



2025:DHC:10032



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* IN THE HIGH COURT OF DELHI AT NEW DELHI

BEFORE

HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR KAURAV

+ CS(COMM) 1196/2025 & I.As.27765-68/2025

Between:-

RI NETWORKS PRIVATE LIMITED

HAVING ITS OFFICE AT

F-1/9, POCKET F, OKHLA PHASE I,

OKHLA INDUSTRIAL ESTATE, NEW DELHI – 110020,

REGISTERED OFFICE AT PLOT NO. 758, FIRST FLOOR,

UDYOG VIHAR PHASE V, GURGAON – 122016,

HARYANA

.....Plaintiff

(Through: Mr. Tanmaya Mehta with Mr. Karan Nagrath, Ms. Nupur Kumar and Ms. Niharika Nagrath, Advocates.)

versus

1. **WORLD PHONE INTERNET SERVICES PRIVATE LIMITED**
THROUGH ITS DIRECTORS
ADDRESS: F-1/9, POCKET F,
OKHLA PHASE I, OKHLA INDUSTRIAL ESTATE,
NEW DELHI – 110020
2. **MR. ADITYA SINGH AHLUWALIA**
DIRECTOR OF M/S WORLD PHONE INTERNET SERVICES
PVT. LTD.
ADDRESS: F-1/9, POCKET F, OKHLA PHASE I,
OKHLA INDUSTRIAL ESTATE,
NEW DELHI – 110020
3. **MR. VENKATRAMANAN**
DIRECTOR, M/S WORLD PHONE INTERNET SERVICES PVT.
LTD.



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ADDRESS: F-1/9, POCKET F, OKHLA PHASE I,
OKHLA INDUSTRIAL ESTATE,
NEW DELHI – 110020

4. MR. JEEVAN SINGH

HEAD OF NETWORK

ADDRESS: F-1/9, POCKET F, OKHLA PHASE I,
OKHLA INDUSTRIAL ESTATE,
NEW DELHI – 110020

5. TI INVESTMENT SERVICES LLC

476, TEAL PLAZA, SECAUCUS, NJ 07094,
UNITED STATE OF AMERICA (USA)

.....Defendants

(Through: Mr. Aditya Vaibhav Singh, Advocate for D1 to D4.)

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Reserved on: 12.11.2025

Pronounced on: 14.11.2025

JUDGMENT

The plaintiff, a Class ‘A’ Internet Service Provider (‘ISP’) has filed the instant commercial suit against defendant no.1, a Category ‘A’ Internet Telephony Service Provider (‘ITSP’), defendant nos. 2-4, who are the key managerial personnel of defendant no. 1, and defendant no. 5, which is the parent company of defendant no. 1, praying for, *inter alia*, a decree for recovery of money payable by the defendants in terms of an Operational Merger Agreement dated 11.09.2023 executed between the plaintiff and defendant no. 1.



2. This case was first listed for hearing on 10.11.2025 and from the submissions made by the learned counsel for the parties it had appeared that there was a possibility of an amicable resolution to the dispute. Accordingly, the matter was adjourned to 12.11.2025. Despite sincere efforts being made by learned counsel for the parties, which the Court appreciates, no settlement could be arrived at. Resultantly, the parties were heard at length and the authorities relied upon them were examined in detail.

3. The Court has accepted the preliminary objection raised by the learned counsel for defendant no. 1, and found that the present commercial suit is not maintainable owing to the provisions of the Telecom Regulatory Authority of India Act, 1997 (hereinafter “**TRAI Act**”), specifically Section 14 of the said Act. The instant dispute arising out of an Operational Merger Agreement entered into between the plaintiff and defendant no. 1, both of which are service providers, falls for the adjudication of the Telecom Disputes Settlement and Appellate Tribunal (‘**TDSAT**’). Defendants nos. 2-5 being made party to the instant suit does not, importantly, oust the jurisdiction of the TDSAT.

