.31412 & 32726/2025, who is the 2nd respondent in W.P. No.34177/2025 shall be referred to as the '4th respondent'.

3. The facts in issue in all the writ petitions not being countered by the respective petitioners, in short the facts are culled out as hereunder :-

The licensee took the property belonging to one I.Zaheera, U.Nargees and F.Yasmin, who were minors and duly represented by their respective natural guardian on lease vide lease deed dated 01.01.1983 bearing Document No.16/1983 for a period of five years, which was subsequently renewed and the licensee has been in lease of the said property for the past 42 years and is running a petrol bunk in the name and style of M/s.Kohinoor Agencies.

4. It is the further averment of the licensee that he has put in necessary infrastructure for putting up the petrol bunk as specified by the 2nd respondent. While being so, M/s.Agate Finance purchased property vide sale deeds dated 25.02.2000 bearing Doc. Nos.159 to 164/2000 and 169 to 180/2000 on the file of the District Registrar, Madras Central, which deeds were forwarded to Puducherry. The property under lease and in which the petrol bunk of the licensee was purchased under Doc. Nos.173, 174 and 179 of 2000.

5. It is the further case of the licensee that it subsequently entered into lease deed dated 10.03.2009 with M/s.Agate Finance for a period of 25 years from 10.03.2009 to 09.03.2034. The lease deed was produced before the concerned authorities and the licence of the licensee was periodically renewed the last of such renewal being vide order dated 22.12.2022 in and by which the licence was renewed till 31.12.2027.

6. It is the further case of the licensee that the 4th respondent had sent a representation dated 16.08.2024 to the 1st respondent requesting to take appropriate action against the licensor and the licensee as the licensee has no

right over the site for being granted a renewal of licence. Being aggrieved by the said representation and apprehending coercive action by the 1st respondent, the licensee preferred W.P. No.35727/2024 which was disposed of by this Court vide order dated 11.03.2025.

7. It is the further case of the licensee that apart from the representation dated 16.8.2024, the 4th respondent has sent a representation dated 10.03.2025 to the 3rd respondent in W.P. No.31412/2025 to cancel the 'No Objection Certificate' issued to the licensee for running the petrol bunk and enquiry in the said matter is pending.

8. It is the further averment of the licensee that only on reading the representation, the litigations between the 4th respondent and M/s.Agate Finance came to light and the licensee was not admittedly a party to the proceedings. It is the further averment of the licensee that even during the litigation neither the 4th respondent nor M/s.Agate Finance had questioned the possession of the licensee over the property and the running of the petrol bunk.

9. It is the further averment of the licensee that the dispute between the 4th respondent and M/s.Agate Finance was settled way back in 2013 and that the licensee is in peaceful possession and occupation of the property under the lease deed dated 10.03.2009. The 4th respondent, inspite of knowledge of the said fact, only to disrupt the life of the licensee had submitted the representation as the licensee did not yield to the illegal and unlawful demands made by the 4th respondent.

10. It is the further averment of the licensee that it preferred RCOP No.18/2025 on the file of the I Addl. District Munsif, Puducherry, permitting it to deposit the rent, which is pending and a suit in O.S. No.491/2025 has been laid on the file of the Principal District Munsif, Puducherry, seeking the relief of permanent injunction, which is also pending.

11. In the meanwhile, this Court, in W.P. No.35727/2024 disposed of the writ petition directing the concerned authority to pass order after hearing all the parties concerned and pursuant to the said order, the 1st respondent, vide letter dated 29.05.2025 called upon the parties to appear for a personal hearing on

17.6.2025 on which date, the licensee appeared and requested the 1st respondent to provide the copy of the complaint, supporting documents provided along with the complaint so as to enable the licensee to give a detailed reply and inspite of the said request the said documents were not provided to the licensee.

12. It is the further averment of the licensee that the 1st respondent, vide letter dated 17.6.2025 called the parties for a personal hearing on 2.7.2025 on which date also the licensee pleaded that it was not provided with the copy of the documents.

