JASTHAN HIGH COURT
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HIGH COURT OF JUDICATURE FOR RAJASTHAN
BENCH AT JAIPUR

S. B. Civil Writ Petition No. 13951/2024
CNR: RJHC020712382024 | URN: CW / 28105U / 2024

Suma Minerals Private Limited, Having Its Office At Khasra No. 704, Opposite Hotel Kuldeep, Ajmer Road, Madanganj, Kishangarh, Rajasthan - 305801, through its Authorized Signatory.

Rajasthan High Court
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----Petitioner

Versus

1. Indian Oil Corporation Limited, Through Its State Head, having its Office at Jaipur Regional Office, Indian Oil Bhawan, Ashok Chowk, Near Radha Swamy Satsang Bhavan, Adarsh Nagar, Jaipur-302004.
2. Indian Oil Corporation Limited, through its Managing Director, G-9, Aliyavar Jung Marg, Bandra East, Mumbai 400051.
3. Divisional Head, Indian Oil Corporation Limited having its Office at Ajmer Divisional Office, Plot No. SP 42, MTC Industrial Area, Daurai, Ajmer- 305003.
4. The District Collector And District Magistrate, Ajmer.
5. The Sub Divisional Magistrate, Ajmer Road, Kishangarh.
6. The Chief Controller, Petroleum and Explosives Safety Organisation having its Office at A Block CGO Complex, Fifth Floor Seminary Hills, Nagpur, Maharashtra- 440006.
7. The Deputy Chief Controller of Explosives, Petroleum and Explosives Safety Organization, Having its Office At- Amrapali Circle, Near Power House, Vaishali Nagar, Jaipur - 302021.
8. Joint Chief Controller of Explosives, Petroleum And Explosives Safety Organization, Having Its Office At - Hall No. 502 And 507, Level- 5, Block-B, Old CGO Complex, NH-IV, Faridabad, Haryana- 121001.

----Respondents

For Petitioner	:	Mr. M.M. Ranjan Senior Advocate assisted by Mr. Ashwani Kumar Chobisa Advocate, Ms. Pratyushi Mehta Advocate, Mr. Rohan Agarwal Advocate and Ms. Priyansha Gupta Advocate.
For Respondents	:	Ms. Suruchi Kasliwal Advocate with Mr. Vikram Singh Advocate,

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Mr. Dikshant Jain Advocate & Ms. Annika Anna, Advocate,
Mr. Sharad Joshi AGC for Respondents No. 4 & 5.
Mr. Pawan Pareek Advocate for Respondents No. 6 to 8.

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HON'BLE MR. JUSTICE ANAND SHARMA

Judgment

ORTABLE

Date of conclusion of arguments	**::**	**28.10.2026**
Date on which judgment was reserved	**::**	**28.10.2026**
Whether the full judgment or only the operative part is pronounced	**::**	**Full Judgment**
Date of pronouncement	**::**	**18.11.2026**

1. Present writ petition has been preferred by the petitioner seeking a direction against the respondent-Indian Oil Corporation Limited (in short 'IOCL') to vacate the land belonging to the petitioner and hand over peaceful and vacant possession thereof, upon expiry of the lease agreement dated 16.03.2004. The petitioner has also sought directions for removal of the fixtures, equipment and remaining petroleum stock lying at the premises, payment of outstanding lease rent and dealership-related dues, reimbursement of the value of unsold petroleum products and compensation for the period of unauthorised occupation.

2. Facts, in brief, are that the petitioner entered into a lease agreement dated 16.03.2004 with IOCL in respect of the land in question for a period of 19 years and 11 months for establishing and operating a petroleum outlet. A separate dealership agreement was executed between the parties on 11.11.2008 for a period of five years. The lease agreement, by virtue of its stipulated duration, expired on 15.02.2024 by efflux of time.

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3. It is stated that Clause 1(j) of the lease agreement contemplated renewal of the lease up to the year 2034, subject to execution of a separate lease deed by both parties. Significantly, the expression 'automatic', originally appearing in the relevant stipulation, was struck off with the consent of the parties. Thus, according to the petitioner, the agreement did not confer any automatic or unilateral right of renewal upon IOCL and any further lease could come into existence only upon mutual consent and execution of a fresh lease deed.

4. Upon expiry of the lease, the petitioner issued communications dated 01.03.2024, 02.03.2024 and 05.03.2024, informing IOCL and the concerned authorities that since the lease had expired, therefore, the operation of the petroleum outlet had been closed with effect from 01.03.2024. IOCL was accordingly requested to remove its fixtures, equipment and petroleum stock and restore peaceful possession of the land in question to the petitioner. Despite the aforesaid communications, Respondent-IOCL neither vacated the premises, nor removed its installations.

5. It is further contended that Respondent-IOCL remitted only half month's rent amounting to Rs.16,137/- for February, 2024 and subsequently remitted a sum of Rs.25,899.52 on 13.03.2024 without there being any renewed lease agreement. The petitioner returned the amount through demand draft on 15.03.2024, expressly declining to accept the same as rent under any renewed tenancy. A further communication dated 14.05.2024 was also addressed to IOCL requesting removal of its fixtures and unsold petroleum stock.

6. In the meantime, IOCL instituted Civil Suit No.33/2024 before the competent Civil Court at Kishangarh on 17.05.2024,

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seeking relief in relation to continuation/renewal of the lease. An interim order of status quo was passed by the Civil Court on 01.06.2024. However, the appellate court, vide order dated 25.07.2024, set aside the said interim order and directed the trial court to first examine the question of jurisdiction.

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. The petitioner thereafter filed an application under Section of the Arbitration and Conciliation Act, 1996 (hereinafter to be referred as 'the Act of 1996'), in the aforesaid civil suit, which came to be allowed by the Civil Court vide order dated 23.09.2024, resulting in dismissal of the civil suit. The said order attained finality, as neither party challenged it. Subsequently, Respondent-IOCL invoked the arbitration clause by issuing notice dated 13.05.2025 under Section 21 of the Act of 1996 and also filed an application before this Court under Section 11 of the Act of 1996 seeking appointment of an arbitrator.

8. Furthermore, Respondent-IOCL also approached the Commercial Court, Ajmer, by filing an application under Section 9 of the Act of 1996 seeking interim protection. The said application was dismissed on 07.11.2025. The Commercial Court specifically noticed the absence of material establishing service of the alleged notices dated 16.10.2023 and 12.01.2024, purportedly sent by Respondent-IOCL seeking renewal of the lease and also noticed that the lease had expired on 15.02.2024. Although an appeal under Section 37 of the Act of 1996 was preferred by the Respondent-IOCL against the said order dated 07.11.2025, yet it was subsequently withdrawn by Respondent-IOCL.

