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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

ARBITRATION PETITION (L) NO.22666 OF 2026

P. Perumal Transports, represented by its Proprietor P. Perumal S/o. Palani ... **Petitioner**

Vs.

Bharat Petroleum Corporation Limited, represented by its Chief Manager Logistics (LPG) South No.1 ... **Respondent**

WITH
ARBITRATION PETITION (L) NO.22924 OF 2026

New Vengaraiamman Bulk Carriers, represented by its partner S. Charless S/o. Singarayar ... **Petitioner**

Vs.

Bharat Petroleum Corporation Limited, represented by its Chief Manager Logistics (LPG) South No.1 ... **Respondent**

WITH
ARBITRATION PETITION (L) NO23272 OF 2026

Ambika M. Proprietor of the Global Gas Carrier, represented by its Proprietor Ambika M. ... **Petitioner**

Vs.

Indian Oil Corporation Limited ... **Respondent**

WITH
ARBITRATION PETITION (L) NO.23312 OF 2026

S. Sanjiveev, Proprietor of the JRT Transport, represented by its Proprietor S. Saniveev S/o. Singarayar ... **Petitioner**

Vs.

Bharat Petroleum Corporation Limited,
represented by its Chief Manager
Logistics (LPG) South No.1 ... **Respondent**

WITH
ARBITRATION PETITION (L) NO.23394 OF 2026

P. Raghavendiran, Proprietor of the Vitra
Transport, represented by its Proprietor
P. Raghvendriran S/o. Ponnusamy ... **Petitioner**

Vs.

Bharat Petroleum Corporation Limited,
represented by its Chief Manager
Logistics (LPG) South No.1 ... **Respondent**

WITH
ARBITRATION PETITION (L) NO.23702 OF 2026

S. Rajakumar, Proprietor of the
Arungaraiamman, represented by its
Propretor S. Rajakumar ... **Petitioner**

Vs.

Bharat Petroleum Corporation Limited,
represented by its Central Procurement
Organization (Marketing) ... **Respondent**

WITH
ARBITRATION PETITION (L) NO.23005 OF 2026

Royal Logistics, represented by its
Proprietor K. Navamani S/o. Kalliyappan ... **Petitioner**

Vs.

Bharat Petroleum Corporation Limited,
represented by its Chief Manager
Logistics (LPG) South No.1 ... **Respondent**

Mr. Ayush Kashyap with Mr. Shivam Lathuriya, and Mr. Sujit Bhuyare for the petitioner in all petitions.

Mr. Samkit Jain with Ms. Sandhya Yadav i/by Ashok Purohit & Co., for the respondent-IOCL.

Mr. Pankaj Sawant, Senior Advocate with Mr. Murtaza Kachwalla, Mr. Shreyas Lavekar, Mr. Abhinav Naiknaware and Ms. Nehha Rukhana i/by Indus Law Advocates for the respondent-BPCL.

CORAM	**: AMIT BORKAR, J.**
RESERVED ON	**: AUGUST 12, 2026.**
PRONOUNCED ON	**: AUGUST 14, 2026**

JUDGMENT:

1. Since the question of law involved in all these petitions is common, all the petitions are being decided by this common Judgment. For the sake of convenience, the facts of Arbitration Petition (L) No. 22666 of 2026 are treated as the lead matter.

2. By these petitions filed under Section 9 of the Arbitration and Conciliation Act, 1996, referred to as the "Arbitration Act", the Petitioner in each petition seeks interim reliefs. The Petitioner seeks an order keeping the termination order dated 15 June 2026 in abeyance and restraining the Respondent from acting upon or giving effect to the said termination order, including the forfeiture of caution money of Rs. 1,00,000/-, until the Arbitral Tribunal is constituted and the arbitral proceedings are concluded. The Petitioner seeks an interim direction requiring the Respondent to resume allotment of LPG loads for transportation through Tank Truck bearing Registration No. TN 88 C 6993, in accordance with the Transport Contract Agreement dated 23 February 2026 and the Letter of Intent dated 19 October 2025, pending the arbitral proceedings. According to the Petitioner, in similar proceedings, the High Court of Judicature at Madras has granted similar reliefs to other parties who were similarly affected.

3. The facts and circumstances which, according to the Petitioner, have resulted in the filing of these petitions are as follows. The Respondent had issued Tender No. A LPG/BULK/TT/BPC/TN/2025-30 for transportation of bulk LPG by road in the State of Tamil Nadu. Clause 7.4 of the standard contract terms provided that the contract was to be executed within 30 working days from the date of issuance of the Letter of Intent. Thereafter, on 4 April 2025, the Respondent issued a corrigendum allowing participation by persons who had trucks in respect of which an Agreement to Sell had been executed. Such trucks were referred to as ATS trucks. The corrigendum provided a period of 120 days from the date of the Letter of Intent for transferring the name in the Registration Certificate and for transfer of the PESO licence. It required the concerned party to deposit caution money of Rs. 1 lakh for each ATS truck. On 8 May 2025, the Petitioner deposited caution money of Rs. 5 lakhs. Thereafter, on 19 October 2025, the Respondent issued a Letter of Intent in favour of the Petitioner in respect of Tank Truck bearing Registration No. TN 88 C 6993, which was in the ATS category. The contract was stated to commence from 20 October 2025 and was to continue for a period of five years. The period of 120 days for completing the transfer of ownership was to expire on 19 February 2026. The contract was otherwise required to be executed within 30 working days, that is, on or before 19 November 2025. However, on 24 December 2025, the Respondent issued the first LPG load and invoice in respect of the ATS truck even though the formal contract had not then been executed. According to the Petitioner, this conduct shows that the Respondent was not treating the period of 30 working days as a strict or mandatory requirement.

