

M/S Devi Engineering And Constructions ... vs Israel/America War The Shortage Of Oil ... on 11 May, 2026

Author: T. Amarnath Goud

Bench: T. Amarnath Goud

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(2026:THC:602)

HIGH COURT OF TRIPURA
_A_G_A_R_T_A_L_A_
WP(C) No.108 of 2026

1. M/s Devi Engineering and Constructions Pvt. Ltd., a company, incorporated under the Companies Act, 2013, having its head office at flat No.G-1, Ground floor, Plot No.20, IVY GRAND, Narsanna Nagar, Suryaraopeta, Kakinada, East Godavari, Andhra Pradesh, PIN-533003, represented by its General Managar (Projects), namely, S. Venkata Rameshchandra, son of Pulla Rao, having his office at Kamadhenu Para, South Badharghat, Agartala, District: West Tripura.

.....Petitioner

_V_E_R_S_U_S_

1. The Union of India, represented by the Secretary, Ministry of Petroleum & Natural Gas, Government of India, Kartavya Bhawan-03, Janpath Road, New Delhi, Pin-110001.
2. Oil India Limited, having its Office at Duliajan, Dibrugarh, Assam-786602, represented by its Chairman and Managing Director.
3. The Executive Director (□□□, DSF, OALP Projects), Oil India Limited, Tripura E&P Office, "Neelakash", Dhaleswar Road No. 1, Shibnagar, Agartala, West Tripura, Pin-799003.
4. The Resident Chief Executive, Oil India Limited, Duliajan, District- Dibrugarh, Assam, Pin-786602.
5. The Chief General Manager (Frontier Basin), Oil India Limited, Duliajan, District- Dibrugarh, Assam, Pin-786602.
6. The Chief General Manager (Contracts) (Head of Department-Contracts), Oil India Limited, Duliajan, District-Dibrugarh, Assam, Pin-786602.
7. The Chief General Manager (Geophysics) (Head of Geophysics), Oil India Limited, Duliajan, District- Dibrugarh, Assam, Pin-786602.
8. The Block Manager, Oil India 8. Limited, Tripura E&P Operations, Langtarai & Khubal, District- Dhalai Tripura.

.....Respondents

BEFORE HON'BLE JUSTICE DR. T. AMARNATH GOUD For Petitioner(s) : Mr. B. N. Majumder, Sr. Advocate.

Mr. S. Bhattacharjee, Advocate.

Mr. K. Chakraborty, Advocate.

For Respondent(s)	:	Mr. S. M. Chakraborty, AG Mr. B. Majumder, Deputy SGI Mr. A. Sarma, Advocate. Mr. R. Nath, Advocate
Date of hearing	:	20.04.2026
Date of judgment	:	11.05.2026
Whether fit for reporting	:	YES

(2026:THC:602)

_F_I_N_A_L_O_R_D_E_R_
Heard.

[2] The present petition has been filed under Article-226 of the

Constitution of India directing the respondents for quashing/setting aside the impugned termination notice dated 04.02.2026 and further to permit the petitioner to execute the works in terms of the LOA dated 29.09.2025 issued in connection with the work, namely, Hiring of services for Acquisition of 100 LKM each of 2D Seismic Data in Khubal (AA-OHNP-2020/1) and Langtarai (AA-ONHP-2020/3) Blocks of OALP-VI Round in Tripura, under tender No.CDG9342P26. Further, restraining the respondents from acting in any manner in furtherance of the impugned termination notice dated 04.02.2026.

[3] The petitioner has prayed for the following reliefs:

"(i) Issue Rule, calling upon the Respondents and each one of them, to show cause as to why a Writ of Certiorari and/or in the nature thereof, shall not be issued, for rendering substantive and conscionable justice to the Petitioner, and for quashing/setting aside the impugned Termination Notice dated 04.02.2026 (Annexure-11 supra);

(ii) Issue Rule, calling upon the Respondents and each one of them, to show cause as to why a Writ of Mandamus and/or in the nature thereof, shall not be issued, mandating/directing them to permit the Petitioner to execute the works in terms of the LOA dated 29.09.2025 (Annexure-2 supra), issued in connection with the work, namely, 'Hiring of services for Acquisition of 100 LKM each of 2D Seismic Data in Khubal (AA-OHNP-2020/1) and Langtarai (AA-OHNP-2020/3) Blocks of OALP-VI Round in Tripura', under Tender No. CDG9342P26;

(iii) Issue Rule, calling upon the Respondents and each one of them, to show cause as to why a Writ of Prohibition and/or in the nature thereof, shall not be issued, restraining/prohibiting them, from acting in any manner, in furtherance of the impugned Termination Notice dated 04.02.2026

(Annexure-11 supra);

(iv) In the Ad-interim, and thereafter, on hearing the parties, in the Interim, an order in terms of (iii) above;

(v) Call for the records, appertaining to this writ petition;

(vi) After hearing the parties, be pleased to make the Rule absolute in terms of

(i) to (iv) above;

(vii) Costs of and incidental to this proceeding."

