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W.A No. 3333 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 06-11-2025

CORAM

THE HON'BLE MR JUSTICE R.SURESH KUMAR

AND

THE HON'BLE MR JUSTICE HEMANT CHANDANGOUDAR

W.A No. 3333 of 2025

and

CMP.No. 27248 of 2025

1.The Divisional Retail Sales Head,
M/s. Indian Oil Corporation Ltd.,
Chennai Division Office,
No.500, Anna Salai,
Teynampet, Chennai-600018.

2.The Divisional Manager,
M/s. Indian Oil Corporation Ltd.,
Chennai Division Office,
No.500, Anna Salai,
Teynampet, Chennai-600018.

..Appellants

Vs

1. K.Selvaperunthagai
2. Raasammal Fuel Centre,
Rep. By its Proprietrix
S.Umayal,
W/o. K.Selvaperunthagai
1-A, No.4, Prof. Subramanian Street,
Kilpauk, Chennai -600010.

..Respondents



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Writ Appeal is filed under Clause 15 of Letter Patent to set aside the order dated 22.08.2025 passed in W.P.No. 20755 of 2025.

For Appellant: Mr.R. Sreedhar

For Respondents : Mr.V.S.Venkatesh

JUDGMENT

(Made by ***HEMANT CHANDANGOUDAR, J.***)

This intra-Court appeal is directed against the order dated 22.08.2025, passed by the learned Single Judge in W.P. No. 20755 of 2025, whereby the learned Single Judge was pleased to direct the appellants to vacate and hand over the possession of the subject property to the first respondent / first writ petitioner within a period of three months from the date of receipt of the order.

2. The factual matrix, as is borne out from the records, is that the first respondent is the absolute owner of the subject property. The said property was leased to the appellant-Corporation in the year 2004, by way of a registered lease deed dated 02.04.2004, for a lease period of twenty years, which expired by efflux of time on 29.06.2024. Upon expiry of the lease, the appellants sought renewal of the same; however, the offer for renewal was categorically declined



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by the first respondent.

3. It is further on record that the competent department of the Government of India had cancelled the licence earlier issued in favour of the appellant for running a petroleum outlet in the subject property. The District Collector also cancelled the No Objection Certificate that was initially granted for the operation of such outlet. Thus, since 29.06.2024, the appellants have ceased to carry on any business in the said premises.

4. Despite the expiry of the lease and cessation of business, the appellants failed to vacate the premises and did not deliver possession to the owner, thereby constraining the first respondent to approach this Court by way of the above writ petition seeking appropriate directions. The learned Single Judge, upon a detailed consideration of the materials and rival submissions, allowed the writ petition and issued consequential directions.

5. Mr. R. Sreedhar, learned counsel appearing for the appellants, assailed the impugned order on the ground that the writ petition itself was not maintainable, as the controversy between the parties pertains to rights in respect of an immovable property. It was argued that such disputes involve adjudication



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of disputed questions of fact and, therefore, can be decided only by the jurisdictional Civil Court in an appropriate suit and not by this Court in its extraordinary writ jurisdiction under Article 226 of the Constitution of India.

6. Learned counsel for the appellant further contended that, in W.P. No. 24578 of 2024, involving identical circumstances, the very same learned Single Judge had declined to entertain the writ petition on the ground of maintainability, holding that such disputes must be resolved before the Civil Court. Hence, according to the learned counsel, the present impugned order suffers from jurisdictional infirmity and warrants interference.

7. Per contra, Mr. V.S. Venkatesh, learned counsel for the first respondent, supported the order of the learned Single Judge. He submitted that the appellants, being instrumentalities of the State within the meaning of Article 12 of the Constitution, are expected to act fairly, reasonably, and in accordance with law, and cannot indefinitely squat on private property after the expiry of the lease.

8. We have considered the rival submissions advanced by the learned counsel for the parties and have carefully perused the material placed on record.



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9. It is an undisputed fact that the lease period expired on 29.06.2024 by efflux of time. The competent licensing authority has also revoked the licence earlier granted to the appellant for operating a petroleum outlet in the subject property. In tandem, the District Collector has withdrawn the No Objection Certificate granted for such operation. Consequently, it stands admitted that the appellants have not carried on any commercial activity in the said premises since the expiry of the lease.

10. In the above circumstances, when the lease term has expired, the lessor has refused renewal, and the license and NOC have both been cancelled, the appellants being State instrumentalities are duty-bound to act as model litigants and restore possession of the subject property to its lawful owner without compelling the first respondent to undertake the arduous and time-consuming process of civil litigation for recovery of possession.

11. It is well settled that the State and its instrumentalities must act with constitutional propriety, fairness and should not indulge in protracted retention of private property without legal sanction. The continued occupation of the property by the appellants, despite cessation of business and expiry of lease, is



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therefore wholly arbitrary, unreasonable, and the principles of equity.

12. As regards the reliance placed by the appellants on the order passed in W.P. No. 24578 of 2025 dated 05.08.2025, we find that the said decision has no application to the facts of the present case. In that matter, the respondents therein (present appellants) had taken a specific stand that the lease period had not expired, thereby giving rise to a disputed question of fact. It was in those circumstances that the learned Single Judge declined to entertain the writ petition. In the present case, however, the appellants have unequivocally admitted that the lease expired on 29.06.2024, and there is no dispute as to this material fact. Therefore, the reliance placed on the earlier decision is misconceived and misplaced.

13. Having regard to the admitted position that the lease has come to an end, that the licence and NOC have been cancelled, and that the appellants have ceased operations, the direction issued by the learned Single Judge requiring the appellants to vacate and hand over possession of the property cannot be faulted. The learned Single Judge, while exercising writ jurisdiction under Article 226 of the Constitution of India, has not ventured into any disputed questions of fact, but has merely granted an equitable and consequential relief flowing from



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admitted facts.

14. The impugned order, therefore, is neither arbitrary nor perverse, but is in consonance with equitable principles, and constitutional fairness. We find no illegality or irregularity warranting interference in this intra-Court appeal.

15. Accordingly, the Writ Appeal stands dismissed. The order dated 22.08.2025 passed by the learned Single Judge in W.P. No. 20755 of 2025 is affirmed. Consequently, the connected Miscellaneous Petition stands closed. There shall be no order as to costs.

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

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