4. Before delving into the substantive reasoning given by the Court the factual matrix shall be considered.

FACTUAL MATRIX

5. The facts as gleaned from the plaint are that on 11.09.2023 the plaintiff and defendant no. 1 entered into an Operational Merger Agreement (hereinafter “**OMA**”) with the participation/oversight of defendant no. 5, the parent company of defendant no. 1. The said agreement was entered into for



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the purposes of an operational merger for infrastructure, backend manpower costs, and with a view to share cashflows.

6. In furtherance of the OMA, the plaintiff entered into the arrangement for sharing of its resources, including personnel, as well as IT assets and infrastructure with defendant no. 1, by way of shifting of the plaintiff's employees from its offices at Gurugram and moving them to defendant no. 1's office at F-1/9, Pocket F, Okhla Phase I, Okhla Industrial Estate, New Delhi – 110020. Additionally, the plaintiff entrusted its network infrastructure and digital assets, including IP address pools, bandwidth allocations, routers, and servers, to be kept/maintained/controlled by defendant no. 1 for operational integration and management under the OMA.

7. On 19.10.2025, the plaintiff communicated discovery of higher/undisclosed statutory and contingent liabilities of defendant no. 1 and sought to discuss next steps. Thereafter, on 23.10.2025, the defendants issued a communication titled "WPI–RI Exit", purporting to terminate the operational merger with effect from 31.10.2025 and raising a demand of approximately ₹2.01 crore.

8. The plaintiff on 28.10.2025, emailed defendant no. 5 proposing a structured/transition-based separation to avoid disruption. Subsequently, on 29.10.2025, the plaintiff sent a letter/email proposing a 60-day orderly demerger and calling for handover of all administrative/network credentials.

9. Soon thereafter, on 30.10.2025 and 31.10.2025, the plaintiff's staff were restrained from entering the shared Okhla premises and plaintiff's



assets were detained. Further the defendants purportedly disabled/obstructed the plaintiff's network during the day and again later the same night, causing a service outage.

10. Finally, on 05.11.2025 according to the plaintiff, with fresh disruptions being caused by the defendants to the plaintiff's network in Bhagalpur, Rewari, Patna, etc., by suspending the primary administrative account and retaining two-factor credentials, the present suit came to be filed.

SUBMISSIONS MADE ON BEHALF OF THE PARTIES

11. On the preliminary issue of maintainability, the submissions of the learned counsel for the parties were the following.

12. Mr. Aditya Vaibhav Singh, learned counsel appearing on behalf of defendant no. 1 submitted that the instant dispute falls for the determination of TDSAT and is squarely covered by Section 14 of the TRAI Act. The submissions of the learned counsel may be summarized as under:

- (i) The dispute in the instant case primarily stems from the agreement between the plaintiff and defendant no. 1, both of which are service providers, and for the adjudication of disputes between them, the TDSAT has exclusive jurisdiction under Section 14(a)(ii) read with Section 15 of the TRAI Act.
- (ii) There is no splitting of the cause of action and defendant nos. 2-4 have been arrayed in their official capacity. Them being



made parties to the instant dispute therefore makes no difference to the *lis* needing to be adjudicated by the TDSAT.

- (iii) The learned counsel while stressing upon the averments made in the plaint argued that joint and several liability of the defendants have, apart from being mentioned in the prayer clause, not been detailed/narrated in the plaint.
- (iv) Reliance was placed on the decisions in ***Amrit Aneja, Sole Proprietor of AACL Enterprises v. Siti Network Ltd.***¹, ***World Phone Internet Services Pvt. Ltd. v. One OTT Entertainment Ltd. In Centre***², and ***Hathway Digital Pvt. Ltd. v. Dhanraj Datacom Services Pvt. Ltd. and Ors.***³

13. Mr. Tanmaya Mehta, learned counsel appearing on behalf of the plaintiff submitted that the instant dispute cannot be adjudicated upon by the TDSAT under Section 14 of the TRAI Act and it is the civil court that shall have jurisdiction over the present matter. The submissions of the learned counsel may be summarized as under:

- (i) The dispute concerns a private agreement entered into between the plaintiff and defendant no. 1 and does not concern the regulatory functions of the TDSAT, resultantly, it does not require specialized adjudication.

