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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ O.M.P.(I) (COMM.) 339/2025

KR PET INDUSTRIES

.....Petitioner

Through: Mr Arun Bharadwaj Sr Adv, Mr. PV Yogeswaran, Shreyansh, Ms. Neha Mishra, Mr. Ashish Kumar Upadhyay, Mr. Y Lokesh, Mr. V Kandha Prabhu, Ms. Dhatri Singh, Ms. Maitri Goal, Advs.

versus

INDIAN RAILWAY CATERING AND TOURISM CORPORATION LIMITED (IRCTC) & ANR.

.....Respondents

Through: Mr. Lalit Chauhan, Ms Laxmi Chauhan, Mr. Manish Yadav, Mr. Rustam Singh Chauhan, Mr. Anith Johnson, Ms. Nikita Chauhan Advocates

CORAM:
HON'BLE MR. JUSTICE JASMEET SINGH

<u>O R D E R</u>

% **01.09.2025**

1. This is a petition filed under section 9 of the Arbitration and Conciliation Act, 1996, seeking to restrain respondent No.1, i.e. IRCTC, its officers, servants, employees, agents from locking, sealing or otherwise interfering with water vending machines operated by the petitioner in Cluster-31 and preventing their access or operation from 02.09.2025.

2. The facts of the case are that the respondent No.1 entered into a License Agreement dated 29.02.2016 with the respondent No.2 for running and operating water vending machines in Cluster-31. Based on the

provisions of the said License Agreement, the respondent No. 2 entered into a Sub-license Agreement dated 09.11.2016 with the petitioner. Under the Sub-license Agreement, the petitioner operates 51 water vending machine units within Cluster-31 in Chennai, MAS Division. These units were commissioned from 2016 to 2018.

3. The respondent no. 1 *vide* letter dated 07.09.2022, granted the petitioner a 3-year extension from 03.09.2022 to 02.09.2025.

4. Since the petitioner is to hand over the site on 02.09.2025 and that the respondent No. 1 intends to lock, seal, and deny access to the Water Vending Machines starting from 02.09.2025, jeopardising the Petitioner's ongoing operations and causing imminent risk of irreversible financial loss, the present petition has been filed.

5. Mr. Bharadwaj, learned senior counsel for the petitioner, has handed over a second volume of documents in Court today which is taken on record. He states that the License Agreement dated 29.02.2016 between the respondent No. 1 and the respondent No. 2, contains an arbitration clause being Clause 10 which reads as under:

> ***"10. ARBITRATION***
>
> ***10.1. All questions disputes and or differences:*** *In the event of any dispute or difference arising under these conditions of licence or in connection with this licence (except as to any matters, the decision of which is specifically provided for by these or the special conditions) the same will be resolved by Arbitration, as per the provisions of "The Arbitration and Conciliation Act, 1996". The venue of the arbitration shall be Delhi. All questions, disputes and or differences arising under or*

in connection with this agreement or in touching or relating to concerning the construction, or affect of presents (excepts as to matters the decision whereof is otherwise herein before, expressly provided for) shall be referred to the sole arbitration of the officer/officers or persons nominated by the Managing Director/IRCTC whose decision in this regard shall be binding one the licensee."

6. Mr. Bharadwaj, learned senior counsel further draws my attention to Clause 3.1 of the IRCTC General Conditions of License which grants a period of five-years to run the water vending machines along with a one-time extension of three-years at the discretion of the respondent No. 1. Clause 3.1 reads as under:

   *"**3. PERIOD OF LICENCE***

   ***3.1.** Tenure of the licence would be five years from the date of commencement of operation. The licence may also be extended for one time for a limited of three years, only on satisfactory performance of the licensee and at the sole discretion of IRCTC. One time extension of licence is subject to a minimum 10% increase over the prevailing licence fee of the unit. There shall be no further extension of licence."*

7. He states that in the present case, the commencement of operation date varies with each water vending machine and hence, all of them would have a separate expiry of the 8-year period. The last date of expiry being 19.10.2026. Hence, closing all the machines on a single date of 02.09.2025, is contrary to the terms of the contract.