9. It has further been brought to the notice of this Court that during the pendency of the present writ petition, Co-ordinate Bench of this Court, vide order dated 23.02.2026, issued interim directions

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against respondent relating to removal of petroleum products from the disputed premises. Order dated 23.02.2026 passed by the Co-ordinate Bench of this Court in the present writ petition was challenged by the IOCL by way of filing intra court appeal before the ivision Bench, which was registered as D.B. Special Appeal (Writ) o. 204/2026. The aforesaid appeal was allowed by the Division ench vide order dated 20.04.2026 setting aside order dated 23.02.2026 passed by the Co-ordinate Bench of this Court. Later on, when the order passed by the Division Bench was challenged before the Hon'ble Supreme Court by the petitioner by way of filing SLP, the Hon'ble Supreme Court, while quashing the order passed by the Division Bench of this Court, vide order dated 17.09.2026 relegated the parties to this Court for decision of the writ petition on merits.

10. Respondent-IOCL has opposed the writ petition and also raised objections regarding maintainability of the writ petition. It was contended that the dispute has arisen out of a lease agreement containing an arbitration clause and, therefore, the petitioner ought to be relegated to the agreed mechanism of arbitration rather than invoking the extraordinary jurisdiction of this Court under Article 226 of the Constitution of India. An interim application (I.A. no. 2/2025) under Section 8 of the Act of 1996 was also filed by the respondent in the instant writ petition.

11. It was contended that the petitioner itself invoked the arbitration clause by filing an application under Section 8 of the 1996 Act in the civil suit instituted by Respondent-IOCL in relation to the same lease deed. The said application filed by the petitioner was allowed by the Civil Court on 23.09.2024 and the said order has attained finality. Therefore, according to Respondent-IOCL, the petitioner cannot subsequently take a different stand and writ

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petition cannot be filed by the petitioner ignoring and bypassing the arbitration clause. It is contended that the petitioner is estopped by its own conduct from maintaining the present writ petition.

12. It is further submitted that Respondent-IOCL has already filed Arbitration Application No.108/2025 seeking appointment of an arbitrator, which is pending before this Court. Hence, the present writ petition would also prejudice the pending arbitration proceedings and render the contractual and statutory remedy under the Act of 1996 ineffective.

13. On merits, Respondent-IOCL has contended that the lease agreement, when read as a whole, confers upon it a right to renew lease deed for a further period of ten years. It is asserted that the notices dated 16.10.2023 and 12.01.2024 were issued to the petitioner well before expiry of the original lease, unequivocally expressing IOCL's intention to continue the lease. Therefore, the petitioner cannot deny the renewal merely by relying upon the expiry of the original term.

14. The respondent has also contended that the petitioner is seeking enforcement of contractual rights and obligations, including determination of outstanding rent, dealership charges, value of unsold petroleum stock and damages. Such claims involve interpretation of the contractual stipulations and disputed questions of fact, which can be adjudicated only by the arbitral tribunal.

15. It is further contended that Section 5 of the Act of 1996 restricts judicial intervention in matters governed by arbitration and, therefore, the petitioner cannot bypass the agreed contractual mechanism. Accordingly, prayer has been made for dismissal of the writ petition or for relegation of the parties to arbitration.

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16. Shri M.M. Ranjan, Learned Senior Counsel appearing for the petitioner submitted that IOCL, being an instrumentality of the State within the meaning of Article 12 of the Constitution of India, is amenable to the writ jurisdiction of this Court. It is contended that the present petition is not an ordinary claim for enforcement of contractual obligations, but essentially seeks restoration of possession of the petitioner's own property after expiry of the stipulated lease period. The continued occupation of the premises by a public sector corporation, despite expiry of the lease and repeated demands for handing over possession, constitutes an arbitrary and unauthorised deprivation of the petitioner's property.

17. Learned Senior Counsel submitted that the existence of an arbitration clause cannot operate as an absolute bar to the exercise of jurisdiction under Article 226 of the Constitution of India, particularly when the relief sought is against the continued unauthorised occupation of private property by a State instrumentality. Reliance has been placed upon decisions of the Hon'ble Supreme Court in **Hindustan Petroleum Corporation Ltd. & Another vs. Dolly Das, (1999) 4 SCC 450, Harbanslal Sahnia & Another vs. Indian Oil Corpn. Ltd. & Others, (2003) 2 SCC 107, Unitech Limited & Others vs. Telangana State Industrial Infrastructure Corporation (TSIIC) & Others, (2021) 16 SCC 35, National Company represented by its Managing Partner vs. Territory Manager, Bharat Petroleum Corporation Limited & Another, (2021) 13 SCC 121** and **Uttar Pradesh Power Transmission Corporation Limited & Another vs. CG Power and Industrial Solutions Limited & Another, (2021) 6 SCC 15**.

18. Learned Senior Counsel further submitted that the lease agreement did not confer any automatic right of renewal upon

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Respondent-IOCL. Clause 1(j) of the lease agreement, while reading in entirety would make it clear that execution of a separate lease deed by both parties is the fundamental requirement of renewal of lease. The word 'automatic' having been consciously struck off from the relevant stipulation, Respondent-IOCL could not claim renewal as matter of unilateral contractual entitlement. It was also argued that the alleged communications dated 16.10.2023 and 12.01.2024 were never served upon the petitioner, which is apparent from order dated 07.11.2025 passed by the Commercial Court, wherein while dismissing the application under Section 9 of the Act of 1996, it was specifically noticed that there was no material on record establishing receipt of any such notices by the petitioner.

19. Learned Senior Counsel emphasised that the conduct of IOCL itself demonstrates that it acknowledged expiry of the lease. The remittance of only half month's rent for February, 2024, followed by the petitioner's return of the subsequent amount, strengthens the petitioner's stand that lease deed was never renewed and rather due to lapse of original period, it stood terminated.

20. It was also contended that a renewal of lease and extension of lease are legally distinct concepts. In the facts and circumstances of the case, renewal requiring execution of a fresh registered instrument was the mandatory requirement and absence thereof cannot be ignored by assuming its automatic existence merely by unilateral assertion by the Respondent-IOCL. In this regard, learned Senior Counsel relied upon judgment of the Hon'ble Supreme Court in the case of **State of U.P. & Others vs. Lalji Tandon (dead) through LRs, (2004) 1 SCC 1**.