[4] At the outset, it is seen that at the stage of admission, having heard the learned counsel appearing for the parties, this Court granted interim order considering the fate of 500 unemployed workers balance of convenience and the (2026:THC:602) huge investments made by the petitioner and deploying heavy machinery, in I.A. No.01 of 2026 arising out of WP(C) No.108 of 2026 dated 16.02.2026, granted interim orders wherein, it has been observed as under:

"Heard Mr. S. Bhattacharjee, learned counsel for the applicant. Also heard Mr. B. Majumder, learned Deputy SGI appearing for the respondent No.1.

By means of this application the applicant has sought for an ad-interim relief in the following manner:

"In the premises whereof, it is most humbly and respectfully prayed that Your Lordships would be graciously pleased to pass an Order, in the Ad-interim, and thereafter, on hearing the parties, in the Interim, prohibiting/restraining the Respondent-OPs, from acting in any manner, in furtherance of the impugned Termination Order dated 04.02.2026 (Annexure-2 to the connected Writ Petition), till the final disposal of the connected Writ Petition, and consequently direct the Respondents to permit the Petitioner to proceed with completion of mobilization and seismic data acquisition forthwith in Contract No. 6121691 (GEMC5116877509648561 awarded against GeM Tender No. GEM/2025IB/6471633 for 'Hiring of services for Acquisition of 100 LKM each of 2D Seismic Data in Khrubal (AA-ONHP-2020/1) and Langatarai (AA- ONHP-2020/3) Blocks of OALP-VI Round in Tripura' pending disposal of the connected Writ petition"

Learned counsel for the petitioner has urged this court for passing an interim direction upon the respondents for suspension of the impugned proceeding in furtherance with the consequential directions, as quoted here-in-above.

Learned counsel for the respondent No.1 has not raised any objection.

I have gone through the contentions made in the instant application and also have gone through the grounds taken in the writ petition. This matter needs a detailed hearing.

The reasons stated in the application are found to be satisfactory including a huge works in the State of Tripura as well involving livelihood of around 500 workers. Accordingly, all further proceeding, relating to the impugned Termination Notice dated 04.02.2026, stands suspended, consequently directing the respondents to permit the petitioner to proceed with completion of mobilization and seismic data acquisition forthwith in Contract No. 6121691 (GEMC-5116877509648561 awarded against GeM Tender No. GEM/2025IB/6471633 for 'Hiring of services for Acquisition of 100 LKM each of 2D Seismic Data in Khrubal (AA-ONHP-2020/1) and Langatarai (AA- ONHP-2020/3) Blocks of OALP-VI Round in Tripura' The petitioner shall take steps for service of notice upon the remaining respondents as per procedure with the Registry at the earliest."

[5] Thereafter, Mr. S. M. Chakraborty, learned senior counsel appearing for the respondent Nos.2 to 8 filed I.A. No.02 of 2026 for the following reliefs:

"In the premises aforesaid your Lordships would be pleased to admit this application and after hearing the parties be pleased to vacate/modify and/or (2026:THC:602) cancel the impugned ex-parte interim order dated 16.02.2026 passed by this Hon'ble Court in the accompanying I.A. No.01 of 2026 arising out of WP(C) No.108/2026 and/or pass such other order/orders as your Lordships may deem fit and proper under the facts and circumstances of the case."

[6] During the course of argument, it was noticed that the documents filed in I.A. No.02 of 2026 by the respondents, certain relevant pages are not legible and at the request, the matter was adjourned for placing the relevant legible documents and accordingly, the matter was adjourned. Thereafter, the matter was listed on 20.04.2026. The respondents once again came up with another interlocutory application i.e. I.A. No.03 of 2026 with the following prayers:

"a) Take on record the subsequent developments arising from expiry of the petroleum exploration Licences on 12.04.2026.

b) Hold and declare that in view of the said statutory development, continuation of the contract and related operations has become legally impermissible and void.

c) Vacate and/or suitably modify the interim order dated 16.02.2026, as the same has become infructuous and incapable of implementation and/or pass such other order/orders as your Lordships may deem fit and proper under the facts and circumstances of the case."

