

*W.P(MD)No.19898 of 2025*

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BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 25.07.2025

CORAM

**THE HONOURABLE MR.JUSTICE C.SARAVANAN**

W.P(MD)No.19898 of 2025

and

W.M.P(MD)Nos.15324 and 15326 of 2025

M/s.G.B.Agency,  
Represented by its Proprietor,  
G.Suresh,  
S/o.P.Govindasamy,  
No.32/1, Periyar Campus,  
K.K.Nagar,  
Trichy – 21,  
Trichy District.

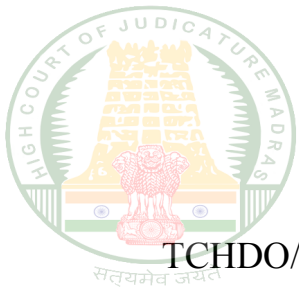
... Petitioner

**Vs.**

The Divisional Retail Head,  
Indian Oil Corporation Limited,  
(Marketing Division),  
Trichy Divisional Office,  
Triveni 3rd Floor,  
B-25, Shastri Road,  
Thillainagar, Trichy – 18,  
Trichy District.

...Respondent

**Prayer:** Writ Petition filed under Article 226 of the Constitution of India, praying this Court to issue a Writ of Certiorarified Mandamus, calling for the records relating to respondent proceedings made in Ref.No.



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TCHDO/GB/2025, dated on 11.07.2025, quash the same and further direct the respondent to grant 15 days period to the petitioner to run and commence the sales at retail outlet in the light of his letter dated 10.07.2025.

For Petitioner : Mr.R.Sundar

For Respondent : Mr.K.Muraleedharam

### **ORDER**

Mr.K.Muraleedharan, learned counsel takes notice for the respondent.

2. The petitioner is before this Court challenging the impugned communication dated 11.07.2025.

3. The petitioner appears to be a dealer of the respondent, who has accorded a dealership in the year 2017, which is backed by a memorandum of agreement dated 14.03.2017. According to the petitioner, due to flood in the year 2017, the dispensing pump and machines and tanks were eroded with water, as a result of which, the petitioner suffered and therefore, the petitioner took some time to restore the bump and clean up the tanks. Thereafter the



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petitioner has been buying petroleum products for dispensing with retail sales from this retail outlet in Trichy.

4. The learned counsel for the petitioner submits that the respondent has arbitrarily taken over the petrol bunk of the petitioner vide communication dated 09.07.2025. He further submits that the petitioner deserves a chance to run the petrol bunk as the contract has not been terminated till date. It is submitted that the action of the respondent is arbitrary. It is submitted that since the respondent is a State Monopoly within the meaning under Article 12 of the Constitution of India, therefore, the present writ petition is maintainable notwithstanding the fact that as per the aforesaid agreement there is an arbitration clause for resolution and dispute for arbitration.

5. The learned Standing Counsel for the respondent submits that the petitioner after restoring the tank and pumps, the petitioner had intermittently purchased petroleum products. He further submits that the petroleum bunk has been kept idle for the last 3 years. Therefore, in terms of Clause 3 of the aforesaid agreement, the respondent is entitled to take over the retail outlet



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given to the petitioner. According to the learned counsel for the respondent, the petitioner is facing financial crisis and unable to take the minimum off take. Therefore, in the interest of the business, the respondent has decided to take over the dealership.

6. The learned counsel further submits that there is no decision to terminate the dealership agreement with the petitioner at the moment.

7. On the other hand, it is submitted that the holiday scheme will be implemented, whereby the Retail Outlet (RO) will be operated by the IOC itself for a period of 2 years. It is for to the petitioner to come forward to pay the amount and restore the retail outlet.

8. It is noticed that the petitioner submitted a representation dated 10.07.2025. However, the respondent has taken over the retail outlets of the petitioner on 11.07.2025 even before the time sought by the petitioner had expired. The petitioner has also not come forward. It appears that the petitioner's sister responded by way of a communication dated 23.07.2025. The content of said letter reads as under:



From

Miss. G. Girija  
S/o G. Suresh  
29/28, Anna Nagar  
Thiruvananthapuram.

23.7.2025  
Trichy.

To

The Revenue Divisional Officer  
Trichy.

Respected Sir,

Tomorrow Evening My brother  
G. Suresh will come to R.O at 4.30  
Pm. Dealer Mr. G. Suresh will come and  
Request to plan load if any fail.  
in my words we will not interfined in  
this matter. And also. I will paid the  
Two. load Amount, if not failed take  
legal action, and I hand over to  
R.O and our Perdon Mr. Nares  
Regendran, Praveen, Santhos, Mohan.  
they will not interfined in this take  
Loc position. Included Mr. Vasanth.

Thanking You.

Yours Sincerely

Call  
23/7/25



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9. The learned counsel for the petitioner submits that the petitioner will mobilise the funds and restart the retail outlet and that the petitioner is already in possession for a sum of Rs.10,00,000/-.

10. Having considered the submissions made by the learned counsel for the petitioner and the learned counsel for the respondent, I am of the view that the present writ petition is not maintainable as the petitioner has an alternate remedy under Clause 61(a) of the aforesaid agreement dated 14.03.2017. The relevant clause of the agreement reads as under:

*“61(a) Any dispute or difference of any nature whatsoever, any claim, cross-claim or set-off or regarding any right, liability, act, omission or account of any of the parties hereto arising out of or in relation to this agreement shall be referred, to the sole arbitration of the Director (Marketing) of the Corporation who may either himself act as the Arbitrator or nominate some other officer of the Corporation to act as the Arbitrator. The Dealer will not be entitled to raise any objection to any such Arbitrator on the ground that the Arbitrator is an officer of the Corporation.”*

11. However, since the petitioner has developed the infrastructure and had difficulties on account of the several reasons to revive the retail outlets, one last opportunity is given to the petitioner to revive the retail outlet by



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taking the load as per the requirements of the contract, starting from 31.07.2025. In case the petitioner fails to maintain the minimum off take in the future, the respondent is at liberty to take over the retail outlet once again and proceed in accordance with law.

12. The writ petition stands disposed of. No costs. Consequently, the connected miscellaneous petitions are closed.

**25.07.2025**

NCC : Yes / No  
Index : Yes / No  
Internet : Yes / No  
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**To**

The Divisional Retail Head,  
Indian Oil Corporation Limited,  
(Marketing Division),  
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**C.SARAVANAN, J.**

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