21. Learned Senior Counsel also sought to distinguish the arbitration proceedings from the relief of eviction. It was submitted

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that assuming for the sake of argument that disputes relating to contractual dues, damages, dealership charges and other monetary claims are referable to arbitration, even then, the same cannot confer upon IOCL an indefinite right to retain possession of the etitioner's property after expiry of the lease. The arbitration clause annot be construed as a licence to continue unauthorised ccupation. Reliance has also been placed upon the judgment of the Hon'ble Supreme Court in the case of **National Company represented by its Managing Partner vs. Territory Manager, Bharat Petroleum Corporation Limited & Another (supra)**, wherein the Hon'ble Supreme Court directed the petroleum corporation to vacate the premises and pay market rent till delivery of possession.

22. Per contra, Ms. Suruchi Kasliwal, learned counsel appearing for Respondent-IOCL vehemently opposed the writ petition and reiterated that the petitioner itself had invoked the arbitration clause by filing an application under Section 8 of the Act of 1996 in the civil suit instituted by Respondent-IOCL. The application filed by the petitioner was allowed by the Civil Court on 23.09.2024 and the said order had attained finality. Therefore, the petitioner cannot approbate and reprobate by relying upon the arbitration clause for securing dismissal of the civil suit and subsequently contending that the same clause does not govern the present dispute.

23. Learned counsel also submitted that the arbitration proceedings are not merely contemplated, but have already been initiated by IOCL through notice dated 13.05.2025, followed by an application under Section 11(6) of the Act of 1996, registered as Arbitration Application No.108/2025, which is also pending before this Court. The dismissal of the application under Section 9 of the Act

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of 1996 does not extinguish IOCL's right to seek appropriate interim protection under Section 17 of the Act of 1996 after constitution of the arbitral tribunal. Therefore, the petitioner ought to pursue its remedies before the arbitral tribunal instead of seeking adjudication f contractual disputes through a writ petition.

4. It was further contended by learned counsel that the lease greement must be interpreted as a whole and not by isolating Clause 1(j) thereof. According to IOCL, the contractual arrangement conferred upon it a right to seek renewal for a further period of ten years and such intention was unequivocally communicated through letters dated 16.10.2023 and 12.01.2024, well before expiry of the original lease. Thus, the petitioner cannot unilaterally terminate the contractual relationship or insist upon delivery of possession without adjudication of IOCL's claim for renewal.

25. Learned Counsel further submitted that the controversy involves disputed questions relating to interpretation of contractual stipulations, service of notices, renewal of lease, payment of rent, dealership obligations and ownership of petroleum stock. Such issues are essentially contractual and are appropriately triable by the arbitral tribunal. Reliance has been placed upon the judgments of the Hon'ble Supreme Court in **State of U.P. & Others vs. Bridge & Roof Company (India) Ltd., (1996) 6 SCC 22, Joshi Technologies International Inc. vs. Union of India & Others, (2015) 7 SCC 728, ABL International Ltd. & Another vs. Export Credit Guarantee Corporation of India Ltd. & Others, (2004) 3 SCC 553** and **Brij Raj Oberoi vs. Secretary, Tourism and Civil Aviation Department & Another, (2022) 17 SCC 81.**

26. Furthermore, it was also contended by the learned counsel that the petitioner has failed to establish any exceptional

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circumstance warranting exercise of extraordinary jurisdiction under Article 226 of the Constitution of India and the writ petition deserves to be dismissed on the ground of availability of an efficacious and mutually agreed alternative remedy.

7. This Court has considered the rival submissions advanced by learned counsel for the parties, examined the pleadings and material available on record and has also given thoughtful consideration to the legal position governing the controversy.

28. At the outset, it is necessary to delineate the nature of the controversy and the precise reliefs sought in the present writ petition. Though the petitioner has raised various claims arising out of the lease and dealership arrangements, the principal grievance is that Respondent-IOCL continues to occupy the petitioner's land even after expiry of the lease agreement dated 16.03.2004. The primary relief sought is restoration of possession of the land to its lawful owner. The other claims, relating to outstanding rent, dealership charges, reimbursement of the value of unsold petroleum stock and damages, are consequential or independent monetary claims arising out of the contractual relationship between the parties.

29. The first and foremost objection raised by the Respondent-IOCL is as to whether the existence of an arbitration clause in the lease agreement, coupled with the petitioner's own application under Section 8 of the Act of 1996 in civil suit filed by the Respondent-IOCL, precludes this Court from entertaining the present writ petition or not?

30. For the purpose of examining the aforesaid fundamental question, it would be appropriate to refer the relevant clauses of the lease agreement, which are as under:

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"1. THE LESSEE DO HEREBY CONVENANT WITH THE LESSOR AS FOLLOWS:
a) xxxx

b) xxxx

j) PROVIDED ALWAYS AND IT IS AGREED AND DECLARED that the expiration of the said term, the lease will be with the corporations-desire-hereto-be-renewed-up-to 2034 (for which separate Lease deed shall be signed by both parties) from the expiration of the last mentioned term give to the Lessors one calendar months previous notice of their intention nor to take any renewed lease."

"IV AND IT IS HEREBY AGREED AND DECLARED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:
a) xxxx

b) xxxx

c) xxxx

d) Any dispute or difference of any nature whatsoever regarding any right liability act omission or account of any of the parties hereto (save and except relating to valuation by the values or by a Referee) arising out of or in relation to these presents shall be referred to the sole arbitration of the Director (Marketing) of the Lessee and if the Director (Marketing) is unable or unwilling to act as a sole arbitrator then the matter will be referred to the sole arbitration of any other person designated or nominated such Director (Marketing) in his place and should willing to act as such arbitrator and the Lessors will not be entitled to raise any objection to any such arbitration on the ground that the arbitrator so appointed is an office office the Lessee or that as such officer he had death with the matters to which the disputes related or had expressed his views thereon. The arbitrator to whom the matter is originally referred being transferred or vacating his officer or being unable to act for any person such Director (Marketing) as aforesaid at the time of such transfer vacation of the office or on his inability to act shall nominate or designate another person to act as an arbitrator pursuant to this clause and such other person shall be entitled to proceed with the reference from the point at which is was left by his predecessor. It is also a term of these presents that no person other then the Director (Marketing) or the person or persons designated by such Director (Marketing) of the Lessee as aforesaid, shall act as an arbitrator and if for any reason that is not possible, the matter is not be referred to arbitration at all. The award of the arbitrator so appointed shall be final. Conclusive and binding on both the parties and such arbitration shall be held subject to and in accordance with the provisions of the Arbitration Act, 1940 and any statutory modification or reenactment thereof."