¹ Broadcasting Petition No. 429 of 2017, Telecom Disputes Settlement and Appellate Tribunal, New Delhi.

² Comm. Arbitration Application (L) No. 34646 of 2022, High Court of Bombay.

³ MANU/TD/0012/2018, Telecom Disputes Settlement and Appellate Tribunal, New Delhi.



- (ii) Even if it were to be assumed that a part of the cause of action falls for the adjudication of the TDSAT, the same cannot confer jurisdiction upon the tribunal for the whole case. This court unlike the TDSAT has plenary powers, and is the only forum that can entertain the present *lis*.
- (iii) Significant emphasis was placed by the learned counsel on defendants nos. 2-5 not being service providers within the meaning of the TRAI Act, and the TDSAT, resultantly, not having jurisdiction over the same.
- (iv) In the alternative, it was submitted that if the Court were to conclude that TDSAT does have jurisdiction to determine the present case, leave may be granted to delete defendant no. 1 from the array of parties, and the suit be allowed to continue against the remaining defendants.
- (v) Reliance was placed on the decisions in ***Union of India v. Association of Unified Telecom Service Providers of India etc.***⁴, ***Hathway Digital Pvt. Ltd. v. Dhanraj Datacom Services Pvt. Ltd. and Ors.***⁵, ***Amrit Aneja, Sole Proprietor of AACL Enterprises v. Siti Network Ltd.***⁶

⁴ Civil Appeal Nos. 6328, 6399 of 2015, Supreme Court of India.

⁵ MANU/TD/0012/2018, Telecom Disputes Settlement and Appellate Tribunal, New Delhi.

⁶ Broadcasting Petition No. 429 of 2017, Telecom Disputes Settlement and Appellate Tribunal, New Delhi.



ANALYSIS

14. The learned counsel appearing for the parties have been heard at length and the judgements relied upon by them have been perused.

15. The primary submission of the contesting defendant relates to the maintainability of the instant suit in light of the provisions of the TRAI Act. Before delving into specific sections of the said Act, it is appropriate to consider the Statement of Object and Reasons (unamended) of the TRAI Act. It reads as under:

*“1. In the context of the National Telecom Policy, 1994, which amongst other things, stresses on achieving the universal service, bringing the quality of telecom services to world standards, provisions of wide range of services to meet the customers’ demand at reasonable price, **and participation of the companies registered in India in the area of basic as well as value added telecom services as also making arrangements for protection and promotion of consumer interest and ensuring fair competition, there is felt a need to separate regulatory functions from service providing functions which will be in keeping with the general trend in the world.** In the multi-operator situation arising out of opening of basic as well as value added services in which private operators will be competing with government operators, **there is a pressing need for an independent telecom regulatory body for regulation of telecom services for orderly and healthy growth of telecommunication infrastructure apart from protection of consumer interest.***

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4. The powers and functions of the Authority, inter alia, are—
- (i) **ensuring technical compatibility and effective inter-relationship between different service providers;**
 - (ii) **regulation of arrangement amongst service providers of**



sharing their revenue derived from providing telecommunication service;

(iii) ensuring compliance of licence conditions by all service providers;

(iv) protection of the interest of the consumers of telecommunication service;

(v) settlement of disputes between service providers;

(vi) fixation of rates for providing telecommunication service within India and outside India;

(vii) ensuring effective compliance of universal service obligations.

5. The Authority shall have an inbuilt dispute settlement mechanism including procedure to be followed in this regard as well as a scheme of punishment in the event of non-compliance of its order.

6. The Authority will have to maintain transparency while exercising its powers and functions. The powers and functions would enable the Authority to perform a role of watchdog for the telecom sector in an effective manner.

7. In order that the Authority functions in a truly independent manner and discharges its assigned responsibilities effectively, it is proposed to vest the Authority with a statutory status.”