[7] Both sides represented that in view of the urgency, the matter be finally heard and decided.

[8] The facts in brief are that the petitioner, is a private limited Company, incorporated under the Companies Act, 2013, engaged in the field of Construction and Engineering and is executing EPC

work contracts and Oil field service contracts and have been serving several public sector undertakings of both the central and state governments like Oil India Limited, Gujarat State Petroleum Corporation Limited, Engineers India Limited, Nuclear Fuel Complex, National Geophysical Research Institute, Gas Authority of India Limited, etc. After the petitioner emerged out successful in the connected tender process, the respondents issued LOA dated 29.09.2025, in favour of the petitioner. On the same date, mobilization notice was also issued to the petitioner. On 13.11.2025, the petitioner deposited the requisite Bank Guarantee of Rs.1,04,38,000/-. On 02.02.2026, the petitioner sought for essentiality certificate.

[9] Only on 10.02.2026, the respondents issued the essentiality certificate. Thereafter, most illegally and arbitrarily, in flagrant violation of the general conditions of the contract, the respondent issued the impugned termination (2026:THC:602) order dated 04.02.2026, informing the petitioner that the contract would be terminated on 19.02.2026. On 08.02.2026, the petitioner served a reply thereto, vehemently objecting thereto, inter alia contending that due to non-fulfillment of the reciprocal obligations of the respondents, the mobilization process could not be completed. The petitioner served a further letter dated 12.02.2026, reiterating its earlier letter, but the same neither fetched any response, nor any opportunity was given to the petitioner for placing the matter, thereby resulting to utter violation of the cardinal principles of natural justice.

[10] Hence, the present petition has been preferred before this Court by the petitioner.

[11] Mr. B. N. Majumder, learned senior counsel and Mr. S. Bhattacharjee, learned counsel appearing for the petitioner in the writ petition has submitted that the impugned termination notice dated 04.02.2026 is arbitrary, unreasonable and violative of Article-14 of the Constitution of India. The respondents being a State instrumentality are bound to act fairly, transparently and in a non-discriminatory manner even in contractual dealings. The impugned action has been taken mechanically without due consideration of relevant facts and circumstances and therefore suffers from manifest arbitrariness.

[12] The respondents have failed to discharge their reciprocal contractual obligations. Issuance of the essentiality certificate was a mandatory statutory prerequisite for customs clearance and mobilization of critical equipment. Without issuance of the said certificate, the petitioner was legally disabled and substantially restrained from performing its contractual obligations. Having themselves prevented performance; the respondents cannot attribute delay or default to the petitioner. It is a settled legal principle that no party can take advantage of its own wrong. The respondents having failed to facilitate statutory clearances and permissions cannot invoke alleged non-performance arising out from their own omissions. The impugned termination is therefore vitiated by the doctrine of prevention and employer's default.

[13] It has been further contended that that invocation of GCC Clause 44.5 is wholly misconceived. The said clause contemplates termination only after specifying deficiencies and granting a reasonable and effective opportunity to rectify the same. In the present case, no meaningful opportunity was granted after (2026:THC:602) removal of statutory impediments. Rectification was impossible in the absence of Essentiality Certificate and pending permissions. Invocation of

GCC Clause-44.8 is equally unsustainable. The said clause presupposes that the contractor is free and capable of mobilization but has failed to do so. Where mobilization is prevented by statutory and administrative barriers within the control of the employer, such clause cannot be invoked.

[14] It is submitted that the impugned termination violates the cardinal principles of natural justice. The respondents failed to consider the detailed explanation and documents submitted by the petitioner on 02.02.2026. No personal hearing was granted. Relevant materials were ignored. The drastic consequence of termination was imposed without fair procedure. The respondents have acted in breach of the doctrine of proportionality. Termination is an extreme contractual action entailing serious civil and commercial consequences. When the petitioner had already achieved substantial mobilization, established base camps, deployed manpower, undertaken field level works, and demonstrated readiness to commence operations upon statutory clearance, the respondents ought to have adopted lesser corrective measures. Premature termination is grossly disproportionate and excessive.

