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Arb Appln Nos. 1268 and 1269 of 2



Order QR

IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON
01.09.2026

PRONOUNCED ON
16.10.2026

CORAM

THE HON'BLE MR.JUSTICE K.KUMARESH BABU

Arb Appln Nos. 1268 & 1269 of 2026

The PRG Shipping Private Limited,
Old Number 216, new number 236, 1A,
Thambu Chetty St, Parrys, Chennai – 600 001.

Represented by its Director
N Rajaji

..Applicant(s) in
Arb.Appln.No.1268 of
2026

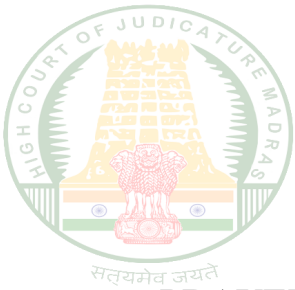
The PRG Shipping Private Limited,
Old Number 216, new number 236, 1st Floor,
Thambu Chetty St, Parrys, Chennai – 600 001.

Represented by its Director
G.Manigandan

..Applicant(s) in
Arb.Appln.No.1269 of
2026

Vs

1. Tamil Nadu Maritime board,
Represented by its Vice Chairman and
Chief Executive officer,
Greenways Road, No.171,
South Keshavaperumalpuram,
Raja Annamalai Puram, Chennai 28.
2. The Port Officer
O/O Tamil Nadu Maritime Board,
Port Office, Nagapattinam.



..Respondent(s) in both
Arb.Applns.

PRAYER in Arb.Appln.No.1268 of 2026:- Arbitration Application filed to pass an order, to stay the operation and further proceedings pursuant to the Letter bearing No.01/S/2025 dated 12/06/2026 and the e-Tender Notice bearing Ref.No.2854/S1/2026 dated 19/06/2026 issued by the Respondents, pending disposal of the arbitration proceedings and pass such and further or other orders as this court may deem fit in the facts and circumstances of the case.

PRAYER in Arb.Appln.No.1269 of 2026:- Arbitration Application filed to pass an order to stay the operation and further proceedings pursuant to the Letter bearing No.02/S1/2025 dated 12.06.2026 and the e-Tender notice bearing Ref.No.2855/S1/2026 dated 19.06.2026 issued by the respondents, pending disposal of the arbitration proceedings and pass such and further or other orders as this court may deem fit in the facts and circumstances of the case.

In both Arb.Applns.:-

For Petitioner(s): Mr.R.Udhayakumar

For Respondent(s): Mr.P.V.Balasubramaniam
Additional Advocate General
for Mr. V. Prasad

ORDER

Arb. Appln.No.1268 of 2026 has been filed to pass an order, to stay the operation and further proceedings pursuant to the Letter bearing No.01/S/2025 dated 12/06/2026 and the e-Tender Notice bearing Ref.No.2854/S1/2026 dated 19/06/2026 issued by the Respondents, pending disposal of the arbitration proceedings.



2. Arb. Appln.No.1268 of 2026 has been filed to pass an order to stay the operation and further proceedings pursuant to the Letter bearing No.02/S1/2025 dated 12.06.2026 and the e-Tender notice bearing Ref.No.2855/S1/2026 dated 19.06.2026 issued by the respondents, pending disposal of the arbitration proceedings.

3. Heard Mr.R.Udhayakumar, learned counsel for the applicant and Mr.P.V.Balasubramaniam, learned Additional Advocate General, appearing for Mr. V. Prasad, learned counsel for the respondents.