[Emphasis supplied]

16. The TRAI Act was amended by Act 2 of 2000. The amended preamble of the TRAI Act reads as under:

“An Act to provide for the establishment of the Telecom Regulatory Authority of India and the Telecom Disputes Settlement and Appellate Tribunal to regulate the telecommunication services, adjudicate disputes, dispose of appeals and to protect the interests of service providers and consumers of the telecom sector, to promote and ensure orderly growth of the telecom sector and for matters



connected therewith or incidental thereto.”

[Emphasis supplied]

17. Reflecting the object and purpose of the Act, Section 14 establishes the TDSAT and gives it powers to adjudicate upon disputes involving a defined category of persons. To make this authority the exclusive body, capable of entertaining a specialized *lis*, Section 15 of the TRAI Act bars the jurisdiction of civil courts over matters which the Appellate Tribunal is competent to adjudicate upon under the TRAI Act. The said provisions read as under:

“14. Establishment of Appellate Tribunal.

The Central Government shall, by notification, establish an Appellate Tribunal to be known as the Telecom Disputes Settlement and Appellate Tribunal to—

(a) adjudicate any dispute—

(i) between a licensor and a licensee;

*(ii) **between two or more service providers;***

(iii) between a service provider and a group of consumers:

Provided that nothing in this clause shall apply in respect of matters relating to—

(A) the monopolistic trade practice, restrictive trade practice and unfair trade practice which are subject to the jurisdiction of the Monopolies and Restrictive Trade Practices Commission established under sub-section (1) of section 5 of the Monopolies and Restrictive Trade Practices Act, 1969(54 of 1969);

(B) the complaint of an individual consumer maintainable before a Consumer Disputes Redressal Forum or a Consumer Disputes Redressal Commission or the National Consumer Redressal Commission established under section 9 of the Consumer Protection Act, 1986(68 of 1986);

(C) the dispute between telegraph authority and any other



person referred to in sub-section (1) of section 7B of the Indian Telegraph Act, 1885 (13 of 1885);

(b) hear and dispose of appeal against any direction, decision or order of the Authority under this Act.

(c) exercise jurisdiction, powers and authority conferred on—

(i) the Appellate Tribunal under the Information Technology Act, 2000 (21 of 2000); and (ii) the Appellate Tribunal under the Airports Economic Regulatory Authority of India Act, 2008 (27 of 2008).

15. Civil court not to have jurisdiction.

No civil court shall have jurisdiction to entertain any suit or proceeding in respect of any matter which the Appellate Tribunal is empowered by or under this Act to determine and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act.

[Emphasis supplied]

18. The Supreme Court in **Union of India v. Tata Teleservices Maharashtra Ltd.**⁷, noted that powers of the adjudicating authority must not be interpreted in a manner that frustrates the object sought to be achieved by the Act. The material portions of the judgement reads as under:

“17. Normally, when a specialised tribunal is constituted for dealing with disputes coming under it of a particular nature taking in serious technical aspects, the attempt must be to construe the jurisdiction conferred on it in a manner as not to frustrate the object sought to be achieved by the Act. In this context, the ousting of the jurisdiction of the civil court contained in Section 15 and Section 27 of the Act has also to be kept in mind. The subject to be dealt with under the Act has considerable technical overtones which normally a civil

⁷ 2007 (7) SCC 517.



court, at least as of now, is ill equipped to handle and this aspect cannot be ignored while defining the jurisdiction of TDSAT”

19. This Court in ***Gaur Distributors v. Hathway Cable and Datacom Ltd.***⁸, sat in adjudication of a Section 11 petition under the Arbitration and Conciliation Act, 1996 (hereinafter “**Arbitration Act**”), where the parties therein were service providers as defined under the TRAI Act. The Court concluded that the operation of the Arbitration Act has been barred by Sections 14 and 15 of the TRAI Act, which is the sole authority to decide upon the dispute between service providers. To reach this finding the Court relied upon two decisions—first, was a previous decision of this Court in ***Hathway Cable & Datacom Pvt. Ltd. v. Banjara Telelinks Pvt. Ltd.***⁹ and the other was the decision of the Appellate Tribunal in ***Aircel Digilink India Ltd. v. Union of India.***¹⁰