13. It is the further averment of the licensee that on the date when the lease was entered into between M/s.Agate Finance and the licensee, M/s.Agate Finance had all the rights over the property and the mere settlement arrived at in the year 2013 will not nullify the lease transaction entered into between the third parties and M/s.Agate Finance. It is the further averment of the licensee that there is a clear admission of fact in O.S. No.11/2010 on the file of the Principal District Judge, PUducherry, that the licensee is running the business and co-

operating with M/s.Agate Finance and, therefore, there was no necessity to add the licensee as a party to the proceedings. However, without taking into consideration all the aforesaid facts, the impugned order had come to be passed as if the licensee is in litigious possession of the property, which is grossly unjustified. Even a bare perusal of the impugned order would reveal total non-application of mind on the part of the 1st respondent and it merely adverts to Rules 152 (1) (iii) of the Petroleum Rules, 2002, which resulted in the cancellation of the licence issued to the said premises.

14. The said order has been passed by the 1st respondent even without providing proper opportunity to the licensee to submit its reply and also providing with the necessary documents and materials and, therefore, left with no alternative and efficacious remedy, the present petition has been filed by the licensee.

15. In addition to the above averments, IOCL, has averred that in the suit initiated by M/s.Agate Finance against the 4th respondent, it has been acknowledged that the licensee had been put in possession of the land as a lawful

tenant and inspite of the fact that the suit resulted in a settlement before the Lok Adalat, where M/s.Agate Finance agreed to reconvey the property in favour of the 4th respondent upon receipt of a certain amount based on which award was passed by the Lok Adalat on 22.03.2012, however, till date, such reconveyance has not taken place as would be revealed by the encumbrance certificate. In such circumstances, the lease granted in favour of the licensee having not been revoked by M/s.Agate Finance by reconveying the property, the impugned order passed by the 1st respondent cancelling the licence granted to the licensee is grossly erroneous, arbitrary, perverse and, therefore, to set aside the same, the present writ petition has been filed.

16. Learned senior counsel appearing for the licensee submitted that the impugned order has been passed without considering the materials in proper perspective and it reveals the total non-application of mind on the part of the authority.

17. It is the further submission of the learned senior counsel that the impugned order has been mechanically passed by merely adverting to Rule 152

(1)(iii) of the Petroleum Rules and is cryptic without giving any proper reasoning and, therefore, the same is unsustainable. It is the submission of the learned senior counsel that the licensee has been in continuous possession of the premises and running the business since 1983 without any hindrance and the impugned order had come to be passed without even considering all the aforesaid aspects.

18. It is the further submission of the learned senior counsel that on the date when the impugned order had come to be passed, M/s.Agate Finance, is the owner of the property in whose name the property stands and the licensee being the lawful tenant under M/s.Agate Finance on the basis of the lease deed, the lease deed is valid in the eye of law. However, without considering the same, the impugned order has come to be passed, which is grossly perverse.

19. Learned standing counsel appearing for IOCL submitted that the 4th respondent and the licensee had agreed in W.P. No.35727/2024 with regard to the issue of possession, which would be sorted out by following the due process of law, which is nothing but approaching the civil court to decide the right of

possession. That being the case, the 1st respondent ought not have delved into the issue of physical possession of the land and cancelled the licence, that too without passing any reasoned order, which is perverse.

20. It is the further submission of the learned standing counsel that M/s.Agate Finance, the lessor of the licensee is still shown as the owner of the property in the records and so long as the said record has not been mutated in the manner known to law, inspite of the fact that a joint compromise has been entered into between the parties, the 1st respondent holding that the licensee as also IOCL have no right to site is wholly erroneous and, therefore, the impugned order passed by the 1st respondent deserves to be set aside.

21. Per contra, learned counsel appearing for the 4th respondent submitted that the petitioners, viz., the licensee and IOCL have lost their “Right to Site” as per Rule 150 (1) and 152 (1) of the Petroleum Rules, 2002 and rightly appreciating the same, the 1st respondent has passed the impugned order.

22. It is the further submission of the learned counsel that the licensee, viz., the petitioner in W.P. No.31412 & 32726/2025 is merely an agent of IOCL and IOCL is only the license holder and, therefore, the licensee has no locus to challenge the cancellation of licence u/ 152 of the Petroleum Rules, 2022.

23. It is the further submission of the learned counsel that Section 154 of the Petroleum Rules, 2022 provides for an appeal against cancellation of licence. However, the petitioners, without availing the alternative remedy have filed the present writ petition, which is not maintainable.

24. It is the further submission of the learned counsel that M/s.Agate Finance based on the fraudulently registered sale deed of the year 2000, had entered into an unregistered lease deed with the licensee, which is not adequately stamped and the Lok Adalat, by its award had declared the sale deeds as null and void and the such being the case, M/s.Agate Finance having no right over the property, the lease cannot be allowed to subsist, as the basis on which lease was entered itself has been declared as null and void. Rightly appreciating

all the above, the 1st respondent has passed the impugned order, which does not require any interference at the hands of this Court.

