

**IN THE HIGH COURT AT CALCUTTA  
CIVIL APPELLATE JURISDICTION  
(COMMERCIAL DIVISION)**

**F.M.A.T.(ARBAWARD) 22 of 2022  
With  
CAN 1 of 2022**

**Indian Oil Corporation Limited and Another.  
Vs.  
Rupa Roy(Chakraborty)**

**Mr. Manwendra Singh Yadav  
Ms. Satabdi Naskar Kundu ... For the Appellant.**

**Ms. Sohini Chakraborty  
Ms. Lopamudra Moitra .... For the Respondent.**

**Re: CAN 1 of 2022**

We admit the appeal.

Mr. Manwendra Yadav, learned advocate appearing for the appellant/Corporation submits that the learned court below had no ground to pass the impugned order restraining the termination of the distributorship agreement between the parties as the appellant had merely issued a show cause notice to the respondent asking her to explain why the agreement should not be terminated.

S.D.

The application by the respondent under Section 9 of the Arbitration and Conciliation Act, 1996 before the learned court was pre-mature, according to learned counsel. He also submitted that his client be allowed to adjudicate upon the show cause notice as provided in the distributorship agreement dated 30<sup>th</sup> November, 2017

between the parties.

Mrs. Chakraborty learned counsel appearing for the respondent submitted that if the impugned order was not made, the appellant would proceed to terminate the agreement and her client would be out of business.

We are of the view that the respondent did have a cause of action on a threatened action on the part of the appellant. However from the impugned order it appears to us that the learned judge assumed that the appellant had taken the decision to terminate the said agreement between the parties and proceed to award to the distributorship to a third party.

Considering the above prima facie case and the balance of convenience the proper order in our view would be allowing the appellant to proceed with the adjudication of the show cause notice in terms of the agreement and also pronounce its decision thereon. We order accordingly. However, the appellant shall not give any effect to the decision if it is termination of the distributorship agreement, for a period of three months from the date of the said decision and both parties shall maintain status quo as on that date to be maintained for three months from the said date to enable the respondent to take appropriate steps before the arbitral tribunal or a judicial authority, if she so desires.

The impugned order dated 17<sup>th</sup> September, 2021 is

set aside and substituted by this order.

The appeal FMAT (ARBAWARD) 22 of 2022 and the stay application CAN 1 of 2021 have been heard out by us dispensing with all formalities and are disposed of by this order.

**(I.P. Mukerji, J.)**

**(Aniruddha Roy, J.)**

