$~

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

% ***Judgment reserved on: 13.01.2026***
Judgment pronounced on:18.02.2026

\+ ARB. A. (COMM.) 8/2026, I.A. 723/2026 (Ex.), I.A. 724/2026 (Seeking permission to file a long list of dates exceeding 5 pages) & I.A. 725/2026 (Stay)

INDO SPIRITS ....Appellant

Through: Mr. Srijan Sinha, Mr. Himanshu Chaubey, Mr. Siddharth Garg, Mr. Srajan Yadav, Ms. Lihzu Shiney Konyak, Ms. Trisha Garimala, Advocates.

versus

PERNOD RICARD INDIA PVT LTD AND ORS .....Respondents

Through: Mr. Suhail Dutt, Senior Advocate with Mr. Raj Kamal, Mr. Karan Khanuja, Mr. Aseem Atwal, Mr. Kunal Khanuja, Mr. Manish Kumar Sharma, Mr. Harneet Singh, Advocates for R-1.
Mr. Nitesh Rana and Ms. Raksha Tripathy, Advocates for R-4.

\+ ARB. A. (COMM.) 9/2026, I.A. 765/2026 (Ex.), I.A. 766/2026 (Seeking permission to file a long list of dates exceeding 5 pages), I.A. 767/2026 (U/O XXXIX Rule 1 & 2) & I.A. 768/2026 (Delay of 2 days in re-filing the petition)

SAMEER MAHANDRU ... Appellant

Through: Mr. Srijan Sinha, Mr.

Himanshu Chaubey, Mr. Siddharth Garg, Mr. Srajan Yadav, Ms. Lihzu Shiney Konyak, Ms. Trisha Garimala, Advocates.

versus

M/S PERNOD RICARD INDIA PVT LTD AND ORS

.....Respondents

Through: Mr. Suhail Dutt, Senior Advocate with Mr. Raj Kamal, Mr. Karan Khanuja, Mr. Aseem Atwal, Mr. Kunal Khanuja, Mr. Manish Kumar Sharma, Mr. Harneet Singh, Advocates for R-1.

\+ ARB. A. (COMM.) 10/2026, I.A. 769/2026 (Ex.), I.A. 770/2026 (Seeking permission to file a long list of dates exceeding 5 pages), I.A. 771/2026 (Stay) & I.A. 772/2026 (Delay of 2 days in re-filing the petition)

SAMEER MAHANDRU ... Appellant

Through: Mr. Srijan Sinha, Mr. Himanshu Chaubey, Mr. Siddharth Garg, Mr. Srajan Yadav, Ms. Lihzu Shiney Konyak, Ms. Trisha Garimala, Advocates.

versus

M/S PERNOD RICARD INDIA PVT LTD AND ORS

.....Respondents

Through: Mr. Suhail Dutt, Senior Advocate with Mr. Raj Kamal, Mr. Karan Khanuja, Mr. Aseem Atwal, Mr. Kunal Khanuja, Mr. Manish Kumar Sharma, Mr. Harneet Singh, Advocates for R-1.

Mr. Nitesh Rana and Ms.

Raksha Tripathy, Advocates for R-4.

\+ ARB. A. (COMM.) 5/2026, I.A. 561/2026 (Stay), I.A. 562/2026 (Ex. From filing certified copies of annexures) & I.A. 563/2026 (Seeking permission to file a lengthy list of dates and events)

INDOSPIRIT DISTRIBUTION LTD ... Appellant

Through: Mr. Darpan Wadhwa, Senior Advocate with Mr. Dhruv Gupta, Mr. Yash Raj Mehran, Ms. Divita Vyas and Mr. Amer Vaid, Advocates.

versus

PERNOD RICARD INDIA PVT LTD & ORS. ....Respondents

Through: Mr. Suhail Dutt, Senior Advocate with Mr. Raj Kamal, Mr. Karan Khanuja, Mr. Aseem Atwal, Mr. Kunal Khanuja, Mr. Manish Kumar Sharma, Mr. Harneet Singh, Advocates for R-1.

Mr. Srijan Sinha, Mr. Himanshu Chaubey, Mr. Siddharth Garg, Mr. Srajan Yadav, Ms. Lihzu Shiney Konyak, Ms. Trisha Garimala, Advocates for R-2.

Mr. Nitesh Rana and Ms. Raksha Tripathy, Advocates for R-4.

\+ ARB. A. (COMM.) 6/2026, I.A. 564/2026 (Stay), I.A. 565/2026 (Ex. From filing certified copies of annexures) & I.A. 566/2026 (Seeking permission to file a lengthy list of dates and events)

INDOSPIRIT DISTRIBUTION LTD .... Appellant

Through: Mr. Dhruv Gupta and Mr. Yash Raj Mehran, Advocates.

versus

PERNOD RICARD INDIA PVT LTD & ORS. ....Respondents

Through: Mr. Suhail Dutt, Senior Advocate with Mr. Raj Kamal, Mr. Karan Khanuja, Mr. Aseem Atwal, Mr. Kunal Khanuja, Mr. Manish Kumar Sharma, Mr. Harneet Singh, Advocates for R-1.

Mr. Srijan Sinha, Mr. Himanshu Chaubey, Mr. Siddharth Garg, Mr. Srajan Yadav, Ms. Lihzu Shiney Konyak, Ms. Trisha Garimala, Advocates for R-2.

\+ ARB. A. (COMM.) 7/2026, I.A. 567/2026 (Stay) & I.A. 568/2026 (Ex. From filing certified copies of annexures)

GEETIKA MAHANDRU .... Appellant

Through: Mr. Dhruv Gupta and Mr. Yash Raj Mehran, Advocates.

versus

PERNOD RICARD INDIA PVT LTD & ORS. ....Respondents

Through: Mr. Suhail Dutt, Senior Advocate with Mr. Raj Kamal, Mr. Karan Khanuja, Mr. Aseem Atwal, Mr. Kunal Khanuja, Mr. Manish Kumar Sharma, Mr. Harneet Singh, Advocates for R-1.

Mr. Srijan Sinha, Mr. Himanshu Chaubey, Mr. Siddharth Garg, Mr. Srajan Yadav, Ms. Lihzu Shiney Konyak, Ms. Trisha Garimala, Advocates for R-2.

CORAM:
HON'BLE MR. JUSTICE HARISH VAIDYANATHAN SHANKAR

J U D G M E N T

HARISH VAIDYANATHAN SHANKAR, J.

1. With the consent of the parties, all the aforesaid Appeals were taken up together for hearing. Since they arise out of the same Impugned Order and involve substantially similar grounds and issues, this Court proceeds to adjudicate them by way of the present consolidated judgment.

PROLOGUE:

2. These Appeals under Section 37(2)(b) of the **Arbitration and Conciliation Act, 1996**[1] have been preferred assailing the **Common Order dated 14.10.2025**[2] passed by the learned Sole Arbitrator in **DIAC Case Nos. 9176/08-24 and 9136/08-24**[3] titled as *Pernod Ricard India Pvt. Ltd. v. Indospirits & Ors.* and *Pernod Ricard India Pvt. Ltd. v. Indospirit Distribution Ltd. & Ors.*, respectively.

