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W.A.No.1447 of 2026

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 03.06.2026

CORAM :

THE HONOURABLE MR. SUSHRUT ARVIND DHARMADHIKARI,
CHIEF JUSTICE

AND

THE HONOURABLE MR.JUSTICE G.ARUL MURUGAN

W.A.No.1447 of 2026
and CMP No.13375 of 2026

Sri Balakumaaran Agency
Rep. by its Authorised Retail Agent,
Vimala, W/o.Sankar,
Avinashi Main Road, Peelamedu,
Coimbatore-641 004.

Appellant(s)

Vs

1. The Coimbatore District Textile Workers Union,
Rep. by its President, T.S.Rajamani
S/o.Subbarayan, 2212, Trichy Road,
Singanallur, Coimbatore-641 005.
2. The Senior Regional Manager
Hindustan Petroleum Corporation Limited,
18/3, HP House, Big Bazaar Street, Ukkadam,
Coimbatore-641 001.
3. The Deputy General Manager
Retail General Manager, Coimbatore Region,
18/3, Hp House, Big Bazaar Street, Ukkadam,
Coimbatore-641 001.

Respondent(s)



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PRAYER: Appeal filed under Clause 15 of the Letters Patent to set aside the order dated 08.04.2026 passed by the learned Single Judge in W.P.No.31379 of 2024.

For Appellant(s): Mr.K.Vishwanathan
Senior Counsel
for M/s.Shivakumar and Suresh

For Respondent(s): Mr.R.Bharath Kumar
for R1

JUDGMENT

(Delivered by the Hon'ble Chief Justice)

This writ appeal has been preferred challenging the final order dated 08.04.2026 passed by the learned Single Judge in W.P.No.31379 of 2024. By the impugned order, the learned Single Judge allowed the writ petition filed by the first respondent/Union and issued a mandamus directing the second respondent/Hindustan Petroleum Corporation Limited ["HPCL"] to handover vacant possession of the subject property to the first respondent/Union within a period of six months. Additionally, having found that HPCL continued to occupy the site past its lease tenure, the learned Single Judge categorized the holding over as an encroachment and



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directed HPCL to pay a monthly compensation of Rs.1,00,000/- (Rupees One Lakh Only) until the physical vacation of the premises.

2.1. The schedule property comprises land and building measuring an extent of 4,648.125 sq. ft. or 10.292 cents situated in G.S.No.280, Avinashi Road, Sowripalayam Village, Coimbatore Taluk and District. The property was originally a self-acquired asset of one V.Ramasamy Chettiar, who, with philanthropic intent to secure the welfare of textile workers, dedicated the property exclusively to the first respondent/Union via two registered Settlement Deeds, being Doc. Nos.983 and 1142 of 1947.

2.2. On 20.02.2003, the first respondent/Union executed a lease deed (Doc. No.367 of 2003) in favor of Pakshirajan Auto Services for a strict duration of twenty years, operational from 19.02.2003 to 18.02.2023. Acting in alignment with the underlying terms, a sub-lease by way of a Deed of Indenture (Doc. No.1452 of 2003) was executed on 05.07.2003 to HPCL, permitting the site to run a retail petroleum outlet until 18.02.2023.



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2.3. HPCL subsequently placed the appellant, Sri Balakumaaran Agency, in possession as its retail dealer/agent under the SC Woman category, executing an Addendum to the Dealership Agreement on 04.12.2008. Anticipating the expiration of the lease term, the first respondent/Union issued a prior notice on 12.10.2022, calling upon HPCL to surrender vacant possession. HPCL responded on 26.10.2022, seeking an extension of the lease. The first respondent/Union unequivocally rejected this request. Despite the explicit refusal to renew the tenure, HPCL went ahead and renewed its internal dealership agreement with the Appellant on 22.09.2023. The first respondent/Union issued a final statutory notice on 23.01.2024 regarding the closure of the lease and demanding possession. Upon continuous non-compliance by the respondents, the first respondent/Union knocked the doors of the High Court under Article 226 of the Constitution.

2.4. The writ petition, as stated supra, was allowed, and hence the present appeal.



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3. The learned counsel for the appellant strenuously argued

that:

(a) A claim for recovery of possession post-lease expiry falls entirely within the private domain of contract law, making a writ of mandamus under Article 226 of the Constitution of India inappropriate.

(b) The Appellant is a woman entrepreneur who invested over Rs.75 lakhs via bank loans and has operated the business for 17 years without default. Evicting her summarily destroys her primary source of livelihood.