[15] The impugned action is vitiated by non-application of mind. The respondents failed to examine whether substantial contract period still remained and whether the project could be completed within time. The petitioner had demonstrated capacity and readiness to complete the work well within the contractual period. These material considerations were ignored. The respondents ignored the past performance record of the petitioner. The petitioner had successfully executed earlier projects for the respondents without levy of damages. Such past conduct is a relevant factor in assessing intent and capability. Failure to consider the same renders the decision arbitrary.

[16] The respondents failed to act in public interest. Premature termination of a viable contract leads to delay in project execution fresh tendering escalation of costs and avoidable litigation. Such action defeats public interest and defeats the very object of the project. The impugned termination amounts to colourable exercise of power. Contractual clauses have been invoked as a mere formality without satisfying their substantive preconditions. The real cause of delay being (2026:THC:602) administrative and statutory impediments attributable to the Respondents has been deliberately ignored.

[17] It is submitted that the respondents failed to adhere to settled PSU contracting norms and administrative fairness. Public Sector Undertakings are expected to resolve performance issues through facilitation and corrective mechanisms rather than resorting to punitive measures at the first instance when continuation of the contract remains feasible. The respondents violated the doctrine of legitimate expectation. Having accepted technical documents, facilitated field activities, permitted establishment of base camps, and encouraged continued mobilization, the respondents created a legitimate expectation that reasonable opportunity would be granted after statutory clearances and that the contract would be allowed to be performed. Abrupt termination defeats such expectation and is arbitrary and unjust.

[18] The respondents failed to consider that time was not the essence of the contract in the strict sense. The overall completion period extended up to 11.05.2026 and substantial time remained available. In such circumstances termination on alleged mobilization delay is legally untenable. The

impugned termination constitutes arbitrary exercise of contractual power by a State instrumentality and is violative of Article-14 of the Constitution of India. It defeats public interest and exposes both parties to avoidable disputes and losses.

[19] The petitioner has always acted bona fide diligently and in good faith. All delays were transparently communicated. All documents were promptly submitted. Field level works were continuously undertaken. There is no allegation of fraud misrepresentation or willful default. The impugned action exposes the petitioner to severe civil consequences including stigma, loss of reputation, loss of goodwill and loss of future business opportunities without due process of law. The respondents failed to consider that upon issuance of Essentiality Certificate the petitioner could immediately commence operations and recover mobilization time. Denial of such opportunity renders the termination unjust.

[20] The impugned notice for termination affects not merely the private contractual rights of the petitioner but directly impacts execution of a public sector seismic survey project forming part of national energy infrastructure and resource development. Arbitrary disruption of such projects leads to delay fresh tendering (2026:THC:602) escalation of costs and wastage of public funds thereby causing prejudice to public interest. It is trite law that when State instrumentalities exercise contractual powers in matters involving public projects and public resources such powers must be exercised fairly reasonably and in furtherance of public interest. The respondents by resorting to premature termination despite availability of viable alternatives have acted in breach of these principles.

[21] Where arbitrary State action in contractual matters affects public interest and public projects writ jurisdiction is clearly maintainable. The impugned termination undermines continuity of a vital public project exposes the public exchequer to avoidable financial loss and reflects abdication of administrative responsibility. It is submitted that for execution of the work in execution, the petitioner has employed around 500 skilled and semi-skilled workers, who are presently working in the worksite. Out of them, 450 are permanent residents of Tripura. Hence, if such illegal termination is sustained, said 500 workers would be without bread and butter.

[22] Even though, it was the obligation of the respondents to obtain NOC from TTAADC and the State Forest Department, for facilitating the petitioner to execute the work, but, the respondents utterly failed to do so. On one hand, the respondents did not discharge their liabilities, and on the other hand, the respondents illegally terminated the contract. The present writ petition is maintainable notwithstanding the existence of an arbitration clause in the contract. The challenge raised herein is directed against arbitrary and unconstitutional exercise of power by a State instrumentality in violation of Articles-14 and 19(1)(g) of the Constitution. The availability of an arbitral remedy does not bar exercise of writ jurisdiction where State action is manifestly arbitrary violative of natural justice and contrary to public interest.

[23] Being the aggrieved party, the petitioner has the right to enforce the contractual obligation of the State and its instrumentality, since; the same had acted in an arbitrary manner. The impugned Termination Notice dated 04.02.2026, deciding termination of the contract in question with 15 days

from the date of issuance thereof, had resulted in gross violation of the Constitutional rights of the petitioner, guaranteed under Articles-14, 19, 21 & 300A of the Constitution of India, and hence, deserve kind interference of this Court and also prayed to evaluate the experimental work carried on line No.6(KL.00), along with all (2026:THC:602) supporting data, reports, and communications submitted by DECPL keeping in view the contractual stipulations, including Clauses 8.3 & 8.5.