25. In support of the aforesaid submissions, learned counsel appearing for the 4th respondent, relied on the following decisions :-

i) *A.Albert Morris – Vs – K.Chandrasekaran & Ors. (2006 (1) SCC 228);*
ii) *Yogesh Kumar & Ors. – Vs – BPCL (1990 (4) SCC 49);*
iii) *Sri HPCL – Vs – Devaraj Chordia & Ors. (2005 (2) CTC 4001);*
iv) *Sri Gowri & Co. – Vs – BPCL (2024 SCC OnLine Mad. 2350);*
v) *National Company – Vs – Joint Chief Controller of Explosives & Ors. (W.P. Nos.31055/2012 & 24058/2019 – Dated 10.03.2020 – Madras HC); and*
vi) *Suraj Lamp & Industries Pvt. Ltd. – Vs – State of Haryana (2012 (1) SCC 656)*

26. This Court gave its anxious consideration to the submissions advanced by the learned counsel appearing for the respective parties and perused the materials available on record.

27. The No Objection Certificate and licence have been cancelled by the 3rd and 1st respondent respectively u/r 150 (1) and 152 (1) of the Petroleum Rules, 2002. For better appreciation the said Rules are quoted hereunder :-

> *"**150. Cancellation of No Objection Certificate. –***
>
> *(1) A no objection certificate granted under Rule 144 shall be liable to be cancelled by the District Authority or the State Government, if the District Authority or the State Government is satisfied that the licensee has ceased to have any right to use the site for storing petroleum:*
>
> *Provided that before cancelling a no objection certificate, the licensee shall be given a reasonable opportunity of being heard.*
>
> *(2) A District Authority or a State Government cancelling a no objection certificate shall record in writing, the reasons for such cancellation and shall immediately furnish to the licensee and to the licensing authority concerned, copy of the order cancelling the no objection certificate.*
>
> ***152. Suspension and cancellation of licence :-***
>
> *(1) Every licence granted under these rules shall -*
>
> *(i) stand cancelled, if the licensee ceases to have any right to the site for storing petroleum;*
>
> *(ii) stand cancelled, if the no objection certificate is cancelled by the District Authority or the State*

Government in accordance with sub-rule (1) of Rule 150."

28. The no objection certificate has been cancelled by the 3rd respondent u/s r 150, while the 1st respondent had cancelled the licence u/r 152 on the basis of the cancellation of the no objection certificate and also other reasons, which have been pointed in the impugned order of the 1st respondent. In the present case, the 3rd respondent and the 1st respondent have cancelled the no objection certificate and the licence granted to the petitioners by applying Rule 150 (1) and 152 (1)(i), wherein the said rule provides that a no objection certificate and licence could be cancelled if the licensee ceases to have any right to the site for storing petroleum.

29. The grievance expressed by the licensee, who is the agent of the licence holder, viz., IOCL is that it has a valid lease, which has been entered into between the licensee and M/s.Agate Finance and, therefore, the invocation of Rule 150 and 152 (1)(i) is arbitrary and perverse. Contrarily it is submitted that the licensee and IOCL do not have a valid 'Right to Site' and, therefore, the cancellation of the licence is just and proper.

30. Right to the Site is envisaged under Rule 153 (1)(i) of the Petroleum Rules and it refer to right to the site on which petroleum is stored and does not include the right to store petroleum on the site. In this context, the decision of the Apex Court in the case of ***C.Albert Morris – Vs – K.Chandrasekaran & Ors. (2006 (1) SCC 228)*** could be adverted to in which the 'Right to Site' has been discussed in detail and for better clarity, the relevant portion of the said decision is quoted hereunder :-

