

**THE HON'BLE THE CHIEF JUSTICE SATISH CHANDRA SHARMA**

**AND**

**THE HON'BLE SRI JUSTICE A. RAJASHEKER REDDY**

**WRIT PETITION (PIL) No.315 of 2020**

**ORDER:** *(Per the Hon'ble the Chief Justice Satish Chandra Sharma)*

The petitioner before this Court, who is projecting himself to be a social worker and who also claims to work for the welfare of the down trodden, has filed this present petition as a Public Interest Litigation stating that the Hindustan Petroleum Corporation Limited (for short, "the HPCL") has indulged in illegal sale of petroleum in Siddipet District. It has been stated that the HPCL has fabricated safety certificates and is illegally operating the retail outlets without valid building permissions, necessary No Objection Certificates and is illegally storing the petrol, which is contrary to the Rules and Regulations. Details have also been given in respect of six retail outlets.

As sale of petroleum products is governed by the Petroleum Act, 1934 read with the Petroleum Rules, 2002 and there was an allegation that without following the rules and regulations, petrol is being sold and as the allegations were of serious nature, this Court has sought response of HPCL.

A detailed and exhaustive counter affidavit has been filed by Sri T. Rajesh, Deputy General Manager of the Hindustan Petroleum Corporation Limited, Secunderabad

Retail Regional Office. The affidavit reveals that in the year 2018, the oil manufacturing companies have issued a joint public advertisement for appointment of new retail outlet dealerships in the month of December, 2018 throughout India, including the State of Telangana. A process of selection took place and after following the due process of law, letter of intents were issued. Petroleum Act, 1934 read with Petroleum Rules, 2002, provides for grant of No Objection Certificate and Rule 144 of the Petroleum Rules reads as under:

**“144. No objection certificate.** - (1) Where the licensing authority is the Chief Controller or the Controller, as the case may be, an applicant for a new license other than a license in Form III, XI, XVII, XVIII or XIX shall apply to the District Authority with two copies of the site-plan showing the location of the premises proposed to be licensed for a certificate to the effect that there is no objection, to the applicant receiving a license for the site proposed and the District Authority shall, if he sees no objection, grant such certificate to the applicant who shall forward it to the licensing authority with his application in Form IX.

(2) Every certificate issued by the District Authority under sub-rule (1) shall be accompanied by a copy of the plan of the proposed site duly endorsed by him under his official seal.

(3) The Chief Controller or the Controller, as the case may be, may refer an application not accompanied by certificate granted under sub-rule (1) to the District Authority for his observations.

(4) If the District Authority, either on a reference being made to him or otherwise, intimates, to the Chief Controller or the Controller, as the case may be, that any license which has been applied for should not, in his opinion, be granted, such license shall not be issued without the sanction of the Central Government.

(5) The District Authority shall complete his inquiry for issuing NO OBJECTION CERTIFICATE (NOC) under sub-rule (1) and shall complete the action for issue or refusal of the NOC, as the case may be, as expeditiously as possible but not later than three months from the date of receipt of application by him.

[(6) Where the location of storage of petroleum is within the notified area of a Port or Airport under the control of the state, or establishment of Indian Space Research Organization or Department of Atomic Energy, No Objection Certificate from the District Authority referred to in sub-rules (1) to (5) shall not be required:

Provided that consent for establishment of petroleum storage form the competent authority of concerned notified area or head of the establishment, as the case may be, is obtained.”

The aforesaid Rule makes it very clear that No Objection Certificate has to be obtained before establishing a retail outlet and before dispensing the petrol from the unit. Accordingly, in respect of six retail outlets No Objections Certificates were granted and their details are as under:

“8. It is respectfully submitted that as regards the specific retail outlets as stated by the petitioner herein, the various details concerning certificates as obtained are as follows:

1. Markook Village Sy.No.89/A1 and 89/A/2 – NOC granted by Commissioner of Police, Siddipet on 15.07.2020, PESO License received on 13.10.2020, NOC from Gram Panchayat received on 21.03.2020. No sales have started.
2. Mittapally Village – Sy.No.818 – NOC granted by Commissioner of Police, Siddipet – 30.09.2020, PESO License received on 27.11.2020, Building Permission application received by Panchayat Secretary on 26.10.2020. No sales have started.
3. Doulathabad Village – Sy.No.12/B2 – NOC granted by Commissioner of Police, Siddipet – 06.07.2020, PESO License received on 13.10.2020 – Building Permission applied with Gram Panchayat on 07.08.2020. No sales have started.
4. Prashanthnagar Village – Sy.No.1371 – NOC granted by Commissioner of Police, Siddipet – 15.10.2019, PESO License received on 19.09.2019 – Building Permission received from Office of Siddipet Municipality on 13.02.2020, Form B Licence for purchase/sale/storage of sale granted by office of Collector (CS) on 12.03.2020. Sales have started.
5. Kuknoorpally Village – Sy.No.12/B2 – NOC granted by Commissioner of Police, Siddipet – 21.01.2020, PESO License on 27.02.2020. Applied for Building Permission with Gram Panchayat on 24.12.2020 Form B Licence for purchase/sale/storage of sale granted by Collector (CS) on 07.09.2020. Sales have started without sales room.

6. Pranapur Village – NOC granted by Commissioner of Police, Siddipet on 23.08.2019, PESO License received on 25.10.2019 – Applied for Building Permission on 16.09.2020 with Gajwal Municipality, Form B Licence for purchase/sale/storage of sale granted by Collector on 17.03.2020. Sales have started without sales room.”

The HPCL after obtaining No Objection Certificates/statutory sanctions has established the dealership and, therefore, the petition is certainly a frivolous petition and the petitioner has gone to the extent in stating that the officers of the oil company have fabricated safety certificates and are illegally operating the retail outlets without valid permissions.

In the considered opinion of this Court, the Public Interest Litigation not only deserves to be dismissed, but deserves to be dismissed with costs.

Resultantly, as the HPCL is operating retail outlets by granting dealership through a transparent process of selection and the retail outlets have been made functional after obtaining No Objection Certificate, the writ petition (PIL) is dismissed with costs of Rs.1,00,000/- (Rupees One lakh only). It is needless to mention that if the cost is not paid within 30 days from today, the Collector, Siddipet District, shall recover the same as arrears of land revenue from the petitioner. The costs so paid/recovered from the petitioner be deposited towards Prime Minister’s COVID-19 pandemic fund.

Miscellaneous petitions, if any, pending in this writ petition shall stand closed. There shall be no order as to costs.

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**SATISH CHANDRA SHARMA, CJ**

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**A. RAJASHEKER REDDY, J**

10.11.2021  
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