[24] Mr. S. M. Chakraborty, learned senior counsel appearing for the respondent referred I.A. No.2 and prayed to dismiss the same filed on behalf the respondent No.2 to 8 as two interlocutory applications i.e. I.A. No.02 of 2026 and I.A. No.03 of 2026 are not maintainable seeking two common reliefs. Therefore, I.A. No.02 of 2026 is dismissed as not pressed. Later, in I.A. No.03 of 2026 as multiple reliefs were sought under Section-151 of CPC and only one prayer is maintainable, prayer Nos. (a) & (b) are dismissed as not pressed. Only prayer No.

(c) i.e. vacating/modification pressed and argued. Since Pleadings are completed, the matter is heard finally as desired by both sides.

[25] Mr. S. M. Chakraborty, learned senior counsel appearing for the respondent Nos.2 to 8 firstly in support of his case has contended that Section-3 of the Oilfields (Regulation and Development) Act, 1948, inter alia, defines " Mining Lease" to include an exploring or prospecting licence, thereby bringing such licences within statutory framework governing mineral oil operations. Further, Section-4 of the said Act mandates that no Petroleum Lease shall be valid unless granted in accordance with the rules framed thereunder, while Section-4A expressly provides that no person shall undertake any operation for the purpose of prospecting, exploration or production of mineral oils except under a valid lease granted under the Act and the rules made thereunder.

[26] This legal requirement is further strengthened by Rule-4 of the Petroleum and Natural Gas Rules, 1959, which categorically stipulates that no person shall prospect for petroleum except in pursuance of a petroleum exploration licence granted under the said Rules, and Rule-10 thereof which provides that the term of such licence shall, in the first instance, be valid for a period of four (4) years, extendable in accordance with the Rules. Thus, the entire Contract Work depends on the continued validity of the licence, and if the licence is absent, expired, or not renewed, no exploration or field work can be legally carried out, making performance of the contract legally impossible.

[27] Pursuant to the award of the Contract Areas, the Government of Tripura, Department of Industries and Commerce, vide Letter bearing F. No.I- 2(74)/GEO/DI/2021/PART-I(A)/3014-15 dated 28.02.2022, granted Petroleum (2026:THC:602) Exploration Licence (PEL) in favour of Oil India Limited in respect of Block AA- ONHP-2020/1 admeasuring 557.33 sq. km. under Rule 5(1)(ii) of the Petroleum and Natural Gas Rules, 1959. The said licence was expressly granted "initially for a period of four years" from the date of issuance of the letter and was made subject to the terms and conditions of the Revenue Sharing Contract and the Deed Agreement to be executed between the Government of Tripura and the Operator. Thus, the licence itself was time-bound and incapable of continuing beyond the stipulated period except by specific extension granted in accordance with law.

[28] Accordingly, the Directorate General of Hydrocarbons, Ministry of Petroleum & Natural Gas, Government of India, vide communications dated 11.03.2025 and 17.03.2025, has granted extension of the exploration period in respect of Block AA-ONHP-2020/1 and Block AA-ONHP-2020/3 on account of force majeure conditions arising in the Tribunal Tribal Areas Autonomous District Council (TTAADC) region, in terms of Article-29 of the Revenue Sharing Contract. By the said communication, the competent authority approved grant of 351 days extension and accordingly, the exploration period of the said Blocks stood extended up to 12.04.2026.

[29] It has been further contended that similarly, the government of Tripura, through its Directorate of Industries & Commerce, vide communication dated 09.10.2025 has granted extension of the Petroleum exploration licence in respect of Block AA-ONHP-2020/3, having an area of 219.37sq. km., up to 12.04.2026, on account of force majeure conditions arising in the Tripura Tribal Areas Autonomous District Council region, based on prior approval of the Ministry of Petroleum and Natural Gas, Government of India, as communicated through the Directorate General of Hydrocarbons.

[30] The petitioner was fully aware of the necessity and statutory requirement of a valid Petroleum Exploration Licence for execution of the contractual work, as is evident from the email correspondence exchanged between the parties. It is pertinent to mention herein that by email dated 31.10.2025, the petitioner itself specifically requested details of the PEL for the concerned blocks, expressly acknowledging that possession of such licence is essential for compliance with statutory and regulatory requirements, to which the applicant company responded vide email dated 01.11.2025 confirming that it held valid PELs for the said blocks with validity up to 12.04.2026.