4. On 18 February 2026, the Petitioner applied for transfer of the Registration Certificate. According to the Petitioner, the Registration Certificate was transferred in its name within the period of 120 days, which was to expire on 19 February 2026. The Petitioner states that an application for transfer of the PESO licence was made at the same time. Thereafter, on 23 February 2026, the Transport Contract Agreement was formally executed between the Petitioner and the Respondent. Thus, the formal contract was executed more than four months after issuance of the Letter of Intent and much after the period of 30 working days prescribed under Clause 7.4. On 26 February 2026, the PESO Explosive Licence was transferred in the name of the Petitioner, which was seven days after expiry of the period of 120 days. On 4 April 2026, the Respondent issued the last LPG load and invoice to the Petitioner. Thereafter, on 8 April 2026, the Respondent issued a Show Cause Notice alleging that the Petitioner had not complied with the condition requiring completion of the transfer within 120 days. The ATS truck of the Petitioner was suspended and the LPG loading operations were stopped. According to the Petitioner, this action was taken without giving any prior hearing. On 27 April

2026, the Petitioner submitted a detailed reply to the Show Cause Notice. The Petitioner explained the reasons for the alleged delay and requested the Respondent to take a lenient view and to resume the transportation operations. In the said reply, however, the Petitioner inadvertently mentioned an incorrect date of 16 March 2026 as the date of transfer of the Registration Certificate. Thereafter, on 9 June 2026, the Petitioner filed A.A. No. 1138 of 2026 under Section 9 of the Arbitration and Conciliation Act, 1996 before the High Court of Judicature at Madras. In the said proceedings, the Petitioner sought an interim injunction against termination and sought a direction for resumption of allotment of LPG loads.

5. On 15 June 2026, the Respondent passed the termination order. According to the Petitioner, the said order was issued as a counterblast to the proceedings filed before the High Court of Judicature at Madras. By the said order, the Respondent withdrew the Letter of Intent, terminated Tank Truck No. TN 88 C 6993 from the Transport Agreement dated 23 February 2026 and forfeited the caution money of Rs. 1 lakh. The Petitioner contends that the termination order does not take into consideration the fact that the Registration Certificate had been transferred within the prescribed period. The order does not refer to the fact that the formal Transport Contract Agreement was executed after expiry of the period of 30 working days. On 22 June 2026, the Respondent filed its counter affidavit before the High Court of Judicature at Madras. The Respondent raised an objection regarding jurisdiction and contended that, under the contract, the seat of arbitration was

Mumbai. Thereafter, on 29 June 2026, the Petitioner filed a withdrawal memo before the High Court of Judicature at Madras and withdrew A.A. No. 1138 of 2026 with the intention of approaching this Court. It is in these circumstances that the present petition has been filed.

6. Mr. Kashyap, learned Advocate appearing for the Petitioner, submitted that the Petitioner is seeking interim injunctions and has not sought the relief of specific performance. According to him, the reliefs sought are in the nature of an interim prohibitory injunction and an interim mandatory injunction. He submitted that specific performance cannot be granted by this Court while exercising interim jurisdiction under Section 9 of the Arbitration Act. However, according to him, in an appropriate case, the Court can grant a mandatory injunction directing continuation of contractual performance, particularly when the balance of advantage supports grant of such relief. In support of this submission, he relied upon the judgment of the Supreme Court in *Sumir Narain Bhojwani v. Aurora Properties & Investments,* (2018) 17 SCC 203*,* referred to as "Samir Bhojwani".

7. Mr. Kashyap submitted that the fact that an interim relief may overlap with the final relief does not by prevent the Court from granting such relief. According to him, a mandatory injunction is particularly appropriate where the relief which may be granted by the Arbitral Tribunal should not be unnecessarily restricted at the interim stage. He submitted that the larger dispute regarding the real nature of the contractual rights of the parties and whether the termination is legally valid cannot be finally decided only on the basis of affidavits. According to him, such issues may require evidence before the Arbitral Tribunal.

8. Learned Advocate submitted that the Respondent has relied upon Clauses 41 and 42 of the General Conditions of Contract, referred to as the GCC, which formed part of the tender documents. According to him, after execution of the Transport Contract Agreement, the provisions of the signed contract would govern the rights of the parties. He submitted that Clause 96 of the GCC gives precedence to the contract over the GCC. He submitted that, under the Special Conditions of Contract, the Agreement or Contract would prevail over the GCC. It was submitted that Clause 34 of the Transport Contract Agreement contains specific provisions relating to termination. According to the Petitioner, this shows that the contract cannot be terminated merely at the "sweet will of a party" and, therefore, cannot be treated as a freely determinable contract. It was submitted that Clause 33 may not require the terminating party to state all the reasons in the termination notice. However, the power of termination is still required to be exercised within the conditions and limits provided under the contract. Therefore, according to the Petitioner, reasons for termination must exist, and such reasons can be examined. On this basis, it was submitted that the contract cannot be treated as determinable only because it contains a provision for termination.

