



2026:DHC:3797



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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Date of decision: 04.05.2026

+ ARB.P. 1742/2025

THE ATLAS ELECTRIC INDUSTRIES PVT LTD

.....Petitioner

Through: Mr. Ankit Jain, Senior
Advocate along with Mr. Rahul
Tyagi and Mr. Aaditya Singh,
Advocates.

versus

M/S POLOTRIPS INDIA (P) LTD & ANR.Respondents

Through: Mr. Prakhar Mittal, Advocate
for R-1.
Mr. Inderbir Singh Alag, Senior
Advocate along with Mr.
Rakesh Kumar Yadav,
Advocate for R-2.

2

+ O.M.P.(I) (COMM.) 271/2025, I.A. 20332/2025 (U/O 39 Rule
4) & I.A. 25532/2025 (On behalf of the R-2 seeking dismissal
of the present matter)

M/S ATLAS ELECTRIC INDUSTRIES PVT. LTD.

.....Petitioner

Through: Mr. Ankit Jain, Senior
Advocate along with Mr. Rahul
Tyagi and Mr. Aaditya Singh,
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Advocate for R-2.



2026:DHC:3797



**CORAM:
HON'BLE MR. JUSTICE HARISH VAIDYANATHAN
SHANKAR**

% **JUDGEMENT (ORAL)**

O.M.P.(I) (COMM.) 271/2025

1. The present Petition has been filed under Section 9 of the **Arbitration and Conciliation Act, 1996** [“the Act”], seeking the following reliefs:

- “A Pass an interim order restraining the Respondents, their agents, nominees, or anyone acting on their behalf from selling, transferring, alienating or creating any third party interest in the Suit Property, till the time Ld. Arbitrator enters upon reference; AND/OR
- B Pass an ad interim order in favour of the Petitioner and against the Respondent to maintain status quo in the matter till the time Ld. Arbitrator enters upon reference; AND/OR
- C Pass such other further order as this Hon’ble Court may deem fit and proper in the interest of Justice, equity and good conscience.”

2. In the present Petition, this Court, by its Order dated 17.07.2025 [“**Interim Order**”], was pleased to grant the following interim reliefs:

- “11. For the said reasons, subject to the proceedings initiated by the Karnataka Bank, the respondent No. 2 is restrained from selling, transferring, alienating, creating any third-party rights in respect of the suit property bearing No. Industrial Plot No. 174, Sector - 4, IMT Bawal, Rewari, Haryana till the next date of hearing.”

3. Subsequently, Respondent No. 2 preferred an Application, being I.A. No. 20332/2025, seeking vacation of the aforesaid interim reliefs, in the following terms:

- “(a) vacate the ad interim injunction order dated 17.07.2025 passed in O.M.P.(I) (Comm) 271 of 2025 against the respondent no.2 whereby the respondent no.2 was restrained from selling, transferring, alienating, creating any third-party rights in respect of the suit property bearing no. industrial Plot no. 174, Sector -4, IMT Bawal, District



2026:DHC:3797



Rewari Haryana till the next date of hearing (i.e.22.09.2025); and

- (b) pass such further or other order(s) as this Hon'ble Court may deem fit and proper in the facts and circumstances of the case.”

4. The principal ground, *inter alia*, urged by the Respondent No. 2 for vacation of the aforesaid Interim Order was that the Petitioner lacks the requisite *locus standi* to institute the present Petitions under Sections 9 and 11 of the Act.

5. Learned Senior Counsel appearing on behalf of Respondent No. 2 draws the attention of this Court to Clause 15 [**“Arbitration Clause”**] of the Agreement to Sell dated 10.11.2021 [**“Agreement”**], which reads as follows:

“15. That without prejudice to the above mentioned clause, it is agreed between the Parties that if the SECOND PARTY/VENDEE/BUYER fails to perform its part of the agreement, the First Party/Vendor/Seller will be at liberty to forfeit the advance money paid by the SECOND PARTY/VENDEE/BUYER and to reclaim possession of the said property. However, if the FIRST PARTY/VENDOR/SELLER does not get the Sale Deed registered in the concerned office of Sub- Registrar, New Delhi, even when the SECOND PARTY/VENDEE/BUYER or its Nominee(s) offers full and final balance payment within agreed period, the SECOND PARTY/VENDEE/BUYER shall have the right either to claim for the entire paid amount with interest @24 per cent per annum, as well as any/all other advances/intervening deposits paid by the SECOND PARTY/VENDEE/BUYER to and received by Karnataka Bank Ltd. or the First Party/Vendor/Seller (as the case may be) and cancel the deal OR go in for specific performance of this Agreement to Sell through Court of Law by means of arbitration through an Arbitrator appointed by the Hon'ble Court.”