31. Since the objection raised by the Respondent-IOCL is based upon Sections 5 and 8 of the Act of 1996, it would also be relevant to refer the same, which are as under:

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*"**5. Extent of judicial intervention.**—Notwithstanding anything contained in any other law for the time being in force, in matters governed by this Part, no judicial authority shall intervene except where so provided in this Part.*

***8. Power to refer parties to arbitration where there is an arbitration agreement.**—[1][(1) A judicial authority, before which an action is brought in a matter which is the subject of an arbitration agreement shall, if a party to the arbitration agreement or any person claiming through or under him, so applies not later than the date of submitting his first statement on the substance of the dispute, then, notwithstanding any judgment, decree or order of the Supreme Court or any Court, refer the parties to arbitration unless it finds that prima facie no valid arbitration agreement exists.]*

(2) The application referred to in sub-section (1) shall not be entertained unless it is accompanied by the original arbitration agreement or a duly certified copy thereof:

[2][Provided that where the original arbitration agreement or a certified copy thereof is not available with the party applying for reference to arbitration under sub-section (1), and the said agreement or certified copy is retained by the other party to that agreement, then, the party so applying shall file such application along with a copy of the arbitration agreement and a petition praying the Court to call upon the other party to produce the original arbitration agreement or its duly certified copy before that Court.]

(3) Notwithstanding that an application has been made under sub-section (1) and that the issue is pending before the judicial authority, an arbitration may be commenced or continued and an arbitral award made."

32. Since expression 'Court' has been employed by the legislature in aforesaid Sections 5 and 8, which has been defined under Section 2(1)(e) of the Act of 1996 and is being reproduced as under:

> *"**2. Definitions.**—(1) In this Part, unless the context otherwise requires,—*
>
> *(a) xxxx*
>
> *(b) xxxx*
>
> *[4][(e) "Court" means—*
> *(i) in the case of an arbitration other than international commercial arbitration, the principal Civil Court of original jurisdiction in a district, and includes the High Court in exercise of its ordinary original civil jurisdiction, having jurisdiction to decide the questions forming the subject-matter of the arbitration if the same had been the subject-matter of a suit, but does not include any Civil Court of a grade inferior to such principal Civil Court, or any Court of Small Causes;*
> *(ii) in the case of international commercial arbitration, the High Court in exercise of its ordinary original civil jurisdiction, having jurisdiction to decide the questions forming the subject-matter of the arbitration if the same had been the subject-matter of a*

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suit, and in other cases, a High Court having jurisdiction to hear appeals from decrees of courts subordinate to that High Court;]"

33. There can be no quarrel with the settled proposition that where parties have consciously incorporated an arbitration clause in their agreement, disputes falling within its ambit are ordinarily required to be resolved through the agreed mechanism. The High Court, while exercising jurisdiction under Article 226 of the Constitution of India, does not ordinarily undertake adjudication of complicated contractual claims, particularly where the parties have an efficacious alternative remedy available under the agreement itself. The judgments rendered by Hon'ble Supreme Court in **State of U.P. & Others vs. Bridge & Roof Company (India) Ltd. (supra)** and **Joshi Technologies International Inc. (supra)** undoubtedly recognise this principle.

34. However, the existence of an arbitration clause does not ipso facto oust the constitutional jurisdiction of this Court. It is also pertinent to observe that Sections 5 and 8 of the Act of 1996 cannot be construed so as to curtail or exclude the constitutional jurisdiction of the High Court under Article 226 of the Constitution of India. Section 5 of the Act of 1996 expressly restricts judicial intervention in matters governed by Part I of the Act of 1996, whereas Section 8 of the Act of 1996 obligates a judicial authority, before which an action is brought in a matter forming the subject of an arbitration agreement, to refer the parties to arbitration, subject to fulfilment of the statutory requirements. The expression 'Court', as defined under Section 2(1)(e) of the Act of 1996, is also relevant to the judicial forum contemplated under the said enactment and does not include the constitutional jurisdiction exercised by the High Court under

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Article 226 of the Constitution of India. The jurisdiction exercised by a High Court under Article 226 of the Constitution of India emanates directly from the Constitution and cannot be equated with its ordinary civil or statutory jurisdiction. Therefore, neither Section 5, or Section 8 of the Act of 1996 can be interpreted as imposing an bsolute embargo upon the exercise of constitutional writ urisdiction. The existence of an arbitration agreement may constitute a relevant consideration for the writ court while deciding whether to entertain a petition, but it cannot, by itself, operate as a statutory bar to the maintainability of a writ petition. The exercise of such jurisdiction would, of course, remain subject to the well-settled principles governing judicial restraint in contractual matters and availability of alternative remedies.

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35. It is settled preposition of law that the availability of an alternative remedy is a self-imposed restriction on the exercise of writ jurisdiction and not an absolute bar to its invocation. Where the action complained of involves arbitrary conduct by a State instrumentality, infringement of legal rights or a situation warranting an appropriate public law remedy, the jurisdiction under Article 226 of the Constitution of India can be exercised notwithstanding the existence of an alternative contractual remedy. In the case of **Harbanslal Sahnia & Another (supra),** the Hon'ble Supreme Court has held as under:

> *"**4.** The appellants filed a writ petition laying challenge to the order of termination. The petition has been dismissed by the High Court on the ground that the relationship between the parties is contractual and the dealership agreement contains an arbitration clause and therefore the appropriate remedy available to the appellants was to have recourse to arbitration rather invoking the writ jurisdiction of the High Court. The appellants sought for a review of the order of the High Court which prayer has been refused. The appellants have filed these appeals by special leave.*

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> ***7.*** *So far as the view taken by the High Court that the remedy by way of recourse to arbitration clause was available to the appellants and therefore the writ petition filed by the appellants was liable to be dismissed is concerned, suffice it to observe that the rule of exclusion of writ jurisdiction by availability of an alternative remedy is a rule of discretion and not one of compulsion. In an appropriate case, in spite of availability of the alternative remedy, the High Court may still exercise its writ jurisdiction in at least three contingencies: (i) where the writ petition seeks enforcement of any of the fundamental rights; (ii) where there is failure of principles of natural justice; or (iii) where the orders or proceedings are wholly without jurisdiction or the vires of an Act is challenged. (See Whirlpool Corpn. v. Registrar of Trade Marks [(1998) 8 SCC 1] .) The present case attracts applicability of the first two contingencies. Moreover, as noted, the petitioners' dealership, which is their bread and butter, came to be terminated for an irrelevant and non-existent cause. In such circumstances, we feel that the appellants should have been allowed relief by the High Court itself instead of driving them to the need of initiating arbitration proceedings."*

36. Similarly in the case of **Uttar Pradesh Power Transmission Corporation Limited & Another (supra),** the Hon'ble Supreme Court reiterated the following principles:

