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

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*Judgment reserved on: 15.05.2026*  
*Judgment pronounced on: 29.05.2026*

+ O.M.P.(I) (COMM.) 531/2025 & I.A. 10418/2026 (For Delay  
101 days in filing the Reply)

**MORGAN SECURITIES AND CREDITS PVT. LTD.**

.....Petitioner

Through: Mr. Simran Mehta, Mr.  
Pushpendra Jadon & Mr.  
Archit Vashistha, Advs.

versus

**BPL LIMITED & ORS.**

.....Respondents

Through: Mr. Ajit Warriar, Mr. Arjun  
Perikal, Mr. Angad Kochhar,  
Mr. Himanshu Setia, Mr Khush  
Bhachawat & Ms. Aishwarya  
Prasad, Advs. for R-1.  
Mr. Ashish Dholakia, Sr. Adv.  
with Ms. Tanvi Dubey, Ms.  
Meghna Jandu, Mr. Yash  
Dubey & Mr. Mekala Ganesh  
Kumar Reddy, Advs. for R-2.  
Mr. Shivam Narang, Advocate  
for R-3.  
Mr. Dayan Krishnan & Mr.  
Ashok Panigrahi, Sr. Advs.  
with Mr. Prateek Chadha, Mr.  
Sukrit Seth, Mr. Shreedhar  
Kale, Ms. Radhika Yadav, Mr.  
Sreekar Aechuri, Mr. Aniket  
Chauhaan & Ms. Surbhi Soni,  
Advs. for R-4.

+ ARB.P. 835/2026 & I.A. 12815/2026 (Ex.)

**MORGAN SECURITIES AND CREDITS PVT LTD**



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Through: Mr. Simran Mehta, Mr. Pushpendra Jadon & Mr. Archit Vashistha, Advs.

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Mr. Ashish Dholakia, Sr. Adv. with Ms. Tanvi Dubey, Ms. Meghna Jandu, Mr. Yash Dubey & Mr. Mekala Ganesh Kumar Reddy, Advs. for R-2.

Mr. Shivam Narang, Advocate for R-3.

Mr. Dayan Krishnan, Sr. Adv. with Mr. Prateek Chadha, Mr. Sukrit Seth, Mr. Shreedhar Kale, Ms. Radhika Yadav, Mr. Sreekar Aechuri, Mr. Aniket Chauhaan & Ms. Surbhi Soni, Advs. for R-4.

**CORAM:**

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

## **J U D G M E N T**

### **HARISH VAIDYANATHAN SHANKAR, J.**

1. The present Petitions, being *O.M.P.(I)(COMM.) No. 531/2025* filed under Section 9 and *ARB. P. No. 835/2026* filed under Section 11 of the **Arbitration and Conciliation Act, 1996<sup>1</sup>**, have been preferred

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<sup>1</sup> A&C Act



by the Petitioner and which arise out of disputes under the **Bill Discounting Facilities dated 27.12.2002 and 11.06.2003<sup>2</sup>**.

2. Since the parties in both the Petitions are identical, arise from the same factual matrix, and involve interconnected issues, the same are being adjudicated and disposed of by way of this common judgment.

**BRIEF FACTS:**

3. A brief factual background, to the extent necessary for the adjudication of the present Petitions, is set out herein below:

- (a) The Petitioner had extended financial facilities to Respondent No. 1, BPL Ltd., under the Facility Agreement, which *inter alia* contains an Arbitration clause governing the disputes *inter se* the Petitioner and Respondent No.1.
- (b) Disputes arising under the said Facility Agreement had earlier culminated in an **Arbitral Award dated 14.12.2016<sup>3</sup>** in favour of the Petitioner, and the said Award has attained finality upon dismissal of the challenge thereto by the Hon'ble Supreme Court *vide* Judgment dated 04.12.2025.
- (c) During the pendency of proceedings before the Hon'ble Supreme Court, *vide* Order dated 12.09.2025, Respondent No. 1 was directed to deposit an amount of Rs. 96 crores with its Registry.
- (d) Subsequently, the Promoters of the Respondent No. 1, i.e., Respondent Nos. 2 & 3, M/s ER Computers Private Limited & Electro Investments Private Limited, had jointly entered into

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<sup>2</sup>Facility Agreement

<sup>3</sup>Award



a **Pledge Agreement dated 12.09.2025<sup>4</sup>** with Respondent No. 4, Claypond Capital Partners Private Limited, thereby pledging their respective shares in favour of Respondent No. 4 to secure a loan amount of Rs. 96 Crores.

- (e) Thereafter, Respondent No. 1 had called its **Extra-Ordinary General Meeting dated 11.11.2025<sup>5</sup>**, whereby it was resolved that Respondent Nos. 2 & 3, being the promoters, were authorised to secure a loan by pledging or creating a charge upon the tangible or intangible assets of Respondent No. 1 and, in view thereof, the Respondent No.1 acquired a loan of Rs. 96 Crores from Respondent No. 2 to comply with the direction of the Hon'ble Supreme Court to deposit the aforesaid amount.
- (f) It is the case of the Petitioner that the aforesaid transactions, including the pledge of promoter shareholding and creation of encumbrances in favour of Respondent No. 4, were undertaken in violation of Clause 6 of the Facility Agreement, which reads as follows:

“6. In the event of any amount remaining overdue on any hundi/bill of exchange under the facility neither of the Drawer and Drawee shall without the prior written permission of the Discounting Company pass any resolution for its winding up for its amalgamation/merger or otherwise or for amalgamation/merger of any other company into the Drawer or Drawee enter directly or indirectly into any new area/filed of business/operation or dispose off or sell or encumber any of its undertaking or business or any of its investments in shares etc. register/recognize any transfer of its shares by any of its present promoters group; change its paid up share capital or redeem any security; appoint or reappoint, or modify any term and condition of appointment of any whole time or managing director; pay any remuneration to any of its

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<sup>4</sup>Pledge Agreement

<sup>5</sup>EGM



managing directors, whole time directors or the chairman;  
or pay any dividend on any shares.”