3. By the Impugned Order, the learned Arbitrator disposed of the **Applications filed under Section 17 of the A&C Act by Pernod Ricard India Pvt. Ltd. (*the Claimant in both proceedings*)**[4] against two sets of Respondents in the aforesaid DIAC cases. In both Applications, extensive interim measures were sought.

4. The learned Arbitrator, in the Impugned Order, has succinctly recorded and clarified the nature of the reliefs claimed in the Section

[1] A&C Act
[2] Impugned Order
[3] DIAC Cases
[4] Section 17 Applications

17 Applications. For the sake of clarity and to avoid any ambiguity, the relevant extracts from the Impugned Order are reproduced below:

> "**1.** The claimant, in the applications, besides pleading (i) existence of a prima-facie case in its favour for recovery of Rs.37,09,24,712/- and Rs. 1,52,78,64,477/-respectively along with interest and damages jointly and severally from the respondents; (ii) balance of convenience being in its favour; and, (iii) that it will suffer irreparable injury or loss in the event the interim relief sought is not granted, has also made specific pleadings of (a) risk of the respondents alienating their assets or their assets being confiscated of forfeited in other proceedings against them, rendering them financially incapable of giving effect to the award eventually made in favour of the claimant; (b) respondents, despite their fragile working capital extending long term loans and advances to undisclosed related parties, without there being legitimate business reasons therefor, (c)respondents deliberately diverting and or mis-appropriating funds; (d) respondents, despite receiving timely payments from their customers, not utilizing the same for on-going business operations or for reduction of their trade liabilities and instead making loans and advances to undisclosed related parties and consequently increasing the debt to their operational creditors; (e) respondents depleting their liquidity assets by channeling them for their own benefit; (f) respondents purchasing and selling vehicles to improperly divert funds; (g) respondents disposing/selling their mutual fund units; (h) respondents withdrawing profit exceeding their rightful share, constituting deliberate diversion of funds; (i) net worth of respondents falling, rendering them unavailable for any debts owed to their creditors; (j) respondents engaging in conduct which would lead to frustration of these arbitral proceedings if no security is created; and, (k) likelihood of alienation of assets by the respondents preventing the claimant's ability to enforce any potential award which may be granted in its favour.
>
> 2. On the aforesaid pleadings, the claimant has sought the following interim measures in case no. 2:
>
> > "a. Direct the Respondents to furnish a list of assets and liabilities, including bank statements for the Financial Years 2020-21, 2021-22, 2022-23, and 2023-24, and the current Financial Year, and to state on affidavit details of any encumbrances over the said assets, including, but not limited to attachment/confiscation / forfeiture under any law, pendency of insolvency/bankruptcy proceedings, or the creation of any charge, mortgage, or security interest thereupon;

b. Direct that during the pendency of the arbitral proceedings, the Respondents, either jointly, or severally, invest, in an interest-bearing fixed-deposit of a nationalised bank, a sum equivalent to the whole of the sum claimed i.e., INR 1,52,78,64,477/- (Rupees One Hundred Fifty-Two Crore Seventy-eight Lakh Sixty-four Thousand Four-Hundred and Seventy-seven Only);

c. Alternatively, direct that during the pendency of the arbitral proceedings, the Respondents, either jointly, or severally, furnish a bank guarantee of an amount equivalent to whole of the sum claimed (i.e., INR 1,52,78,64,477/- (Rupees One Hundred Fifty-Two Crore Seventy-eight Lakh Sixty-four Thousand Four-Hundred and Seventy-seven Only);

d. Direct that the Respondents make suitable arrangements for the payment of any sum in excess of that which has been secured by virtue of prayer clauses (b) to (c) hereinabove, in the event that the Applicant is successful in the arbitral proceedings;

e. Declare that if, in pursuance of prayer clauses (b) or (c) the Respondents are required to place a whole or part of the sum claimed (including any interest, damages, and penalties thereupon) in an interest-bearing fixed-deposit, then in the event that the interest and/or damages awarded by this Hon'ble Tribunal are higher than the total of the principal and interest amount available in the interest-bearing fixed-deposit as on the date of the passing of the award, the Respondents shall, nevertheless, be liable to pay any sum in excess of the same in terms of the award to be made by this Hon'ble Tribunal in the captioned arbitral proceedings;

f. Direct that the Respondents submit an affidavit of their compliance with the directions of this Hon'ble Tribunal, no later than 15 days from the receipt of the order of this Hon'ble Tribunal;

g. Pass such other and further orders that this Hon'ble Tribunal may deem fit in the facts and circumstances of the present case."

The prayer in case no.1 is the same save thair instead of the amount of Rs. 1,52,78,64,477/-, the amount of Rs.37,09,24,712/- is mentioned."

5. The present batch of Appeals, *namely*, ARB. A. (COMM.) 8/2026, 10/2026 and 5/2026, arise out of DIAC Case No. 9176/08-24,

whereas ARB. A. (COMM.) 9/2026, 6/2026 and 7/2026 arise out of DIAC Case No. 9136/08-24.

6. Since the interim measures sought by Pernod Ricard in both DIAC Cases were substantially similar in nature against the respective Respondents, the learned Arbitrator adjudicated the Applications by way of a Common Order.

7. Upon consideration of the pleadings and material on record, the learned Arbitrator declined to grant the substantive monetary and security-related reliefs sought in the Section 17 Applications; however, certain limited interim measures were granted to the Claimants therein/ Pernod Ricard in the Impugned Order, in the following terms:

> "**27.** I therefore decide both the applications, by declining to the claimant the interim measures sought in prayer paragraphs (b), (c), (d) and (e) and, by directing each of the respondents to, on or before 31.10.2025, make a disclosure in terms of prayer paragraph (a) and by restraining till the arbitration award, each of the respondents from alienating, encumbering or parting with possession of their assets/belongings.
>
> **28.** The applications are disposed of."

8. Aggrieved by the limited relief granted under the Impugned Order in both DIAC cases, certain Respondents, as before the learned Arbitrator, have preferred the present Appeals.

9. For the purposes of the present judgment, the main contesting Respondent, being Respondent No. 1 in these Appeals, who was the Claimant before the learned Arbitrator in both DIAC cases, shall be referred to as "***Pernod Ricard***", and the parties who have filed the present Appeals shall be collectively referred to as the "***Appellants***", unless the context otherwise requires.

BRIEF FACTS:

10. The necessary facts relevant for the adjudication of the present Appeals are set out hereinbelow:

(a) M/s Indo Spirits is a partnership firm having its registered office in Delhi, constituted pursuant to the Partnership Deed dated 29.10.2021.

