**IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD**

THURSDAY, THE SIXTEENTH DAY OF JULY
TWO THOUSAND AND TWENTY SIX

PRESENT

**THE HON'BLE JUSTICE MOUSHUMI BHATTACHARYA
AND
THE HON'BLE SRI JUSTICE GADI PRAVEEN KUMAR**

WRIT APPEAL NO: 1484 OF 2025

Writ Appeal under clause 15 of the Letters Patent Appeal filed against the order Dated 14/11/2025 passed in writ petition No.17884 of 2025 on the file of the High Court

Between:

1. Mr.MOHD.MUZAFFAR HUSSAIN, son of Sri Abid Hussain @ Sri Abid Hussain Agarwal, aged about 38 years, Dealer and Proprietor of M/s.VIMAL FILLING STATION, carrying on business at Nos.5 and 6, Tandur Road, Dharur-501121, Vikarabad District, Resident of H.No.24-389, Ranga Reddy Nagar, Quthubullapur, Hyderabad.
2. M/s.VIMAL FILLING STATION, Rep. by its Proprietor and Dealer Mr.Mohd.Muzaffar Hussain, son of Sri Abid Hussain @ Sri Abid Hussain Agarwal, aged about 38 years, carrying on business at Nos.5 and 6, Tandur Road, Dharur-501121, Vikarabad District, Resident of H.No.24-389, Ranga Reddy Nagar, Quthubullapur, Hyderabad.

...APPELLANTS /PETITIONERS

AND

1. INDIAN OIL CORPORATION LIMITED, (a Government of India enterprise), Rep. by its Chairman and Managing Director, having its Regd. Office at G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai - 400051.
2. THE EXECUTIVE DIRECTOR AND STATE HEAD, Telangana and Andhra Pradesh State office, Indian Oil Corporation Limited, having its Office at Indian Oil Bhavan, Fateh Bagh, Moosapet, Kukatpally Industrial Estate, Sanath Nagar (Post), Hyderabad-500018.

...RESPONDENTS /RESPONDENTS

I.A. NO: 1 OF 2025

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to suspend the Order / Judgment dt-14/11/2025 in WP No.17884/2025 passed by the Learned Single Judge of this Honorable Court till the disposal of main Appeal

Counsel for the Appellants: SRI MANU

Counsel for Respondents: SRI DOMINIC FERNANDES
SC FOR IOCL

The Court made the following: JUDGMENT

HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD

THE HON'BLE JUSTICE MOUSHUMI BHATTACHARYA
AND
THE HON'BLE JUSTICE GADI PRAVEEN KUMAR

WRIT APPEAL NO.1484 OF 2025

DATE: 16.07.2026

Between:

Mohd. Muzaffar Hussain and Another

...Appellants

And

Indian Oil Corporation Limited, rep. by its
Chairman & Managing Director and Another

...Respondents

Mr. Manu, learned counsel appearing for the appellants.

Mr. Dominic Fernandes, the learned Standing Counsel for IOCL appearing for the respondents.

JUDGMENT: (Per Hon'ble Justice Moushumi Bhattacharya)

1. The present Writ Appeal arises out of an order passed by the learned Single Judge on 14.11.2025 dismissing W.P.No.17884 of 2025, filed by the appellants/writ petitioners with liberty to the appellants to avail the remedy provided under the Dealership Agreement dated 22.12.2020 executed between the parties.

2. The appellants filed the Writ Petition praying for a Writ of Mandamus against the termination letter dated 06.06.2025 issued by the respondent No.1/Indian Oil Corporation Limited ('IOCL') and for quashing of the same. The appellants also prayed for a declaration with regard to the IOCL

stopping the supply of Motor Spirit & High Speed Diesel ('MS & HSD') to the appellant No.2/writ petitioner No.2 from 05.05.2025 despite receiving an amount of Rs.12,70,000/- from the appellants/writ petitioners for the supply of MS & HSD.

3. The learned Single Judge dismissed the Writ Petition on, *inter alia*, the ground that the Dealership Agreement binds the parties to the terms of the contract and the appellants' apprehension in availing the remedial mechanism under the Dealership Agreement is baseless. The learned Single Judge also found that there is no procedural impropriety in the impugned termination order dated 06.06.2025.

