IN THE HIGH COURT OF ANDHRA PRADESH AT AMARAVATI

WRIT APPEAL NO: 1305 of 2026

Indian Oil Corporation Limited and others ...Appellant(s)

Vs.

Byra Sanga Mithra and others ...Respondent(s)

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CORAM : THE CHIEF JUSTICE LISA GILL
SRI JUSTICE CHALLA GUNARANJAN

DATE : 19th November 2026

Present:

Advocate for Appellants: MR.S.V.S.S.SIVA RAM

Advocate(s) for Respondent(s): SRI M.RAVINDRANATH REDDY, Ld. SENIOR COUNSEL APPEARING FOR MR.B SRINARAYANA (FOR R1 & R2); & MS.MADAALASA CENTRAL GOVT COUNSEL (FOR R-3)

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JUDGMENT: (per Hon'ble Sri Justice Challa Gunaranjan)

Present writ appeal is directed against order, dated 25.08.2026, in W.P.No.36364 of 2025, whereby learned Single Judge, while disposing writ petition, directed appellants herein to vacate and hand over vacant possession of subject land to writ petitioners, respondents 1 and 2 herein.

2. Respondents 1 and 2/writ petitioners preferred the writ petition seeking the following relief:

> "…. to issue a Writ or Order or Direction, more particularly one in the nature of Writ of Mandamus, declaring the action of Respondent No.2 in not handing over to the Petitioners, the vacant possession of the land of an extent of 1277 Square Yards, situated in Sy. No.396/1 and 399, Karampudi, Karampudi Mandal, Palanadu District, as arbitrary, illegal, unjust, and to consequently direct the respondent No.2 and 3, (i) to hand to the Petitioners the vacant possession of the aforesaid land and (ii) future rents @ of market rate and damages and pass…."

3. **(a)** 1st petitioner claims to have purchased an extent of 1,375 square yards from Mrs.T.Prabhavathi, vide registered sale deeds, dated 11.09.2023 and 31.01.2025. Likewise, 2nd petitioner acquired an extent of 733.32 square yards from Mrs.A.Girija Rani, vide registered sale deed, dated 05.07.2007, thus, in total, both petitioners acquired an extent of 2,108.32 square yards. Part of said acquired extent, i.e., 1,277 square yards, was initially leased out to appellants by Mrs.T. Prabhavathi under a registered lease deed, dated 01.12.2004 for a period of 20 years at a monthly rent of ₹1,000/-, enhanceable by 10% every year. Said lease was to expire on 30.11.2024. There was no further extension of lease granted in favour of appellants, and in fact, when a request was made by appellants for extension, the same was turned down by the lessor, Mrs.T. Prabhavathi. Subsequently, the property has been acquired by writ petitioners herein.

(b) Though petitioners issued legal notice, dated 25.08.2025, calling upon appellants to vacate and hand over physical possession of subject property, as no action was forthcoming, present writ petition was preferred.

(c) Even before filing of writ petition, it is stated that license granted in favour of dealer for running the outlet was suspended in view of expiry of lease on 30.11.2024.

4. Before learned Single Judge, appellants primarily raised two contentions: *Firstly,* that writ petition itself was not maintainable in view of alternative remedy available under lease agreement itself, coupled with Marketing Discipline Guidelines, 2005 ("MDG 2005"), and *secondly*, when lease deed expressly provided for renewal of lease for a further period of 20 years, mere disagreement on rent would not entitle respondents 1 and 2/writ petitioners to wriggle out of contract and seek handing over of vacant possession of subject land.

5. Learned Single Judge, considering facts and circumstances, disposed writ petition, directing appellants herein to vacate and hand over subject premises to respondents 1 and 2/writ petitioners by negating both the objections canvassed by appellants. Hence, present writ appeal.

6. Heard Mr.S.V.S.S. Siva Ram, learned Standing Counsel for IOCL, appearing for appelants; and Sri M.Ravindranath Reddy, learned Senior Counsel, appearing for Mr.B.Srinarayana, learned counsel for respondents 1 and 2/writ petitioners.

7. **(a)** Mr.S.V.S.S. Siva Ram, learned Standing Counsel for appellants, vehemently contended that when there is an effective alternative remedy agreed between the parties under the very same lease agreement, read with MDG 2005, learned Single Judge was not right in entertaining the writ petition and deciding the *lis* exercising writ jurisdiction. It is also contended that learned Single Judge has not specifically dealt with submission made above.

(b) Further, learned Standing Counsel for appellants, while drawing our attention to Clause (j) of the lease agreement, contended that since parties specifically agreed for extension of lease by 20 years, mere disagreement on rent payable would not take away right of appellants Corporation for continuation of lease. Therefore, it is submitted that learned Single Judge failed to appreciate above contentions in proper perspective and committed serious error calling for interference, thus, urged to set aside the order under challenge.