(b) Pernod Ricard India Pvt. Ltd. is a company incorporated under the Companies Act, 1956 having its registered office in India, and is a subsidiary of the French alcoholic beverage company, Pernod Ricard SA.

(c) The disputes between the parties arose in the backdrop of the Delhi Excise Policy 2021-22, which was promulgated on 05.07.2021 and came into effect on 17.11.2021.

(d) Under the said Policy, manufacturers were barred from holding L-1 (wholesale) and L-7Z (retail) licences. The Policy further mandated that a manufacturer, such as Pernod Ricard, was required to appoint an exclusive distributor for the distribution of its products in the **National Capital Territory of Delhi**[5].

(e) In compliance with the requirements of the said Policy, Pernod Ricard entered into contractual arrangements for the appointment of an exclusive distributor in the NCT of Delhi. Joint Venture Agreement and Partnership Deed were executed, pursuant to which Indo Spirits was appointed as the exclusive distributor for Pernod Ricard's products in Delhi. For this purpose, various ancillary agreements and documents were also executed between the parties.

[5] NCT of Delhi

(f) Pursuant thereto, on 08.11.2021, Indo Spirits obtained an L-1 Licence under the Excise Policy for the wholesale supply of Indian and Foreign Liquor within the NCT of Delhi. Thereafter, Pernod Ricard commenced the supply of its products to Indo Spirits on a credit basis.

(g) In the course of the commercial transactions between Pernod Ricard and Indo Spirits, disputes arose between the parties in relation to their respective rights and obligations under the contractual documents.

(h) On 20.10.2023, Pernod Ricard issued two separate notices under Section 21 of the A&C Act, thereby invoking arbitration in respect of disputes arising under letters dated 16.05.2022 and 21.12.2021, as well as surety bonds dated 17.05.2022 and 05.01.2022.

(i) On 22.11.2023, the Appellants responded to the said notices.

(j) Thereafter, Pernod Ricard filed two petitions under Section 11 of the A&C Act, being ARB. P. Nos. 411/2024 and 399/2024, before this Court, seeking appointment of a Sole Arbitrator to adjudicate the disputes between the parties.

(k) By Order dated 09.08.2024, this Court referred the disputes to arbitration and appointed Hon'ble Mr. Justice Rajiv Sahai Endlaw (Retd.) as the Sole Arbitrator in both matters.

(l) On 03.10.2024, Pernod Ricard filed its Statements of Claim in both DIAC cases before the learned Arbitrator. Indo Spirits thereafter filed its Statement of Defence.

(m) Prior to the filing of the Statement of Defence, Applications under Section 16 of the A&C Act were preferred and came to

be adjudicated by the learned Arbitrator.

(n) Subsequently, Pernod Ricard filed Applications under Section 17 of the A&C Act seeking various interim measures in both DIAC cases.

(o) Upon completion of pleadings in the said Applications, the learned Arbitrator, by the Common Order dated 14.10.2025 impugned herein, partly allowed the Applications by directing each of the Respondents before the learned Arbitrator (*Appellants herein*) to, on or before 31.10.2025, make disclosures of their assets and liabilities, including bank statements for the relevant financial years, and further restrained them, till the passing of the Arbitral Award, from alienating, encumbering, or parting with possession of their assets and belongings.

11. Aggrieved by the aforesaid Impugned Order, the Appellants have preferred the present Appeals.

SUBMISSION OF THE PARTIES:

12. On behalf of the Appellants, the following submissions would be advanced:

(a) The learned Arbitrator exceeded the scope of the pleadings and the specific reliefs sought in the Section 17 Applications by directing against restraint on alienation and dealing with assets, despite no such express relief having been sought, pleaded, or argued by Pernod Ricard in the said Applications.

(b) The Impugned Order, to the extent it imposes a restraint on alienation of assets, amounts to a patent excess of jurisdiction and a departure from the scope of adjudication.

(c) The learned Arbitrator has travelled beyond the reliefs claimed, thereby rendering that portion of the Order *ex facie* unsustainable. In support of this submission, reliance would be placed on the judgment rendered by the Co-ordinate Bench of this Court in ***Noida Toll Bridge Company Limited v. Nidhi Sharma & Anr.***[6].

(d) The direction restraining alienation of assets was imposed without prior notice and without affording the Appellants a meaningful opportunity of hearing on that specific aspect.

(e) The scope of consideration, as recorded in the Impugned Order, was confined to the maintainability of prayer clause (a) seeking disclosure of assets. The imposition of a restraint, in the absence of pleadings or submissions on that issue, is stated to be in violation of the Principles of Natural Justice.

(f) The Section 17 Applications were filed nearly two years after the invocation of arbitration. Such delay negates any plea of urgency or irreparable harm and disentitles Pernod Ricard from seeking discretionary interim relief.

(g) The Impugned Order does not record any reasoned satisfaction of the well-settled parameters governing the grant of interim measures, *namely*, the existence of a *prima facie* case, balance of convenience, and irreparable injury.

(h) The Impugned Order proceeds without any discernible analysis of the aforesaid requirements in light of the material on record, and the absence of cogent reasoning vitiates the exercise of discretion.

[6] 2023 SCC OnLine Del 7666

(i) The interim reliefs sought by Pernod Ricard were, in substance, in the nature of attachment before judgment, and therefore, attracted the statutory threshold embodied in Order XXXVIII Rule 5 of the **Code of Civil Procedure, 1908**[7].

(j) The Section 17 Applications neither pleaded nor demonstrated, by reference to any contemporaneous or credible material, any conduct on their part indicative of an intention to obstruct or delay the execution of a prospective Arbitral Award, or of any imminent removal or disposition of assets with a view to defeating such execution. For this purpose, reliance would be placed, *inter alia*, on the judgment rendered by the Co-ordinate Bench of this Court in decision in ***Indian Railway Construction Co. Ltd. v. Quadricon (P) Ltd.***[8] to contend that the mandatory preconditions under Order XXXVIII Rule 5 of the CPC were neither pleaded nor satisfied.

(k) Lastly, once the learned Arbitrator declined the substantive reliefs sought under prayer clauses (b) to (e), which were in the nature of attachment or security, the subsequent grant of relief under prayer clause (a), coupled with a restraint on alienation, is impermissible in law and contrary to the scheme of the Applications themselves.

13. ***Per contra***, on behalf of Pernod Ricard, the following submissions would be advanced:

(a) The Impugned Order is an interlocutory direction passed by the learned Arbitrator in exercise of discretionary powers under

[7] CPC
[8] 1994 SCC OnLine Del 531

Section 17 of the A&C Act.

(b) An appeal under Section 37 of the A&C Act lies within a narrow and circumscribed ambit, and the appellate court ought not to substitute its own discretion for that of the Arbitral Tribunal. In support of this, reliance would be placed on ***Augmont Gold Pvt. Ltd. v. One97 Communication Ltd.***[9], ***Karanja Terminal & Logistics (P) Ltd. v. Sahara Dredging Ltd.***[10], ***Raymond Ltd. v. Akshaypat Singhania***[11], ***Shabnam Dhillon v. Zee Entertainment Enterprises Ltd.***[12], and ***Godrej Properties Ltd. v. Frontier Home Developers (P) Ltd.***[13] to submit that interference is warranted only where the Impugned Order is shown to be arbitrary, perverse, or suffering from patent illegality.