9. It was submitted that, in case of non-compliance with the time limit relating to transfer of the RC and PESO licence, the Corrigendum provides different consequences, namely forfeiture of caution money, termination, and blacklisting. According to the

Petitioner, these consequences form a graduated scheme of remedies. The submission is that an Arbitrator, while interpreting the contract in a practical and commercially meaningful manner, may find that these different remedies were deliberately provided and that the Respondent has chosen the most serious remedy in a disproportionate manner. Learned Advocate submitted that contracts involving continuing commercial relationships carry an obligation of good faith between the parties. It was submitted that merely because a particular condition is written in the contract, it does not mean that the condition must always be applied mechanically without considering the facts and conduct of the parties.

10. Mr. Kashyap submitted that the Respondent did not treat time as being of the essence of the contract. According to him, the Respondent executed the Transport Agreement about four months after issuance of the Letter of Intent, although Clause 7.4 provided for execution within 30 working days. At the same time, the Respondent is seeking strict compliance with the 120-day period against the Petitioner. It was submitted that the delayed execution of the Agreement and the subsequent conduct of the Respondent show that the parties themselves were not treating every time limit as strict and mandatory. The Respondent, according to the Petitioner, allotted the first LPG load even before the formal contract was executed. It continued to allot loads for more than one month after expiry of the 120-day period without raising any objection. According to the Petitioner, such conduct is relevant while considering whether time was treated as being of the essence. It was submitted that where a request for extension is followed by discussions and continued performance, instead of immediate termination, such conduct may indicate that strict compliance with time was not being insisted upon. It was submitted that all the mandatory and essential requirements have substantially been complied with. Learned Advocate submitted that a commercial contract may contain conditions which are essential and other conditions which may be procedural or non-essential. Reference was made to Section 16 of the Specific Relief Act, 1963. According to the Petitioner, the important requirement under the tender was that the concerned truck should have the Registration Certificate and the PESO licence transferred in the name of the contractor. It was submitted that a purely technical or procedural defect, which has no connection with the capacity or qualification of the contractor, should not result in disqualification or termination once the essential requirements are fulfilled. According to the Petitioner, minor procedural lapses cannot be treated in the same manner as failure to satisfy the basic eligibility conditions.

11. On the question of irreparable injury, learned Advocate submitted that the expression does not mean that the loss should be completely incapable of being compensated in money. According to him, the present case concerns specialised LPG tank trucks having a limited permissible operational life. It was submitted that in certain jurisdictions such trucks can operate only for a limited number of years, for example, seven years in Bombay, nine years in Delhi, with an overall operational period of fifteen years. According to the Petitioner, if a substantial part of this limited period is lost because the truck remains out of operation during the dispute, that period of commercial use cannot practically be restored later. It was submitted that these specialised vehicles cannot easily be put to some other commercial use.

12. Learned Advocate submitted that, after the amendment of the Specific Relief Act in 2018, adequacy of damages is no longer the sole or decisive ground for refusing specific or injunctive relief. According to him, the earlier position, where monetary compensation was generally treated as the normal remedy and specific relief as an exception, has undergone a change. Therefore, it was submitted that the Court should not reject the claim for interim relief merely on the ground that the Petitioner may subsequently claim damages. It was submitted that the damages claimed by the Petitioner cannot be calculated with any certainty. According to the Petitioner, if the contract does not continue during the pendency of arbitration, it would be difficult to determine how much LPG the Petitioner's truck would have transported and over what distances. The Respondent controls a fleet of about 360 trucks and decides which truck will be given a particular load. Therefore, according to the Petitioner, any claim for future loss would involve considerable uncertainty. On the other hand, if the Petitioner is permitted to continue the transportation work during the pendency of arbitration and the Respondent succeeds, the Respondent would be able to make a claim for damages on the basis of actual and ascertainable facts.

13. Learned Advocate submitted that the Petitioner is likely to suffer stigma and loss of reputation and goodwill in a limited and concentrated business sector. According to him, even if the Petitioner succeeds before the Arbitral Tribunal, the effect of being treated as a party which did not comply with the requirements of a Public Sector Undertaking may continue to affect its reputation in the business. It was submitted that such loss of reputation and goodwill may not be repaired by grant of a monetary award. It was submitted that the contract contains provisions limiting the damages payable for breach. According to the Petitioner, where the contract places a restriction on the amount of damages which may be recovered, relegating the Petitioner only to a remedy of damages may not provide an effective remedy. This, according to the Petitioner, is an additional reason for permitting the contractual arrangement to continue during the pendency of the arbitral proceedings.

