

ORDER SHEET
IN THE HIGH COURT AT CALCUTTA
COMMERCIAL JURISDICTION
ORIGINAL SIDE

AP-COM/51/2025
QUIPPPO OIL AND GAS INFRASTRUCTURE LIMITED
VS
M/S NATURAL OIL AND GAS SERVICES LIMITED

BEFORE:

The Hon'ble JUSTICE SHAMPA SARKAR

Date: 1st July, 2025.

Appearance:
Mr. Rishad Medora, Adv.
Mr. Abhirup Chakraborty, Adv.
.... for the petitioner

The Court:-

1. Despite service none appears for the respondent.
2. This is an application for interim protection. The prayers are quoted

below :

- (i) Pass an order directing the Respondent to provide any document/assistance, in the capacity as Lessor to the Lease Agreement, to enable the Petitioner to comply/participate in any tender or proposal, for provision of the Rig in question, as may be floated from time to time by oil & gas companies, including but not limited to any PSU's such as OIL, ONGC, etc.;
- (ii) Award costs of this Petition in favor of the Petitioner and against the Respondent;
- (iii) Pass such other and further order(s) as this Hon'ble Court may deem fit and proper in the facts and circumstances of the present case.

3. The petitioner and the respondent entered into a Lease Agreement dated August 19, 2016. In terms of the said lease, the respondent as owner of the Rig agreed to lease out the Rig to the petitioner in the event the petitioner was awarded any tender, by oil companies.
4. The petitioner relies on clauses 7.4 and 26.7 of the lease agreement in support of the contention that it is entitled to retain possession of the said Rig on account of failure of the respondent to pay the dues.
5. It is submitted by Mr. Medora, that as a natural corollary to such clauses, possession would mean use of the Rigs and re-deployment in other projects. To facilitate such action, the respondent should be asked to issue documents in favour of the petitioner in the nature of a memorandum of understanding. Such Mou would enable the petitioner to participate in other tender processes floated by oil companies. The petitioner's bids can be taken into consideration if it can demonstrate that the drilling Rig can be deployed in other projects. The lease expired on January 26, 2023. The petitioner claims to be in possession of the Rig. The petitioner submits that there are unpaid dues and the petitioner can retain possession of the Rig till the dues are cleared. The petitioner invoked the arbitration clause, but the notice returned undelivered.
6. Clause 7.4 of the agreement provides that in order to recover the outstanding dues from the lessor, the lessee would be entitled to deploy the drilling Rig and equipment in any project/operation of its choice pertaining to any work order or contract with any of the lessee's clients

existing or in future, unless the lessor pays the said unrecovered amount with interest.

7. This clause, in my prima facie view, does not cover a situation as submitted by Mr. Medora. The petitioner is in possession. The respondent has not attempted to dispossess the petitioner. The respondent cannot be directed by this Court under the said clause, to issue necessary documents and sign a Memorandum of Understanding with the petitioner, allowing the petitioner to continue with the drilling activity at various locations upon bagging tenders from various oil and gas companies. Any order of such nature will be beyond the scope of the agreement. The lease has come to an end. It also appears that, a notice was received by the petitioner from one BMG Gulf FZC(BMG), that it had acquired all assets of the respondent, including the Rig. Under such circumstances, it would be improper for this Court to pass any order directing the respondent to issue necessary memorandum of understanding in favour of the petitioner, when there is a claim of ownership of the Rig by another company. The petitioner has also not impleaded BMG, in this proceeding.
8. BMG objected to the petitioner deploying the Rig to another company without the permission of BMG. The petitioner's stand was that without the dues being cleared, it could continue with the possession and deployment of the Rig. BMG filed an application under section 9 of the Arbitration and Conciliation Act, 1996 and the petitioner was restrained

from alienating and/or creating third party interest in respect of the Rig. BMG's application under section 11 of the said Act was dismissed as not maintainable before the High Court. BMG moved the Hon'ble Apex Court. The applications were disposed of by the Hon'ble Apex Court and the following order was passed :

“ BMG Gulf FZC	Versus	... Petitioner(s)
Quippo Oil and Gas Infrastructure Limited	WITH	... Respondent (s)
<u>Arbitration Petition No 43 of 2024</u> <u>Arbitration Petition No 44 of 2024</u> <u>Arbitration Petition No 45 of 2024</u>		

ORDER

- 1 The petitions arise under Section 11(6) of the Arbitration and Conciliation Act 1996.
- 2 In view of the arbitration agreement between the parties, it has been agreed that a sole arbitrator may be appointed under Section 11 of the Arbitration and Conciliation Act 1996.
- 3 Accordingly, we appoint Ms Justice Indira Banerjee, former Judge of this Court, as a sole arbitrator under Section 11 of the Arbitration and Conciliation Act 1996. The seat of the arbitration shall be at Kolkata.
- 4 All the rights and contentions of the parties are kept open. The respondent is granted liberty to move an application under Section 16 of the Arbitration and Conciliation Act 1996, if so advised.
- 5 The arbitrator shall fix her fees after consulting the parties and determine the modalities for the arbitration.
- 6 The petitions are accordingly disposed of.
- 7 Pending applications, if any, stand disposed of.”

9. Arbitration is pending between the petitioner and BMG, who claims to have acquired the Rig from the respondent. BMG claims to have stepped into the shoes of the respondent, upon devolution of assets. Under such circumstances, the court cannot pass any mandatory orders upon the

respondent. The petitioner always has the option to pray for necessary orders before the learned Arbitrator.

10. Under such circumstances, the application is dismissed.
11. All points are left open before the learned arbitrator including the prayer for interim protection.

(SHAMPA SARKAR, J.)