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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 12.11.2026

CORAM :

THE HON'BLE MR.JUSTICE D.BHARATHA CHAKRAVARTHY

O.A.Nos.679, 574, 575, 576, 577, 578, 579, 580 and 750 of 2026
& Arb.Appln.Nos.1534, 1385, 1386, 1387, 1388, 1389, 1390, 1146, 1147, 1148, 1149, 1150, 1151, 1152, 1153, 1522 and 1523 of 2026

O.A.No.679 of 2026:-

M/s.CMC Sharub enterprises Private Limited,
Represented by its Director,
Desiappan Shanmugavel .. Applicant

Versus

1. M/s.Hindustan Petroleum Corporation Limited,
   Rep. by Zonal Head – LPG,
   LPG SBU, South Zone,
   Talamuthu Natarajan Building,
   1, Gandhi – Irwin Road,
   Chennai – 600 008.

2. M/s.Hindustan Petroleum Corporation Limited,
   Rep. By General Manager – Installation,
   Manglore LPG Import Office,
   Village Bala, Via Katipalla,
   Mangalore – 575 030. .. Respondents

Prayer in O.A.No.679 of 2026 : Application filed under Order XIV Rules 1 and 8 of Original Side Rules read with Section 9(1)(ii)(d)&(e) of the Arbitration and Conciliation Act, 1996 to grant an order of interim injunction restraining the respondent from terminating the contract, forfeiting the EMD amount of Rs.1,50,000/- (Rupees One Lakh Fifty

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Thousand Only) and Caution money of Rs.5,00,000/- (Rupees Five Lakhs Only), in respect of the vehicle bearing KA 01 AG 2101, KA 01 AG 2102, KA 01 AG 2103, KA 01 AG 2104 and KA 01 AE 6446, pursuant to the show cause notice, dated 07.04.2026, until the dispute between applicant and respondent is resolved through arbitration and any other interim measure as this Court may deem fit in the facts and circumstances of the case.

In O.A.Nos.679 and 750 of 2026 & Arb.Appln.No.1534, 1385, 1386, 1387, 1388, 1389, 1390, 1522 and 1523 of 2026:-

For Applicant : Mr.Harishankar, for Mr.R.Anbukarasu

For Respondent : Mr.M.Vijayan, for M/s.King & Partridge

In O.A.Nos.574, 575, 576, 577, 578, 579 and 580 of 2026 & Arb.Appln.Nos.1146, 1147, 1148, 1149, 1150, 1151, 1152 and 1153 of 2026:-

For Applicant : Mr.Harishankar, for Mr.D.Vairamoorthy

For Respondent : Mr.M.Vijayan, for M/s.King & Partridge

COMMON ORDER

The facts in all these cases are identical and as such, are taken up and disposed of together by this common order.

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2. The brief factual background, in which these cases arise, is that the respondent, Hindustan Petroleum Limited as well as other oil companies such as Indian Oil Corporation Limited, called for a tender for bids for supplying vehicles for transport of petroleum and petroleum products in specified routes etc. All the applicants were successful bidders and they were awarded the letter of acceptance and thereafter, an identical form of contract, which is termed as Transport Contract Agreement, was entered into with each of them. As per the terms of the tender as well as the contract, within a period of four months from the date of award of contract, Registration Certificate, if it is in the name of third parties, has to be transferred in the name of the successful bidder and due license from Petroleum and Explosives Safety Organisation (hereinafter referred to as 'PESO') should also be obtained. Finding that the applicants herein have not complied with the said mandatory condition, identical show-cause notices were issued by the oil corporations as to why the award should not be cancelled in view of their failure.

3. In all these cases, the respondents replied that they had duly applied to the Road Transport Offices within time and only on account of the administrative delay taken by the statutory authority, the transferred

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RC book is not produced before the oil companies. Further, there was also administrative delay on the part of the PESO even though the applications were made to them for grant of license well within time. Therefore, they prayed for extension of time. After considering the reply, identical orders of termination were issued stating that in view of the violation of the mandatory conditions, the Corporation has no other go than to follow the mandatory tender conditions and the contractual obligation and terminated the contract in respect of the vehicles for which RC books are not produced and also the license from the PESO is not obtained and produced before the Oil Corporations.

4. It is at this juncture, a batch of applications under Section 9 of the Arbitration and Conciliation Act, 1996 (hereinafter referred to as 'Act'), came to be filed before this Court. The applicants contended that the oil companies as well as the Road Transport and the PESO, being the authority of the State, being the other arm of the State is terminating their contract for no fault of them. After considering the *prima facie* case, *ad* interim orders were granted to the effect that the vehicles be continued to be used and the original award be continued. Thereafter, the Indian Oil Corporation, after notice, first filed a counter-affidavit and contested the

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matter relating to Indian Oil Corporation. It was contended that the contract is determinable in nature. When the contract itself is determinable in nature, the interim orders or the final award cannot be in the nature of continuing the contract. Even if the contract is wrongfully terminated, all that the aggrieved party will be entitled only for damages and therefore, the orders, as prayed for in these applications, cannot be granted.