(c) So long as the view taken by the Arbitral Tribunal is a plausible one, informed by due application of mind to the pleadings and material on record, the appellate court must exercise restraint.

(d) Placing reliance on the judgment of the Hon'ble Supreme Court in ***ArcelorMittal Nippon Steel (India) Ltd. v. Essar Bulk Terminal Ltd.***[14], it would be submitted that interim measures under Section 17 of the A&C Act are intended to preserve the efficacy of the arbitral process and to ensure that the eventual award is not rendered illusory.

(e) Where the Arbitral Tribunal, upon consideration of the material placed before it, issues protective directions so as to balance

[9] (2021) 4 HCC (Del) 642
[10] 2023 SCC OnLine Bom 594
[11] 2019 SCC OnLine Bom 227
[12] 2019 SCC OnLine Del 8905
[13] 2025 SCC OnLine Del 2148
[14] (2022) 1 SCC 712

the competing interests of the parties and safeguard the subject matter of the dispute, such exercise of discretion ought to be allowed to prevail unless it demonstrably transgresses the settled principles governing the grant of interim relief.

ANALYSIS:

14. This Court has heard learned counsel for the parties at considerable length and, with their assistance, carefully perused the record of the present appeals, including the pleadings and the Impugned Order passed by the learned Arbitrator.

15. Having regard to the grounds urged, the controversy in the present Appeals essentially narrows down to two aspects, namely, *first*, whether the direction restraining the Appellants from alienating, encumbering, or otherwise dealing with their assets pending the arbitral award is legally sustainable, and, *second,* whether the direction issued by the learned Arbitrator requiring disclosure of the Appellants' assets and liabilities is in accordance with law.

16. At the outset, this Court notes that it is fully conscious of the limited scope of appellate jurisdiction under Section 37(2)(b) of the A&C Act. The legislative intent underlying Section 5 of the A&C Act mandates minimal judicial interference in arbitral proceedings.

17. A Coordinate Bench of this Court in ***NHAI v. HK Toll Road (P) Ltd.***[15] has reiterated that an appellate court does not ordinarily interfere with discretionary orders passed by an Arbitral Tribunal. Interference is justified only where such discretion has been exercised arbitrarily, perversely, or in disregard of settled principles governing the grant or refusal of interim relief. The appellate court is not

[15] 2025 SCC OnLine Del 2376

expected to substitute its own view merely because another view is possible; rather, it must confine itself to examining whether the Arbitral Tribunal adhered to settled legal principles. The relevant portion of the said judgment reads as follows:

> "**56.** A perusal of the aforesaid judgments show that the appellate court while exercising powers/jurisdiction under Section 37 of the 1996 Act and more particularly under Section 37(2)(*b*) of the 1996 Act has to keep in mind the limited scope of judicial interference as prescribed under Section 5 of the 1996 Act. Section 5 of the 1996 Act clearly reflects the legislative intent to minmize judicial interference in the arbitration process. Unlike the appeals under other statutes, the appeals under the 1996 Act against the orders passed by the Arbitral Tribunal are subject to strict and narrow grounds. The 1996 Act aims at minimal court involvement, thereby to uphold the autonomy and efficiency of the arbitration process. (Reference: paras 64, 66, 68-70 of *Dinesh Gupta case*[13]).
>
> **57.** The appellate court is not required to substitute its views with the view taken by the Arbitral Tribunal which is a reasonable or a plausible view except where the discretion is exercised arbitrarily or where the AT has ignored the settled principles of law. In fact, the whole purpose to bring the 1996 Act is to give supremacy to the discretion exercised by the AT. The appellate court is not required to interfere in the arbitral orders especially a decision taken is at an interlocutory stage. The appellate court is only required to see the whether the AT has adhered to the settled principles of law rather than reassessing the merits of the AT's reasoning.
>
> **58.** A coordinate Bench of this Court in ***Tahal Consulting Engineers India (P) Ltd***. [2023 SCC OnLine Del 2069] *case* has observed as under: (SCC OnLine Del paras 36 and 38)
>
> > "***36.*** L & T Finance lays emphasis on the need of the appellate court to bear in mind the basic and foundational principles of the Act and that being of judicial intervention being kept at the minimal. It also correctly finds that the power conferred by Section 37(2)(*b*) is not to be understood as being at par with the appellate jurisdiction which may otherwise be exercised by courts in exercise of their ordinary civil jurisdiction. This clearly flows from the foundational construct of the Act which proscribes intervention by courts in the arbitral process being kept at bay except in situations clearly contemplated under the Act or where the orders passed by the Arbitral Tribunal

> may be found to suffer from an evident perversity or patent illegality.
>
> ***
>
> ***38.*** It would thus appear to be well settled that the powers under Section 37(2)(*b*) is to be exercised and wielded with due circumspection and restraint. An appellate court would clearly be transgressing its jurisdiction if it were to interfere with a discretionary order made by the Arbitral Tribunal merely on the ground of another possible view being tenable or upon a wholesome review of the facts the appellate court substituting its own independent opinion in place of the one expressed by the Arbitral Tribunal. The order of the Arbitral Tribunal would thus be liable to be tested on the limited grounds of perversity, arbitrariness and a manifest illegality only."
>
> **59.** To sum up, it is clear that in view of the limited judicial interference, the appellate court has to exercise its power only if the arbitral order suffers from perversity, arbitrariness and a manifest illegality."

18. A similar exposition of law is found in ***World Window Infrastructure (P) Ltd. v. Central Warehousing Corpn***[16], wherein it has been held that the scope of interference under Section 37 of the A&C Act against orders passed under Section 17 is extremely limited. The Co-ordinate Bench emphasized that Interlocutory Orders of an Arbitral Tribunal are inherently tentative and protective in nature, subject to modification at the stage of final award. Judicial restraint operates with even greater vigour at the interlocutory stage, as unwarranted interference may impede the arbitral process itself. The relevant portion of the said judgment reads as follows:

> "**66.** The scope of interference, in appeal, against orders passed by arbitrators on applications under Section 17 of the 1996 Act is limited. This Court has already opined in ***Dinesh Gupta* v. *Anand Gupta*, 2020 SCC OnLine Del 2099, *Augmont Gold (P) Ltd.* v. *One97 Communication Ltd.*, (2021) 4 HCC (Del) 642]** and ***Sanjay Arora* v. *Rajan Chadha*, (2021) 3 HCC (Del) 654,** that the