14. On the question of balance of convenience, learned Advocate submitted that the balance lies in favour of the Petitioner. According to him, if the interim relief is granted, the Respondent will continue to have LPG transported through a truck which has all the required licences and registrations in the name of the Petitioner. It was submitted that there is no issue regarding the legality or safety of continued use of the truck. The truck is only one vehicle in a fleet of about 360 trucks. Therefore, according to the Petitioner, its continued operation would cause no serious operational difficulty to the Respondent. On the other hand, refusal of interim relief would cause serious and continuing loss to the Petitioner and may result in loss which cannot be restored later. Lastly, learned Advocate submitted that the jurisdiction exercised while considering interim relief is equitable in nature and the conduct of the parties is, therefore, relevant. He submitted that, while exercising such jurisdiction, the Court can consider the possible effect of its order on the public. According to the Petitioner, the termination order dated 15 June 2026 was issued after and as a direct counterblast to the proceedings initiated by the Petitioner under Section 9 of the Arbitration Act before the High Court of Judicature at Madras. This conduct, according to the Petitioner, is relevant while considering whether the Petitioner is entitled to interim protection.

15. Per contra, Mr. Savant, learned Senior Advocate appearing for the Respondent, BPCL, submitted that Clauses 41 and 42 of the General Conditions of Contract reserve the right of the Respondent to terminate the Agreement in the circumstances mentioned therein. He submitted that Clause 37 of the Agreement provides that the Tender Terms and Conditions, Declarations, Agreements, correspondence and other documents submitted along with the Tender would form an integral part of the Agreement. Therefore, according to the Respondent, the Corrigendum dated 4 April 2025, which amended the Tender Conditions, forms an integral part of the Agreement entered into between the parties. Learned Senior Advocate submitted that Item 5 of the Corrigendum provides that if the bidder fails to submit the required documents, including the Registration Certificate and the PESO Licence, within four months from the date of issuance of the Letter of Intent, the Respondent is entitled to take penal action, including termination of the order. According to the Respondent, Item 5 of the Corrigendum, when read together with Clauses 41 and 42 of the General Conditions of Contract, gives the Respondent a contractual right to terminate. It was, therefore, submitted that the Agreement is, by its very nature, a determinable contract.

16. Learned Senior Advocate submitted that Section 14(d) of the Specific Relief Act, 1963 provides that a contract which is determinable by its nature cannot be enforced. According to the Respondent, although the Petitioner has described the reliefs as interim measures under Section 9 of the Arbitration Act, the actual effect of the reliefs sought is to obtain specific performance and restoration of a contract which is determinable. Such relief, according to the Respondent, is barred under Section 14(d) of the Specific Relief Act. It was submitted that if the reliefs prayed for are granted, the Petitioner would, in substance, receive the same benefit which it seeks in the main dispute. On this basis, it was submitted that the Petition is liable to be dismissed at the threshold. Learned Senior Advocate submitted that the Letter of Intent was issued on 19 October 2025. Therefore, the period of four months expired on 19 February 2026. Although the Registration Certificate was transferred on 18 February 2026, it is the case of the Respondent that the Petitioner neither submitted the transferred PESO Licence nor even applied for its transfer on or before 19 February 2026. The Respondent relied upon the statements made by the Petitioner in paragraph 18 of the Petition. According to the Respondent, the application for transfer of the

PESO Licence was made only on 23 February 2026 and the transfer was completed on 26 February 2026.

17. Learned Senior Advocate pointed out that it is not even the Petitioner's case that an application for transfer of the PESO Licence was made on or before 19 February 2026 and that the subsequent delay was caused by the statutory authority. According to the Respondent, the Petition shows that the application for transfer of the PESO Licence was made only after expiry of the contractual time limit. Therefore, according to the Respondent, this is not a case where the Petitioner had completed its part and was only waiting for the concerned authority to process the application. The submission of the Respondent is that the Petitioner did not even start the required process for transfer of the PESO Licence within the stipulated period.

18. Learned Senior Advocate submitted that even before issuance of the Letter of Intent, the Petitioner had given a notarised Affidavit dated 5 May 2025. By the said Affidavit, the Petitioner had undertaken that if it failed to submit the required documents relating to change of ownership within four months from the date of issuance of the Letter of Intent, it would be liable to suitable penal action. Such action could include rejection of the offer, forfeiture of the EMD, forfeiture of caution money, termination of the order in respect of the concerned Tank Truck and blacklisting. According to the Respondent, the Petitioner was, therefore, aware of the consequences of not complying with the prescribed period.

19. Learned Senior Advocate submitted that when the first work order was issued on 24 December 2025, Tank Truck No. TN88C6993 had been sold to the Petitioner under an Agreement to Sell, as contemplated by the Corrigendum. In terms of the Corrigendum, the Petitioner had submitted the Affidavit dated 5 May 2025 along with a valid Registration Certificate and PESO Licence standing in the name of the seller. It was submitted that the Tank Truck admittedly had a valid and subsisting Registration Certificate and PESO Licence at that time. However, both documents had not yet been transferred in the name of the Petitioner.