- (g) In particular, disclosures dated 16.09.2025 made to the **Bombay Stock Exchange**<sup>6</sup> by Respondent No. 1 indicated that promoter shareholding was pledged in favour of Respondent No. 4 and that Respondent No. 1 had availed a loan of approximately Rs. 96 crores from Respondent No. 2, with authorisation to create a charge over its tangible or intangible assets.
- (h) The Petitioner claims to have discovered the aforesaid transactions on 05.12.2025, which, according to it, gave rise to a fresh cause of action and a new arbitrable dispute under the said Facility Agreement.
- (i) In this backdrop, the Petitioner, complying with the statutory requirement under Section 21 of the A&C Act, issued a Notice dated 20.12.2025 invoking the Arbitration Clause under the Facility Agreement against the Respondents.
- (j) Apprehending that the Respondents may proceed to further encumber or alienate assets of Respondent No. 1, thereby frustrating the Petitioner’s rights, the Petitioner filed the Petition, being *O.M.P.(I)(COMM.) No. 531/2025*, under Section 9 of the A&C Act, seeking the following prayers:

“In light of the abovementioned facts and circumstances, it is respectfully prayed, that this Hon’ble Court may be pleased to pass orders:

- A. Restraining the Respondents from acting in furtherance of the resolution dated 11.11.2025, in any manner whether directly or indirectly, in so far as it seeks to create any encumbrance over the assets of Respondent No. 1, in favour of any third party, including but not confined to Respondent No. 2.

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<sup>6</sup>BSE



- B. Restraining Respondent No. 1 from registering and/or recognizing any transfer of its shares held under promoter category, by Respondents Nos. 2 & 3, to any one including Respondent No. 4.
- C. Restraining the Respondents from selling, disposing, encumbering or creating any third-party interest, whatsoever, in the assets, undertaking, business and investments of Respondent No. 1.
- D. Pass any other such/further Orders as this Hon'ble Court deems fit in facts of the present case.
- E. Pass ad-interim ex-parte orders in terms of prayers A, B, C and D above."

(k) This Court, *vide* its Order 23.12.2025, passed in the said Section 9 Petition, considering the material on record, directed Respondent No. 1 to refrain from acting in furtherance of its EGM and creating any charge or pledge on its tangible or intangible assets.

(l) Consequent upon the invocation of arbitration and in the absence of any *consensus* between the parties with respect to the appointment of the Arbitrator, the Petitioner has also filed the Petition, being *ARB. P. No. 835/2026*, under Section 11 of the A&C Act, seeking appointment of a Sole Arbitrator to adjudicate upon the allegedly fresh cause of action stated to have arisen *inter se* the parties. The said Arbitration Clause reads as follows:

“Any dispute or difference whatsoever between the parties arising out of or in connection with the present facility and for any other transaction/s between the parties shall be settled by Arbitration of a Sole Arbitrator appointed by Chairman of Morgan Securities & Credits Private Limited, who would also have right to appoint alternate Arbitrator in place of the aforesaid Arbitrator, in case of his, death or being incapable or refusal to act or in the event of termination of his mandate for any reason. The arbitration proceedings shall be held at New Delhi. The power of the Chairman to appoint a Sole Arbitrator shall not be challenged by any party. Further, the parties agree that the Arbitrator so appointed may be an employee and/or professional retainer and/or



a person who has a relation or interest in the company. The parties agree not to ask for any adjournment except under extra-ordinary reasons.”

4. In the aforesaid factual backdrop, these petitions are being adjudicated by this Court.

**SUBMISSIONS ON BEHALF OF THE PETITIONER:**

5. Learned counsel for the Petitioner would submit that the disputes between the parties arise out of the Facility Agreement, under which substantial financial exposure was extended to Respondent No. 1, and which contains a binding Arbitration clause governing disputes between the Petitioner and Respondent No.1.

6. He would submit that disputes arising under the said Facility Agreement had earlier culminated in an Award, under which a sum exceeding Rs. 1321 crores is payable by Respondent No. 1, and the said Award has attained finality upon dismissal of the challenge thereto by the Hon’ble Supreme Court on 04.12.2025.

7. Learned counsel would emphasise that, despite the Award having attained finality, the conduct of Respondent No. 1, in connivance with its promoter, has consistently been directed towards defeating and frustrating enforcement of the Petitioner’s rights by diluting and encumbering the asset base of Respondent No. 1, as is also evident from the prior proceedings between the parties.

8. He would submit that Clause 6 of the Facility Agreement imposes an express contractual restraint, *inter alia*, prohibiting Respondent No. 1 and its promoters from encumbering assets, transferring shareholding, or effecting any change in control without prior consent of the Petitioner when dues remain outstanding.



9. Learned counsel would contend that the recent transactions undertaken by the Respondents, including the pledge of promoter shareholding in favour of Respondent No. 4 and the proposed creation of a charge over the assets of Respondent No. 1 to secure a loan of Rs. 96 crores, are in the teeth of the aforesaid contractual stipulation and constitute a clear breach thereof.

10. It would be submitted that the said transactions are not *bona fide* commercial arrangements but constitute a colourable exercise to indirectly effect a transfer of control and encumber the assets of Respondent No. 1, thereby frustrating the Petitioner's rights and rendering the arbitral award incapable of effective enforcement.

11. Learned counsel would further submit that Respondent Nos. 2 and 3, being promoter entities holding a controlling stake of approximately 50.25% in Respondent No. 1, are not strangers to the transaction but are integral to the contractual framework and its performance, and together with Respondent No. 1 constitute a single economic entity.