20. In ***Hathway Cable & Datacom Pvt. Ltd.***, this Court noted that disputes between two service providers should be adjudicated in the first instance only by the TDSAT. The material portion reads as under:

*“11. It was also held by the Bench of this Court that notwithstanding the decision dated 31st August 2005 passed by the TDSAT in Petition No. 52 (C) of 2005, in view of the law explained by the Supreme Court in Cellular Operators Association of India v. Union of India (2003) 3 SCC 186 and Union of India v. Tata Teleservices (Maharashtra) Limited (2007) 7 SCC 517, **disputes between two service providers should be adjudicated in the first instance only by the TDSAT.** It may be noticed that against the decision of the*

⁸ 2016 SCC OnLine Del 4605.

⁹ C.S. (OS) No. 1358/2006, Order Dt. 30th July, 2009, Delhi High Court.

¹⁰ Petition No. 06/2003, Order dt. 6th January, 2005, Appellate Tribunal.



TDSAT, an appeal is maintainable as a matter of right to the Supreme Court of India in terms of Section 18 of the TRAI Act.”

[Emphasis supplied]

21. Further, the Appellate Tribunal in **Aircel Digilink India Ltd. v. Union of India**,¹¹ pertinently observed that disputes which may *prima facie* appear to be a simplicitor civil *lis*, may have broader ramifications potentially affecting consumers. The material portion of the judgement reads as under:

“18. It is a matter of public policy laid in the public interest that telecom, broadcasting and cable services dispute which affect a large body of consumers all over the country should be amenable to one expert body. What will happen if in a dispute between two service providers in telecom sector arising out of an interconnection agreement, a service provider revokes the interconnection agreement. For these two, it may be dispute of recovery of money or damages or of technical nature but disconnection deprives consumers of access of one network to the other network. Consequences are not limited to the two service providers only but are of far reaching nature not difficult to imagine. Similarly, if in cable industry, a broadcaster and a multi-service operator sever their relations under alloyed breach of agreement, it affects again a large body of consumers who would not be able to avail the signals for various channels and yet having made payment. An arbitrator will find himself lacking jurisdiction to give relief to hapless consumers.

19. The Act is a complete code. TDSAT has exclusive jurisdiction to adjudicate any dispute between the parties and also exercises exclusive appellate jurisdiction against any direction, decision or order of the TRAI. Sections 14 to 20 in Chapter IV of the Act deal with the jurisdiction and procedure of the TDSAT. Section 14M and 14N provides for

¹¹ Petition No. 06/2003, Order dt. 6th January, 2005, Appellate Tribunal.



transfer of pending cases before TRAI and appeals in the High Court to TDSAT after its constitution by the amending Act 2 of 2000 which came into force on 21.2.2002. Jurisdiction of civil courts is barred in respect of any matter which TDSAT is empowered by or under the Act to determine and no injunction shall be granted by any court or any authority which includes arbitrator in respect of any action taken or to be taken in pursuance of the powers conferred by this Act on TDSAT. Orders passed by the TDSAT are executable as a decree and provision also exists for imposition of penalty for wilful failure to comply with the orders of the TDSAT. Under Section 18 of the Act, appeal lies to the Supreme Court against any order not being an interlocutory order of TDSAT on one or more of the grounds specified in the Section 100 of the Civil Procedure Code. The Supreme Court in the case of Cellular Operators Association of India v. Union of India (2003) 1 Comp LJ 1 (SC) : (2003) 3 SCC 186 has observed that appeal lies to the Supreme Court against the order of TDSAT only on the substantial question of law. The Preamble of the Act discloses as well the intent and object of the Legislature to confer exclusive jurisdiction to TDSAT to the exclusion of any court or authority.