4. Learned counsel appearing for the appellants urges that the respondent No.1/IOCL and its Executive Director had violated the principles of natural justice by being judges in their own cause. Counsel submits that the Deputy General Manager, Secunderabad, Sri Abhishek Chowdhary, was present at the personal hearing conducted by the officers of the respondent No.1/IOCL on 17.02.2025 and that there was every likelihood that the Deputy General Manager influenced the decision of the Executive Director to pass the termination order against the appellants. Counsel submits that the procedure adopted was, hence, unfair and unjust and that the appellants were not given any opportunity to initiate arbitration proceedings before the impugned letter of termination was issued to the appellants on 06.06.2025. Counsel submits that even otherwise, the termination was amenable to judicial review since there was no finding of deliberate tampering with the dispensing unit or deficiency in delivery of fuel and the

stock variations of MS & HSD were found to be within permissible limits in an earlier inspection conducted by authorised GVR technicians on 16.11.2023. It is also submitted that the learned Single Judge failed to consider several matters of factual importance including that the respondent No.1/IOCL had not given any adverse comments in the said earlier inspection. It is also submitted that the statutory remedy in the instant case is illusory and ineffective and that the Marketing Discipline Guidelines ('MDG') of IOCL do not have any statutory force.

5. Learned Standing Counsel appearing for the respondent No.1/IOCL objects to the maintainability of the Writ Petition. Counsel submits that the appellants have an appellate remedy available to them under the MDG which were followed by the respondent No.1/IOCL in issuing the show cause notice on 28.08.2024. Counsel also submits that the appellants were given a personal hearing and the replies given by the appellants were duly considered and that respondent No.1/IOCL passed a reasoned order of termination in accordance with the Dealership Agreement as well as the MDG. Counsel relies on Clause 8.9 of the MDG which, *inter alia*, provides for a right of the Dealer to appeal before the appellate authority through the concerned Divisional, Territorial or Regional Office of the Oil Marketing Company within 30 days from the date of the receipt of an order of termination arising out of invocation of the MDG. Counsel also relies on an amended appellate Clause made by way of a Policy Circular dated 18.05.2024 making the appellate procedure fairer than the earlier Clause 8.9. Counsel submits that in any event, the relationship between the

parties is purely contractual in nature and the Writ Court does not have to intervene in contractual matters where the parties are bound by their obligations as given under the terms of the contract.

6. The dates relevant to the adjudication are briefly stated below

22.12.2020	Dealership Agreement executed between the appellant No.1 and the respondent No.1/Indian Oil Corporation Limited ('IOCL') for a period of 15 years till 21.12.2035.
16.11.2023	GVR Service Technicians (authorised agents of IOCL) visited the retail outlet for calibration and annual stamping in the presence of the ALMO.
24.01.2024	Panchanama conducted and the 4 Member Committee (3 from IOCL and 1 from GVR) inspected the Retail Outlet in the presence of the Dealer.
26.06.2024	Mr. Shaik Aziz, the brother of dealer was physically present at GVR's TACC lab in Coimbatore as 'dealer representative' for witnessing the handing over and opening of sealed box.
19.07.2024	GVR's TACC Laboratory Report
28.08.2024	Show Cause Notice issued by the Corporation for Termination of Dealership Agreement.
30.08.2024	Reply to Show Cause Notice.
17.02.2025	Personal Hearing conducted and minutes of the Personal Hearing conducted in the presence of (i) Executive Director & State Head, TAPSO, (ii) General Manager (Retail Sales), (iii) Dy. General Manager, Secunderabad Divisional Officer, (iv) Sr. Manager (Law), TAPSO, (v) Appellant No.1 (Dealer of the Appellant No.2).
06.06.2025	Termination of Dealership Agreement dated 22.12.2020.
14.11.2025	Order passed by the Learned Single Judge in W.P.No.17884 of 2025.

7. The above sequence of events would indicate that the fact of tampering was not ascertained by way of a solitary one-time exercise but on two successive occasions. First, when a regular inspection/annual calibration process was undertaken on 16.11.2023 by the designated team of GVR technicians, in the presence of the Assistant Legal Metrology Officer

(ALMO), where the team noticed tampering with the dispensing unit. Second, on 24.01.2024 when a Panchanama was conducted and the Four Member Committee again inspected the Retail Outlet in the presence of the Dealer and seized certain parts of the dispensing units, and thereafter sent them in a sealed box to the TACC Laboratory at Coimbatore in June 2024 for examination that took place in the presence of the brother of the Dealer on 26.06.2024.

8. The evidence was also given to the TACC Laboratory for proper verification. IOCL issued the Show Cause Notice to the appellants for Termination of the Dealership Agreement only after all of the aforesaid stages. The Show Cause Notice issued on 28.08.2024 was also followed by a personal hearing given to the writ appellant No.1/Dealer of the Retail Unit in the presence of Four High-ranking Officers of IOCL on 17.02.2025.

9. The Minutes of the Personal Hearing dated 17.02.2025 show that the appellant No.1 (Dealer of the appellant No.2, i.e., M/s. Vimal Filling Station) was present in person and his representation was taken on record. The Minutes record that copies of the Minutes of the Box Opening conducted at the Laboratory at Coimbatore, dated 26.06.2024, were also taken on record, and appellant No.1 acknowledged the signature of Mr. Shaik Aziz (his brother), who represented the Retail Outlet Dealership on that date. The Termination Notice dated 06.06.2025 was issued only thereafter.