[16] (2021) 3 HCC (Del) 731

> restraints which apply on the court while examining a challenge to a final award under Section 34 equally apply to a challenge to an interlocutory order under Section 37(*ii*)(*b*). In either case, the court has to be alive to the fact that, by its very nature, the 1996 Act frowns upon interference, by courts, with the arbitral process or decisions taken by the arbitrator. This restraint, if anything, operates more strictly at an interlocutory stage than at the final stage, as interference with interlocutory orders could interference with the arbitral process while it is ongoing, which may frustrate, or impede, the arbitral proceedings.
>
> **67.** Views expressed by arbitrators while deciding applications under Section 17 are interlocutory views. They are not final expressions of opinion on the merits of the case between the parties. They are always subject to modification or review at the stage of final award. They do not, therefore, in most cases, irreparably prejudice either party to the arbitration. Section 17 like Section 9 is intended to be a protective measure, to preserve the sanctity of the arbitral process. The pre-eminent consideration, which should weigh with the arbitrator while examining a Section 17 application, is the necessity to preserve the arbitral process and ensure that the parties before it are placed on an equitable scale. The interlocutory nature of the order passed under Section 17, therefore, must necessarily inform the court seized with an appeal against such a decision, under Section 37. Additionally, the considerations which apply to Section 34 would also apply to Section 37(*ii*)(*b*)."

19. Before proceeding further, this Court considers it apposite to extract the relevant portion of the Impugned Order passed by the learned Arbitrator. The said extract is reproduced hereinbelow:

> "**11.** I have considered the rival contentions, the records and the judgments cited.
>
> **12.** The claim in both the cases is for the balance price of liquor products sold on credit basis by the claimant to the respondent no.1 in each of the two cases. The claim against the respondents 2 and 3 in case no. 1 is as guarantors of the respondent no.1. The claim against the respondents 2 to 5 in case no. 2 is as guarantors /partners of respondent no.1.
>
> **13.** The respondent no.1 in each of the two cases, in its SOD has not denied the receipt of the goods balance price whereof is claimed. Rather the defence on merits of the respondent no.1 in each of the two cases is, (i) that the claimant has suppressed the actual course of dealings between the parties; (ii) the claimant

exercised full operational control over procurement, pricing, retailer mapping, payment collection and marketing, with the respondent no.1 acting purely as a channel partner to facilitate logistical and statutory compliances; (iii) the claimant cannot now seek to off-load its own liabilities on to the respondent no.1; (iv) unlike the earlier policies which placed no such restrictions, the Delhi Excise Policy for 2021-22 explicitly barred manufacturers of alcoholic products from holding the wholesale or retail license and mandated that manufacturer must appoint an exclusive distributor for its products; (v) the claimant approached the respondent no.1 in furtherance of the aforesaid policy requirements and appointed the respondent no.1 as the exclusive distributor for the claimant; (vi) the documents relied by the claimant were prepared in accordance with the said policy and the transaction between the parties was not in accordance therewith; (vii) the claimant, in practice exercised complete control and directed movement of stocks and engaged with retail vendors, thereby bypassing the respondent no.1 which was rendered a mere logistical conduit; (viii) the orders for purchase placed by the respondent no.1 on the claimant were a result of the claimant's direct interventions and not respondent no.1 's independent sale efforts; (ix) the credit notes and the trade schemes were unilaterally controlled by the claimant; (x) the respondent no.1 merely served as the implementing arm of the claimant for credit notes based on the claimant's pre-decided schemes; (xi) the claimant also completely usurped the respondent no.1 's role in collection of payments; (xii) the relationship between the claimant and the respondent no.1 , instead of on principal to principal basis, was akin to a principal to agent relationship; (xiii) the claimant cannot thus make the respondent no.1 liable for the price if any remaining to be recovered of its products; (xiv) the claim even otherwise is not only grossly inflated but is fictitious and concocted; and, (xv) rather it is the claimant who owes monies to the respondent no.1 and for which a counter claim is being made. The respondent no.1 in its SOD has also taken several technical and legal pleas including as to the very maintainability of this arbitration.

14. The other respondents in each of the two cases also have defended the claim, besides on technical/legal pleas, on the same pleas as the respondent no.1 and/or otherwise denying their liability for the claim made.

15. On completion of pleadings, it was enquired from the counsels, whether desired decision on the admitted documents on record or wanted to examine witnesses. The counsels for the claimant as well as the respondents have opted to examine witnesses and trial therefor has been scheduled.

16. It is in the aforesaid context that the applications for interim measures have to be decided.

17. During the hearing itself, I had indicated that (i) once according to the claimant also, the acts of the respondents pleaded in the application to show that the respondents, with the intent to obstruct or delay the execution of any award that may be passed against them, were about to dispose of the whole or any part of their property were of a date prior to invocation of arbitration; and, (ii) considering the delay even after invoking arbitration on the part of the claimant in seeking the interim measures now sought, no case for grant of interim measures sought in prayer paragraphs (b), (c) and (d) of the application was made out. It was for this reason only that the senior counsel for the claimant made the alternate argument for grant at least of relief in terms of prayer paragraph (a) of the application.

18. The law and the procedure in accordance with principles of natural justice for implementation thereof provide for attachment of property and/or a direction for furnishing security only after the court/tribunal has reached a finding of the person whose property is being attached and/or who is being asked to furnish security owes money to another and not prior thereto. The reason therefor is obvious. An order I direction for attachment of property and/or to furnish security has serious consequences, sometimes irreversible. Thus, merely because a money claim is made, is no reason for the order of attachment or for furnishing of security to be made. The law has however made an exception in this regard. Where the court/tribunal is satisfied that the person against whom money claim has been made, with intent to obstruct or delay the execution of the decree/award likely to be passed, is about to dispose of his property or to make it unavailable for satisfaction of the decree/award likely to be made, the court/tribunal has been empowered to issue such an order/direction even prior to returning the judgment/award for recovery of money against such person. Such principles though not strictly applicable to arbitration, would guide the undersigned and if not follow, in the case of the claimant ultimately failing to prove its claim have the tendency of playing havoc on the respondents.

19. Though undoubtedly, the sales, supply and delivery of liquor products of the value claimed by the claimant does not appear to be in dispute but eyes cannot be shut to the other defences of the respondents and which according to the counsel for the claimant also cannot be adjudicated on the basis of documents alone and require trial. In such a state of affair, orders/directions sought by the claimant in prayer paragraphs (b), (c), (d) and (e) of its application cannot be issued/made. The claims of the claimant are yet to be adjudicated and asking the respondents to deposit the

claim amount in the court or to furnish bank guarantee for payment thereof or to make any other arrangement for payment thereof would tantamount to this tribunal at this interim stage itself when the proof of what is pleaded is still to unfold, finding in favour of the claimant and which cannot be the case.