12. Learned counsel would further submit that the Arbitration is not confined in its operation to the signatories alone, and can, in appropriate cases, extend to non-signatories forming part of a composite transaction. Reliance in this regard would be placed on the decision of the Hon'ble Supreme Court in *Cox and Kings Ltd. v. SAP India Pvt. Ltd.*<sup>7</sup>, wherein it has been held that the doctrine of *group of companies* permits binding of non-signatories where the circumstances demonstrate a clear intention to bind such entities,

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<sup>7</sup>(2024) 4 SCC 1



having regard to their role in the negotiation, performance, and subject matter of the transaction.

13. He would submit that the active and continued involvement of Respondent Nos. 2 and 3 in the affairs of Respondent No. 1, including their role in earlier arbitral proceedings and offering of assets as security, clearly attracts the applicability of the *group of companies*' doctrine, rendering them amenable to Arbitration, notwithstanding their status as non-signatories.

14. It would be further submitted that Respondent No. 4, though a non-signatory to the Facility Agreement, has, in collusion with the Respondent Nos. 2 &3, entered into the Pledge Agreement that effectively facilitates a structured transfer of control and encumbers the assets of Respondent No. 1.

15. It would be contended that, having regard to the role and involvement of Respondent Nos. 2, 3 and 4 in the aforesaid transactions and keeping in view the principles enunciated in *Cox and Kings (supra)*, the said Respondents are not third parties but are intrinsically connected with, and have a direct interest in, the transactions forming the subject matter of the present dispute, and are therefore liable to be brought within the fold of the arbitral proceedings notwithstanding their status as non-signatories to the Facility Agreement.

16. Learned counsel would submit that the Petitioner became aware of the aforesaid transactions only on 05.12.2025 upon perusal of disclosures made to the BSE by the Respondent No. 1, which gave rise to a fresh cause of action and a new arbitrable dispute under the Facility Agreement.



17. He would further submit that in order to preserve the subject matter of the dispute and to prevent the Respondents from rendering the arbitral proceedings infructuous, the Petitioner has invoked the jurisdiction of this Court under Section 9 of the A&C Act, whereupon this Court, *vide* Order dated 23.12.2025, has already granted interim protection by directing Respondent No. 1 to refrain from creating any charge or pledge on its tangible or intangible assets, thereby recognising the existence of an arbitrable dispute and the necessity to preserve the subject matter thereof.

18. In these circumstances, learned counsel would submit that the Petitioner has rightly invoked the arbitration afresh *vide* Notice dated 20.12.2025 and, in the absence of any agreement between the parties, has approached this Court under Section 11 of the A&C Act.

19. It is thus urged that the interim protection already granted by this Court in the proceedings under Section 9 of the A&C Act be continued so as to preserve the subject matter of the dispute, and that the Petition under Section 11 of the A&C Act, as preferred by the Petitioner, be allowed and a Sole Arbitrator be appointed for effective adjudication of the disputes arising under the Facility Agreement.

**SUBMISSIONS ON BEHALF OF RESPONDENTS:**

**Respondent No. 1's submissions:**

20. Learned counsel for Respondent No. 1 would, at the outset, submit that the present proceedings are fundamentally misconceived and amount to an impermissible attempt by the Petitioner to re-agitate the disputes which have already attained finality under the Award.

21. He would submit that the disputes arising under the Facility Agreement had already culminated in the aforesaid Award, and the



Petitioner has admittedly initiated enforcement proceedings in respect thereof before the competent court at Bengaluru, wherein applications for attachment and restraint over assets of Respondent No. 1 have also been pursued.

22. Learned counsel would contend that the present Petition under Section 9 of the A&C Act is, in substance, a post-award proceeding which seeks to secure the fruits of the award, and therefore, partakes the character of enforcement rather than interim protection in aid of arbitration.

23. It would be submitted that once the arbitral award has become enforceable as a decree under Section 36 of the A&C Act, the remedy of the Petitioner lies exclusively within the framework of execution proceedings under Order XXI of the Code of Civil Procedure, 1908, and the same cannot be circumvented by invoking the jurisdiction of this Court under Section 9 of the A&C Act.

24. In this regard, reliance would be placed upon the Judgment of the Hon'ble Bombay High Court in *Centrient Pharmaceuticals (India) (P) Ltd. v. Hindustan Antibiotics Ltd.*<sup>8</sup>, particularly paragraphs 28 to 30 thereof, wherein it has been held that once an award becomes enforceable, recourse must be taken to execution proceedings and proceedings under Section 9 of the A&C Act cannot be invoked as a substitute therefor.

25. Learned counsel would further submit that the reliefs sought in the present Petition under Section 9 of the A&C Act are substantially identical to those already sought in the enforcement proceedings, including attachment and restraint on alienation of assets, and the

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<sup>8</sup>2019 SCC OnLine Bom 1614



Petitioner has failed to disclose the extent of such proceedings or explain why similar reliefs could not be pursued therein.

26. It would be contended that the Petitioner, while asserting the finality and enforceability of the Award, is simultaneously seeking to invoke Arbitration afresh on the very same cause of action, which is legally impermissible, as the liability adjudicated under the Award forms an integral and inseparable part of the reliefs now sought, and therefore cannot give rise to a fresh arbitrable dispute.

27. Learned counsel would submit that the purported “fresh cause of action” pleaded by the Petitioner is illusory and is merely a device to initiate a second round of Arbitration by way of clever drafting, in order to overcome the limitations of enforcement proceedings.

28. It would be further submitted that permitting such a course would amount to a collateral re-opening of issues already adjudicated, and would constitute an abuse of the arbitral process, which cannot be countenanced in law.

29. It would be contended by the learned counsel for Respondent No. 1 that if the Section 9 Petition under the A&C Act is held to be not maintainable, the premise of the existence of any fresh arbitrable dispute would necessarily fail. Consequently, the Petition under Section 11 of the A&C Act, being predicated on the same cause of action, would also not survive and must meet the same fate.

*Respondent No. 2's submissions:*

30. Learned senior counsel for Respondent No. 2 would submit that the present proceedings, insofar as they seek to implead Respondent No. 2, are wholly misconceived and liable to be rejected, as Respondent No. 2 is admittedly a non-signatory to the Facility



Agreement and is neither a party to the underlying contract nor to the Arbitration agreement contained therein.