10. The complaint of the appellants with regard to the violation of the principles of natural justice is baseless as all the above mentioned stages of

procedure, which resulted in the Show Cause Notice and thereafter the Termination Notice, were in accordance with the MDG. It is relevant to note that the Dealership Agreement stipulates that the Dealer is to abide by the MDG.

11. Clause 45(k) of the Dealership Agreement provides that the Corporation (IOCL) shall be at liberty to terminate the Agreement, including in cases where the Dealer does not adhere to the instructions/guidelines issued from time to time by the Corporation (IOCL) in connection with Marketing Discipline and/or safe practices to be followed by the Dealer in the sale, supply, and storage of the Corporation's products or otherwise.

12. The MDG, with effect from 24.10.2024, is on record. Clause 5.1.4 of the MDG provides for an independent opinion of the Original Equipment Manufacturer (OEM) in cases of unauthorised fittings/gears found in dispensing units or tampering with a dispensing unit. Clause 8.2 of the MDG provides for the punishment for violation of Clause 5.1.4 with regard to 'Critical Irregularities'. The action for such irregularities is 'Termination at the FIRST instance'. Clause 5.1.4 was amended in 2022 to provide for the likelihood of manipulation with regard to delivery.

13. We now consider the question as to the maintainability of the Writ Petition.

14. Clause 8.9 of the MDG provides for 'Appellate proceedings'. Clause 8.9 is set out below.

"In case of termination arising out of invocation of MDG, the dealer will have the right to appeal within a period of 30 days from the date of receipt of order, before the Appellate Authority, through the concerned Divisional/ Territory/ Regional office of the Oil Marketing Company (OMC). The Appellate Authority is empowered to decide the matter and the appeal shall be disposed of preferably within 90 days from the date of filling the appeal in the Divisional/ Territory/ Regional office of the concerned OMC.

For all appeals filed by the Dealer(s) on termination of their RO dealership due to invocation of MDG except termination in case of SC/ST dealerships, the appellate authority will be the ED (Retail) in the Head office or any other ED level officer at the Head Office so nominated by the company,"

15. The above clause makes it clear that the Dealer (the writ appellants) is entitled to approach the Appellate Authority through the prescribed route. Clause 8.9 also provides for the time period for the disposal of the appeal. Clause 8.9 was amended by a Policy Circular dated 18.05.2024. The following part was added to Clause 8.9 after the amendment.

"...where termination is by approving authority below the rank of ED in the State Office. However, if the termination is by approving authority of the rank of ED in the State Office, then the appellate authority will be a committee of 2 EDs, so nominated by the company."

16. The addition to Clause 8.9, hence, makes the Appellate Authority more broad-based and minimises the probability of any kind of influence or personal interest being exerted by the Appellate Authority. In the present case, the Termination Notice dated 06.06.2025 was issued by the Executive Director and State Head of IOCL. Hence, the Appellate Authority in the present case would consist of a Committee of two Executive Directors nominated by IOCL.

17. The conclusion would then be that the writ appellants/writ petitioners have an Appellate Forum within the framework of the MDG. The MDG forms part of the Dealership Agreement which binds the parties. Hence, the

appellants cannot say that the Writ Court is their only recourse against the impugned Termination Notice.

18. The source of the appellants' apprehension is that the appellant No.1's father had lodged a complaint against Sri Abhishek Chowdhary. While this Court is not inclined to dislodge the point of an alternative remedy being available to the appellants, we deem it necessary to record the apprehension expressed by the appellants against Sri Abhishek Chowdhary.

19. In any event, the scope of intervention by a Writ Court in respect of contractual matters is extremely limited, if not absent altogether. The Writ Court can intervene where, for example, the Dealership is terminated on an irrelevant or non-existent cause[1]. Needless to say, the Dealership Agreement has to be cancelled strictly in consonance with the rules/guidelines framed by the IOCL/Oil Company. The High Court cannot act as an Appellate Authority in disciplinary proceedings or re-appreciate the evidence before the Enquiry Officer. The High Court can only step in where there is a violation of the principles of natural justice, or the enquiry is contrary to the procedure prescribed in that behalf, or even where the authorities were influenced by irrelevant or extraneous considerations[2].

20. In *Chairman & M.D., IOCL, New Delhi v. Ramlal Agarwal*[3], a Co-ordinate Bench of this Court came to a specific finding that the Inspection Report of IOCL contained a clear recording that the delivery was

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[1] *Hindustan Petroleum Corporation Limited v. Dharamnath Singh* [2024 SCC OnLine SC 987]
[2] *Indian Oil Corporation Limited and Others v. Punjab Motor Store and Another* [2022 SCC OnLine P&H 4279]
[3] 2024 (3) ALD 566 (TS) (DB)

found to be 'ok' from both the HSD nozzles of the dispensing unit. The Division Bench accordingly held that the findings of the learned Single Judge were in consonance with the Inspection Report and that the Termination Notice was hence illegal and arbitrary.