(2026:THC:602) [31] In the meantime, Oil India Limited, vide its communication dated 03.01.2025 addressed to the Directorate General of Hydrocarbons, specifically sought guidance for availing paid extension of the block validity under the relevant clauses of the Revenue Sharing Contract, in order to complete additional 2D seismic data acquisition in Blocks AA-ONHP-2020/1 and AA-ONHP-2020/3. In the said communication, it has been expressly acknowledged that the initial exploration period stood extended only up to 12.04.2026 on account of force majeure, and that additional time may be required for completion of the remaining work. This clearly demonstrates that continuation of operations was contingent upon further statutory extension and not otherwise permissible in law.

[32] The Oil India Ltd. has, in continuation of its earlier request, again approached the Directorate General of Hydrocarbons, vide communication dated 20.02.2026, seeking approval for availing paid extension of the block validity in respect of Blocks AA-ONHP-2020/1 and AA-ONHP-2020/3, in terms of the relevant clauses of the Revenue Sharing Contract. In the said communication, the respondent has unequivocally reiterated that the exploration period of the said blocks stood extended only up to 12.04.2026 and that additional time beyond the said date would be required to complete the remaining seismic work, thereby necessitating formal extension upon payment as per contractual provisions. It has been further stated that in the absence of such extension, continuation of work beyond the said date would not be feasible. This subsequent communication clearly establishes that the subsistence of the contract operations was entirely contingent upon

statutory/contractual extension of the licence period and not otherwise permissible in law.

[33] The petitioner vide its letter dated 11.04.2026, has expressly acknowledged that the Petroleum Exploration Licence for the subject blocks was valid only up to 12.04.2026 and that cessation of activities has occurred due to its expiry, and has further admitted that it had sought and was informed of each validity prior to commencement of work and had undertaken mobilization and execution accordingly, thereby clearly establishing its full knowledge that continuation of the contract was dependent upon a valid PEL. However, despite such admission, the petitioner has raised claims seeking payment for work executed, compensation for idling of resources and manpower and other (2026:THC:602) contractual reliefs, while also requesting extension of the PEL and continuation of the project.

[34] The contract depends entirely on the validity of the PELs, and once they expire, the basis of the contract ends. As a result, continuing the contract becomes not only impractical but also legally not allowed, making it a case of impossibility due to a change in law. In such circumstances, the doctrine of frustration as embodied under Section-56 of the Indian Contract Act, 1872 squarely applies, inasmuch as the contract has become void by reason of performance having become unlawful due to a statutory prohibition arising subsequent to its formation. It is a settled principle of law that an act of State or statutory embargo overrides all contractual obligations, including those protected by interim orders of a Court, and no party can be compelled, directly or indirectly, to act in contravention of binding statutory provisions.

[35] The Ministry of Petroleum and Natural Gas, in exercise of powers conferred under Sections-5, 6, 9 and 9A of the Oilfields (Regulation and Development) Act, 1948, has framed the applicable statutory rules regulating petroleum operations, which categorically prohibit undertaking of any exploration or related activity without a valid and subsisting licence or lease. Under Section-9 of the Oilfields (Regulation and Development) Act, 1948, any person undertaking petroleum operations in violation of the statutory regime, including without a valid licence, is liable to penal consequences.

[36] Upon expiry of the Petroleum Exploration Licences, no exploration activity can be carried out in law, the contract being entirely dependent on the subsistence of such licence; consequently, the present case squarely attracts Section-56 of the Indian Contract Act, 1872, inasmuch as the contract has become void on account of supervening impossibility, the performance thereof having become unlawful by operation of statute. This is not a case of mere commercial hardship or inconvenience, but one of complete statutory prohibition, and it is a settled principle that an act of State or statutory embargo overrides even a court- protected contractual continuation. Under the statutory regime framed pursuant to the Oilfields (Regulation and Development) Act, 1948, undertaking operations without a valid licence is expressly prohibited, and any such continuation would attract penal consequences Section-9 of the said Act.