20. The Respondent submitted that the Petitioner's reliance upon the fact that certain work orders were issued even after 19 February 2026 is misplaced. According to the Respondent, after it came to know that the Petitioner had not submitted the required documents showing transfer of ownership and transfer of the PESO Licence within the prescribed period, the Respondent sent an email dated 5 April 2026 calling upon the Petitioner to furnish the required documents.

21. It was submitted that the Petitioner did not respond to the said email. Thereafter, the Respondent issued the Show Cause Notice dated 8 April 2026 and at the same time suspended allotment of LPG loads to the concerned Tank Truck. According to the Respondent, after considering the reply submitted by the Petitioner to the Show Cause Notice, the Respondent proceeded to terminate Tank Truck No. TN88C6993 strictly in accordance with the terms and conditions of the contract.

22. Mr. Jain, learned Advocate appearing for IOC, adopted the submissions advanced by Mr. Savant, learned Senior Advocate, in the connected petitions and prayed for dismissal of the present petition.

REASONS AND ANALYSIS:

23. I have considered the submissions made by both sides, the documents placed on record, relevant tender conditions, Corrigendum No. 3, the Transport Contract Agreement, the termination order and the decisions relied upon by the parties. The Petitioner has asked for two reliefs. First relief is to restrain the Respondent from acting upon the termination order dated 15 June 2026 and from forfeiting the caution money of Rs.1,00,000/-. Second relief is to direct the Respondent to again start and continuously allot LPG loads to Tank Truck bearing Registration No. TN 88 C 6993 till the Arbitral Tribunal is constituted and arbitral proceedings are completed.

24. In substance, the dispute has arisen because of special arrangement made under Corrigendum No. 3 for those Tank Trucks which were operating under existing contracts and where ownership could not be transferred. Such vehicles were permitted to be offered on the basis of an Agreement to Sale. Relevant Corrigendum provided:

> "In case of TTs operating in the existing contract whose ownership cannot be transferred during the pendency of the running contract and hence the formalites for transfer or ownership could not be completed as on due date of the new tender, such vehicles can be sold through an Agreement to

Sale (ATS)”

25. The Corrigendum provided that such trucks would be treated as owned trucks of the bidder for purpose of bid qualification and allocation. It required seller and purchaser to submit affidavits along with valid Registration Certificate and PESO licence in the name of seller. Thus, tender conditions themselves recognised that at the time of bidding, and at the initial stage of allotment, Registration Certificate and PESO licence may continue in the name of seller. This appears to be because immediate transfer of ownership and connected documents may not always be possible when truck was working under an existing contract.

26. However, Corrigendum required that process of change of name should be completed within prescribed period. Relevant portion reads as follows:

> “In case the bidder falls to submit the required documents with change of name, etc. within 4 months of issue of LOI, suitable penal action shall be taken, which may include EMD forfeiture, caution money forfeiture, termination of order of such TTs and blacklisting of such Tts.
>
> Under no circumstances will the above-mentioned timeline be extended.”

27. Therefore, prima facie, Petitioner cannot say that requirement of completing change of name was of no importance or was only a formality. Corrigendum fixed period of four months from date of issuance of Letter of Intent. It said that this period would not be extended. Petitioner had executed an affidavit accepting possible consequences if required documents were not submitted within stipulated period. Thus, prima facie, Petitioner was aware about this obligation and the consequences attached to it.

28. Letter of Intent was issued on 19 October 2025. Period of four months therefore expired on 19 February 2026. There is no serious dispute that Registration Certificate was transferred in name of Petitioner on 18 February 2026. To that extent, required transfer was completed within stipulated period. However, position regarding PESO licence is different. According to Petitioner's own case, as pointed out by Respondent, application for transfer of PESO licence was made on 23 February 2026 and transfer was completed on 26 February 2026. Thus, even application for transfer was made after expiry of period of four months.

29. This distinction is material. If Petitioner had applied for transfer of PESO licence within stipulated period and statutory authority had taken some more time for processing application, then perhaps different consideration could have arisen. In such situation, it could have been said that Petitioner had done everything required from its side and was only waiting for administrative process to get completed. However, present facts do not show such position. Prima facie, even process for transfer of PESO licence was started after contractual deadline had expired.

30. Petitioner has relied upon fact that Registration Certificate was transferred within time and PESO licence was transferred only few days thereafter. Petitioner has emphasised that Respondent continued to allot LPG loads even after expiry of four-month period. These facts are certainly relevant. However these facts do not answer submission of Respondent that contractual requirement was to submit required documents within prescribed period and both Registration Certificate and PESO licence were referred to in tender conditions.

31. At same time, submission of Respondent that every consequence followed after expiry of four months cannot be accepted without looking at entire contractual arrangement. Corrigendum does not say that order would stand terminated on next day after expiry of four months. Words used are that “suitable penal action shall be taken, which may include” different consequences. These consequences include forfeiture of EMD, forfeiture of caution money, termination of order and blacklisting.

32. Expression “may include” is of some significance. Prima facie, it shows that Corrigendum contemplates different kinds of consequences. It does not appear that termination is the only compulsory consequence in every case where there is delay. Whether in a particular case termination should follow, or some other action may be proper, would depend upon contractual scheme and circumstances in which breach has taken place.

