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O.A.Nos.857, 858, 859 & 860 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 18.11.2025

CORAM

THE HONOURABLE Mr.JUSTICE N. ANAND VENKATESH

O.A.Nos.857, 858, 859 & 860 of 2025

M/s.RMS Transports

Rep. by its Proprietor Mr.M.Selvaraj

3/148-D, RMS Complex

Trichy Road, Namakkal – 637 002

.. Applicant in O.A.Nos.857 &
858/2025

M/s.KMS Transports

Rep. by its Proprietor Mr.M.Subramanian,

20/3, KMS Complex

Thuraiyur Road

Namakkal – 637 001

.. Applicant in O.A.Nos.859 &
860/2025

Vs.

M/s.Bharat Petroleum Corporation Limited,

Rep.by its Chief Manager

(LPG Logistics) – South

No.1, Ranganathan Gardens



O.A.Nos.857, 858, 859 & 860 of 2025

11th Main Road, Anna Nagar (W)
Chennai – 600 040

.. Respondent in all OAs

Original Applications filed under Order XIV Rules 1 and 8 of the O.S.Rules read with Section 9(1)(ii)(d)&(e) of the Arbitration and Conciliation Act, 1996, praying to grant an order of interim injunction restraining the respondent from terminating the contract, blacklisting the applicants and vehicles and forfeit the Bank Guarantee of Rs.7,50,000/- (Rupees Seven Lakhs and Fifty Thousand only) pursuant to the show cause notices dated 22.07.2025, 29.07.2025, 21.07.2025 & 29.07.2025, respectively, in respect of the schedule mentioned property in Judges Summons, until the dispute between the applicant and the respondent is resolved through arbitration.

For Applicant in all OAs : Mr.D.Vairavamoorthy

For Respondent in all OAs : Mrs.Preeti Mohan

COMMON ORDER

All these applications have been filed under Section 9 of the Arbitration and Conciliation Act, 1996, (in short “the Act”), seeking for an interim protection.

2.When these applications came up for hearing on 26.08.2025, this Court



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passed the following order :

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“These applications have been filed under Section 9 of the Arbitration and Conciliation Act, 1996, seeking for an order of interim injunction to restrain the respondent from terminating the contract, blacklisting the applicants and their vehicles, and forfeiting the bank guarantee amount, pursuant to the show cause notices dated 22.07.2025, 29.07.2025, 21.07.2025 and 29.07.2025 respectively issued by the respondent, until the dispute between the parties is resolved through arbitration.

2. The applicants are the contractors with the respondent. According to the respondent, the applicants have violated the terms and conditions of the contract by selling their transport vehicles, which are part of the contract, without the permission of the respondent. However, according to the applicant, the vehicles were sold only with the consent of the respondent.

3. The learned counsel for the applicants drew the attention of this Court to the aforesaid show cause notices issued by the respondent and would submit that the respondent themselves have admitted in the said show cause notices that by email dated 22.04.2025, the applicant had intimated the respondent that they have withdrawn the vehicles disclosed in the show cause notices for operation of the respondent's services. Therefore, according to the applicants, the contention of the respondent in the impugned show cause notices is incorrect.

4. The learned counsel for the applicants also submits that the respondent has arbitrarily threatened in the show cause notices that they will beblacklisting the vehicles belonging to the applicants from oil industry, in which



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event, the applicants will be put to irreparable loss/hardship.

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5. Insofar as the interim reliefs sought for in these applications pertaining to termination of contract and forfeiture of bank guarantee are concerned, the said reliefs cannot be granted by this Court at an ex parte stage. Only after the respondent enters appearance and files their counter affidavit, this Court will be in a position to decide as to whether those reliefs can be granted in favour of the applicants or not. The only ex parte relief that can be granted in favour of the applicants in these applications is in respect of blacklisting. If blacklisting is done, the applicants will be put to irreparable loss/hardship and their livelihood as well as their employees livelihood will be affected as it would amount to a drastic action taken by the respondent.

6. Since the applicants have made out a prima-facie case with regard to blacklisting, this Court is inclined to grant an order of interim injunction and accordingly, there shall be an order of interim injunction restraining the respondent from blacklisting the applicants and their vehicles, which are disclosed in the aforesaid show cause notices, until further orders. However, insofar as the interim reliefs sought for with regard to termination of the contract and forfeiture of bank guarantee amount are concerned, this Court at the ex parte stage is not inclined to grant an order of interim injunction as prayed for in these applications.

Notice to the respondent through Court as well as privately returnable by 23.09.2025.”

3.After service of notice to the respondent Corporation, the respondent



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Corporation entered appearance and filed counter.