31. He would submit that an arbitration agreement, being a creature of consent within the meaning of Section 7 of the A&C Act, can bind only those parties who have expressly or impliedly agreed to be bound by it, and in the absence of any such consent, no proceedings, whether under Section 9 or Section 11, can be maintained against a non-signatory.

32. Learned senior counsel would further submit that the Petitioner itself has admitted that Respondent No. 2 is a non-signatory to the Facility Agreement, and is, therefore, estopped from seeking any coercive or restraining relief against the Respondent No. 2.

33. It would be contended that the attempt of the Petitioner to invoke the '*group of companies*' doctrine and to treat Respondent No. 2 as an alter ego or part of a single economic unit with Respondent No. 1 is wholly misconceived and contrary to settled law.

34. Learned senior counsel would submit that, as clarified by the Hon'ble Supreme Court in *Cox and Kings (supra)*, the said doctrine cannot be invoked mechanically on the basis of common shareholding or management, and can apply only where a clear intention of the parties, including the non-signatory, to be bound by the arbitration agreement is demonstrably established.

35. He would further submit that no such intention, whether express or implied, has been pleaded or established in the present case, and mere shareholding or corporate relationship does not suffice to bind Respondent No. 2 to the arbitration agreement.



36. Learned senior counsel would also rely on settled principles that a non-signatory cannot be treated as a party to an arbitration agreement merely by virtue of being part of the same corporate group or having common directors, and the burden to establish otherwise lies heavily on the Petitioner, which has not been discharged.

37. It would be submitted that Respondent No. 2 is a separate and distinct juristic entity, and the corporate veil cannot be lifted in the absence of a specific case of fraud, sham, or façade, none of which has been pleaded or established in the present proceedings.

38. It would also be submitted that any affidavit or undertaking given by Respondent No. 2 in earlier proceedings cannot be construed as a general submission to arbitral jurisdiction, as such an undertaking is limited to the context of the earlier proceedings and is incapable of being expanded to bind Respondent No. 2 in the present dispute.

39. Learned senior counsel would submit that the aforesaid transaction, whereby Respondent No. 2 pledged its shareholding in Respondent No. 1 in favour of Respondent No. 4, is a bona fide commercial transaction undertaken in the ordinary course of business and the Petitioner, being a stranger to the same, has no locus to challenge or restrain such transaction.

40. He would further submit that the shares held by Respondent No. 2 are its independent property, and in the absence of any contractual restriction binding upon it, no restraint can be imposed on Respondent No. 2 in respect thereof.

41. Learned senior counsel would also submit that the Petitioner has failed to satisfy the well-settled parameters for the grant of interim relief under Section 9 of the A&C Act, namely, the existence of a



prima facie case, balance of convenience, and irreparable injury, insofar as Respondent No. 2 is concerned.

42. It would be further submitted that the present proceedings, insofar as they seek to implead Respondent No. 2, suffer from misjoinder of parties and are an attempt to indirectly secure reliefs against Respondent No. 1, which cannot be directly obtained, and therefore ought not to be entertained.

43. In these circumstances, learned senior counsel would submit that no relief under Section 9 of the A&C Act can be granted against Respondent No. 2, and in the absence of any arbitration agreement binding upon it, no proceedings under Section 11 of the A&C Act can also be maintained.

Respondent No. 3's submissions:

44. Learned counsel appearing on behalf of Respondent No. 3 would submit that no separate submissions are being advanced on its behalf and that Respondent No. 3 adopts and relies upon the submissions advanced on behalf of Respondent No. 2, to the extent applicable.

Respondent No. 4's submissions:

45. Learned senior counsel appearing on behalf of Respondent No. 4 would contend that its presence in the present proceedings is misconceived, inasmuch as Respondent No. 4 derives its rights solely under the Pledge Agreement and has no contractual relationship or arbitration arrangement with the Petitioner under the Facility Agreement.

46. He would submit that Respondent No. 4 is an independent third-party commercial lender, whose sole connection to the present



dispute arises from the Pledge Agreement, whereby Respondent Nos. 2 and 3 pledged their shareholding in Respondent No. 1 in favour of Respondent No. 4 to secure a loan of Rs. 96 crores. The said transaction is distinct and independent of the underlying contractual framework between the Petitioner and Respondent No. 1.

47. Learned counsel would contend that in the absence of any arbitration agreement binding Respondent No. 4, no proceedings under Section 11 of the A&C Act can be maintained against it, and equally, no relief under Section 9 thereof can be granted against a complete *alien* to the contract, save in exceptional circumstances, none of which arise in the present case.

48. It would be submitted that the attempt of the Petitioner to invoke the *group of companies'* doctrine is wholly untenable, as Respondent No. 4 is neither part of the corporate group of Respondent Nos. 1 to 3, nor has it participated in the negotiation, execution, or performance of the Facility Agreement, nor derived any benefit thereunder.

49. It would be contended that the jurisdiction under Section 9 of the A&C Act cannot be invoked so as to defeat vested third-party rights, particularly those of a *bona fide* secured creditor, whose security interest was created prior to the institution of the present proceedings and without notice of any alleged contractual embargo.

50. Learned senior counsel would submit that the present Petition is, in substance, an attempt to employ Section 9 of the A&C Act as a parallel enforcement mechanism in aid of an arbitral award, which is already the subject matter of execution proceedings before the



competent court, and such use of Section 9 is contrary to the scheme of the A&C Act.

51. It would be further submitted that the Petitioner's case proceeds on a fundamental misconception by treating the shares held by Respondent Nos. 2 and 3 in Respondent No. 1 as assets of Respondent No. 1 itself, whereas in law, shares are the property of the shareholders and not of the company.