33. This aspect becomes relevant because delay concerning PESO licence is comparatively short. Deadline expired on 19 February 2026. Application for transfer was made on 23 February 2026 and licence was transferred on 26 February 2026. Thus, there was delay of four days in making application and final transfer took place seven days after expiry of prescribed period.

34. This Court is conscious that merely because delay is short, Court cannot rewrite contract or ignore an express condition agreed between parties. Normally, parties are bound by terms of their agreement. At this stage, this Court is not deciding whether delay was justified or not. That issue may require detailed examination before Arbitral Tribunal. Limited question here is whether Respondent was justified in terminating arrangement in manner in which it has done and whether Petitioner has made out sufficiently strong case for grant of interim relief.

35. Petitioner has relied upon conduct of Respondent after issuance of Letter of Intent. According to Petitioner, Clause 7.4 required formal contract to be executed within 30 working days from Letter of Intent. However, formal Transport Contract Agreement was executed on 23 February 2026. Respondent had allotted first LPG load on 24 December 2025, even before execution of formal agreement., according to Petitioner, LPG loads continued to be allotted even after expiry of four-month period.

36. These circumstances do show that parties were acting upon arrangement even before Transport Contract Agreement was executed. They show that Respondent did not stop operations on 20 February 2026. However, these facts do not establish that requirement regarding transfer of PESO licence was waived. Whether there was waiver, acquiescence or abandonment of this condition would require fuller examination of evidence and conduct of parties.

37. Respondent has explained that when it came to know that required documents had not been submitted, it sent an email dated 5 April 2026 calling upon Petitioner to furnish documents. According to Respondent, when there was no response to said email, Show Cause Notice dated 8 April 2026 was issued and allotment of LPG loads was suspended. Thereafter, Petitioner submitted its reply dated 27 April 2026. Existence of this sequence is relevant. It shows that Respondent did not terminate contract on expiry of four-month period. It first called upon Petitioner to explain and issued Show Cause Notice. Petitioner's reply was considered, and termination order dated 15 June 2026 was passed. Therefore, at least at this interim stage, it cannot be conclusively held that termination order was issued only because Petitioner had approached High Court of Judicature at Madras. Petitioner has described termination as a “counterblast”. This is a contention which can be examined in arbitration. However, material available shows that Respondent had commenced process of seeking explanation before termination order was passed.

38. Next important question concerns nature of contract and objection raised by Respondent on basis of Section 14 of Specific Relief Act. Respondent submits that contract is determinable and reliefs sought by Petitioner, though described as interim measures, would in substance amount to restoration and specific performance of a determinable contract.

Clause 33 of Transport Contract Agreement provides:

> “The Corporation reserves the right to terminate / foreclose the contract in full or part (any sectors depending on

> emerging business scenario of the respective contracting Corporation) at any point of time before the expiry of the period of contract by giving the Transporter 30 days advance notice in writing without assigning any reason whatsoever."

39. Clause 34 provides for immediate termination in certain specified situations. One such situation is where:

> "the Transporter commits a breach of any of the terms and conditions of this agreement;"

40. Clause provides for several other specific situations, including insolvency, cancellation of road permits, violation of safety rules, malpractice, diversion of LPG and cancellation or revocation of explosives licence. Thus, Transport Contract Agreement contains a provision permitting termination by giving 30 days' notice without assigning any reason. It provides for immediate termination when specified events take place. These provisions form part of agreement and cannot be ignored while considering present relief.

41. Petitioner has submitted that Clause 34 restricts power of termination and Respondent cannot terminate contract merely at its "sweet will". Petitioner submits that Clause 33 does not make contract determinable because, though reasons are not required to be stated in termination notice, power must still be exercised within contractual arrangement. Prima facie, I am unable to accept submission that Clause 34 alone governs question of determinability. Clause 33 independently reserves a right in favour of Corporation to terminate or foreclose contract, either or partly, before expiry of contractual period by giving 30 days' advance notice without assigning any reason. Clause 34 appears to provide an additional power for immediate termination when any of specified events takes place. Two clauses, therefore, appear to operate in different situations. Clause 33 deals with termination or foreclosure after giving 30 days' notice. Clause 34 permits immediate termination on occurrence of specified events. Existence of particular grounds under Clause 34 does not, prima facie, take away or erase separate power of termination contained in Clause 33.

42. Petitioner has submitted that General Conditions of Contract should not be relied upon after execution of formal contract and signed contract would take precedence over General Conditions. This submission does not assist Petitioner at this stage because Clause 37 of Transport Contract Agreement provides that tender terms, declarations, agreements, correspondence and other documents furnished with tender form an integral part of Agreement. Corrigendum, being amendment to tender conditions, therefore cannot prima facie be treated as outside contractual arrangement.