21. In the present case, there were at least two Inspections held in November 2023 and January 2024, respectively which found tampering. The sealed Box containing the parts of the dispensing unit was handed over to the TACC Lab in Coimbatore in June 2024 after the two Inspections. The Laboratory confirmed that the Show Cause Notice issued to the writ petitioners in August 2024 was pursuant to the examination report confirming tampering with the dispensing unit.

22. In *Hindustan Petroleum Corporation Ltd. v. M/s. Haji Abdul Rehman*[4], a Division Bench of the erstwhile united Andhra Pradesh High Court noted a specific averment of the writ petitioner that the weights and measures seal was found broken at the hands of the Quality Control Officer. The Court found a divergence of opinion on this issue and held that the burden to prove the tampering at the hands of the writ petitioner lay with the Oil Company since the original allegation had been made by the Oil Company against the writ petitioner. The Division Bench also found that the fact of deviation from the contractual obligations of the respondents/dealers must be established upon a fair enquiry and that the extreme step of termination cannot unilaterally be taken by the Oil Company.

[4] 2010 (1) ALD 481

23. In this context, it may be relevant to note that the MDG relevant to the present case came into effect in 2024, whereas the decision of the Division Bench of the Andhra Pradesh High Court that was relied upon is of 2010. It is settled that a Writ Court can entertain a Writ Petition despite the existence of an alternative efficacious remedy where there has been a breach of the principles of natural justice, an absence of jurisdiction, or a breach of fundamental rights. The present case does not concern any of the above contingencies. Hence, we accept the argument made on behalf of the respondents that the present Writ Petition is not maintainable since the appellants/writ petitioners have an efficacious remedy under Clause 8.9 of the MDG for carrying their grievance to the Appellate Authority.

24. We accordingly do not find any error in the impugned order passed by the learned Single Judge where the Court primarily relied on the Appellate Mechanism provided under the MDG and the writ petitioners' failure to demonstrate any violation of the principles of natural justice, malafide intent or manifest injustice. We also note that Clause 61(a) of the Dealership Agreement provides for Arbitration by the Director (Marketing) of IOCL. The appellants also complain about the likelihood of a conflict of interest in this respect. Although the stage of Arbitration has not been reached yet, we deem it worthwhile to caution the respondent No.1/IOCL that the Arbitration must be conducted, if and when it is done, in accordance with the settled law laid down by the Supreme Court with regard to unilateral appointment of an Arbitrator.

25. We also deem it fit to mention that the respondent No.1/IOCL shall take all steps to obviate the apprehension of bias and likelihood of influence on the part of the appellants with regard to the participation of Mr. Abhishek Chowdhary in the Disciplinary Proceedings even before the Appellate Authority.

26. Notwithstanding our advice to the respondent No.1/IOCL as stated above, we do not find any ground to interfere with the views of the learned Single Judge as expressed in the impugned order dated 14.11.2025. We also hold that the appellants have a structured Appeal Mechanism/Forum under Clause 8.9 of the Marketing Discipline Guidelines, which the appellants must first exhaust. We extend the time till 07.08.2026 for the appellants to approach the Appellate Authority.

27. W.A. No.1484 of 2025 is accordingly dismissed for the reasons stated above, including the fact that the Writ Petition is not maintainable in the first place. All connected applications are dismissed. Interim orders, if any, shall stand vacated. There shall be no order as to costs.

Sd/-NAYANI CHANDRA SEKHAR RAO
DEPUTY REGISTRAR

//TRUE COPY//

SECTION OFFICER

To,

1. The Chairman and Managing Director, Indian Oil Corporation Limited,, (a Government of India enterprise), having its Regd. Office at G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai - 400051.
2. The Executive Director And State Head, Telangana and Andhra Pradesh State office, Indian Oil Corporation Limited, having its Office at Indian Oil Bhavan, Fateh Bagh, Moosapet, Kukatpally Industrial Estate, Sanath Nagar (Post), Hyderabad-500018.
3. One CC to Sri Manu Advocate [OPUC]
4. One CC to Sri Dominic Fernandes (SC FOR IOCL) Advocate [OPUC]
5. Two CD Copies

MBC

HIGH COURT

DATED: 16/07/2026

HIGH COURT FOR THE STATE OF TELANGANA

17 JUL 2026

JUDGMENT

WA.No.1484 of 2025

DISMISSING THE WRIT APPEAL

WITHOUT COSTS

7 MT

17/7/26