20. Had there been any urgency emanating from the acts of the respondents pleaded, the claimant would not have waited for two years to seek such interim measures. Nothing of the recent past to show any such intent of the respondents has been pleaded. The claimant, though as far back as on 20.10.2023, i.e. nearly two years back, was aware of its claims against the respondents but did not deem it necessary to obtain interim measures as now sought in prayer paragraphs (b), (c), (d) and (e). Though the claimant in the year 2024 approached the court for appointment of arbitral tribunal but still did not feel the need to still seek any such interim measures against the respondents. The undersigned entered upon reference on 12.09.2024 i.e. more than one year back and till the filing on 18.08.2025 of the applications, did not feel the need for any such interim Measures.

21. I therefore, as indicated during the hearing also, do not find the claimant entitled to the interim measures sought in prayer paragraphs (b), (c), (d) and (e).

22. It was therefore straightaway enquired from the counsels for the respondents, why directions in terms of prayer paragraph (a) should not be issued against the respondents.

23. As would be obvious from the narration hereinabove, no cogent reply could be given by either of the counsels for the respondents to my aforesaid query. I had during the hearing also drawn attention of the counsels to the principles enshrined in the Commercial Court Act, 2015 and/or in the provisions of CPC specifically designed therefor and which encourage disclosure of all relevant facts. Such disclosure in my view would also include disclosure in terms sought in prayer paragraph (a) of the application. Even otherwise the recent trend of judgments shows the courts to be encouraging disclosure particularly of assets, in cases of monitory claims which may be liable to be enforced against the assets.

24. Merit is indeed found in the contention that this tribunal ought not to permit creation of a situation where the claimant even after succeeding in the arbitration is left without any modes of recovering the amounts from the respondents.

25. The argument of the counsels for the respondents that the claimant has not sought any interim measure of so restraining the respondents is misconceived. Such a direction is implicit in the other interim measures sought in the applications as well as under

> the residual prayer paragraph. For grant thereof, the claimant is found to satisfy the triple test of prima-facie case, balance of convenience and irreparable injury.
>
> **26.** Merit is not found in the contention of the counsels for the respondents that granting any such restraint against the respondents would amount to interference in the business being carried on by the respondents. The right of the respondents to carry on their business has to be balanced against the right of the claimant to be able to recover the amounts if any ultimately found due from the respondents. The said rights can be balanced by, while restraining the respondents, giving them liberty to approach this tribunal for modification if any need therefor arises. If at that stage this tribunal is of the view that the affairs of the respondents are indeed being prejudiced owing to the restraint order, this tribunal can consider the alternatives at that stage.
>
> **27.** I therefore decide both the applications, by declining to the claimant the interim measures sought in prayer paragraphs (b), (c), (d) and (e) and, by directing each of the respondents to, on or before 31.10.2025, make a disclosure in terms of prayer paragraph (a) and by restraining till the arbitration award, each of the respondents from alienating, encumbering or parting with possession of their assets/belongings.
>
> **28.** The applications are disposed of."

20. In order to appreciate whether the learned Arbitrator acted within the permissible contours of discretion on the issues raised before this Court, it is necessary to briefly advert to the reasoning recorded in the Impugned Order. A perusal thereof reveals, *inter alia*, the following findings:

(a) The disputes in both arbitrations arise from alleged non-payment of the balance consideration for liquor supplied on credit. The liability of other Respondents therein is founded upon guarantees and/or partnership obligations.

(b) Since parties have elected to lead oral evidence, and the issues cannot be adjudicated merely on admitted documents, the claims require a full trial and remain to be finally determined.

(c) The alleged acts indicating intention to defeat execution were of a period prior to the invocation of arbitration. Further, there was a delay of nearly two years in seeking interim measures, which undermined any plea of urgency.

(d) No recent or cogent material was placed to demonstrate imminent dissipation or removal of assets so as to justify drastic measures akin to attachment before the Arbitral Award.

(e) Directing the deposit of the claim amount, furnishing of bank guarantees, or other security at this stage would effectively amount to granting substantive relief prior to adjudication, which is impermissible.

(f) Attachment or security before adjudication is an exceptional remedy and requires satisfaction that the Respondents therein intend to obstruct or delay execution of a prospective award. Such a threshold was not met in the present cases.

(g) The Respondents therein were unable to furnish cogent reasons opposing the disclosure of assets and liabilities. Contemporary commercial jurisprudence encourages transparency, particularly in monetary claims where enforcement against assets may eventually arise.

(h) The learned Arbitrator felt justified in ensuring that a situation does not arise where, upon success in arbitration, Pernod Ricard is left without any effective means of recovery.

(i) A limited restraint on alienation, coupled with disclosure, was considered protective and proportionate, attempting to balance Pernod Ricard's right to secure effective recovery to carry on

business by the Respondents therein. Liberty was preserved to seek modification in case of genuine prejudice.

(j) Consequently, the substantive interim measures seeking deposit or security (prayers b-e) were declined; however, disclosure of assets was directed and a limited restraint against alienation or encumbrance of assets was imposed pending the arbitral award.

21. Turning now to the specific contentions raised by the Appellants before this Court, it finds considerable merit in the Appellants' submission that the learned Arbitrator has travelled beyond the pleadings and granted a relief which was neither specifically sought nor founded upon any prayer in the application under Section 17 of the A&C Act. A careful perusal of the prayer clauses in the Section 17 Applications demonstrates that, while Pernod Ricard had sought extensive disclosure of assets and various interim measures under prayers (a) to (e), there was no prayer whatsoever seeking a restraint on alienation, encumbrance, or parting with possession of the Appellants' assets.

22. Notwithstanding the absence of any such specific relief in the pleadings, the Impugned Order proceeds to impose precisely such a restraint. The effect of this direction is to confer a substantive interim protection not anchored in the pleadings, thereby granting a relief *de hors* the prayers made before the learned Arbitrator.

23. The legal position in this regard is well settled. An adjudicatory authority, including an Arbitral Tribunal exercising powers under Section 17 of the A&C Act, is bound by the pleadings and the reliefs sought by the parties. While the tribunal may mould relief within the

framework of the case presented, it cannot, under the guise of doing complete justice, grant a direction that introduces a new dimension to the dispute or imposes a burden which the opposite party was never called upon to meet.

24. In this context, the reliance placed by the Appellants upon the judgment of the Co-ordinate Bench in ***Noida Toll Bridge*** (*supra*) is apposite. In the said decision, this Court categorically held that an Arbitral Tribunal cannot recast pleadings or award a relief that was neither prayed for nor argued, as such an exercise would amount to jurisdictional overreach and would offend the fundamental principles of fair adjudication and natural justice. The relevant portion of the said judgment is extracted hereinbelow:

> "**21.** The Learned Arbitrator, instead of granting the specific reliefs, ordered the Appellant to deposit a Fixed Deposit Receipt ["FDR"] for Rs. 5 crores, pending final resolution of the dispute. This interim direction clearly strays from the reliefs sought in the Section 17 application. Thus, the Court opines that if the Learned Arbitrator intended to grant reliefs beyond the application's prayers, it was essential for the Appellant to be given adequate notice to respond appropriately."