> *"42. The argument of Mr. L.N. Rao, learned senior counsel appearing for the appellant that the words ""right to site"" appearing in Rule 153(1) of the Petroleum rules must be given liberal interpretation having regard to the public interest sub-served by the Petrol bunks which are essential for the smooth flow of goods and services as also for the movement of persons. Rule 153(1) (i) of the Petroleum Rules is ""right to the site"" for storing petroleum. It is not the right for storing petroleum on the site. That is so because that aspect is dealt with specifically in sub-clause (ii) of Rule 153(1) which refers to a no objection certificate, which the District authority or the State Government is required to give. No Objection Certificate which is granted under Rule 144 is the one given by the concerned authority stating that it has no objection for the*

storage of petroleum on the site after examining the site plan and other relevant factors. The words ""right to the site"" have, therefore, to be understood as referring to right to the site on which the petroleum is stored. <u>A person can be said to have a right to something when it is possible to find a lawful origin for that right. A wrong cannot be a right of a person who trespasses on to another's land cannot be said to have a right to the land vis-a-vis the owner because he happens to be in possession of that land. Mere presence on the land by itself does not result in a right to the land</u>. Such presence on the premises may ripen into a right by reason of possession having become adverse to the true owner by reason of the passage of time and possession being open uninterrupted, continuous and in one's own right.

43. <u>In our opinion, any right which the dealer has over his site was the right which he had acquired in terms of the lease. When that lease expired and when the landlord declined to renew the same and also called upon the erstwhile tenant to surrender possession, the erstwhile lessee could no longer assert that he had any right to the site. His continued occupation of something which he had no right to occupy cannot be regarded as source of a right to the land of which he himself was not in lawful possession. As observed by this Court in the case of M.C. Chockalingam and Ors. v. V. Manickavasagam and Ors. (supra), litigious possession cannot be regarded as lawful possession</u>. As rightly pointed out by the

Division Bench of the High Court the right referred to in this Rule has necessarily to be regarded as right which is in accordance with law and the right to the site must be one which is capable of being regarded as lawful. We have already referred to Bhawanji Lakhamshi and Ors. v. Himatlal Jamnadas Dani and Ors. (supra) wherein this Court held that the act of holding over after the expiration of the term does not create a tenancy of any kind. A new tenancy is created only when the landlord assents to the continuance of the erstwhile tenant or the landlord agrees to accept rent for the continued possession of the land by the erstwhile tenant. The contention of Mr. L.N. Rao that the landlord''s assent should be inferred from the conduct of the landlord who had filed the suit for ejectment, but did not pursue the same, has no force. This suit was withdrawn with liberty to file a fresh suit on the same cause of action, liberty which the Court has granted. The possession of this site by the erstwhile lessee does not ripen into a lawful possession merely because the landlord did not proceed with the suit for ejectment at that time, but reserved the right to bring such a suit at a later point of time. That cannot amount to an assent on his part to the continued occupation of the landlord under cover of a right asserted by the erstwhile lessee. The words ""right to the site"" in Rule 153(1) (i) must, therefore, in our opinion, be given their full meaning and the effect that unless the person seeking a licence is in a position to establish a right to the site, he would *not be entitled to hold or have his licence renewed. We have already rejected the contention of Mr. L.N. Rao that the appellant-tenant is a statutory tenant for the reasons recorded earlier. The lease deed is very clear as to what was leased. The lease was of vacant land. That is evident from the recitals in the plaint, legal notice, lease deed etc. It is, therefore, not in dispute that the lease of land is not covered by the statute, The Pondicherry Buildings (Lease and Rent Control) Act, 1969 in force extending protection to tenants."*

(Emphasis Supplied)

31. From the above decision, it is unambiguously clear that the right which the dealer has over the site is the one, which he acquires in terms of the lease and only based on the validity of the lease, the dealer gets right to the storage of petroleum in the said site. Therefore, what is necessary for this Court is to find out whether the licensee, who is the agent of IOCL, which is the licence holder, has a valid lease, which permits the licensee and for that matter the licence holder to the right to site.

32. The facts in the present case are not disputed. Initially, it is alleged that the lands belonged to the minors I.Zaheera, U.Nargees and F.Yasmin, from

whom the licensee obtained valid lease deed dated 01.01.1983 executed by their natural guardians for a period of five years. Based on the said lease deed, the licensee was running a petrol bunk. The whole dispute arose when M/s. Agate Finance, from whom the licensee alleges to have obtained a further lease from the year 2009 by entering into a lease deed dated 10.03.2009.

33. It is the case of the 4^{th} respondent that M/s.Agate Finance is a power of attorney holder of the 4^{th} respondent and the lessor of the licensee were family members of the 4^{th} respondent and beyond the initial period of five years, the lease was not renewed beyond 31.12.1987 and no rent was also paid after 31.12.1987 and, therefore, for all purposes the licensee was a trespasser.