6. Learned Senior Counsel appearing on behalf of Respondent No. 2 contends that the Petitioner is merely a Confirming Party and is neither the First Party nor the Second Party. It is submitted that Clause



2026:DHC:3797



15 of the Agreement, which embodies the arbitration clause, is capable of being invoked only by either the First Party or the Second Party to the said Agreement.

7. Learned senior counsel further places reliance upon the description of the parties in the Agreement, wherein the First Party is identified as Respondent No. 2 and the Second Party as Respondent No. 1, while the Petitioner is described solely as a Confirming Party. Reliance is also placed upon the recital, which reads as under:

“BETWEEN

Mrs. Kalpana Devi Verma through Registered GPA holder by virtue of Registered GPA dated 16-08-2019, duly executed at London and authenticated vide No. GBRLC0475119 by High Commission of India, London. And further stamped on 04-08-2020/07-10-2020 by collector of stamps in favour of Mr. Aneel Safmi, R/o B-10, Rose Apartments, Sector-14 Extension, Rohini, New Delhi-I 10085. Also at C-753, Second Floor, Sushant Lok, Part 1, Gurgaon (HRY) hereinafter called the FIRST PARTY/VENDOR/SELLER(email: sawhneyhml@aol.com, ka13pna@outlook.com)

AND

M/s POLOTRIPS INDIA. (P) LTD. through its Director, Shri Anuj Goyal, having its Registered Office at B-8/195, 1st Floor, Sector 3, Rohini, New Delhi-110085, hereinafter called the SECOND PARTY/VENDEE/BUYER (email: anujgoyal1985@gmail.com).

AND

M/s The Atlas Electric Industries Pvt. Ltd. through its Director Mr. Navin Kumar Harineja, having its Registered Office at AE-16, Tagore Garden, New Delhi hereinafter called CONFIRMING PARTY (email: theatlas_electric@yahoo.co.in).

WHEREAS the. FIRST PARTY/VENDOR/SELLER is the true, absolute and lawful owner in possession of entire built-up property Land & Building located at Industrial Plot No. 174, measuring 5720.10 sq.mtrs., Sector-4 at Growth Centre, Bawal, Distt. Rewari, hereinafter called the SAID PROPERTY.

WHEREAS the CONFIRMING PARTY has already executed a Joint Memorandum of Settlement dated 30-10-2021 related to the SAID PROPERTY according to which CONFIRMING PARTY or its Nominee shall purchase the



2026:DHC:3797



SAID PROPERTY for Rs.6,00,50,000/- (Rupees Six Crore Fifty Thousand only) from the FIRST PARTY/VENDOR/SELLER and accordingly, the SECOND PARTY/VENDEE/BUYER through this Agreement to Sell shall become Nominee/Financial Partner of the CONFIRMING PARTY.

AND WHEREAS the FIRST PARTY-VENDOR/SELLER have mortgaged the said property No. Land "& Building located at Industrial Plot No. 174, measuring 5720.10 sq.mtrs., Sector-4' at Growth Centre, Bawal, Distt. Rewari to Karnataka Bank Ltd. and have deposited the title deed of the SAID PROPERTY with the said Bank. The FIRST PARTY/VENDOR/SELLER have mortgaged the said property to Karnataka Bank Ltd. With reference to loan accounts of M/s Carafor Foam Pvt.

Ltd. with the said bank since the FIRST PARTY/VENDOR/SELLER is Director of M/s Carafor Foam Pvt. Ltd. i.e., Mr. Aneel Sahni.

AND WHEREAS Karnataka Bank Lid, vide its email dated 18-10-2021 has in principally agreed for OTS for. Rs.671.00 Lacs and subsequently, vide OTS proposal dated 10-11-2021, the SAID PROPERTY shall be released for a sum of Rs.6,00,50,000/ (Rupees Six Crore Filly Thousand Only) as full and final amount in respect of which the SAID PROPERTY ie., Land & Building located at Industrial Plot No. 174, measuring 5720.10 sq-mts. Sector-4 at Growth Centre, Bawal, Distt. Rewari has been mortgaged to Karnataka Bank Ltd.”