(2026:THC:602) [37] Having scrupulous discussion and heard the learned counsel appearing for the parties, this Court is of the view that the case of the petitioner is that there are only two successful tenderers i.e. the L-1 and L-2. The petitioner being the L-1 has been awarded the work and he has invested huge money and procured the machineries and deployed the same at site and

further engaged around 500 workmen and because of the non-cooperation of the respondents, the petitioner was unable to proceed with the works and provide the work to his labours. In the process, the petitioner has also drawn attention of this Court that there were no laches on the part of the petitioner. The duration for performing the works contract as per the agreement was 6 months 45 days that would come to an end in June, 2026. Even without waiting for the same and without giving an opportunity, the respondents have proceeded in initiating adverse actions against the petitioner and with an ill motive and more particularly, to encourage the L-2 who happens to be their closed one and initiated proceeding dated 04.02.2026 which is impugned in this petition.

[38] Though the very notice indicates that the petitioner should submit his explanations within a period of 15 days but, the manner in which the contentions are placed in the notice, are explicitly gross and inference can be drawn that the respondents are predetermined to cancel the works contract awarded to the petitioner through a letter of award and handover the same to the next tenderer. Considering the submissions made at the stage of admission since, it is a livelihood of 500 people was involved and the balance of convenience that the petitioner has deployed plant and the machineries at the work site and has incurred huge amount, this Court granted the interim directions.

[39] The respondents came up with a vacate stay petition and since the same was not in a proper form, sought for an adjournment and the same was granted and again the respondents filed I.A. No.03 of 2026. During the course of arguments, when this Court has pointed out how both the interlocutory applications i.e. I.A. No.02 & 03 of 2026 seeking common relief of stay vacate/modification of the orders are maintainable, Mr. S. M. Chakraborty, learned senior counsel prayed to dismiss the I.A. No.02 of 2026 as un-pressed and accordingly, the I.A. No.02 of 2026 stands dismissed as un-pressed.

[40] Insofar as the examination of I.A. No.03 of 2026 is concerned, the reliefs are already stated (supra). When this Court has verified with the senior (2026:THC:602) counsel with regard to the maintainability of three reliefs in one interlocutory application i.e. I.A. No.03 of 2026 reliefs in one interlocutory application filed under Section-151 of CPC, the learned senior counsel in all fairness has submitted that the prayers (a) i.e. Take on record the subsequent developments arising from expiry of the Petroleum Exploration Licences on 12.04.2026 & (b) i.e. Hold and declare that in view of the said statutory development, continuation of the contract and related operations has become legally impermissible and void, may be dismissed as un-pressed and only application is made to be confined to decide prayer (c) i.e. "vacate and/or suitable modify the interim order dated 16.02.2026, as the same has become infructuous and incapable of implementation and/or pass such other order/orders as Your Lordships may deem fit and proper under the facts and circumstances of the case" to the extent of vacating or modifying and the orders passed in I.A. No.001 of 2026 dated 16.02.2026.

[41] In the counter affidavit filed along with interlocutory applications, it is categorically stated that the respondents are duly satisfied and convinced that the orders passed by this Court as lawful and for the ready reference the observations made in the I.A. No.01 of 2026 has already been extracted (supra). In view of the change in circumstances they do not have any objection to hand over the

work to the petitioner in the event if they get the extension. It is seen from the Petroleum and Gas Rules that the original licence is for a period of four years and thereafter the same may be extended by another one year and one year in all it becomes six years period. For the purpose of reference, the same may be extracted hereunder:

"10. Area and term of license: The area covered by a license shall be specified therein and the term of a license shall in the first instance be valid for a period of four years which may be extended for two further periods of one year each."

[42] Mr. S. M. Chakraborty, learned senior counsel further contended that Section-56 of the Indian Contract Act applies as the principle of Force majeure, the contract gets frustrated as the licence period came to an end and they awaiting for renewal/extension of the licence from the concerned respondents and further stated that this petition becomes infructuous as the impugned notice by efflux of time becomes inoperative and the respondents cannot take any action against the petitioner for cancellation of the said tender.

[43] In this regard, learned counsel appearing for the respondents has submitted before this Court that there were certain change in circumstances and the (2026:THC:602) respondents have no grievance to permit the petitioner to proceed with the works. He further contended that in view of the licence i.e. granting Oil India Limited [for short, OIL], the respondent in the writ petition have addressed a letter requesting the Union of India seeking for renewal of the licence that was already granted to them and stood expired on 12.04.2026. The letters were made even before the licence got expired; reminders were also addressed by the respondents to the OIL. While denying the contentions and allegations made by the petitioner that OIL is not in favour of granting to L-2 but presently, they are in a helpless condition to allow the petitioner L-1, to proceed with the work.