25. The prejudice occasioned to the Appellants is not merely technical but substantive. Since no restraint on alienation was ever sought in the Section 17 Applications, the Appellants were denied any opportunity to file pleadings, place material, or address arguments specifically directed to such a relief. The Impugned Order, therefore, fastens a serious restriction on the Appellants' proprietary and commercial rights without affording them the procedural safeguards and an effective opportunity of hearing.

26. Such a course of action strikes at the very root of the principles of *audi alteram partem* and renders the direction passed by the learned

Arbitrator vulnerable on the ground of breach of Natural Justice. In the considered view of this Court, once the learned Arbitrator had confined the scope of adjudication to the maintainability of prayer (a), it was impermissible to travel further and superimpose an unpleaded and unargued restraint on alienation of assets.

27. With respect to the invocation of Order XXXVIII Rule 5 of the CPC, this Court is of the considered opinion that the jurisdiction to grant relief thereunder is extraordinary and drastic in nature. Such power is not to be exercised lightly or as a matter of course. It can be invoked only upon the applicant establishing, on the basis of cogent, credible, and proximate material, a real and imminent apprehension that the respondents are acting with a deliberate intent to obstruct or defeat the satisfaction of a prospective decree or award, by alienating, dissipating, secreting, or otherwise removing their assets beyond the reach of the judicial process.

28. In ***Skypower Solar India (P) Ltd. v. Sterling and Wilson International FZE***[17], Division Bench of this Court has held interim protection akin to Order XXXVIII Rule 5 of the CPC can be granted only upon a *prima facie* finding of a real and imminent risk of asset alienation or conduct intended to frustrate enforcement of a prospective award, and not merely on the existence of a *prima facie* case or balance of convenience, which is extracted as follows:

> "**47.** There is no finding (prima facie or otherwise) by the learned Single Judge that, if S&W prevails in the arbitral proceedings, it would be unable to enforce the arbitral award in its favour if the amounts as claimed are not secured. There is no allegation that Appellants 2 to 6 are alienating their assets and are acting in a manner that would frustrate the enforcement of an arbitral award

[17] (2023) 6 HCC (Del) 702

that may be delivered in favour of S&W.

****

49. We have carefully examined the impugned judgment. Whilst, the learned Single Judge has found that S&W has established a prima facie case and that the balance of convenience is also in its favour, there is no finding to the effect that Appellants 2 to 6 are alienating their assets or would do so and frustrate S&W's recourse to enforce the arbitral award if it prevails in the arbitral proceedings. There is no finding that absent an order for securing the amounts in dispute, S&W would be unable to enforce the arbitral award that may be made in its favour. The learned Single Judge had accepted that any change in the shareholding pattern of original Respondents 2 to 8 would have a bearing on the arbitration proceedings as well as the execution of the arbitral award. The observations to the said effect are contained in para 74 of the impugned judgment, which reads as under: (***Sterling & Wilson International FZE* v. *Sunshakti Solar Power Projects (P) Ltd.*, 2020 SCC OnLine Del 2414**, SCC OnLine Del 74)

> "*74.* It is clear that under Section 9, the court has the power to issue interim directions to non-parties to arbitration agreement. Keeping in view the judgments referred to above, in my opinion, petitioner is right in its contention that if the shareholding pattern of respondents changes by transferring shares, there is likelihood of changes in the management, overall control and the decision-making power. This would have a significant bearing on the arbitration proceedings as well as the ultimate execution of the award. Thus, interim directions are required to be issued against Respondents 2 to 8. The judgments relied upon by respondents are distinguishable on the facts of this case and thus of no avail to them."

****

63. The principle for granting orders under Order 38 Rule 5CPC are now well-settled. In ***Raman Tech. & Process Engg. Co.* v. *Solanki Traders*, (2008) 2 SCC 302**, the Supreme Court had observed that the power under Order 38 Rule 5 are drastic and extraordinary powers and are required to be used sparingly and in accordance with the rule. The Supreme Court also observed that the purpose of Order 38 Rule 5 was not to convert an unsecured debt as a secured one. The object of Order 38 Rule 5 was to prevent any defendant from defeating the realisation of a decree that may ultimately be passed in favour of the plaintiff. The relevant extract of the said decision is set out below: (SCC p. 304,

paras 4 and 5)

> "*4.* The object of supplemental proceedings (applications for arrest or attachment before judgment, grant of temporary injunctions and appointment of receivers) is to prevent the ends of justice being defeated. The object of Order 38 Rule 5 CPC in particular, is to prevent any defendant from defeating the realisation of the decree that may ultimately be passed in favour of the plaintiff, either by attempting to dispose of, or remove from the jurisdiction of the court, his movables. The Scheme of Order 38 and the use of the words 'to obstruct or delay the execution of any decree that may be passed against him' in Rule 5 make it clear that before exercising the power under the said Rule, the court should be satisfied that there is a reasonable chance of a decree being passed in the suit against the defendant. This would mean that the court should be satisfied that the plaintiff has a prima facie case. If the averments in the plaint and the documents produced in support of it, do not satisfy the court about the existence of a prima facie case, the court will not go to the next stage of examining whether the interest of the plaintiff should be protected by exercising power under Order 38 Rule 5CPC. It is well-settled that merely having a just or valid claim or a prima facie case, will not entitle the plaintiff to an order of attachment before judgment, unless he also establishes that the defendant is attempting to remove or dispose of his assets with the intention of defeating the decree that may be passed. Equally well-settled is the position that even where the defendant is removing or disposing his assets, an attachment before judgment will not be issued, if the plaintiff is not able to satisfy that he has a prima facie case.
>
> *5.* The power under Order 38 Rule 5CPC is a drastic and extraordinary power. Such power should not be exercised mechanically or merely for the asking. It should be used sparingly and strictly in accordance with the rule. The purpose of Order 38 Rule 5 is not to convert an unsecured debt into a secured debt. Any attempt by a plaintiff to utilise the provisions of Order 38 Rule 5 as a leverage for coercing the defendant to settle the suit claim should be discouraged. Instances are not wanting where bloated and doubtful claims are realised by unscrupulous plaintiffs, by obtaining orders of attachment before judgment and forcing the defendants for out of court settlements, under threat of attachment."

****

> **70.** The principles underlying the object of Order 38 Rule 5CPC are, as noticed earlier, well-settled. Such orders are required to be issued in case where the court is satisfied that the party has established a strong prima facie case and that the respondents are acting in a manner that would defeat the realisation of the decree. These principles must be equally satisfied for securing protective orders under Section 9 of the A&C Act, which are in the nature of orders under Order 38 Rule 5CPC."
>
> ***(Emphasis supplied)***

29. On this basis, a bare perusal of the Impugned Order reveals that, beyond a narration of the rival submissions, there is no independent or reasoned evaluation of the factual material placed on record in support of Pernod Ricard's apprehension of siphoning, diversion, or dissipation of assets.