43. Respondent has relied upon General Conditions of Contract. Relevant provision reserves a right in favour of Owner to determine and terminate contract where, in opinion of Owner, cessation of work becomes necessary owing to paucity of funds “or for any other cause whatsoever”. Provision provides that notice of such determination and termination and reason stated therein would be conclusive proof that contract has been determined and terminated. However, even without placing much reliance upon

General Conditions of Contract, Clause 33 of signed Transport Contract Agreement is sufficient and relevant for examining present objection. Contract expressly reserves a right in favour of Respondent to terminate or foreclose contract before expiry by giving 30 days' notice without assigning any reason. Therefore, question whether contract is determinable has to be considered with reference to Clause 33.

44. In *Indian Oil Corpn. Ltd.*, Supreme Court considered a distributorship agreement which could be terminated in accordance with terms of agreement. Supreme Court held that when contract was revocable in accordance with its terms, contract was by its nature determinable and restoration of distributorship could not be granted even though breach by Corporation had been found. Supreme Court observed:

> “This being so granting the relief of restoration of the distributorship even on the finding that the breach was committed by the appellant-Corporation is contrary to the mandate in Section 14(1) of the Specific Relief Act”

45. Principle which appears from said decision is that where contract is by its nature determinable, merely because termination may be found wrongful, it does not mean that restoration or specific performance of contract must be granted. Remedy may be otherwise, including damages, depending upon facts and terms of contract. Petitioner has tried to distinguish present case by submitting that it is not seeking specific performance and relief sought is only an interim mandatory injunction. However, merely form given to prayer cannot decide real nature of relief. Court has to see actual effect of order which is being sought. Prayer clause (a) seeks to restrain Respondent from acting upon or giving effect to termination order dated 15 June 2026. Prayer clause (b) seeks direction requiring Respondent to "forthwith resume and continuously allot LPG loads" to Petitioner's Tank Truck until arbitral proceedings are concluded. Therefore, if prayer clause (b) is granted, result would be that contractual relationship which has been terminated would again get restored and Respondent would be required to continue performing contract during pendency of arbitration. In substance, it would be a mandatory direction requiring continuation of contractual arrangement.

46. Petitioner is correct in submitting that interim mandatory injunction is not completely prohibited merely because dispute arises from a contract. However, standard for grant of such relief is considerably higher. Supreme Court in *Samir Narain Bhojwani*, after referring to Dorab Cawasji Warden v. Coomi Sorab Warden (1990) 2 SCC 117, has held that interlocutory mandatory injunction is granted for preserving or restoring last uncontested status which existed before dispute or for undoing an act which has been illegally done. Supreme Court indicated three broad requirements. First, party seeking relief must have a strong case, which is of higher standard than an ordinary prima facie case. Second, relief must be necessary to prevent irreparable or serious injury which normally cannot be compensated in money. Third, balance of convenience must be in favour of party seeking such relief.

47. Supreme Court has made clear that such relief is discretionary and equitable. In paragraph 17, it observed:

> "Being essentially an equitable relief the grant or refusal of an interlocutory mandatory injunction shall rest in the sound judicial discretion of the court to be exercised in the light of the facts and circumstances in each case."

48. Petitioner has submitted that relief sought would only restore position which existed before termination order and, therefore, comes within principle of restoring status quo ante. There is some force in this submission because Petitioner was admittedly operating truck and receiving LPG loads before dispute arose. Suspension of allotment and termination changed that position. However, restoration of earlier position is not the only test. Court must consider whether Petitioner has made out sufficiently strong case for grant of such exceptional interim direction. This requirement becomes more important when direction sought would compel continuation of a commercial contract which contains a provision permitting termination.

49. Petitioner has relied upon short period of delay. It is submitted that truck had a valid PESO licence at all relevant times, though initially in name of seller, and licence was transferred shortly after deadline. These circumstances do raise an arguable issue regarding proportionality of action taken by Respondent. However, Court cannot overlook that contractual requirement was not merely that truck should possess a valid PESO licence. Special arrangement under Corrigendum permitted licence initially to remain in seller's name because immediate transfer was not possible. At same time, Corrigendum required submission of relevant documents after change of name within four months.

50. Petitioner's case is not that application for transfer of PESO licence was made within four-month period. On material before Court, application was made on 23 February 2026, after expiry of deadline on 19 February 2026. Therefore, Petitioner's case cannot be treated as one where everything required from its side was completed and only statutory authority had delayed transfer. Whether delay of four days in making application and seven days in completion of transfer was sufficient to justify termination is certainly a matter which can be examined by Arbitral Tribunal. Same position applies to effect of continued allotment of LPG loads by Respondent even after expiry of stipulated period. These are substantial issues. However, existence of an arguable dispute is not same thing as establishing strong case required for grant of interim mandatory injunction.

51. Petitioner has submitted that damages cannot be calculated because Respondent controls allotment of LPG loads amongst a large fleet of approximately 360 trucks. According to Petitioner, it cannot be known with certainty how many trips truck would have made or what quantity of LPG it would have transported during period of dispute. This submission cannot be said to have no substance. Future business opportunities can sometimes be difficult to calculate with exact mathematical certainty. Specialised nature of vehicle and possible limited alternative use of such vehicle are relevant considerations. However, difficulty in calculation of damages does not mean that continuation of contract must be ordered. In arbitration, it would be possible to examine contractual terms, past performance of truck, number and nature of loads allotted during period when truck was operating and other relevant material. Claim for loss of profit or other damages may require evidence, but mere difficulty in making exact calculation cannot by justify a mandatory order for continuation of contract.