52. Learned counsel would submit that the pledge in question was created by Respondent Nos. 2 and 3 in their capacity as shareholders over their own shares, and Respondent No. 1 is neither the pledgor nor the borrower in the said transaction. Consequently, no restriction applicable to Respondent No. 1 can be extended to such independent shareholder transactions or to Respondent No. 4 as pledgee.

53. It would be submitted that the right to transfer or encumber shares, including by way of pledge, is a statutory right recognised under Section 58(2) of the Companies Act, 2013, and the Petitioner cannot, by relying upon a private contractual clause, seek to override such statutory rights, particularly against a third party which is not bound by the contract.

54. Learned senior counsel would further submit that Clause 6 of the Facility Agreement, in any event, operates only inter se the contracting parties and cannot bind Respondent No. 4, which had no notice of such clause and was under no obligation to investigate private contractual restrictions between the Petitioner and Respondent No. 1.

55. It would be contended that the apprehension of change in control of Respondent No. 1 is wholly speculative, as the pledge has



not been invoked, ownership and voting rights remain with Respondent Nos. 2 and 3, and no transfer of shares has taken place.

56. Learned senior counsel would emphasise that even otherwise, any eventual invocation of the pledge would be subject to the regulatory framework under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, which adequately safeguards the interests of stakeholders, including creditors.

57. It would also be submitted that the Petitioner has, in fact, directly benefited from the very transaction it now seeks to impugn, since the funds generated through the pledge were utilised to deposit Rs. 96 crores before the Hon'ble Supreme Court, which amount has since been released in favour of the Petitioner.

58. Learned senior counsel would contend that having accepted and retained the benefit of the said transaction, the Petitioner is estopped from challenging the same, the conduct being hit by the doctrine of *approbate and reprobate*, disentitling it to any equitable relief.

59. It would be further submitted that no case for the grant of interim relief is made out against Respondent No. 4, as there is neither any *prima facie* case nor any irreparable injury; thereby, the interim Order dated 23.12.2025, passed by this Court in the present Petition under Section 9 of the A&C Act, is required to be vacated.

#### **ANALYSIS:**

60. This Court has heard the learned counsel appearing on behalf of the parties and, with their able assistance, has carefully perused the paperbook and other material documents placed on record.



61. At the outset, this Court deems it apposite to note the jurisdiction that is provided under Sections 9 and 11 of the A&C Act, as the former being interim and protective in nature, is intended to preserve the subject matter of the arbitration and safeguard the efficacy of the arbitral process, and the latter being confined to a *prima facie* examination of the existence of a valid arbitration agreement and the referral of disputes to arbitration.

62. Accordingly, while considering a Petition under Section 9 of the A&C Act, the Court is required to examine whether the well-settled parameters governing the grant of interim relief, *namely*, the existence of a *prima facie* case, the balance of convenience and the likelihood of irreparable injury, stand satisfied. In *ArcelorMittal Nippon Steel (India) Ltd. v. Essar Bulk Terminal Ltd.*<sup>9</sup>, the Hon'ble Supreme Court has expounded upon the contours of such jurisdiction in the following terms:

“88.Applications for interim relief are inherently applications which are required to be disposed of urgently. Interim relief is granted in aid of final relief. The object is to ensure protection of the property being the subject-matter of arbitration and/or otherwise ensure that the arbitration proceedings do not become infructuous and the arbitral award does not become an award on paper, of no real value.

89.The principles for grant of interim relief are (i) good prima facie case, (ii) balance of convenience in favour of grant of interim relief and (iii) irreparable injury or loss to the applicant for interim relief. Unless applications for interim measures are decided expeditiously, irreparable injury or prejudice may be caused to the party seeking interim relief.

90.It could, therefore, never have been the legislative intent that even after an application under Section 9 is finally heard, relief would have to be declined and the parties be remitted to their remedy under Section 17.

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<sup>9</sup>(2022) 1 SCC 712



91. When an application has already been taken up for consideration and is in the process of consideration or has already been considered, the question of examining whether remedy under Section 17 is efficacious or not would not arise. The requirement to conduct the exercise arises only when the application is being entertained and/or taken up for consideration. As observed above, there could be numerous reasons which render the remedy under Section 17 inefficacious. To cite an example, the different arbitrators constituting an Arbitral Tribunal could be located at far away places and not in a position to assemble immediately. In such a case, an application for urgent interim relief may have to be entertained by the Court under Section 9(1).”

*(emphasis supplied)*

63. The Hon’ble Supreme Court, in *Essar House Pvt. Ltd. v. Arcelor Mittal Nippon Steel India Ltd.*<sup>10</sup>, has made some pertinent observations concerning the nature and contours of the jurisdiction of the Court under Section 9 of the A&C Act, which are extracted hereinbelow:

“48. Section 9 of the Arbitration Act confers wide power on the Court to pass orders securing the amount in dispute in arbitration, whether before the commencement of the arbitral proceedings, during the arbitral proceedings or at any time after making of the arbitral award, but before its enforcement in accordance with Section 36 of the Arbitration Act. All that the Court is required to see is, whether the applicant for interim measure has a good prima facie case, whether the balance of convenience is in favour of interim relief as prayed for being granted and whether the applicant has approached the court with reasonable expedition

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49. Proof of actual attempts to deal with, remove or dispose of the property with a view to defeat or delay the realisation of an impending Arbitral Award is not imperative for grant of relief under Section 9 of the Arbitration Act. A strong possibility of diminution of assets would suffice. To assess the balance of convenience, the Court is required to examine and weigh the consequences of refusal of interim relief to the applicant for interim relief in case of success in the proceedings, against the consequence of grant of the interim relief to the opponent in case the proceedings should ultimately fail.”

