

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION
INTERIM APPLICATION NO. 11735 OF 2025
IN
CIVIL REVISION APPLICATION NO. 328 OF 2024

Bharat Petroleum Corporation Limited

... **APPLICANT**

: VERSUS :

Paramjit Singh Ghai & Ors.

... **RESPONDENTS**

Mr. Veerendra Tulzapurkar, Senior Advocate *with Mr. Roopadaksha Basu and Ms. Heenal Wadhwa i/b. The Law Point, for the Applicant.*

Mr. Pradeep J. Thorat *with Ms. Aditi Naikare with Mr. Aditya Giri, for Respondent No.1.*

Ms. Bhagyashree, *for Respondent Nos.2 to 10.*

Mr. I.K. Tripathi *with Mr. Virendra Tripathi, for Respondent No.11.*

CORAM : SANDEEP V. MARNE, J.

DATED : 21 APRIL 2026.

P.C :

1) The Interim Application is filed seeking modification of the order dated 8 July 2024 passed by this Court in Civil Revision Application. By order dated 8 July 2024, this Court has upheld the liability of the Applicant, Bharat Petroleum Corporation Limited (**BPCL**) to pay mesne profits in respect of the suit property irrespective of the fact of its dealer,

M/s. Sardar Automobiles occupying the suit property. In paras-23, 24 and 25 of the order dated 8 July 2024, this Court made following observations :

23) Thus, Defendant's witness has specifically admitted that defendant continues to possess the suit premises, that the dealer M/s. Sardar Automobiles is the licensee of Defendant-BPCL and that the dealer is doing business purely as an agent of Defendant. The Defendant is apparently supplying fuel to the said dealer and earning profits out of sale of petroleum products out of the said dealership. In view of this position, it is entirely irresponsible on the part of the Defendant to now seek to shift onus of payment of mesne profits on the dealer. The liability inter se between Defendant-BPCL and its agent/licensee (M/s. Sardar Automobiles) is a matter of contractual relation between them, with which the Plaintiffs have no concern. Plaintiffs are entitled to recover the mesne profits from Defendant-BPCL and it is for Defendant-BPCL to exercise the remedies, if available in law, against its agent/licensee.

24) M/s. Sardar Automobiles is merely a licensee or agent of the Defendant. The said dealer is occupying the suit premises and conducting business merely as an agent of the Defendant. The ultimate possession over the suit premises is that of the Defendant. There is an express admission to that effect on Defendant's part. Merely because the Agent is permitted to conduct the business of sale of petroleum products of the Defendant in the suit premises, would not make the said dealer lawful possessor of the suit premises. There is direct connection between Defendant and its agent and the Defendant is profiteering out of the arrangement of the agency with the said dealer. Therefore, filing of obstruction proceedings in respect of the said dealer is absolutely irrelevant for the purpose of determining the liability of the Defendant to pay mesne profits to the Plaintiffs.

25) I find that the conduct of the Defendant in continuing to possess the suit premises by permitting its agent/dealer to conduct the business of sale of its petroleum products, irresponsible. Being an instrumentality of the State, the Defendant has a duty to act fairly and not just contractually. In the present case, the Defendant has breached not just the contractual obligation by squatting over the suit premises despite termination of lease, but has failed to act fairly by letting its agent/dealer to conduct business from the suit premises contrary to the decree of the Plaintiffs till the date of handing over of possession of the suit premises to the Plaintiffs eviction. Such conduct on the part of the Defendant is deprecated. I am therefore of the view that the

Defendant is liable to pay mesne profits to the Plaintiffs till the date of handing over of possession of the suit premises to the Plaintiffs.

2) Now, an Interim Application is filed contending that the Applicant-BPCL has terminated Dealership Agreement of M/s. Sardar Automobiles and has stopped supplying products to it. In that view of the matter, it is contended that the Applicant-BPCL cannot be made liable to pay mesne profits since M/s. Sardar Automobiles is now occupying the suit property on its own and not as dealer of BPCL.

3) It appears that the decreeholders have taken out Obstructionist Notice for removal of M/s. Sardar Automobiles from the suit property and that notice is pending adjudication before the Executing Court. The Apex Court in Marshall Sons & Co. (I) Ltd Versus. M/s. Sobi Oretrans (P.) Ltd.¹ has held that the Executing Court can determine interim compensation against a person obstructing the decree. In that view of the matter, the decreeholder can apply to the Executing Court for fixation of interim compensation for occupation of suit property by M/s. Sardar Automobiles.

4) Ms. Naikare, the learned counsel appearing for the decreeholder submits that within one week from today, an application shall be filed in Obstructionist Notice for fixation of interim compensation payable by M/s. Sardar Automobiles in respect of occupation of the suit property. M/s. Sardar Automobiles shall file reply opposing such application within a period of one week of supply of copy of such application. The Executing Court shall proceed to decide the

1 1999 (2) SCC 325

application filed by the decreeholders as expeditiously as possible preferably before 30 June 2026. In the event, the Executing Court determines liability of M/s. Sardar Automobiles to pay interim compensation in respect of the suit property, the liability of Applicant-BPCL to pay mesne profits shall automatically end on the date of passing of order by the Executing Court.

5) In view of the arrangement directed above, it is not necessary to modify the order dated 8 July 2024. However, it is clarified that nothing observed in the order dated 8 July 2024 shall come in the way of Executing Court determining liability for payment of interim compensation by M/s. Sardar Automobiles during pendency of obstructionist proceedings. The Interim Application is accordingly **disposed of.**

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signed by
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SAWANT
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[SANDEEP V. MARNE, J.]