20. The Arbitration Act, 1996, is a general Act and it will apply to all the arbitration agreements but the Act, i.e., TRAI Act is Special Act and applies to telecom sector and by notification issued on 9 January, 2004, also applies to broadcasting and cable services. The intention of the Legislature in ousting the jurisdiction of all other courts and all other authorities is quite apparent and it is to ensure and enable one single authority, i.e., TDSAT, to uniformly regulate this vital telecom sector which includes broadcasting and cable TV sector. Proper functioning of various stakeholders in this telecom sector is vital to the development and to safeguard interest of the consumers at large who are the beneficiaries of these services. It may also be noticed that telecom sector is subject to various



regulations issued by TRAI which even monitors the interconnection between various service providers. In the Cellular Operators Association of India v. Union of India (2003) 1 Comp LJ 1 (SC) : (2003) 3 SCC 186, the Supreme Court has held that jurisdiction of TDSAT under Section 14 cannot be held merely to be supervisory jurisdiction and that it is the only forum for addressing the grievances of aggrieved party inasmuch as the appellate jurisdiction to the Supreme Court is only on the substantial question of law and jurisdiction of Civil Courts for filing a suit is ousted. TDSAT has power to adjudicate any dispute. The Supreme Court in the case of West Bengal [Telecom] Regulatory Commission v. CESE Ltd. : (2002) 8 SCC 715 has even recommended the establishment of a similar expert Tribunal like TDSAT in telecom sector in other similar regulatory bodies. The question of exclusive jurisdiction of an expert body like TDSAT has recently been discussed in a decision of Supreme Court in the case of Clariant International Ltd. v. Securities and Exchange Board of India (2004) 4 Comp LJ 52 (SC) : (2004) 8 SCC 524 (paras 64 to 82).”

22. The instant dispute fundamentally arises from the purported breaches of the OMA, as also the losses caused to the plaintiff during the execution of the said agreement. Upon carefully scrutinising the plaint, it is observed that the primary grievances which the plaintiff has agitated are:

22.1. Under the heading “Flagrant and Deliberate Breaches of the Agreement [i.e., the OMA]”, the plaintiff has narrated commercial and financial breaches of the defendants. These include, *inter alia*, non-disclosure of liabilities and long-standing legal violations, including unpaid voice license fees under the Department of Telecommunications.



22.2. Further, it is alleged that under the OMA, the plaintiff is entitled to recover from defendant no. 1 Rs. 52,41,994. It is also claimed that the defendants unilaterally terminated the OMA and raised an arbitrary demand of Rs. 2,01,22,070 /-.

22.3. Under the heading “Disruption of Business”, the plaintiff claims, *inter alia*, that in violation of the OMA—(1) the defendants wrongfully restrained employees of the Plaintiff from entering the shared premises; (2) disabled all internet access to the plaintiff’s network customers, leading to widespread service disruption; (3) shutting down servers and network nodes without authorisation; (4) misleading customers and channel partners by issuing false communications; and (5) blocking monitoring and remote access tools of the plaintiff.

23. Importantly, the above-acts have, according to the plaintiff, severely affected its customers. Paragraph no. 18.18 of the plaint states that 570 corporate clients, 14,919 retail clients and 283 network partners were affected. This portion of the plaint is reproduced as under:

“18.18. It is further submitted that due to the unauthorised and malicious disruption in the network infrastructure of RI Networks by Defendant No. 1, the Plaintiff’s entire operational framework across India was severely impacted. As a direct consequence of the Defendants’ unlawful interference:

A. 570 corporate client links were affected;

B. 14,919 retail client links were disrupted; and

C. 283 network partners suffered complete service outage.”



24. The plaintiff has further highlighted the seriousness of the Defendant's breaches at paragraph no. 21 of the plaint wherein it states that approximately 19,000 residential users including hospitals, schools and government institutions have been affected. The material portion is reproduced as under:

“21. While discussions regarding the handover of assets were ongoing, the Defendants deliberately interrupted the Plaintiff's network, blocked IP addresses, and restricted email domain access, thereby paralysing the Plaintiff's services to approximately 19,000 residential users and hundreds of commercial users, including hospitals, schools, government institutions, and corporate clients. This deliberate network obstruction resulted in a total service outage, causing grave operational losses. It was only upon repeated intervention by the Plaintiff that partial network access was temporarily restored.”