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<sup>10</sup>(2022) 20 SCC 178



64. Likewise, the ambit provided under Section 11 of the A&C Act is extremely circumscribed, whereby this Court only acts as a referral court. In this regard, a three-Judge Bench of the Hon'ble Supreme Court in *SBI General Insurance Co. Ltd. v. Krish Spinning*<sup>11</sup>, after taking into consideration the authoritative pronouncement of the seven-Judge Bench in *Interplay Between Arbitration Agreements under Arbitration Act, 1996 & Stamp Act, 1899, In re*<sup>12</sup>, comprehensively delineated the contours of judicial intervention at the stage of Section 11 of the A&C Act. The excerpt of *Krish Spg (supra)* reads as under:-

**“(c) Judicial interference under the 1996 Act**

**110.** The parties have been conferred with the power to decide and agree on the procedure to be adopted for appointing arbitrators. In cases where the agreed upon procedure fails, the courts have been vested with the power to appoint arbitrators upon the request of a party, to resolve the deadlock between the parties in appointing the arbitrators.

**111.** Section 11 of the 1996 Act is provided to give effect to the mutual intention of the parties to settle their disputes by arbitration in situations where the parties fail to appoint an arbitrator(s). The parameters of judicial review laid down for Section 8 differ from those prescribed for Section 11. The view taken in *SBP & Co. v. Patel Engg. Ltd., (2005) 8 SCC 618* and affirmed in *Vidya Drolia v. Durga Trading Corpn., (2021) 2 SCC 1* that Sections 8 and 11, respectively, of the 1996 Act are complementary in nature was legislatively overruled by the introduction of Section 11(6-A) in 2015. Thus, although both these provisions intend to compel parties to abide by their mutual intention to arbitrate, yet the scope of powers conferred upon the courts under both the sections are different.

**112.** The difference between Sections 8 and 11, respectively, of the 1996 Act is also evident from the scope of these provisions. Some of these differences are:

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<sup>11</sup>(2024) 12 SCC 1

<sup>12</sup>(2024) 6 SCC 1



**112.1.** While Section 8 empowers any “judicial authority” to refer the parties to arbitration, under Section 11, the power to refer has been exclusively conferred upon the High Court and the Supreme Court.

**112.2.** Under Section 37, an appeal lies against the refusal of the judicial authority to refer the parties to arbitration, whereas no such provision for appeal exists for a refusal under Section 11.

**112.3.** The standard of scrutiny provided under Section 8 is that of prima facie examination of the validity and existence of an arbitration agreement. Whereas, the standard of scrutiny under Section 11 is confined to the examination of the existence of the arbitration agreement.

**112.4.** During the pendency of an application under Section 8, arbitration may commence or continue and an award can be passed. On the other hand, under Section 11, once there is failure on the part of the parties in appointing the arbitrator as per the agreed procedure and an application is preferred, no arbitration proceedings can commence or continue.

**113.** The scope of examination under Section 11(6-A) is confined to the existence of an arbitration agreement on the basis of Section 7. The examination of validity of the arbitration agreement is also limited to the requirement of formal validity such as the requirement that the agreement should be in writing.

**114.** The use of the term “examination” under Section 11(6-A) as distinguished from the use of the term “rule” under Section 16 implies that the scope of enquiry under Section 11(6-A) is limited to a prima facie scrutiny of the existence of the arbitration agreement, and does not include a contested or laborious enquiry, which is left for the Arbitral Tribunal to “rule” under Section 16. The prima facie view on existence of the arbitration agreement taken by the Referral Court does not bind either the Arbitral Tribunal or the Court enforcing the arbitral award.

**115.** The aforesaid approach serves a twofold purpose — firstly, it allows the Referral Court to weed out non-existent arbitration agreements, and secondly, it protects the jurisdictional competence of the Arbitral Tribunal to rule on the issue of existence of the arbitration agreement in depth.

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**117.** In view of the observations made by this Court in *Interplay Between Arbitration Agreements under the Arbitration Act, 1996 & the Stamp Act, 1899, In re, (2024) 6 SCC 1*, it is clear that the scope of enquiry at the stage of appointment of arbitrator is limited to the scrutiny of prima facie existence of the arbitration agreement, and nothing else. For this reason, we find it difficult to



hold that the observations made in *VidyaDrolia v. Durga Trading Corpn.*, (2021) 2 SCC 1 and adopted in *NTPC Ltd. v. SPML Infra Ltd.*, (2023) 9 SCC 385 that the jurisdiction of the Referral Court when dealing with the issue of “accord and satisfaction” under Section 11 extends to weeding out ex facie non-arbitrable and frivolous disputes would continue to apply despite the subsequent decision in *Interplay Between Arbitration Agreements under the Arbitration Act, 1996 & the Stamp Act, 1899, In re.*, (2024) 6 SCC 1.

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119. The question of “accord and satisfaction”, being a mixed question of law and fact, comes within the exclusive jurisdiction of the Arbitral Tribunal, if not otherwise agreed upon between the parties. Thus, the negative effect of competence-competence would require that the matter falling within the exclusive domain of the Arbitral Tribunal, should not be looked into by the Referral Court, even for a prima facie determination, before the Arbitral Tribunal first has had the opportunity of looking into it.

120. By referring disputes to arbitration and appointing an arbitrator by exercise of the powers under Section 11, the Referral Court upholds and gives effect to the original understanding of the contracting parties that the specified disputes shall be resolved by arbitration. Mere appointment of the Arbitral Tribunal does not in any way mean that the Referral Court is diluting the sanctity of “accord and satisfaction” or is allowing the claimant to walk back on its contractual undertaking. On the contrary, it ensures that the principle of arbitral autonomy is upheld and the legislative intent of minimum judicial interference in arbitral proceedings is given full effect. Once the Arbitral Tribunal is constituted, it is always open for the defendant to raise the issue of “accord and satisfaction” before it, and only after such an objection is rejected by the Arbitral Tribunal, that the claims raised by the claimant can be adjudicated.

121. Tests like the “eye of the needle” and “ex facie meritless”, although try to minimise the extent of judicial interference, yet they require the Referral Court to examine contested facts and appreciate prima facie evidence (however limited the scope of enquiry may be) and thus are not in conformity with the principles of modern arbitration which place arbitral autonomy and judicial non-interference on the highest pedestal.