8. It is further stated that the same undermines public interest by intending

to cause discontinuity in water vending services, the same is accentuated by the absence of any fresh tender or new contract regarding Cluster 31 Water Vending Machines. There are no alternative arrangements or incoming operators scheduled to continue water vending services once the Petitioner's operations are forcibly halted. This gap portends a complete cessation of water supply at multiple railway stations, adversely affecting passenger welfare and public health.

9. *Per contra*, Mr. Chauhan, learned counsel for the respondent No. 1 has handed over the reply in Court today which is taken on record. He relies upon Clause 12.5 of General Condition of License, which expressly bars sub-letting or sub-assigning of the license without prior written approval of the respondent No. 1. Clause 12.5 reads as under:

> *"**12.5. Assignment of licensee:** The licensee shall not sublet or assign directly or indirectly this licence, or any part thereof or any interest therein, to any persons whosoever without the prior written permission of the IRCTC. Such subletting assignment transfer shall not be binding upon the IRCTC and in the event of the licensee infringing the provision of this clause, the IRCTC shall be entitled to terminate the licence forthwith without any previous notice to the licensee and the licensee shall have no claim whatever in consequence of such summary termination of the licence."*

10. He further submits that the petitioner has prayed for final relief under the garb of interim relief. He states that the period of license as per the respondent No. 1 after extension of 3 years is expiring on 02.09.2025 and the period of license as per the Petitioner is to expire in October

2027. He states that the arbitration proceedings have not yet commenced, and even upon initiation, the same are likely to take substantive time i.e. at least a period of two years. Hence, if the petitioner is granted the relief as prayed under the present application to maintain the status quo till the disposal of the arbitration proceeding, the same will ultimately lead to granting of final relief.

11. I have heard learned counsels for the parties.

12. In the present case, *stricto senso*, the rights of the petitioner emanate from the Sub-license Agreement dated 09.11.2016 and not from the License Agreement dated 29.02.2016. There is no privity of contract between the petitioner and the respondent No. 1. If any party has a cause of action, the same would only be respondent No. 2.

13. For the petitioner to have any cause of action, the same would have to be vis-à-vis respondent No.2, even though respondent No.1 may have been receiving lease rental and water charges from the petitioner.

14. Further, the relief prayed by the petitioner is of the nature of final relief in the garb of interim relief. Reliance is place on the decision of the Hon'ble Supreme Court in ***Deoraj v. State of Maharashtra, AIR 2004 SC 1975***, wherein it was held:

> "*Situations emerge where the granting of an interim relief would tantamount to granting the final relief itself...In such cases the availability of a very strong prima facie case - of a standard much higher than just prima facie case, the considerations of balance of convenience and irreparable injury forcefully tilting the balance of case totally in favour of the applicant may persuade the Court to grant an interim relief though it amounts*

to granting the final relief itself."

15. In view of the above, since there is not privity of contract between the petitioner and respondent No. 1, no interim relief can be granted to the petitioner. Additionally granting of an interim relief against the respondent No.1 at this stage would permit the petitioner to continue, which is their final relief.
16. However, Mr. Chauhan, learned counsel for the respondent No. 1, states that he will maintain the *status quo* upto 30.09.2025 to enable the petitioner to wind up its operations. His statement is taken on record and the respondent No.1 shall be bound by the same.
17. The observations made hereinabove are purely for the purposes of deciding the section 9 petition and all the parties are free to avail their legal rights as available in law and nothing observed herein will prejudice the filing, including the filing of section 11 petition and nothing stated hereinabove, shall affect the merits of the dispute raised by the parties, if any, and as and when advised.
18. The petition is disposed of in the aforesaid terms.

JASMEET SINGH, J

SEPTEMBER 1, 2025 / (MS)