25. Indeed, Mr. Mehta had further, during the course of the hearing, vociferously contended that customers of the plaintiff have been seriously affected owing to the acts of the defendants. It is, therefore, clear that the dispute which has arisen between the parties to the instant suit, does in fact affect customers, and if the numbers given by the plaintiff are to be accepted, a substantial number of them.

26. If the object and purpose of the TRAI Act is to be given effect, the instant *lis* which is between service providers and admittedly affects customers, ought to be decided by the TDSAT. The specialised tribunal under the TRAI Act, enacted for protecting and promoting consumer interest, ought to be allowed to adjudicate upon the instant dispute.



27. Further, it is also seen that the present dispute has, at its core, the OMA entered into between the plaintiff and defendant no. 1 for the purpose of merging their operations and enhancing their business capabilities. This agreement between two service providers, directly concerns the services that they provide to the customers. The alleged wrongful acts of the defendants in the instant case have their basis in the OMA, which relates to their operation as service providers.

28. An argument similar to that being raised by the learned counsel for the plaintiff had been put before the Bombay High Court in **World Phone Internet Services Pvt. Ltd.**. The petitioner therein argued that the dispute therein arises from a private agreement which does not warrant the application of the TRAI Act or the TDSAT. The argument as recorded at paragraph no. 27 reads as under:

“27. In the present case, Advocate Harit has submitted strenuously that the MOU between the parties, is a purely private arrangement entered between themselves, and in any case, the dispute do not involve the TRAI so as to warrant it’s reference to TDSAT. He would submit that the business arrangement worked out between the parties amongst themselves, with OIL in the business of providing broadband, internet, bandwidth. True it is. That the parties decided to explore the possibility of coming on a joint platform, to scale up the business in Pan-India by providing State of Art Services to the subscribers by keeping the charges at the best minimum, but they also agreed for, if certain obligations which are to be discharged under the MOU or it’s addendum and contemplated ‘event of default’. In such case, the clause having been invoked, they should be left to themselves to resolve their dispute through the mechanism prescribed under the MOU itself.”



29. The said argument was rejected by the Bombay High Court in the following words:

“28. ...In short, the dispute which has arisen between the parties is ultimately likely to affect the customers/subscribers of the internet services, and it is incomprehensible to assume that the dispute is only between two parties”

30. In the instant case, it has been admitted by the plaintiff that consumers in fact have been affected. That being the case, the TDSAT under Section 14 read with Section 15 of the TRAI Act shall have exclusive jurisdiction to adjudicate upon the present dispute which arises between two service providers.

31. Two specific arguments of the learned counsel of the plaintiff may now be considered. First, Mr. Mehta claims that the TDSAT cannot, under Section 14 of the TRAI Act, adjudicate upon claims made by the plaintiff against non-service providers i.e., defendant nos. 2-5. That being the case, the cause of action which has accrued against defendant nos. 2-5 needs to be split from that which arises against defendant no. 1. The TDSAT being incapable from adjudicating upon the former, this Court must entertain the present plaint. For this argument he relies upon the judgement of the Supreme Court in ***Association of Unified Telecom Service Providers of India etc..***

32. The argument pertaining to the splitting of cause of action can only hold ground if the causes of action can be shown to have accrued distinctly and independently. Meaning thereby, that if the plaintiff had agitated such



issues against defendant nos. 2-5, which have their own independent existence, in exclusion to the complaints against defendant no. 1, the argument could have possibly been accepted.