(c) Internal title disputes are pending before civil courts, specifically O.S.No.32 of 2018 challenging the registration renewal of the first respondent/Union, and O.S.No.391 of 2023 concerning the formation of a Public Charitable Trust. It was argued that till these are resolved, no competent authorized representative can claim possession.



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4. Learned counsel for the writ petitioner/first respondent submitted that the ownership of the property by the first respondent/Union is admitted and that a public sector corporation cannot assume the role of an unauthorized squatter once its legal right to hold the site is terminated. He placed heavy reliance on the Supreme Court judgment in *C.Albert Morris v. K. Chandrasekaran and Others*¹, which was also referred to by the learned Single Judge in the impugned order. It is further submitted that the second respondent, vide letter dated 21.5.2026, agreed to surrender the site and make the payment as directed by the learned Single Judge. He hastened to add that there is no privity of contract between the appellant and the first respondent.

5. We have carefully evaluated the rival submissions, the text of the impugned order, and the documents on record.

6. The primary issue stands concluded by the authoritative pronouncement of the Supreme Court in *C.Albert Morris (supra)*, which was rightly extracted and applied by the learned Single

¹ (2006) 1 SCC 228



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Judge. In the said decision, it was emphatically held that *"When that lease expired and when the landlord declined to renew the same and also called upon the erstwhile tenant to surrender possession, the erstwhile lessee could no longer assert that he had any right to the site... litigious possession cannot be regarded as lawful possession."*

7. Applying this legal principle, the right of HPCL to occupy the site ceased permanently on 18.02.2023. The act of holding over without the assent of the landlord does not create a renewed tenancy of any description. Therefore, the continued occupation of the property by HPCL past the cut-off date is correctly labeled as an unauthorized encroachment by the learned Single Judge.

8. However, it is clear as crystal from the letter of the HPCL addressed to the first respondent/Union that in compliance with the direction issued by the learned Single Judge, they are in the process of taking necessary internal approval for surrender of the site and making payment.



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9. The appellant's argument that her independent business dealership protects her from eviction is legally fallacious. Her right to the site is purely derivative, arising from HPCL's sub-lease. Under the doctrine of *nemo dat quod non habet*, HPCL could not convey or extend a right of occupancy greater than what it possessed. When the master lease expired on 18.02.2023, the sub-lease and the dealership rights automatically collapsed. HPCL's purported renewal of the dealership agreement on 22.09.2023 was an act done without any legal title to the property and cannot bind the first respondent/Union.

10. We affirm the finding of the learned Single Judge that the suits in O.S.No.32 of 2018 and O.S.No.391 of 2023 have absolutely nothing to do with the resolution of the present eviction matter. Internal factional disputes or challenges to the renewal of a trade union's registration do not entitle an expired lessee or its dealer to indefinitely hold the property hostage. The first respondent/Union remains the lawful owner, and its right to recover its property from an external encroacher remains unassailable.



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11. The direction issued by the learned Single Judge to pay Rs.1,00,000/- per month as compensation was explicitly against HPCL as the primary encroaching party holding over the lease. The appellant's fear that she will be personally saddled with this liability is unfounded, as HPCL have not challenged the order passed by the learned Single Judge and, in fact, in the letter dated 21.5.2026 have specifically stated that they are in the process of taking necessary approval to make the payment as directed by the learned Single Judge.

12. The learned Single Judge has exercised sound judicial discretion, allowing a reasonable period of six months for the complex logistics of clearing a retail petroleum outlet. We find no reason to interfere with the well-grounded findings of fact or law.

13. In the light of the legal and factual matrix discussed hereinabove, this court finds no reason to displace the conclusions arrived at by the writ court. The writ appeal is devoid of merits and is, accordingly, dismissed, confirming the impugned order dated 08.04.2026 in its entirety. HPCL shall completely vacate and



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handover peaceful, vacant possession of the subject property to the first respondent/Union within the timeline originally stipulated.

There shall be no order as to costs. Consequently, interim application is closed.

(SUSHRUT ARVIND DHARMADHIKARI,CJ) (G.ARUL MURUGAN,J)
03.06.2026

Index : Yes/No
Neutral Citation : Yes/No
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To:

1. The Senior Regional Manager
Hindustan Petroleum Corporation Limited,
18/3, HP House, Big Bazaar Street, Ukkadam,
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2. The Deputy General Manager
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