8. Learned Senior Counsel appearing on behalf of Respondent No. 2 further submits that, in terms of the aforesaid recital, the Confirming Party no longer remains a party to the transaction, having nominated the Second Party as the buyer, consequently, any subsisting jural relationship is confined solely between the First Party and the Second Party, and the Confirming Party lacks the requisite *locus*. He further refers to the subsequent recitals of the Agreement to contend that all ensuing clauses and recitals pertain exclusively to the First and Second Parties, with no reference thereafter to the Confirming Party.

9. **Per Contra**, Mr. Jain, Learned Senior Counsel appearing on behalf of the Petitioner submits that the Confirming Party has the right to participate and invoke the arbitration clause. He refers to and relies



2026:DHC:3797



upon the Judgment in *Ansal Properties & Infrastructure Ltd. & Anr. V. Dowager Maharanis Residential Accommodation Welfare & Amenities Trust & Anr.*¹, particularly Paragraph No. 18 thereof, which reads as under:

“18. The third challenge which has been made is that there is improper joinder of parties. it is claimed that petitioner No.1 as per the Joint Venture Agreement, was only a confirming party as is clearly evident from the definition of “Parties” in the opening paragraph of JV Agreement which states that "parties shall mean collectively Prime Maxi Promotion Services Pvt. Ltd., AHMPL and DOWAGER Trust and party means any one of them as relevant to the context but does not include the confirming party" which is the petitioner No.1. It is claimed that since petitioner No.1 was only a confirming party, it was not bound by the terms of the Contract of the Joint Venture and therefore cannot be termed as a signatory and cannot claim the benefit of the Arbitration Clause as contained in Clause 15.12 of the Joint Venture Agreement.”

10. Learned Senior Counsel appearing on behalf of the Petitioner submits that, in terms of the said judgment, the Petitioner, being a Confirming Party and a signatory to the Agreement, possesses the right to invoke the arbitration clause contained therein.

11. This Court has heard the learned Senior Counsel appearing on behalf of the parties, and with their able assistance, perused the material available on record.

12. As is evident, upon the nomination of the Second Party, the Confirming Party ceased to retain any substantive role in the transaction. From a plain reading of the description of the parties, it emerges that the transaction was structured in such a manner that the Confirming Party was originally the intended purchaser of the property and, thereafter, upon identifying another entity, *namely*, the Second Party, nominated the latter and effectively assigned and

¹ 2022 DHC 4101



2026:DHC:3797



transferred all its rights, title, and interest in respect of the said transaction to the Second Party.

13. The parties therefore submit that there is a dispute *inter se* the Respondent Nos. 1 & 2 with respect to the conclusion of the transaction.

14. In the considered opinion of this Court, the presence of a dispute between Respondent Nos. 1 & 2 cannot give rise to a locus to the Petitioner to invoke an Arbitration Clause which it is not expressly permitted to.

15. The arbitration clause, in express terms, does not include the Confirming Party within the category of parties entitled to invoke arbitral proceedings. Once the explicit stipulations of the Agreement do not contemplate or confer such a right upon the Confirming Party, it cannot, by way of imputation or implication, be contended that a mere signatory status to the Agreement would, in and of itself, suffice to vest the Confirming Party with the entitlement to invoke the arbitration clause.

16. The intention of the parties is to be discerned from a holistic reading of the Agreement, and the conspicuous non-inclusion of the Confirming Party within the ambit of the arbitration clause renders it evident, to the mind of this Court, that the parties consciously intended to exclude the Confirming Party from invoking the arbitral mechanism.

17. In view of the foregoing analysis, this Court is of the considered opinion that the present Petition, as instituted under Section 9 of the Act, is not maintainable.

18. Accordingly, the present Petition, along with pending



2026:DHC:3797



Application(s), stands disposed of in the above terms.

ARB.P. 1742/2025

19. In light of the aforesaid determination, and having already held the aforesaid Petition under Section 9 of the Act to be non-maintainable, this Court is of the considered view that the present Petition instituted under Section 11 of the Act also cannot be sustained and is, accordingly, dismissed.

20. Accordingly, the present Petition stands disposed of in the above terms.

21. A photocopy of the Order passed today be kept in the connected matter.

HARISH VAIDYANATHAN SHANKAR, J.
MAY 04, 2026/tk/DJ