> *"**66.** Even though there is an arbitration clause, the petitioner herein has not opposed the writ petition on the ground of existence of an arbitration clause. There is no whisper of any arbitration agreement in the counter-affidavit filed by UPPTCL to the writ petition in the High Court. In any case, the existence of an arbitration clause does not debar the court from entertaining a writ petition.*
>
> ***67.** It is well settled that availability of an alternative remedy does not prohibit the High Court from entertaining a writ petition in an appropriate case. The High Court may entertain a writ petition, notwithstanding the availability of an alternative remedy, particularly : (i) where the writ petition seeks enforcement of a fundamental right; (ii) where there is failure of principles of natural justice or (iii) where the impugned orders or proceedings are wholly without jurisdiction or (iv) the vires of an Act is under challenge. Reference may be made to Whirlpool Corpn. v. Registrar of Trade Marks, (1998) 8 SCC 1 and Pimpri Chinchwad Municipal Corpn. v. Gayatri Construction Co., (2008) 8 SCC 172, cited on behalf of Respondent 1.*
>
> ***68.** In Harbanslal Sahnia v. Indian Oil Corpn. Ltd. (2003) 2 SCC 107], this Court allowed the appeal from an order of the High Court dismissing a writ petition and set aside the impugned judgment of the High Court as also the impugned order of the Indian Oil Corporation terminating the dealership of the appellants notwithstanding the fact that the dealership agreement contained an arbitration clause.*
>
> ***69.** It is now well settled by a plethora of decisions of this Court that relief under Article 226 of the Constitution of India may be granted in a case arising out of contract. However, the writ jurisdiction under Article 226, being discretionary, the High Courts usually refrain from entertaining a writ petition which involves adjudication of disputed questions of fact which may*

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require analysis of evidence of witnesses. Monetary relief can also be granted in a writ petition."

37. While recognising the aforesaid principles in the case of **Unitech Limited & Others (supra),** the Hon'ble Supreme Court has held as under:

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> *"**39.** A two-Judge Bench of this Court in ABL International Ltd. v. Export Credit Guarantee Corpn. of India Ltd., (2004) 3 SCC 553] [ABL International] analysed a long line of precedent of this Court[15] to conclude that writs under Article 226 are maintainable for asserting contractual rights against the State, or its instrumentalities, as defined under Article 12 of the Indian Constitution.*
>
> ***39.1.** Speaking through N. Santosh Hegde, J. the Court held : (ABL International case, SCC p. 572, para 27)*
>
> > *"27. … the following legal principles emerge as to the maintainability of a writ petition:*
> >
> > *(a) In an appropriate case, a writ petition as against a State or an instrumentality of a State arising out of a contractual obligation is maintainable.*
> >
> > *(b) Merely because some disputed questions of fact arise for consideration, same cannot be a ground to refuse to entertain a writ petition in all cases as a matter of rule.*
> >
> > *(c) A writ petition involving a consequential relief of monetary claim is also maintainable."*
>
> *This exposition has been followed by this Court, and has been adopted by the three-Judge Bench decisions of this Court in State of U.P. v. Sudhir Kumar Singh, (2021) 19 SCC 706 and Popatrao Vyankatrao Patil v. State of Maharashtra, (2020) 19 SCC 241.*
>
> ***39.2.** The decision in ABL International, cautions that the plenary power under Article 226 must be used with circumspection when other remedies have been provided by the contract. But as a statement of principle, the jurisdiction under Article 226 is not excluded in contractual matters.*
>
> ***39.3.** Article 23.1 of the development agreement in the present case mandates the parties to resolve their disputes through an arbitration. However, the presence of an arbitration clause within a contract between a State instrumentality and a private party has not acted as an absolute bar to availing remedies under Article 226[18].*
>
> ***39.4.** If the State instrumentality violates its constitutional mandate under Article 14 to act fairly and reasonably, relief under the plenary powers of Article 226 of the Constitution would lie. This principle was recognised in ABL International[14] (ABL International case[14] SCC p. 572, para 28)*
>
> > *"28. However, while entertaining an objection as to the maintainability of a writ petition under Article 226 of the Constitution of India, the court should bear in mind the fact that the power to issue prerogative writs under Article 226 of the Constitution is plenary in nature and is not limited by*

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any other provisions of the Constitution. The High Court having regard to the facts of the case, has a discretion to entertain or not to entertain a writ petition. The Court has imposed upon itself certain restrictions in the exercise of this power. (See Whirlpool Corpn. v. Registrar of Trade Marks [Whirlpool Corpn. v. Registrar of Trade Marks, (1998) 8 SCC 1] .) And this plenary right of the High Court to issue a prerogative writ will not normally be exercised by the Court to the exclusion of other available remedies unless such action of the State or its instrumentality is arbitrary and unreasonable so as to violate the constitutional mandate of Article 14 or for other valid and legitimate reasons, for which the Court thinks it necessary to exercise the said jurisdiction."

(emphasis supplied)

39.5. *Therefore, while exercising its jurisdiction under Article 226, the Court is entitled to enquire into whether the action of the State or its instrumentalities is arbitrary or unfair and in consequence, in violation of Article 14. The jurisdiction under Article 226 is a valuable constitutional safeguard against an arbitrary exercise of State power or a misuse of authority.*

39.6. *In determining as to whether the jurisdiction should be exercised in a contractual dispute, the Court must, undoubtedly eschew, disputed questions of fact which would depend upon an evidentiary determination requiring a trial. But equally, it is well settled that the jurisdiction under Article 226 cannot be ousted only on the basis that the dispute pertains to the contractual arena. This is for the simple reason that the State and its instrumentalities are not exempt from the duty to act fairly merely because in their business dealings they have entered into the realm of contract. Similarly, the presence of an arbitration clause does (sic not) oust the jurisdiction under Article 226 in all cases though, it still needs to be decided from case to case as to whether recourse to a public law remedy can justifiably be invoked.*

39.7. *The jurisdiction under Article 226 was rightly invoked by the Single Judge and the Division Bench of the Andhra Pradesh High Court in this case, when the foundational representation of the contract has failed. TSIIC, a State instrumentality, has not just reneged on its contractual obligation, but hoarded the refund of the principal and interest on the consideration that was paid by Unitech over a decade ago. It does not dispute the entitlement of Unitech to the refund of its principal."*

38. While keeping the aforesaid principles in mind and examining the facts of the present case in the context of the above principles, this Court finds that the controversy relating to continued occupation of immovable property after expiry of a lease stands on a somewhat distinct footing from disputes concerning performance of contractual obligations during the subsistence of the contract. An arbitration clause may govern disputes concerning payment of rent, contractual liabilities, damages, breach of obligations and other

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monetary consequences. However, the existence of such a clause cannot, by itself, be treated as an independent source of authority for a lessee to continue occupying the property indefinitely after expiry of the lease, particularly when the lessor has expressly declined renewal and demanded restoration of possession.