30. The learned Arbitrator, in paragraph 7 of the Impugned Order, records that none of the acts relied upon by the claimant were of a date subsequent to the invocation of arbitration and that the only subsequent circumstance pressed into service was the alleged non-disclosure of affairs by the Appellants. Further, the learned Arbitrator expressly notes the absence of urgency as there being a delay of nearly two years in seeking interim measures, and resultantly, declines the prayers (b) to (e).

31. Moreover, the record shows that the Section 17 Applications are founded primarily on a report of Chartered Accountants dated 25.08.2025, which is pleaded as disclosing, *inter alia*, large-scale alienation of assets and diversion of funds. The Impugned Order, however, in paragraph 10, records the contention of learned counsel for Pernod Ricard, *via* his rejoinder, that he disclaimed reliance upon the said report during the course of arguments, the same having been assailed by the Appellants as manufactured and fabricated. Once

learned counsel for Pernod Ricard, before the learned Arbitrator, elected not to press the very document forming the factual substratum of the allegations of siphoning and dissipation, the application, to that extent, was left without any concrete or proximate material demonstrating a real and immediate risk to the satisfaction of a prospective award.

32. In the absence of material establishing the jurisdictional precondition for the exercise of powers analogous to Order XXXVIII Rule 5 of the CPC, *namely*, a demonstrable intent on the part of the Appellants to obstruct or defeat the enforcement of a prospective award, the grant of such extraordinary interim protection is rendered legally unsustainable.

33. With respect to the application of the well-settled 'triple test' governing the grant of interim injunctions, it is trite that the exercise of such jurisdiction is conditioned upon the satisfaction of three foundational requirements *namely*, (i) the existence of a *prima facie* case; (ii) the balance of convenience tilting in favour of the applicant; and (iii) the likelihood of irreparable injury in the absence of interim protection. These jurisdictional preconditions cannot be presumed or invoked as a matter of course. They must be the subject of a conscious and reasoned judicial determination, founded upon an objective evaluation of the material placed on record.

34. The Hon'ble Supreme Court in ***Bloomberg Television Production Services India Pvt. Ltd. v. Zee Entertainment Enterprises Ltd***.[18] has underscored that the grant of interim relief must rest upon a careful and reasoned application of the aforesaid threefold

[18] (2025) 1 SCC 741

test and not upon a mechanical or conclusory invocation thereof. The Court cautioned that a mere reproduction of submissions or precedents is insufficient; the adjudicatory authority must expressly analyse how each limb of the test stands satisfied on the facts of the case and furnish cogent reasons in support of its conclusion. Relevant paragraph of the said judgment has been extracted as under:

> "**4.** The threefold test of establishing: (i) a prima facie case, (ii) balance of convenience, and (iii) irreparable loss or harm, for the grant of interim relief, is well-established in the jurisprudence of this Court. This test is equally applicable to the grant of interim injunctions in defamation suits. However, this threefold test must not be applied mechanically [***DDA v. Skipper Construction Co. (P) Ltd., (1996) 4 SCC 622***, para 38], to the detriment of the other party and in the case of injunctions against journalistic pieces, often to the detriment of the public. While granting interim relief, the court must provide detailed reasons and analyse how the threefold test is satisfied. A cursory reproduction of the submissions and precedents before the court is not sufficient. The court must explain how the test is satisfied and how the precedents cited apply to the facts of the case."

35. To augment, the Hon'ble Supreme Court in ***ArcelorMittal*** (*supra*) has reiterated that these foundational principles are equally applicable in proceedings under Sections 9 of the A&C Act. By necessary extension, the same discipline in reasoning must inform the exercise of power under Section 17 of the A&C Act by an Arbitral Tribunal.

36. Tested on the aforesaid anvil, the Impugned Order does not meet the threshold mandated in law. Beyond a bare recital of satisfaction, there is no discernible or structured analysis demonstrating how a *prima facie* case was established, how the balance of convenience lay in favour of Pernod Ricard, or how any irreparable or imminent prejudice was likely to ensue in the absence

of the restraint. The invocation of the 'triple test' in the present case appears conclusory rather than reasoned, thereby rendering the exercise of discretion legally vulnerable. In these circumstances, it cannot be said that the essential ingredients of the 'triple test' were duly satisfied.

37. For the foregoing reasons, this Court is of the considered view that the restraint imposed upon the Appellants from alienating, encumbering, or otherwise dealing with their assets during the pendency of the arbitral proceedings cannot be sustained in law and warrants interference in the exercise of appellate jurisdiction under Section 37 of the A&C Act.

38. This Court now proceeds to examine the validity of the directions issued with regard to the disclosure of assets and liabilities. In this context, it is pertinent to note that certain Appellants themselves, in their respective grounds of appeal, have expressed their willingness to furnish particulars of their assets and liabilities in a sealed cover. The relevant portion of one of the Appeals, being *ARB.A.(COMM.) 8/2026*, reads as follows:

> "Availability of Less Intrusive Alternatives-
>
> That, without prejudice, even if the Learned Sole Arbitrator intended to verify the financial status or asset position of the Appellant, the objective could have been met through less intrusive and confidentiality-preserving mechanisms, such as:
>
> (a) submission of a net-worth certificate or summary of assets and liabilities duly certified by a statutory auditor, or
>
> (b) submission of redacted or anonymized statements to the learned Arbitrator in a sealed cover, for limited inspection."

39. In view of the aforesaid stand taken by some of the Appellants, this Court finds that the issue of disclosure need not be adjudicated

here strictly on adversarial merits.

40. Rather, the suggestion emanates from the Appellants themselves and reflects their acknowledgment that a calibrated disclosure mechanism may be adopted without prejudice to their rights and contentions. This Court, therefore, considers it appropriate and equitable to extend such a confidentiality-preserving mechanism uniformly across all connected appeals.

41. Consequently, the direction requiring disclosure shall apply uniformly to all Respondents appearing before the learned Arbitrator. However, such disclosure shall be made in a sealed cover, in the manner as put forth by the Appellants.

CONCLUSION:

42. In view of the foregoing discussion, this Court is satisfied that the Impugned Order, insofar as it restrains the Appellants from alienating, encumbering, or otherwise dealing with their assets and belongings during the pendency of the arbitral proceedings, cannot be sustained in law and warrants interference under Section 37(2)(b) of the A&C Act. To that extent, the Impugned Order is set aside.

43. However, the direction requiring the Appellants (*many of them are Respondents before the learned Arbitrator*) to furnish a list of their assets and liabilities, as issued in the Impugned Order, is upheld. The said disclosure by the Respondents, as before the learned Arbitrator, shall, however, be made in a sealed cover before the learned Arbitrator, in terms of the mechanism suggested by the Appellants, as noted hereinabove.

44. Accordingly, the present Appeals, along with pending application(s), if any, stand disposed of in the above terms.

45. No order as to costs.

HARISH VAIDYANATHAN SHANKAR, J.

FEBRUARY 18, 2026/sm/her