

S U P R E M E C O U R T O F I N D I A
R E C O R D O F P R O C E E D I N G S

Petition(s) for Special Leave to Appeal (Civil) No(s).12968/2008

(From the judgement and order dated 30/04/2008 in WA No. 344/2008
of The HIGH COURT OF MADRAS)

DY.GEN.MANAGER.INDIAN OIL CORP.LD.& ANR. Petitioner(s)

VERSUS

KALA AGENCIES Respondent(s)

(With appln(s) for directions,modification of Court's Order and
prayer for interim relief and office report)
(For final disposal)

Date: 05/02/2010 This Petition was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE B. SUDERSHAN REDDY
HON'BLE MR. JUSTICE SURINDER SINGH NIJJAR

For Petitioner(s)

Mr. L.N. Rao, Sr.adv.
Mr. K. Rajeev,Adv.
Mr. Harshad V. Hameed, Adv.

For Respondent(s)

Mr. A.T.M. Ranga Ramanujam, Sr.Adv.
Mr. P.N. Ramalingam,Adv.

UPON hearing counsel the Court made the following
O R D E R

Leave granted.

The appeal is disposed of without any order as to
costs in terms of the signed order.

Interim order passed by this court shall remain in
operation for a further period of ten weeks.

(Sukhbir Paul Kaur)
Court Master

(Vijay Dhawan)
Court Master

(Signed Order is placed on the file)
IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO.1434 OF 2010
(Arising out of S.L.P.(C) No.12968 of 2008)

DY.GEN.MANAGER.,INDIAN OIL CORP.LTD. & ANR. Appellant(s)

Versus

KALA AGENCIES Respondent(s)

O R D E R

Leave granted.

We have heard the learned senior counsel for the appellant as well as the learned counsel for the respondent.

The High Court while considering the validity of the order of suspension passed by the appellant against the respondent-dealer observed as under :-

"As it is not in dispute that the petitioner was not communicated with any specific instance relating to one or other incident or any customer, relating to which, vague reference has been made in the impugned order of suspension and no specific instance having been shown by the respondents and as the allegation that the random customer contact was made by the filed officer behind the back of the petitioner, has not been denied and now more than five months have passed after the order of suspension, we are of the view that the order of suspension should not continue any further, in the absence of any order of extension issued by the competent authority."

Learned senior counsel for the appellant submits that in view of the pendency of the proceedings in this ...2/-

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Court, the appellant Corporation did not proceed against the respondent-dealer for the cancellation of the dealership and further stated that the Corporation as at present intends to proceed against the dealer for the cancellation of the dealership. In our considered view, the Corporation, in law, is entitled to proceed against the dealer in accordance with law and initiate such steps as may be available to it. The observations made in the impugned order are obviously confined for the purposes of disposal of the writ appeal while considering the validity of order of suspension passed by the appellant Corporation against the respondent dealer. The observations so made shall have no bearing whatsoever on the notice proposed to be now issued by

the Corporation against the dealer for
cancellation/termination of the dealership. Needless
to observe that the respondent-dealer shall have
reasonable opportunity to respond to the proposed
notice and shall be entitled to take such plea/defence
as may be available to it in law. The matter may have
to be considered by the Corporation uninfluenced by the
observations made in the impugned order as well as the
observations if any made in this order.

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...3/-

The appeal is accordingly, disposed of without
any order as to costs.

Interim order passed by this Court shall remain
in operation for a further period of ten weeks.

.....J.
(B.SUDERSHAN REDDY)

.....J.
(SURINDER SINGH NIJJAR)

New Delhi,
February 05, 2010