

31.03.2026
Court No.25
D/L No.8
S. Gayen

IN THE HIGH COURT AT CALCUTTA
Constitutional Writ Jurisdiction
Appellate Side

WPA 7634 of 2026

Hindustan Petroleum Corporation Limited
& Ors.
Versus
National Highway Authority of India & Ors.

Mr. Biswanath Chatterjee
Mr. Sohan Krishna Chatterjee
Mr. S. Bera
Mr. S. Kumar Pathak

...for the Petitioners

Ms. Manika Roy

...for the Respondents

1. The petitioners have filed the present writ application challenging the impugned order dated August 21, 2025 wherein the respondents have withdrawn the LoA issued to the petitioner and the notice dated February 25, 2026 wherein the respondents have directed to revoke the operation of the petrol pump and to vacate the petrol pump with immediate effect.
2. Learned counsel for the petitioners submits that initially the petitioners have participated in the tender process and the respondent authorities have granted license to the petitioners to run the petrol pump in the premises in question. The lease was expired on September 18, 2023 but the petitioners have been allowed to continue the business. In the mean time the respondents have published another RFB in the

month of January, 2024. The petitioners have participated in the said RFB and were declared as L-1 and the LoA has been issued to the petitioners. In terms of the LoA, the petitioners have deposited the performance security amount of Rs. 1,29,96,000/- and requested the authorities for execution of the agreement but the authorities have not executed the agreement and the authorities have revoked the LoA and subsequently passed an order for vacating the premises.

3. Learned counsel appearing for the respondent authorities submits that though the petitioners have been granted the LoA but the petitioners have not come forward for execution of the agreement in terms of the notice dated March 13, 2024 and inspite of the several requests, the authorities have cancelled the LoA without any financial implication.
4. Learned counsel for the respondents also submits that the dispute with regard to the property in question is pending before the learned Arbitrator between the respondents and concessional and thus unless and until the dispute is not settled, the respondent authorities are not in a position to take appropriate decision for execution of the lease agreement in favour of the petitioners in terms of the LoA.
5. Learned counsel for the respondent authorities has relied upon the judgment in the case of **Labex K. K.**

International vs. State of Gujarat & Ors. passed by the Hon'ble Division Bench of the Gujarat High Court on May 9, 2019. The Hon'ble Division Bench of the Gujarat High Court has held that mere issuance of conditional LoA, which is not accepted by the petitioner, does not turn into binding contract. She further submits that the Hon'ble Division Bench of the Gujarat High Court further held that LoA cannot create any right to the petitioner unless and until a lease agreement has been entered between the parties. She further submits that already the LoA has been terminated and no lease agreement has been entered between the parties and thus the petitioners cannot claim any right to continue the business in terms of the LoA.

6. Heard the learned counsel for the respective parties and perused the materials on record. This Court finds that the respondents have withdrawn the LoA and notice of eviction is also issued to the petitioners. The judgment, relied upon by the learned counsel for the respondents is distinguishable from the facts and circumstances of the instant case. In the present case the petitioners are running the business in terms of earlier lease agreement and before the completion of the lease agreement, the authorities have published the RFB. The petitioners have participated in the said RFB and declared as L-1 and LoA was issued to the

petitioners but subsequently the respondent authorities have withdrawn the said LoA. This Court has to determine whether the withdrawal of the LoA is in accordance with law or not.

7. In view of the above, the respondent authorities are directed to file affidavit-in-opposition within a period of two weeks and reply, if there be any, be filed within a week thereafter.
8. Let the matter appear on April 28, 2026 under same heading.
9. In the mean time the respondent authorities are restrained from disturbing the business of the petitioners or vacating the petitioners from the premises till the next date of hearing.
10. All parties shall act on the serve copy of this order duly downloaded from the official website of this Court.

(Krishna Rao, J.)