[44] It is seen day in and day out that for the various considerations, the higher officials at public sectors take out a way to eliminate the successful tenderers and to place said works to the persons interested of their choice by making the conditions of the tenders tailor made. Such kind of practices cannot be appreciated by the Court of law and it becomes immense necessary that such conduct of the responsible officials of the institutions need to be exposed by conducting an inquiry by the CBI.

[45] However, for the present it is not for this Court to enter into such issue for causing any investigation into this tender matter by the CBI nor to express any opinion in this regard. Mr. S. M. Chakraborty, learned senior counsel in all fairness has submitted that since the licence of the respondent, got expired by efflux of time they do not have any renewal of licence and awaiting for such renewal and once the renewal is received, they would proceed with the works assigned to the petitioner.

[46] This Court in many occasions having concerned for the development of the State of Tripura and felt that where there is no scope for providing private employment and other sources for earning livelihood for unemployed youth and it is practical experience where a B.Com(Hon.) passed unemployed youths in the State of Tripura are working on contractual basis and getting around Rs.6,500/- per month and if the people of Tripura who are finding their employment through

certain contractual works for more wages, this Court expresses its concern for around 500 workers who are facing hardship without any employment and if the tenderer is put to hardship due to any technical reasons, it becomes difficult for any person to come to State like Tripura and perform his obligatory duties and to extend his hands for the development and uplifting of the State of Tripura. The (2026:THC:602) official-respondents or any other authority who are directly or indirectly involved for the benefit of State of Tripura must have a magnanimous view and have pragmatic approach in exercising the powers for the betterment of the State of Tripura and its people. Insofar as the argument on force majeure is concerned, the same is negated. The application seeking renewal made by OIL to concerned authority is pending.

[47] In view of the above observations and discussions, it falls for consideration in view of the works i.e. for digging of oil wells and the ancillary works that has to be taken up by the OIL and more particularly, in view of the future days to come because of the Iran vs. Israel/America war the shortage of oil is uncertain and on technical reasons rejecting any tenders and cancelling the works or discouraging tenderers may not sound plausible. For a moment, if it is considered that the petitioner needs to be eliminated by the respondents and the fresh tenders have to be called for as per tender procedure obviously it would take pretty long time and till then any employee/workmen of Tripura would suffer and the progress in Tripura will be delayed.

[48] Even the Hon'ble Apex Court to minimize the litigation in its true letter and spirit to maintain the harmony amongst the litigants has formulated "Samadhan Samaroha" (Lok Adalat) and making all attempts to settle and reduce the pending matters. It is not proper if the institution like respondent corporation in the course of litigation, dealing with such type of matters technically attracting trivial issue is unsound.

[49] In view of the same, this Court feels that the vacate stay application fails and the same is dismissed. Insofar as the writ petition is concerned, for the reasons stated and for the discussion made, the impugned notice dated 04.02.2026 under challenge is unsustainable and is liable to be set aside and accordingly, the same is set aside. However in view of the facts and subsequent developments, this Court feels that ends of justice would be met if a direction is given to the respondents and D.G. Oil India Ltd. Therefore, the respondent Nos.1 to 8 and D.G. OIL are directed to take a decision at the earliest upon the issue for renewal of the licence of OIL which got expired on 12.04.2026 in the light of the representations made by the Oil India Corporation dated 08.02.2026 and the reminder dated 12.02.2026 forthwith, if not already decided.

(2026:THC:602) [50] There shall also be a direction to the Oil India Corporation to permit the petitioner forth with to continue with the work in terms of the contract for the balance period once the Oil India Limited obtained the renewal of the licence. It is not open for the respondents to say the licence period is over, when the work is in progress. It is there bona fide bounded duty to see that licence is renewed and ensure hassle free access to the petitioner to complete the work. In the process of any laches on the part of the respondents causing any hindrances or damages, it is always open to the petitioner to avail remedies under law. The respondents shall consider and evaluate the experimental work carried out on line No.6(KL.00) along with all supporting data, reports and communications submitted by DECPL keeping in view the contractual obligations, including

Clauses 8.3 & 8.5.

[51] With the above observation and direction, the present petition stands allowed and disposed of.

[52] As a sequel, miscellaneous application, pending if any, shall stand closed.

DR.T. AMARNATH GOUD, J A. Ghosh ANJAN GHOSH Digitally signed by ANJAN GHOSH Date:
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