52. Petitioner has relied upon limited operational life of specialised Tank Trucks and submitted that every period during which vehicle remains unused is lost. This submission may be relevant while considering nature of injury. However, material available does not establish that truck cannot be put to any other permissible use whatsoever or that entire remaining value of truck would be destroyed during period of arbitration.

53. Petitioner has submitted that termination causes stigma, loss of reputation and loss of goodwill. According to Petitioner, being treated as non-compliant by a Public Sector Undertaking may affect future business. This submission is relevant, particularly because business is specialised. However, termination arises from contractual dispute concerning compliance with stipulated requirements. Whether termination was justified or not is still to be decided in arbitration. At this stage, alleged reputational consequences are not sufficient to satisfy higher requirement for grant of interim mandatory injunction.

54. Petitioner has relied upon amendment to Specific Relief Act in 2018 and submitted that adequacy of damages is no longer an absolute bar for grant of specific or injunctive relief. It is not necessary to examine entire legal position arising after amendment in present petition. Even assuming that availability of damages is not by decisive, Petitioner must still satisfy requirements applicable for grant of interim relief under Section 9 and higher requirements applicable to an interim mandatory order.

55. Petitioner has relied upon provisions of contract limiting damages. It is submitted that where contract restricts damages payable for breach, directing Petitioner to pursue damages may not provide complete relief. This is an arguable submission. However, exact effect of such limitation clause and whether it applies to claim arising from alleged wrongful termination would require detailed interpretation of contract. Such question cannot be finally decided at this stage while considering interim relief.

56. Balance of convenience requires separate consideration. Petitioner submits that continuation of one truck in fleet of about 360 trucks would cause no serious prejudice to BPCL. Respondent, on other hand, relies upon contractual arrangement containing regulatory and documentary requirements. Court cannot proceed only on basis that one truck forms a small part of larger fleet. Compliance with requirement relating to transfer of ownership documents and PESO licence was dealt with under Corrigendum.

57. It is true that by 26 February 2026, PESO licence had been transferred in name of Petitioner. Therefore, there does not appear to be any case that vehicle is without required licence. However, dispute is not only about present validity of licence. Respondent has terminated contract on ground that stipulated condition was not complied with within prescribed period. Whether such action was proportionate, reasonable and contractually justified is an issue for consideration in arbitration.

58. Fact that Respondent may suffer inconvenience if truck is restored cannot by overcome ifficulty arising from nature of relief sought. An interim mandatory injunction cannot be granted merely because refusal of relief may cause greater hardship to one party. Party seeking such relief must first establish required higher degree of prima facie case.

59. On overall consideration, I find that Petitioner has raised arguable questions concerning proportionality of termination, short delay in obtaining transfer of PESO licence, conduct of Respondent in continuing allotment after expiry of contractual period and availability of different penal consequences under Corrigendum. These issues require examination by Arbitral Tribunal. However, material available does not establish strong case required for directing restoration and continued performance of terminated contract by granting an interim mandatory injunction.

60. Petitioner is, therefore, not entitled to relief contained in prayer clause (b), namely, direction requiring Respondent to forthwith resume and continuously allot LPG loads to Tank Truck No. TN 88 C 6993. Grant of such direction would, in effect, restore terminated contractual relationship and require Respondent to continue its performance during pendency of arbitration.

61. Position regarding forfeiture of caution money of Rs.1,00,000/- stands on somewhat different footing. Corrigendum provides for different possible penal consequences and states that suitable penal action "may include" forfeiture of caution money, termination and other consequences. Question whether forfeiture is justified, particularly when Respondent has terminated order, may require examination by Arbitral Tribunal. However, no sufficient material is shown for directing immediate refund of said amount. In order to preserve subject matter of arbitral dispute, Respondent shall, however, maintain a separate account of caution money of Rs.1,00,000/- and shall not appropriate or finally deal with said amount until arbitral proceedings are commenced and appropriate application is made before Arbitral Tribunal.

62. In view of the foregoing discussion, and upon overall assessment of the material record, the following order is passed:

(i) The relief seeking a direction to the Respondent to forthwith resume and continuously allot LPG loads to Tank Truck and to continue such allotment during pendency of the arbitral proceedings, is rejected;

(ii) The Respondent shall maintain the caution money amount of Rs.1,00,000/- separately and shall not appropriate, utilise or finally deal with the said amount until commencement of the arbitral proceedings and until an appropriate application in respect thereof is made before the learned Arbitral Tribunal;

(iii) It is clarified that the protection granted in clause (ii) above shall not amount to setting aside or staying the termination order dated 15 June 2026. It shall not amount to restoration or continuation of the Transport Contract Agreement;

(iv) The learned Arbitral Tribunal, upon its constitution, shall decide the disputes between the parties independently and in accordance with law, without being influenced by the prima facie observations made in the present order;

(v) The Petition is disposed of in the aforesaid terms.

(vi) There shall be no order as to costs.

(AMIT BORKAR, J.)