4. The learned counsel appearing for the applicant would submit that the applicant was issued with an allotment letter whereby a vacant space at Nagapattinam Passenger terminal was given to him on terms of rent, having assessed the qualification and suitability of the applicant. Learned Counsel would further submit that even though the initial period was only for a period of one year, the same stood extended for a further period of two years by proceedings. The letter of Approval of the first respondent dated 15.12.2025 was issued, which indicates the extension of the time period ends on 23.12.2027. He would further point out *that* in the interregnum a communication was also forwarded to by the first respondent, on the strength of a mail received from one of the ferry operators complaining of space constraint. He would further submit that the said ferry operator had been interfering with



the business carried out by the applicant and has been attempting to relieve the applicant of its right to operate the shop. In that regard, it is the contention that based upon the pressure wielded upon by the said operator, notice of termination in advance had been issued by the first respondent, on the pretext of inviting bids for grant of the spaces for a shop in the port premises. He would submit that the applicant is entitled to operate till the end of the lease period without intervention. He would submit that the injunction granted as prayed for would have to be made absolute till the disposal of the arbitral proceedings.

5. Countering his argument, the Learned Additional Advocate General appearing for the first respondent would submit that it is true the applicant has been granted with the lease of a space within the designated custom bound area. He would submit this process of granting the space was made upon negotiations and not as provided under the Tamil Nadu transparency in Tenders Act, which binds the first respondent. In that regard, he would submit that the agreement provides for termination without cause and such termination has been made to allot the shop based upon tender system, which will be more transparent and would also earn more rent than what has been currently paid by the applicant. Further, he would submit that in the open tender system, the applicant is free to participate, and if being successful would be granted the lease. He would further contend that the relief is in the nature of a special performance and cannot be



granted by this Court under Section 9 of the Arbitration Act.

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6. I have considered the submissions made by the learned counsel appearing on either side and had perused the materials available on record.

7. There is no denial or disputed facts with regard to the grant of lease in favour of the applicant. Only in exercise of clause 18 of the agreement an advance notice has been given. The process in which the applicant had been given the benefit of lease has been contested as being made without authority of law or having been made in a clout manner. The only reason attributed by the respondent is that if an open tender process is adopted the space that can be rented to the applicant would fetch a better price benefiting the first respondent. The first respondent had taken a conscious commercial decision for letting out the space on rent to the applicant for a defined period. It has been admitted that even before the expiry of the term of lease by efflux of time period of lease is sought to be shortened by terminating the same. In that case, this Court is of the *prima facie* view that the applicant would be entitled for damages for termination of the lease for the remaining period. It is to be noted that the first respondent is a Statutory Authority being funded by the Government from the money of the public exchequer. Having taken a conscious decision to appoint the applicant as licensee and to terminate by a policy which was available even



at the point of appointing cannot be a reason for termination. If any damages are awarded to the applicant, that would be made good only by the first respondent only from the funds of the public exchequer.

8. It is made clear that the findings are only for the purpose of application and cannot be extended in the arbitral proceedings. Primarily, considering that it would only be public exchequer funds which may be involved as indicated above, this Court is inclined to make the order of injunction absolute.

9. Accordingly the application stands allowed. However, there shall be no order as to costs. It is made clear that if the applicant fails to initiate arbitral proceedings within a period of twelve (12) weeks from today, the order granted shall automatically stands vacated without reference to this Court.

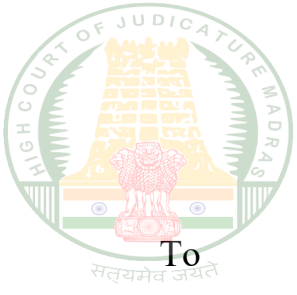
16.10.2026

Index: Yes/No

Speaking/Non-speaking order

Neutral Citation: Yes/No

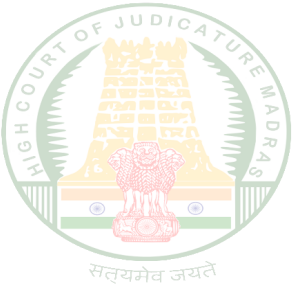
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To

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Represented by its Vice Chairman and
Chief Executive officer,
Greenways Road, No.171,
South Keshavaperumalpuram,
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K.KUMARESH BABU, J.

GBA

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