33. However, in the instant case, very many paragraphs of the plaint narrate defendant nos. 2-4 acting on behalf of defendant no. 1. It is also appropriate to lay stress on who defendant nos. 2-4 are in the instant case. The plaint at paragraph no. 9 describes them in the following manner:

*“9. Defendant Nos. 2 to 4 are the key managerial personnel of Defendant No. 1. Mr. Aditya Singh Ahluwalia (Defendant No. 2) and Mr. Venkatramanan (Defendant No. 3) are Directors of Defendant No. 1, while Mr. Jeevan Singh (Defendant No. 4) serves as the Head of Network of the said company. **All the aforesaid Defendants have their office at the same address as Defendant No. 1 and are responsible for the overall management, operations, and decision-making of the company.**”*

[Emphasis Supplied]

A bare perusal of the plaint describes defendant nos. 2-4 as those responsible for the acts of the company. Naturally, an artificial legal entity cannot act on its own. To that extent merely because defendant nos. 2-4 have been arrayed as a party, TDSAT's jurisdiction would not get ousted.

34. Further, *qua* the role of defendant no. 5, the plaintiff has, *inter alia*, stated that it is being arrayed on grounds of it being vicariously liable for the acts of defendant no. 1. The material portion of the plaint reads as under:

“18.8 However, instead of cooperating, the Defendant No. 5 through Defendant No. 2 initiated their wrongful acts abruptly....”



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32. *Without prejudice to the foregoing, it is further submitted that the relationship between Defendant No. 5 and Defendant No. 1 squarely attracts the doctrine of agency or instrumentality as recognized under Indian law. Where a parent company directs, dominates, and benefits from the actions of its subsidiary, such subsidiary is deemed to act as the agent or instrumentality of the parent, rendering the parent company jointly and severally liable for the acts so committed. In the present case, Defendant No. 5 conceived and directed the operational merger, appointed its promoter to exercise oversight under Clause 15 of the agreement, and permitted Defendant No. 1 to implement the operational integration in India for its commercial benefit. The acts of interference, obstruction, and disruption carried out by Defendant No. 1 were in furtherance of Defendant No. 5's business arrangement and within the scope of its control. Accordingly, Defendant No. 5 is vicariously and jointly liable in India for the conduct, breaches, and wrongful acts of its wholly-owned subsidiary, Defendant No. 1."*

35. There is, therefore, no separate or independent cause of action *qua* a non-service provider that would warrant ouster of TDSAT's jurisdiction under Section 14 of the TRAI Act. To that extent, while the judgement of ***Association of Unified Telecom Service Providers of India etc..*** cannot be doubted, it is not found relevant to the instant dispute.

36. The second argument of Mr. Mehta pertains to subject-matter bar. It is submitted by him that the instant dispute cannot be adjudicated upon by the TDSAT owing to the subject-matter of the instant dispute. For this argument, reliance was placed on the decisions of the TDSAT in ***Amrit Aneja*** and ***Hathway Digital Pvt. Ltd..***



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37. In ***Amrit Aneja***, the TDSAT found that it did not have jurisdiction to adjudicate upon a dispute between a master and servant. The petitioner therein was, further, not a service provider, licensor, licensee, or a group of consumers, as is required by Section 14 of the TRAI Act. The judgement is, therefore, distinguishable on facts. Similarly, in ***Hathway Digital Pvt. Ltd.***, paragraph no. 12 of the judgement narrates that the primary respondents had not been sued in their capacity of service providers, and resultantly the petition was not found maintainable. This judgement also is distinguishable on facts.

38. From the discussion above, it can be safely concluded that the dispute in the instant case originating from the OMA between the plaintiff and the defendant no. 1, both being service providers, and further affecting a substantial number of customers/subscribers is to fall for the exclusive adjudication of the TDSAT under Section 14 read with Section 15 of the TRAI Act.

39. The present commercial suit is, therefore, to be adjudicated by the TDSAT under the provisions of the TRAI Act. The instant suit is barred by law and the plaint deserves to be rejected.

40. Ordered accordingly. Pending applications also stand disposed of.

(PURUSHAINDRA KUMAR KAURAV)
JUDGE

NOVEMBER 14, 2025

P