5. This Court (through the Hon'ble Mr.Justice K.Kumaresh Babu) considered the said arguments in the teeth of the pronouncement of the Hon'ble Supreme Court of India in ***K.S.Manujanth and Ors. Vs. Moorasavirappa alias Muttanna Chennappa Batil and Ors.***[1]. Considering the peculiar facts that it is not by invoking the clause relating to determination of the contract by giving 30 days notice, the termination is effected and further considering the peculiar facts relating to the oil corporations and its licenses, being statutory in nature, this Court exercised the discretion of continuing the interim order and made the interim order absolute on condition that steps should be taken for constituting the Tribunal within 90 days.

1 (2025) SCC OnLine 2378

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6. Under the said background, in yet another batch of cases in O.A.Nos.744 and 745 of 2026, I followed the same order and passed the same orders and disposed of the applications. However, with reference to these matters relating to Hindustan Petroleum Limited, the learned Counsel would submit that they were not the one who argued the earlier round of litigation before the learned Judge, pursuant to which, the judgment was made on 01.09.2026 and argued the matter afresh on merits.

7. Learned Counsel appearing on behalf the M/s.Hindustan Petroleum Corporation Limited, would first draw the attention of this Court to Clause - 33 of the standard form of the contract which makes the very agreement determinable in nature by issue of 30 days notice. Once the agreement is determinable by issue of notice, then, by virtue of Section 14 of the Specific Relief Act, 1963, no Court can grant reliefs to renew the dealership or agency for that matter. Even if the termination is not made by issuing 30 days notice, but, is made on different grounds, even then, once the contract is determinable in nature, the dictum of the Hon'ble Supreme Court of India in ***Indian Oil Corporation Limited Vs. Amritsar Gas Service and Ors.***[2] will come to play and this Court cannot grant an

2 (1991) 1 SCC 533

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interim order to the effect of continuing the contract.

8. The learned Counsel would submit that even the Arbitrator cannot grant such a relief. Even if the termination is found to be erroneous, all that the respondent will be entitled to would only be the damages. The learned Counsel would submit that this legal question has been settled in several other judgments on the same line and therefore, the interim order cannot be continued. Any Arbitrator from the panel of Arbitrators, empanelled with the Madras High Court Arbitration Centre, can be appointed, for which the Corporation will have no objection and the Corporation will file the counter to the Claim Petition before the Arbitrator.

9. In reply thereof, the learned Counsel for the applicants would submit that only considering all the grounds, the judgment was pronounced on 01.09.2026 in the connected batch of matters and for this batch of matters alone, the learned Counsel cannot make a different set of arguments. The learned Counsel would submit that there have been instances by taking into account the peculiar facts and circumstances of the case. The principles laid down in ***Amritsar Gas Service***'s case (cited

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supra) have not been applied by the Hon'ble Apex Court as well as this Court. The judgment in ***K.S.Manjunath***'s case (cited *supra*) thus takes into account the peculiar circumstances. In this case, it is not the case that the contract was determined. The additional factor, that the learned Counsel would submit is that, when interim orders have been granted by this Court from the month of June, subsequently, due permission of the PESO has also been granted and transfers have also been effected by the Road Transport Offices and the Registration Certificates are also placed before the respective oil corporations. The said factor should also be considered.

10. The question of breach should also be considered while considering the determinable nature of the contract. In this case, it can neither be argued *prima facie* that there was any breach that is committed by the respondents in view of the fact that it is only the statutory authorities which delayed the matter and neither the contract is determined by the respondents by issue of 30 days notice which makes the facts of this case different than what was considered in ***Amritsar Gas Service***'s case (cited *supra*) where the prayer is made to continue the dealership.

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11. I have considered the rival submissions made on either side and perused the material records of the case.

12. *Prima facie*, the parties are agreeable for appointment of an independent Arbitrator by this Court in these proceedings itself. *Mr.P.V.S.Giridhar*, learned Senior Counsel is appointed as an Arbitrator. The learned Arbitrator shall enter a reference and the venue of arbitration shall be at the Madras High Court Arbitration Centre. The fees shall be as per Schedule – IV of the Act. As far as the interim order is concerned, considering that *prime facie*, the argument has been considered by this Court in the earlier judgment on 01.09.2026 and since detailed arguments are made and now, that I have also appointed an Arbitrator and the arguments made by the learned Counsel can be made made in detail before the learned Arbitrator to decide the issue as per Section 17 of the Act, by considering the very same application under Section 17 of the Act, I am of the view that both the parties will be entitled to argue the same with reference to the grant of interim reliefs and final relief before the learned Arbitrator. The interim relief granted by this Court shall be treated as *ad* interim in nature until the learned Arbitrator decides the issue under Section 17 of the Act.

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13. Accordingly, these applications stand disposed of.

12.11.2026

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D.BHARATHA CHAKRAVARTHY, J.

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O.A.No.679 of 2026 etc., (batch cases)

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