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4. When the applications came up for hearing on 11.11.2025, it was informed to this Court by the learned counsel for the respondent Corporation that insofar as the issue regarding the termination of contract, the same may not survive, in view of the fact that the respondent Corporation has engaged the services of the applicant for a further period up to 28.02.2026. In view of this development, the respondent Corporation also does not intend to invoke the bank guarantee.

5. The learned counsel further submitted that, even, if the parties are referred to the Arbitral Tribunal, it will only be the respondent Corporation, who will be the claimant in this case. The only other issue will be the justification for the respondent Corporation to blacklist the applicant and which has been enjoined by this Court.

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6. When the matter was taken up for hearing today, the relevant arbitration clause was brought to the notice of this Court and for proper appreciation, the same is extracted hereunder :

“39. ARBITRATION :

Any dispute or difference whatsoever arising out of or in connection with this Agreement including any question regarding its existence, validity, construction, interpretation, application, meaning, scope, operation or effect of this contract or termination thereof shall be referred to and finally resolved through arbitration as per the procedure mentioned herein below:

(a) The dispute or difference shall, in any event, be referred only to a Sole Arbitrator

(b) The appointment and arbitration proceedings shall be conducted in accordance with SCOPE forum of Arbitration Rules for the time being in force or as amended from time to time

(c) The seat of arbitration shall be at Chennai

(d) The proceedings shall be conducted in English language

The cost of the proceedings shall be equally borne by the parties, unless otherwise directed by the Sole Arbitrator.”

7. Learned counsel for the respondent Corporation submitted that the Standard Conference Of Public Enterprises (SCOPE) is a forum which consists of a panel of reputed arbitrators. Hence, the applicant is bound by the relevant clause



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in the agreement, where the applicant agreed for appointment and conducting of arbitral proceedings in accordance with the SCOPE forum.

8.*Per contra*, learned counsel for the applicant submitted that such unilateral forum that is prescribed by the respondent Corporation, will not bind the applicant and hence, requested this Court to appoint a sole Arbitrator, so that the dispute can be referred to the sole Arbitrator.

9.In the considered view of this Court, if this Court has to recognize SCOPE forum and send the parties to that forum for enabling that forum to appoint an Arbitrator, necessary orders must be passed by the Hon'ble Chief Justice by recognizing SCOPE forum as an institution under Section 11(6) of the Act read with Rule 3 of the Appointment of Arbitrator by the Chief Justice of Madras High Court Scheme, 1996. Admittedly, this has not taken place and therefore, this Court cannot recognize SCOPE forum and send the parties for resolving the dispute



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before the Arbitrator appointed by the said forum. Under such circumstances, providing such a forum by the respondent will not bind the applicant, unless the applicant agrees to go before the SCOPE forum and enable the forum to appoint an Arbitrator to resolve the dispute. If the applicant is not agreeable to the same, such clauses in the contract becomes impermissible, in the light of the judgment of the Apex Court in ***Central Organisation for Railway Electrification Vs. ECI SPIC SMO MCML (JV) a Joint Venture Company*** reported in ***(2025)4 SCC 641***.

10. When this Court expressed its mind, the learned counsel for the respondent Corporation submitted that this Court can appoint a sole Arbitrator and refer the dispute between the parties. Learned counsel submitted that there are totally two agreements between two different parties and in both cases, it will only be the respondent Corporation, who will be the claimant. Insofar as the applicant is concerned, they may also be claimants/counter claimants, since they have to



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necessarily challenge their blacklisting done by the respondent Corporation.

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11.In view of the above, this Court appoints ***Mr.K.Ashok Kumar, Advocate (E.No.56/2005), having office at Chamber No.453, Madras High Court, Chennai 600 104 (mobile No.94449 58093, e-mail : kashokadvocate@yahoo.co.in) as sole Arbitrator*** and the sole Arbitrator is requested to adjudicate the arbitral disputes that had arisen between the parties and render arbitral award by holding sittings in the 'Madras High Court Arbitration Centre under the aegis of this Court' (MHCAC) as per Madras High Court Arbitration Proceedings Rules, 2017 and fee of the sole Arbitrator shall be in accordance with the Madras High Court Arbitration Centre (MHCAC) (Administrative Cost and Arbitrator's Fees) Rules, 2017.

12.The interim order already passed by this Court shall continue, till the first sitting of the Arbitral Tribunal. Thereafter, it is left open to the parties to seek



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for continuance/modification/vacating the interim order, which will be dealt with
by the Arbitral Tribunal, in accordance with Section 17 of the Act.

All these applications are disposed of in the above terms.

18.11.2025

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Index : Yes/No

Neutral Citation : Yes/No



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To

The Chief Manager
M/s.Bharat Petroleum Corporation Limited
(LPG Logistics) – South
No.1, Ranganathan Gardens
11th Main Road, Anna Nagar (W)
Chennai 600 040



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N. ANAND VENKATESH, J.

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