34. It is the further case of the 4^{th} respondent that the subject property was mortgaged with M/s.Agate Finance for availing a loan during which time, the power of attorney was executed in favour of M/s.Agate Finance. However, M/s.Agate Finance fraudulently misused the power of attorney and registered 18 sale deeds in the name of various sister concerns of M/s.Agate Finance on

account of which act, O.S. No.263/2000 was filed before the Addl. Sub Judge, Pondicherry and C.S. No.871/2007 was filed before this Court.

35. Based on the above registration, M/s.Agate Finance entered into an unregistered lease deed for a period of 25 years with the licensee. Thereafter, it transpires from the records that a compromise memo was entered into in O.S. No.263/2000 before the Lok Adalat wherein the parties agreed to compromise and in return of the loan amount by the 4th respondent, the sale deeds were declared as null and void. It is to be noted that the Lok Adalat award dated 10.02.2012 has been duly registered with the Sub Registrar Office, Oulgaret even in the year 2012.

36. From the above sequence of events, it is clear that on the date when the unregistered lease deed was entered into between the licensee and M/s.Agate Finance, the said M/s.Agate Finance had no right or title over the property, but it is only a fraudulent act by which an illusory title was usurped by M/s.Agate Finance.

37. It is not also out of context here to point out that even the suit in C.S. No.821/2007 before this Court ended in the passing of a decree dated 24.01.2013, declaring the sale deed dated 25.2.2000 as null and void, which sale deed includes the sale of the properties belonging to the 4th respondent. Therefore, the sale deed having been declared as null and void by this Court, the illusory title of M/s.Agate Finance also stood effaced. Therefore, any act done by the said M/s.Agate Finance in entering into a lease with the licensee would be an act done without any authority or right and the said M/s.Agate Finance had no right to enter into the said sale deed.

38. It would also be worthwhile to notice that in the suit filed by M/s.Agate Finance in C.S. No.67/2010, the Lok Adalat, vide award dated 9.4.2013, recording the joint compromise memo dated 12.3.2013 declared the sale deeds in doc. Nos.159 to 180 of 2000, which were fraudulently executed by M/s.Agate Finance in favour of its sister concerns as null and void and the said order attained finality as the same was not challenged.

39. In the aforestated scenario, it is to be noted that once the sale deeds were declared as null and void, any act done on the basis of the said sale deed would also become null and void and in effect the unregistered lease deed dated 10.03.2009 entered into between the licensee and M/s.Agate Finance in the year 2009 also becomes null and void. Therefore, the licensee, who is the agent under IOCL and for that matter IOCL cannot claim any right under the unregistered lease deed.

40. The whole case of the petitioners is now premised on their claim of *'right to site'* under the unregistered lease deed. Whether such a right could be claimed by the petitioner is the issue that requires to be considered by this Court, which alone determines the validity of the impugned order. Similar grounds have been raised by the licensee with regard to cancellation of no objection certificate as also the licence, while IOCL has questioned the cancellation of licence contending that the said order is an unreasoned order, bereft of any reasons.

41. In the decision in *Albert Morris case (supra)*, The Apex Court has succinctly held that Rue 153 (1)(i) of the Petroleum Rules pertains to *right to site'*

for storing petroleum, but it is not the right for storing petroleum on the site. It is to be pointed out that the right the dealer has over a site is traceable to the right, which he acquires in terms of a lease. When the right of the lessor to enter into such a lease itself stands extinguished due to the declaration of the sale entered into by the lessor as null and void, any act done by the lessor on the basis of an alleged right, which has since been declared as null and void, would also become null and void and, therefore, the lease deed, which is alleged to have been executed between the licensee and M/s.Agate Finance also would be deemed to be null and void. The possession, even if it is to be presumed so with the licensee, could at best be held to be a litigious possession and as held in *Albert Morris case (supra),* litigious possession cannot be held to be lawful possession and right to site calls for legal physical possession of the property, the licensee having no lawful possession, but at best only a litigious possession, the licensee cannot be said to have right to site, as provided for u/r 153 of the Petroleum Rules.

42. Further Section 109 of the Transfer of Property Act deals with the rights of the lessor’s transferee. In the present case, it is the licensee, who is the

lessor's transferee who has taken the property on lease. The rights and liabilities which the lessor possesses would stand transferred to the lessee, which are imposed on him by the lease and not otherwise. In the present case, the lessor, on the date when the unregistered lease deed was entered into, did not have any valid right over the property, but only a right, which was on the basis of fraudulent sale deeds, which has since been declared as null and void and, therefore, the lessee, viz., the licensee would have no better right and title than the lessor and, therefore, upon the sale deeds being declared as null and void, the unregistered lease deed would also become null and void and the licensee could not derive any benefit from out of the unregistered lease deed.