9. The above distinction is quite significant in the present case because IOCL is admittedly a public sector corporation amenable to the writ jurisdiction of this Court. The petitioner is not merely seeking enforcement of a disputed contractual promise or recovery of a monetary amount. It is seeking restoration of possession of its property from a public sector undertaking which, according to the petitioner, has ceased to have any subsisting legal authority to retain the premises. The relief of delivery of possession, in the peculiar circumstances of the present case, cannot be relegated to arbitration merely by referring to the existence of an arbitration clause.

40. This Court finds that the judgment of the Hon'ble Supreme Court in **National Company represented by its Managing Partner vs. Territory Manager, Bharat Petroleum Corporation Limited & Another (supra)**, is of considerable importance in this regard. In the said case, facts are almost similar where the petroleum corporation continued to occupy the leased premises even after expiry of the lease. The Hon’ble Supreme Court considered the objection regarding maintainability of writ proceedings in view of available alternative remedies and ultimately directed the corporation to vacate the premises and hand over peaceful and vacant possession to the owner, besides directing payment of market rent from the date of expiry of the lease till

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delivery of possession. In the aforesaid case, the Hon'ble Supreme Court has held as under:

> *"**17.** Perusal of the impugned judgment [National Co. v. Bharat Petroleum Corpn. Ltd., 2019 SCC OnLine Mad 38941] rendered by the Division Bench would reveal that though an objection with regard to maintainability of the writ petition on the ground of alternate remedy was seriously raised by Respondent 1 BPCL, the Division Bench was not impressed much with the said submission. As a matter of fact, the Division Bench not only referred to the judgment of this Court in ABL International Ltd. v. Export Credit Guarantee Corpn. of India Ltd. v. Export Credit Guarantee Corpn. of India Ltd., (2004) 3 SCC 553 but also emboldened the following observations of this Court while reproducing para 19 of the said judgment, which reads thus : (ABL International case, SCC p. 568)*
>
> > *"19. Therefore, it is clear from the above enunciation of law that merely because one of the parties to the litigation raises a dispute in regard to the facts of the case, the Court entertaining such petition under Article 226 of the Constitution is not always bound to relegate the parties to a suit."*
> >
> > *(emphasis supplied)*
>
> ***18.** The Division Bench also referred to the judgment of this Court in Dolly Das [Hindustan Petroleum Corpn. Ltd. v. Dolly Das, (1999) 4 SCC 450], wherein this Court held that in similar facts, the appellants therein were justified in approaching the writ court under Article 226 of the Constitution of India and directed HPCL to hand over vacant possession and pay the monthly rent.*
>
> ***19.** It is to be noted, as has been noted by the High Court, that the Division Bench of the same High Court in its decision in Bharat Petroleum Corpn. Ltd. v. R. Ravikrishnan, 2011 SCC OnLine Mad 1093 had held that oil company was in legal possession of the subject land, while the actual physical possession was with the dealers. The Division Bench specifically rejected the claim made by the oil company under Section 2(4)(ii)(a) of the Tenants Act, in view of the judgment of this Court in S.R. Radhakrishnan v. Neelamegam, (2003) 10 SCC 705.*
>
> ***20.** Having noted that to get the benefit under Section 9 of the Tamil Nadu City Tenants Protection Act, 1972, the petroleum company should be in actual possession of the land and since they were not in actual possession, they were not entitled to protection under Section 9 of the Tenants Act, the Division Bench in the impugned judgment stopped at granting relief in favour of the appellant only on the ground that the view of the Division Bench in R. Ravikrishnan[16] was subject-matter of appeal in a batch of special leave petitions/appeals pending before this Court.*
>
> ***21.** It could thus clearly be seen that the Division Bench itself did not find much favour with the arguments advanced on behalf of Respondent 1 BPCL with regard to non-exercise of jurisdiction under Article 226 of the Constitution of India on the ground of availability of alternate remedy and declined the relief only on the ground that the view taken by the other Division Bench in R. Ravikrishnan[16] and other matters, was pending*

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consideration before this Court in a batch of appeals and special leave petitions.

30. *In the result, the appeal is allowed in the following terms:*

30.1. *Respondent 1 BPCL is directed to vacate and hand over peaceful and vacant possession of the said premises to the appellant within a period of three months from today.*

30.2. *Respondent 1 BPCL is directed to pay arrears of market rent to the appellant from 31-12-2009 till the date of handing over of possession."*

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1. The principle emerging from the aforesaid decision is that a public sector oil corporation cannot claim an indefeasible right to retain possession of private property after expiry of the lease merely because its commercial operations are being conducted from the premises. Where the lease has expired and the owner's entitlement to restoration of possession is established, the writ court is not powerless to grant appropriate relief merely because the relationship between the parties originated in a contract.

42. The present case, therefore, requires consideration in the light of the aforesaid principle. It is apparent that the Hon'ble Supreme Court in the case of **National Company represented by its Managing Partner vs. Territory Manager, Bharat Petroleum Corporation Limited & Another (supra)** also considered the statutory protection available to tenants under the applicable local legislation and the factual circumstances of that case. Nevertheless, the judgment clearly recognises the maintainability of writ petition in a dispute concerning continued occupation by a public sector oil corporation after expiry of a lease, subject to the governing statutory framework and the facts of the individual case. The aforesaid decision of the Hon'ble Supreme Court cannot be brushed aside merely by describing the controversy as contractual.

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43. The petitioner has also highlighted the hazardous nature of petroleum products lying at the premises. The material placed on record indicates that the presence of such products required appropriate safety measures and regulatory intervention. In the present writ petition, Co-ordinate Bench of this Court by way of an interim order dated 23.02.2026 directed for removal of the petroleum products. Order dated 23.02.2026 passed by Co-ordinate Bench of this Court in the present writ petition was challenged by the IOCL by way of filing intra court appeal before the Division bench, registered as D.B. Special Appeal (Writ) No. 204/2026. The aforesaid appeal was allowed by the Division Bench vide order dated 20.04.2026 setting aside order dated 23.02.2026 passed by the Co-ordinate Bench of this Court, while treating order dated 23.02.2026 as granting final relief at interim stage. Order dated 20.04.2026 passed by the Division Bench of this Court was further challenged by the petitioner by way of filing SLP (C) No.26778/2026 before the Hon'ble Supreme Court. The Hon'ble Supreme Court vide order dated 17.09.2026 set aside order dated 20.04.2026 passed by the Division Bench of this Court and relegated the parties to this Court for adjudication of the pending writ petition on merits. While doing so, the Hon'ble Supreme Court expressly kept all contentions open and requested expeditious disposal. Consequently, the present writ petition is required to be decided on its merits.