8. Sri M.Ravindranath Reddy, learned Senior Counsel appearing for Mr.B.Srinarayana, learned counsel for respondents 1and 2/writ petitioners, while supporting impugned order, contended that issue on hand is no more *res integra*, and the same stood decided against appellants, in support, he referred to order passed by erstwhile High Court of Andhra Pradesh in

M/s.Indian Oil Corporation Ltd. v. Mr.Kareem Zaheer Yar Jung[1]. He further contended that writ petitioners seeking for eviction of public sector utility upon expiry of lease is very much maintainable under Article 226 of the Constitution of India, in support of which reliance has been placed on the following judgments:

(1) National Company v. Bharat Petroleum Corporation Ltd.[2]**;**

(2) Baba & Co. v. Hindustan Petroleum Corpn. Ltd.[3]**;**

(3) Hindustan Petroleum Corporation Ltd. v. Dolly Das[4]**;**

(4) Prashant Kashikar v. Bharat Petroleum Corporation Ltd.[5]**;**

(5) Athota Sashi Mohan v. Indian Oil Corporation Ltd.[6]**;**

(6) P.Hariprakash Reddy v. Hindustan Petroleum Corpn. Ltd.[7]**;**

(7) Smt.P.Geetha Lakshmi v. Indian Oil Corporation Ltd.[8]**; and**

(8) Indian Oil Corporation Ltd. v. Mujeebuddin Khan[9]

Accordingly, dismissal of writ appeal is sought for.

9. We have given our anxious consideration to the submissions made above and perused the record in detail.

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[1] 1997 (2) APLJ 209 (HC)
[2] (2021) 13 SCC 121
[3] 2012 SCC OnLine AP 802 = 2012 (2) ALD 752
[4] (1999) 4 SCC 450
[5] Order, dt.04.03.2024, in WP No.34230 of 2012 (TS HC)
[6] 2025 (1) ALT 306
[7] 2016 SCC OnLine Hyd 152 = 2016 (6) ALD 715
[8] 2026 (2) ALD 593 (TS)
[9] 2026 SCC OnLine TS 2136

10. Admittedly, subject property, which was leased out in favour of appellants, expired on 30.11.2024. After expiry of lease period, 1st respondent/1st petitioner, issued notice, dated 03.04.2025, calling upon them to vacate and deliver vacant possession.

11. In this background of facts, contentions raised by parties are required to be examined. Firstly, objection with regard to maintainability of writ petition on the ground of alternative remedy, as seriously canvassed by learned Standing Counsel for appellants, in our considered view, has no substance, inasmuch as the same stands answered in favour of landlords, by not only Coordinate Benches of the composite High Court of Andhra Pradesh, but also Hon'ble Apex Court in judgments referred to supra. Even learned Single Judge, referring to **National Company v. Bharat Petroleum Corporation Ltd.**[2] and **Baba & Co. v. Hindustan Petroleum Corpn. Ltd**[3], rejected aforesaid contention, which is absolutely justified. No other judgment has been brought to our notice taking contrary view.

12. Secondly, in regard to other contention, whether the lease between parties subsists and appellants are entitled to continue for further period of 20 years, it is apt to refer to relevant clause of the lease, which reads as follows:

> "PROVIDED ALWAYS AND IT IS AGRED AND DECLARED that at the expiration of the said term TWENTY years this lease will be

> renewed for a further term on the mutually agreed terms and conditions between the parties for a further period of TWENTY years, for which a separate lease deed will be made and registered. A separate deed will be executed and registered for the extension period of Thirty years."

13. A plain reading of above clause goes to show that initial term of lease agreed to was for a tenure of 20 years. It provides for renewal of lease for further period of 20 years on mutually agreed terms and conditions. Admittedly, no fresh lease deed was entered into between the parties. It is an undeniable fact that separate lease was never executed between the parties post expiry of initial lease.

14. In **Mr.Kareem Zaheer Yar Jung**[1], more or less similar clause fell for consideration, and in fact, renewal clause therein provided for automatic renewal, nevertheless, it was held that in the absence of fresh lease agreement being executed between the parties after expiry of initial period, no right got vested on appellants, thus, order of eviction and handing over of subject property was found to be absolutely in accordance with the terms of lease agreement. SLP (C) Nos.10352-10353 of 1997 preferred against said judgment in **Mr.Kareem Zaheer Yar Jung**[1] ended in dismissal vide order, dated 15.05.1997.

15. Even in the present case, it is an undeniable fact that no such renewed lease agreement is in place, therefore, question of appellants

continuing to hold on to the subject property under the guise of expired lease agreement would be without any right.

16. When once lease stands expired, appellants have no right to continue and scout over property in question. Learned Single Judge rightly directed appellants to vacate and handover physical possession of subject property by following the judgment of Hon'ble Apex Court in **Dolly Das[4]**. We do not find any reason to interdict with the findings and conclusions arrived at by learned Single Judge exercising appellate jurisdiction.

17. Writ Appeal is, therefore, devoid of merits and stands dismissed. No order as to costs.

As a sequel, miscellaneous petitions pending, if any, shall stand closed.

LISA GILL, CJ **CHALLA GUNARANJAN, J**

Date:19-11-2026.
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