122. Appointment of an Arbitral Tribunal at the stage of Section 11 petition also does not mean that the Referral Courts forego any scope of judicial review of the adjudication done by the Arbitral Tribunal. The 1996 Act clearly vests the national courts with the power of subsequent review by which the award passed by an



arbitrator may be subjected to challenge by any of the parties to the arbitration.

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126. The power available to the Referral Courts has to be construed in the light of the fact that no right to appeal is available against any order passed by the Referral Court under Section 11 for either appointing or refusing to appoint an arbitrator. Thus, by delving into the domain of the Arbitral Tribunal at the nascent stage of Section 11, the Referral Courts also run the risk of leaving the claimant in a situation wherein it does not have any forum to approach for the adjudication of its claims, if its Section 11 application is rejected.

127. Section 11 also envisages a time-bound and expeditious disposal of the application for appointment of arbitrator. One of the reasons for this is also the fact that unlike Section 8, once an application under Section 11 is filed, arbitration cannot commence until the Arbitral Tribunal is constituted by the Referral Court. This Court, on various occasions, has given directions to the High Courts for expeditious disposal of pending Section 11 applications. It has also directed the litigating parties to refrain from filing bulky pleadings in matters pertaining to Section 11. Seen thus, if the Referral Courts go into the details of issues pertaining to “accord and satisfaction” and the like, then it would become rather difficult to achieve the objective of expediency and simplification of pleadings.

128. We are also of the view that ex facie frivolity and dishonesty in litigation is an aspect which the Arbitral Tribunal is equally, if not more, capable to decide upon the appreciation of the evidence adduced by the parties. We say so because the Arbitral Tribunal has the benefit of going through all the relevant evidence and pleadings in much more detail than the Referral Court. If the Referral Court is able to see the frivolity in the litigation on the basis of bare minimum pleadings, then it would be incorrect to doubt that the Arbitral Tribunal would not be able to arrive at the same inference, most likely in the first few hearings itself, with the benefit of extensive pleadings and evidentiary material.”

*(emphasis supplied)*

65. Thus, the decision in *Krish Spinning (supra)* unequivocally reiterates that the Referral Court, while exercising jurisdiction under Section 11 of the A&C Act, is required to confine itself to a *prima facie* examination of the existence of a valid Arbitration Agreement



and nothing beyond. The Court's role is facilitative and procedural, *namely*, to give effect to the parties' agreed mechanism of dispute resolution when it has failed, without embarking upon an adjudication of contentious factual or legal issues, which are reserved for the Arbitral Tribunal.

66. It is in the light of the aforesaid legal framework that the contentions advanced on behalf of all the parties fall to be examined.

67. The central thread running through all the objections raised before this Court, whether by Respondent No. 1 on maintainability, or by Respondents Nos. 2, 3 and 4 on non-impleadment, ultimately converge on a common issue, *namely*, whether the transactions of pledging of promoter shareholding and creation of encumbrances over the assets of Respondent No. 1, violate the Clause 6 of Facility Agreement, giving rise to a fresh and independent arbitrable dispute thereunder. In the considered view of this Court, the material on record *prima facie* answers the said question in the affirmative, for the reasons as set out below.

68. It is an undisputed fact that the earlier disputes *inter se* the Petitioner and Respondent No. 1 arising out of the Facility Agreement had culminated in an Award, whereby substantial amounts were held payable by Respondent No. 1 to the Petitioner. The mere existence of the said Award cannot, by itself, lead to the conclusion that every subsequent dispute arising between the parties stands foreclosed.

69. This Court notes that the present proceedings are not directed towards reopening or re-agitating issues already concluded; rather, the grievance of the Petitioner in the present proceedings stems from subsequent transactions which are alleged to be in breach of the



continuing contractual obligations under the Facility Agreement, particularly Clause 6 thereof. These subsequent events, being distinct in point of time and nature, *prima facie* give rise to an independent cause of action, the adjudication of which falls within the domain of Arbitration.

70. It is also noted that Clause 6 of the Facility Agreement, as extracted hereinabove, imposes an express and unconditional contractual embargo upon Respondent No. 1 and its promoter group against, *inter alia*, encumbering any undertaking, business or investments in shares, registering or recognising any transfer of shares by the present promoter group, or changing the paid-up share capital, in each case without the prior written permission of the Petitioner, so long as any amount remains overdue.

71. However, the existence of the aforesaid clause is not in dispute, and since the question of whether Clause 6 was in fact violated and what consequences flow therefrom is precisely the kind of mixed question of fact and law, this Court deems it appropriate to be left within the exclusive domain of the learned Arbitral Tribunal.

72. Turning to the objection raised by the Respondent No. 1 that the present Petition under Section 9 of the A&C Act is, in substance, a proceeding for enforcement of the Award, in view of this Court, is devoid of any merit. It is noted that the reliefs sought by the Petitioner in the Petition under Section 9 of the A&C Act are not directed towards recovery of the awarded amount, nor do they seek attachment of assets, payment of money, or any step in execution of the award. Instead, what is sought is preservation of the existing assets of Respondent No. 1 and restraint against any alteration in its



management or control, pending adjudication of disputes arising from the alleged breach of Clause 6.

73. In the considered opinion of this Court, such reliefs as are sought by the Petitioner are protective in nature and are sought in aid of a fresh arbitral process. The distinction between measures in aid of arbitration and steps in execution of an award is both factual and material, and the present case squarely falls within the scope of Section 9 of the A&C Act.

74. Further, the reliance placed by the Respondent No.1 upon the decision of the Bombay High Court in *Centrient Pharmaceuticals (supra)*, to contend that the present proceeding under Section 9 of the A&C Act is a disguised enforcement proceeding and cannot be adjudicated under the present proceeding, is misplaced.