44. The contention of IOCL that the petitioner itself invoked the arbitration clause under Section 8 of the Act of 1996 also deserves consideration. Undoubtedly, the petitioner filed an application under Section 8 of the Act of 1996 in the civil suit instituted by IOCL and the same was allowed by the Civil Court on

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23.09.2024. The petitioner cannot now be permitted to take a wholly contradictory stand that the arbitration clause is altogether non-existent or that every dispute arising out of the lease agreement is incapable of reference to arbitration.

5. However, the aforesaid conduct of the petitioner cannot be onstrued as a waiver of its constitutional remedy under Article 226 f the Constitution of India or as an admission that IOCL possesses a subsisting right to retain the petitioner's property. The order passed under Section 8 of the Act of 1996 merely resulted in the parties being relegated to the agreed arbitral mechanism in respect of disputes falling within the scope of the arbitration agreement. It did not adjudicate the merits of IOCL's claim for renewal, nor did it create or revive a lease which had otherwise expired by efflux of time. Equally, it did not amount to an adjudication that the petitioner had consented to continued occupation of its land.

46. The principle of estoppel by conduct cannot be extended to defeat a substantive legal right or to confer upon a party a right which it does not otherwise possess under the law. In the facts and circumstances of the case and in view of above discussion, the petitioner can pursue arbitration for determination of monetary and other contractual claims while simultaneously seeking appropriate relief in writ petition against continued occupation of its property.

47. The pendency of Arbitration Application No.108/2025 seeking appointment of an arbitrator also does not warrant keeping the present writ petition in abeyance. The question before this Court is not relating to appointment of arbitrator for adjudication of contractual disputes. The limited question is whether the pendency of proceedings for appointment of arbitrator can justify continued

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retention of possession by Respondent-IOCL after expiry of the lease. The above two different proceedings operate in distinct fields and decision of the present writ petition would not render the arbitral proceedings infructuous insofar as the remaining contractual claims re concerned.

8. On respectful consideration of the judgment of the Hon'ble upreme Court in the case of **Brij Raj Oberoi (supra)**, relied upon by learned Counsel for Respondent-IOCL, does not advance its case to the extent claimed. The said judgment does not lay down that an arbitration clause invariably bars the constitutional Court from examining a claim for restoration of possession against a public sector corporation, irrespective of the nature of the relief sought and the circumstances in which possession is retained.

49. Similarly, in the case of **Vidya Drolia & Others vs. Durga Trading Corporation, (2021) 2 SCC 1**, the Hon'ble Supreme Court lucidly explained the principles governing arbitrability of disputes. The judgment recognises that landlord-tenant disputes governed by the Transfer of Property Act, 1882, are ordinarily arbitrable, whereas disputes governed by special rent legislation conferring exclusive jurisdiction upon a designated forum are not arbitrable. Thus, the petitioner's contention that every dispute concerning a lease is inherently non-arbitrable cannot be accepted. However, the question of arbitrability of a contractual claim and the question whether a writ court can grant an appropriate constitutional remedy against a public sector corporation are conceptually distinct. The former concerns the forum competent to adjudicate contractual disputes, whereas the latter concerns the availability and exercise of constitutional jurisdiction in the facts of a particular case.

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50. Consequently, this Court is not inclined to hold that the entire lease dispute is outside the scope of arbitration. The arbitration clause would continue to govern disputes relating to contractual breaches, interpretation of contractual obligations, utstanding rent, dealership charges, damages, reimbursement of etroleum stock and other monetary liabilities fall within its scope. hose matters can appropriately be examined by the arbitral tribunal in accordance with law. However, the availability of arbitration for those purposes cannot, by itself, furnish IOCL with an indefeasible right to continue occupying the petitioner's land when the material on record establishes that the original lease has expired.

51. Having dealt with the preliminary objection, the next question for consideration of this Court is as to whether the lease agreement dated 16.03.2004 stood renewed beyond 15.02.2024 or whether Respondent-IOCL continued in occupation without a subsisting lease.

52. There is no dispute regarding execution of the lease agreement dated 16.03.2004 for a period of 19 years and 11 months. Consequently, the original lease came to an end on 15.02.2024 by efflux of time, unless a valid renewal thereof had taken place in accordance with the contractual stipulations and applicable law.

53. This Court finds that Clause 1(j) of the above lease agreement is of most considerable significance. It is noticeable that the entire lease agreement is a document typed on computer, printout of which was signed by both the parties. This Court also noticed that except the above Clause 1 (j), at no other place in the entire lease agreement, cuttings, interpolations or insertions are

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made by the parties. The aforesaid clause 1(j) contemplates renewal of the lease up to the year 2034 at the desire of the Corporation, however, after writing 2034, by ink-pen it has been consciously inserted in the said clause that *"for which separate lease deed shall e signed by both parties"*. It is also an admitted position that in the foresaid clause, the expression 'automatic' was struck off from the elevant clause with the consent of the parties. The cuttings and insertions are duly attested by the respective parties by putting their signatures at the relevant places of corrections.

54. Thus, in view of above, the striking off of the expression 'automatic' and insertion of the phrase *"for which separate lease deed shall be signed by both parties"* cannot be treated as an insignificant or inconsequential alteration. It indicates that the parties consciously did not intend renewal to operate automatically upon expiry of the original lease. The requirement of execution of a separate lease deed by both parties further strengthens the position that continuation of the lease beyond its original tenure was contemplated through a legally recognised process of execution of fresh lease deed and not merely by unilateral assertion of either party.

55. It is settled law that there exists a distinction between extension of a lease and renewal thereof. An extension may, depending upon the terms of the instrument, continue the existing lease, whereas renewal ordinarily contemplates the creation of a fresh lease in accordance with the agreed terms. In **State of U.P. & Others vs. Lalji Tandon (dead) through LRs (supra)**, the Hon'ble Supreme Court explained the distinction between extension

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and renewal and emphasised that the effect of a renewal clause must be determined from the language employed in the instrument.

