



WEB COPY



W.P.No.38484 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 20.11.2025

CORAM:

THE HONOURABLE MR.JUSTICE M.DHANDAPANI

W.P.No.38484 of 2024
and W.M.P.No.41685 of 2024

M/s.Triloks Gas Service,
Rep.by its Proprietor: Ganesh Sarin
Old.No.16, New No.20, Govendarajapuram II Street,
Adyar, Chennai-600 020.

... Petitioner

Vs.

M/s.Indian Oil Corporation Ltd.,
Rep.by its Executive Director & Tamil Nadu State Office,
Marketing Division, Southern Region,
“Indian Oil Bhavan”, 139, Uthamar Gandhi Salai,
Chennai-600 034.

... Respondent

Prayer : Petition filed under Article 226 of the Constitution of India praying issuance of a Writ of Certiorari calling for the records relating to the order of the Respondent dated 25.11.2024 in Ref.TNS/L/TRILOK and quash the same as illegal.

For Petitioner : Mr.K.Selvaraj

For Respondent : Mr.Mohamed Fayaz Ali,
Standing Counsel



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ORDER

Aggrieved by the order of termination passed by the respondent dated 25.11.2024, terminating the LPG Distributorship license of the petitioner, the petitioner is before this Court.

2. Brief facts that are necessary for disposal of Writ Petition are as follows:-

The petitioner's mother was initially granted an LPG Distributorship on 21.02.1972 for the area of Adyar under the name of Trilok Gas Services. Subsequently, the said distributorship was transferred to the petitioner on 11.12.2017. The lease agreement for the godown was executed in favour of the petitioner in the year 2017 and submitted to the respondent corporation in the year 2023. Subsequently, upon change of ownership, the petitioner obtained a registered lease agreement in favour of the petitioner followed by a fresh lease enhancing the rent. Whiles, a show cause notice dated 01.04.2024 was issued stating alleging cancellation of lease agreement without the knowledge of the respondent. Despite the petitioner having obtained a fresh registered lease agreement dated 12.04.2024 and submitted the same on 15.04.2024 to the respondent, the respondent had suspended the lease agreement by order dated 23.04.2024 on the ground that the earlier lease agreement stood cancelled on 30.01.2024. As against the said order of suspension dated 23.04.2024, the petitioner filed a Writ Petition in W.P.No.31310 of



2024 wherein, this Court vide order dated 21.10.2024, directed the respondent to consider the representation of the petitioner dated 20.09.2024 and pass orders on the same within a period of four (4) weeks. Though the petitioner had given a requisition letter dated 09.11.2024 for revocation of the order of suspension and the new registered lease agreement dated 12.04.2024, the respondent had terminated the distributorship vide present impugned order dated 25.11.2024. Challenging the same, the present Writ Petition has been filed.

3. Learned counsel appearing for the petitioner submitted that, admittedly, the petitioner was granted LPG Distributorship license in the year 2017 for the Adyar area. Due to non-extension of the lease by the owner of the property, the respondent had earlier passed an order dated 03.07.2018 terminating the distributorship agreement on the basis of a complaint raised by the petitioner's partner viz., Makkena Sandeepkumar against the petitioner which led to the present impugned order. Further, the said complainant filed a suit in O.S.No.4743 of 2017 by impleading the petitioner as the first defendant and the respondent herein as the second defendant on the file of the I Assistant City Civil Court, Chennai seeking to declare the letter dated 25.07.2017 sent by the first defendant to the plaintiff as not maintainable in law and for such other reliefs which was dismissed vide order dated 02.12.2023.



4. It is the further submission of the learned counsel for the petitioner that the petitioner preferred a Writ Petition before this Court in W.P.No.17125 of 2018 challenging the order of suspension dated 03.07.2018 passed by the 1st respondent, which was disposed of vide order dated 20.03.2023 by extending the interim order which was already granted till the disposal of the pending suits directing the petitioner to make fresh representation to the respondents to review the impugned order in the event the petitioner succeeds in the suit. Though the petitioner had submitted a fresh rental lease agreement along with proof of documentary evidence in support of his claim, the respondent has failed to consider the same instead passed an order of suspension which is wholly unsustainable.

5. Learned Standing Counsel appearing for the respondent reiterated the averments made in the counter affidavit filed on behalf of the respondent and submitted that, admittedly, the Distributorship license was executed in favour of the petitioner on 11.12.2017. Though it is the case of the petitioner that despite the petitioner had obtained a fresh lease agreement from the subsequent purchaser, the licence of the petitioner had been cancelled however, it is to be pointed out that the petitioner has obtained the fresh agreement only after the explanation was sought for by the respondent which is contrary to the claim of the petitioner with regard to cancellation rental agreement only on account of the enhancement of rent. He further submitted that the date of cancellation of the lease was on 30.01.2024 whereas the



date of fresh lease was on 12.04.2024 from which, it is evident that the petitioner had been unauthorizedly operating the godown from 30.01.2024 to 12.04.2024 which is in violation of the terms and conditions of the Distributorship Agreement dated . However, the learned standing counsel appearing for the respondent submitted that the respondent is well within the powers to extend the lease, at its discretion and if the petitioner make an application for renewal of license, the same will be considered in terms of the lease agreement.

6. Heard the learned counsel appearing on either side and perused the materials available on record.

7. The dealership was cancelled on the ground that the landlord had not extended the lease deed. However, it transpires from the records that, after a lapsation of the lease deed, the landlord had entered into a fresh rental lease agreement with the petitioner on 12.04.2024 and this Court, on the basis of such extension of rental lease by the landlord in favour of the petitioner, had granted the interim order in W.P.No.17125 of 2018 safeguarding the interest of the petitioner's dealership with the respondent oil corporation. The suit in O.S.No.6137 of 2017 filed by the petitioner was dismissed for default and the suit filed by the petitioner's partner viz., Makkena Sandeepkumar in O.S.No.4743 of 2017 has since been dismissed. In such a scenario, the dealership has to be decided based on the lease agreement which subsisted



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between the petitioner and the landlord however, a fresh lease agreement entered into between the landlord and the petitioner has not been taken into consideration by the respondent oil corporation while passing the impugned order. Therefore, necessarily, the said impugned order deserves to be set aside for the reasons aforesaid.

8. Accordingly, the impugned order dated 25.11.2024 passed by the respondent is set aside and the matter is remanded back to the respondent for fresh consideration. However, liberty is granted to the petitioner to submit a fresh representation along with a copy of a fresh lease deed entered into between the petitioner and the landlord and such other materials which are necessary for deciding the continuance of dealership by the respondent and which representation shall be submitted by the petitioner within a period of two (2) weeks from the date of receipt of a copy of this order. Upon receipt of such representation along with the documents, the respondent is directed to consider the same on merits and in accordance with law as expeditiously as possible.

9. The Writ Petition is allowed in the above terms. There shall be no order as to costs. Consequently, the connected Miscellaneous Petition is closed.

20.11.2025

Index: Yes/No
Speaking/Non-Speaking Order
Neutral Citation: Yes/No
Nhs



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To

The Executive Director & Tamil Nadu State Office,
M/s.Indian Oil Corporation Ltd.,
Marketing Division, Southern Region,
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M.DHANDAPANI, J

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