43. It is the case of the petitioners, viz., the licensee and IOCL that as on date, pursuant to the compromise deed, though the sale deeds have been declared as null and void, however, neither the 4th respondent nor M/s.Agate Finance have taken any steps to mutate the records and as on date, the encumbrance on the property shows that M/s.Agate Finance is the owner of the property and, therefore, the licence ought not have been cancelled, as the

licensee could continue in the property so long as the title by way of the sale deed stood on M/s.Agate Finance.

44. Though such a contention is advanced, however, the same does not deserve acceptance for the simple reason that the Lok Adalat Award as well as the decree passed by this Court in the suits filed by the 4th respondent as well as M/s.Agate Finance have declared the sale deeds as null and void and the said Lok Adalat Award has also been registered before the Sub Registrar Office, Oulgaret in the year 2012 itself. The position being such that the title to the property on M/s.Agate Finance stood extinguished as the sale deeds having been declared as null and void, the said M/s.Agate Finance had no title to the property and the licensee, who steps into the shoes of the lessor would have no better title than the lessor and would be guided by Section 109 of the Transfer of Property Act and, therefore, the unregistered lease deed would have no legs to stand.

45. One of the other contentions advanced by the petitioners is that the order passed by the 1st respondent reveals non-application of mind, as the said

order is bereft of reasons and, therefore, the said order deserves to be interfered with.

46. In this regard, this Court perused the order passed by the 1st respondent dated 12.08.2025. However, a careful perusal of the order along with the connected records, which have been annexed in the typed set of papers leading to the issuance of the order dated 12.08.2025 reveals that the 1st respondent had called for certain records to establish the legal physical possession of IOCL, but the same has not been filed by IOCL, which has resulted in the passing of the impugned order.

47. May be, the order passed is not to the taste or liking of the petitioner, but nevertheless, the said order cannot be said to be bereft of any detail, as the said order clearly spells out that there is no documentary evidence submitted by IOCL, as called for by the 1st respondent, to establish legal physical possession. There could be no quarrel with the fact that IOCL and for that matter the licensee cannot claim any legal physical possession over the property in question, as even as early as in the year 1987, the licensee’s right to legal physical possession stood

terminated on the lease deed with the lessor in the year 1983 stood terminated on it not being renewed and on and from the said dated, viz., 3.12.1987, the licensee could only be held to be a trespasser in the property as the licensee was not in possession of a valid lease deed. Therefore, without the licensee and IOCL producing any document to establish their valid legal physical possession, rightly the 1st respondent has cancelled the licence granted, which cannot be said to erroneous or perverse and is just and reasonable.

48. Insofar as the cancellation of no objection certificate by the 3rd respondent is concerned, even a cursory perusal of the said order, by no stretch, could be said to be an order bereft of any reason. The 3rd respondent had analysed all the materials and had given cogent and convincing reasons to hold that the licensee had no *'Right to Site'* as mandated under Rule 153 of the Petroleum Rules and in the absence of right to site, the licensee would not be entitled to a no objection certificate, more particularly keeping in mind the decree declaring the sale deeds as null and void and also taking into consideration the fact that the licensee has not produced any materials to establish that he was paying lease rental and, therefore, the 3rd respondent had

rightly cancelled the no objection certificate on just and reasonable grounds and the same also does not warrant any interference at the hands of this Court.

49. For the reasons aforesaid, this Court does not find any error or infirmity in the orders impugned herein, passed by the 3rd respondent and the 1st respondent respectively and, accordingly, the all the writ petitions fail and they are dismissed. Consequently, connected miscellaneous petitions are closed. There shall be no order as to costs.

16.10.2025

Index : Yes / No

GLN

To

1. The Joint Chief Controller of
Explosives South Circle – Chennai
Petroleum & Explosives Safety Organization (PESO)
A & D Wing, Block 1-8, 2nd Floor
Shastri Bhavan, No.26, Haddows Road
Nungambakkam, Chennai 600 006.

2. The District Collector – cum –
District Magistrate, The District Authority
under Petroleum Rules
Union Territory of Puducherry
Puducherry.

M.DHANDAPANI, J.

GLN

**PRE-DELIVERY ORDER IN
W.P. NOS.31412, 32726
& 34177 OF 2025**

Pronounced on 16.10.2025