> *"**13.** In India, a lease may be in perpetuity. Neither the Transfer of Property Act nor the general law abhors a lease in perpetuity. (Mulla on the Transfer of Property Act, 9th Edn., 1999, p. 1011.) Where a covenant for renewal exists, its exercise is, of course, a unilateral act of the lessee, and the consent of the lessor is unnecessary. (Baker v. Merckel [(1960) 1 All ER 668 : (1960) 1 QB 657 : (1960) 2 WLR 492 (CA)] , also Mulla, ibid., p. 1204.) Where the principal lease executed between the parties containing a covenant for renewal, is renewed in accordance with the said covenant, whether the renewed lease shall also contain similar clause for renewal depends on the facts and circumstances of each case, regard being had to the intention of the parties as displayed in the original covenant for renewal and the surrounding circumstances. There is a difference between an extension of lease in accordance with the covenant in that regard contained in the principal lease and renewal of lease, again in accordance with the covenant for renewal contained in the original lease. In the case of extension it is not necessary to have a fresh deed of lease executed, as the extension of lease for the term agreed upon shall be a necessary consequence of the clause for extension. However, option for renewal consistently with the covenant for renewal has to be exercised consistently with the terms thereof and, if exercised, a fresh deed of lease shall have to be executed between the parties. Failing the execution of a fresh deed of lease, another lease for a fixed term shall not come into existence though the principal lease in spite of the expiry of the term thereof may continue by holding over for year by year or month by month, as the case may be."*

56. Thus, in view of above, where the parties have themselves stipulated execution of a separate lease deed for renewal, continuation of possession or unilateral correspondence cannot, without compliance with the applicable legal requirements, be treated as conclusive proof of creation of a renewed lease.

57. In the present case, Respondent-IOCL has relied upon communications dated 16.10.2023 and 12.01.2024 to contend that it had exercised its alleged right of renewal before expiry of the original lease. However, the petitioner has categorically disputed receipt of the said communications. Significantly, the Commercial Court, while deciding the application under Section 9 of the Act of 1996 on 07.11.2025, specifically noticed that IOCL had not placed on record material establishing that the alleged notices seeking renewal had

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been received by the petitioner. In the record of present writ petition also, Respondent-IOCL has not placed any material to substantiate its claim. Even otherwise, merely showing unilateral intention by one of the party would not substitute the explicit contractual requirement of execution of a fresh lease deed for renewal, more particularly, when the petitioner had expressly communicated its refusal to continue the arrangement and demanded restoration of possession.

58. It has also not been disputed that the petitioner issued communications dated 01.03.2024, 02.03.2024 and 05.03.2024, specifically informing Respondent-IOCL that the lease had expired and the petroleum outlet had been closed. The petitioner also called upon IOCL to remove its fixtures, equipment and remaining petroleum stock. These communications were followed by another demand dated 14.05.2024. There is no material on record demonstrating that IOCL responded to these communications by asserting a duly perfected renewal supported by a separate registered lease deed. The remittance of half month's rent by Respondent-IOCL for February, 2024 and the subsequent remittance of Rs. 25,899.52 on 13.03.2024, which was returned by the petitioner, are also relevant circumstances. Though payment or acceptance of rent, by itself, may not conclusively determine the question of renewal, the conduct of the parties is required to be considered cumulatively. The petitioner's prompt return of the amount clearly demonstrates that it did not consent to continuation of the lease or accept the remittance as consideration for any renewed tenancy.

59. This Court is conscious that the lease agreement must be read as a whole and that Clause 1(j) cannot be interpreted in

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isolation. There can be no disagreement with this settled principle. However, even reading the instrument as a whole would also not alter the position that requiring execution of a separate lease deed was must and there was no clause for automatic renewal in the lease agreement.

60. This Court also finds considerable force in the submission that the continued occupation of the premises by IOCL, despite expiry of the lease and repeated demands for restoration of possession, cannot be justified. A public sector corporation is expected to act fairly, reasonably and in accordance with law. It cannot insist upon retention of private property indefinitely without establishing a subsisting legal entitlement to do so.

61. At the same time, this Court would refrain from recording any final determination concerning the exact amount of rent payable after 15.02.2024, the market rate of occupation charges, outstanding dealership dues, the value and ownership of unsold petroleum stock or the petitioner's claim for damages and interest. These claims involve contractual and accounting questions which are appropriately left open for adjudication by the arbitral tribunal, subject to the terms and scope of the arbitration agreement.

62. In view of the foregoing discussion, this Court is of the considered opinion that the arbitration clause cannot be treated as a blanket protection for Respondent-IOCL to continue occupying the petitioner's land after expiry of the lease. The contractual disputes between the parties, including claims for outstanding dues, damages, reimbursement of petroleum stock and other monetary liabilities, may be adjudicated through arbitration. However, the relief of restoration of possession stands on a distinct footing in the

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peculiar facts of the present case, particularly when the original lease has expired, the petitioner has repeatedly demanded possession and IOCL has failed to establish a duly perfected renewal of the lease.

63. Accordingly, the preliminary objections regarding maintainability of the writ petition alongwith application under section 8 of the Act of 1996 (I.A. no. 2/2025) filed by Respondent in the present writ petition, are rejected to the extent of the relief seeking restoration of possession and removal of IOCL's installations from the petitioner's land. This conclusion shall not be construed as a declaration that every dispute connected with, ancillary to or arising out of renewal or termination of a lease is non-arbitrable. The arbitration agreement shall remain operative in respect of disputes falling within its scope and the parties shall be at liberty to pursue their respective contractual and monetary claims before the arbitral tribunal in accordance with law.

64. Consequently, the writ petition filed by the petitioner is allowed in the following terms:

(i) The respondent-Indian Oil Corporation Limited is directed to vacate the land in question, situated at Ajmer Road, Madanganj Kishangarh, District Ajmer and hand over peaceful and vacant possession thereof to the petitioner within a period of 60 days from the date of receipt of certified copy of this judgment.

(ii) Respondent-Indian Oil Corporation Limited shall, within the aforesaid period, remove all its fixtures, equipment, installations and other structures from the premises and restore the land to the petitioner, subject to compliance with applicable statutory requirements and safety regulations. The removal and handling of such products shall be undertaken in coordination with the Petroleum

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and Explosives Safety Organisation (PESO) and other competent authorities, strictly in accordance with the applicable safety norms.

(iii) The parties shall be entitled to pursue their respective claims for outstanding lease rent, dealership charges, market rent/occupation charges for the period of continued occupation after expiry of the lease, damages, interest and reimbursement of the value of unsold petroleum stock before the arbitral tribunal, subject to its constitution, to be decided in Arbitration Application No. 108/2025 in accordance with the arbitration agreement and law. The arbitral tribunal, if so constituted, shall independently examine the aforesaid claims without being influenced by any observation made in this judgment concerning the petitioner's entitlement to restoration of possession.

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65. Pending application(s), if any, shall also stand disposed of.

(ANAND SHARMA),J

MANOJ NARWANI

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