75. In *Centrient Pharmaceuticals (supra)*, upon which Respondent No. 1 has placed its reliance, is factually not similar to the present case, as in the above-mentioned ruling, Section 9 of the A&C Act was invoked as a substitute for execution in respect of an existing award. However, in the present case, the subsequent transactions give rise to a distinct cause of action and thus the need to preserve the subject matter pending adjudication thereof. The ratio of the said judgment, therefore, does not advance the case of Respondent No. 1. The objection to the maintainability of the present proceedings is accordingly rejected.

76. The contention advanced by Respondent No. 1 that the alleged fresh cause of action, as asserted by the Petitioner, is illusory or merely a device to reopen concluded disputes, also does not merit acceptance. The transactions and events relied upon by the Petitioner,



including the Pledge Agreement, disclosures made to the BSE, the loan transaction involving a sum of Rs. 96 crores, and the EGM Resolution, are all subsequent developments that arose long after the conclusion of the earlier arbitral proceedings.

77. In view of the foregoing, this Court finds that each of the above transactions and findings by the Petitioner constitutes a distinct act, alleged to be in breach of Clause 6 of the contractual framework, in respect of which, Arbitration was invoked *vide* Notice dated 20.12.2025. The present invocation cannot be characterised as a re-argitation of disputes already adjudicated, being in response to subsequent and independent acts of alleged contractual violation. While the agreement remains unchanged, the disputes, being founded on fresh transactions, are clearly distinct and capable of independent reference to Arbitration.

78. The further contention that the Petition under Section 11 of the A&C Act is contingent upon the fate of the Petition under Section 9 of the A&C Act is also misplaced.

79. The inquiry under Section 11 of the A&C Act, as envisaged hereinabove, is confined to the existence of a valid arbitration agreement and its invocation, both of which are undisputed in the present case. The grant or refusal of interim relief under Section 9 of the A&C Act is a separate consideration and does not affect the maintainability of the Section 11 Petition. Accordingly, the present objection raised by Respondent No. 1 is, therefore, rejected.

80. As regards the objections raised by Respondent Nos. 2 and 3, this Court notes that both the said Respondents are admittedly non-signatories to the Facility Agreement. However, the issue as to



whether a non-signatory may nevertheless be bound by an arbitration agreement, including through application of the *group of companies*' doctrine, is essentially a jurisdictional question falling within the competence of the learned Arbitral Tribunal under Section 16 of the A&C Act.

81. In this regard, reference may be made to the decisions of the Hon'ble Supreme Court in *Cox and Kings (supra)* and *Interplay Between Arbitration Agreements under Arbitration Act, 1996 & Stamp Act, 1899, In re (supra)*, wherein it was authoritatively held that the applicability of the *group of companies* doctrine is a fact-intensive exercise requiring examination of multiple relevant factors, including the role of the non-signatory entities in the underlying transaction, the composite nature of the transaction, the conduct of the parties, their mutual intention, and the degree of their participation in the performance, negotiation, or termination of the contractual arrangement.

82. It is also pertinent to note that the aforesaid judgments recognise the width and scope of the jurisdiction conferred upon the Arbitral Tribunal under Section 16 of the A&C Act to determine all questions touching upon its own jurisdiction. Such jurisdiction would necessarily include examination of the Respondents' objections concerning the arbitrability of the disputes, the maintainability of claims against non-signatories, the applicability of the *group of companies*' doctrine, the nature and extent of participation of Respondent Nos. 2 and 3 in the underlying transaction, as well as all other allied and incidental jurisdictional objections sought to be raised before this Court.



83. At this stage, therefore, this Court does not deem it appropriate to conclusively adjudicate upon such disputed and mixed questions of fact and law, particularly when the statutory framework under Section 16 of the A&C Act specifically empowers the learned Arbitral Tribunal to undertake such an examination in accordance with law.

84. In the present case, it is noted that Respondent Nos. 2 and 3 are the controlling promoters of Respondent No. 1, holding 50.25% jointly; they are the pledgors in the very transaction alleged to constitute the breach; and they are expressly identified within Clause 6 as the "*present promoter group*" whose conduct is restricted. In view of these facts, this Court is of the *prima facie* view that these circumstances raise a triable issue as to their amenability to arbitration; however, it cannot be conclusively determined at this stage.

85. It is also relevant to note that the interim protection granted by this Court under Section 9 of the A&C Act is confined to the assets and affairs of Respondent No. 1 under the contractual framework of the Facility Agreement and is intended solely to preserve the subject matter of the dispute pending arbitral proceedings. The said protection operates *qua* Respondent No. 1, which is admittedly a party to the Facility Agreement, and cannot be construed as a final determination of any rights or obligations of Respondent Nos. 2 and 3.

86. Consequently, the mere objection raised by Respondent Nos. 2 and 3 on the basis of their non-signatory status does not, at this stage, denude this Court of its jurisdiction to grant protective relief in aid of Arbitration.



87. Accordingly, the interim protection granted under Section 9 of the A&C Act shall continue to operate until commencement of the arbitral proceedings or until varied by the learned Arbitral Tribunal in exercise of its powers under Section 17 of the A&C Act. Insofar as the proceedings under Section 11 are concerned, this Court does not consider it either necessary or appropriate to conclusively determine whether Respondent Nos. 2 and 3 are bound by the arbitration agreement, the said issue being left open for consideration by the learned Arbitral Tribunal, if and when the occasion so arises, in accordance with law.

88. Moving to the objections raised by Respondent No. 4, this Court notes that the principal contention advanced is that Respondent No. 4, being a non-signatory to the Facility Agreement and deriving its rights independently under the Pledge Agreement executed with Respondent Nos. 2 and 3, cannot be subjected to the consequences arising out of the contractual arrangement between the Petitioner and Respondent No. 1.

89. In this regard, it is relevant to note that the interim protection granted *vide* Order dated 23.12.2025 is confined to preservation of the subject matter of the dispute arising under the Facility Agreement and operates *qua* Respondent No. 1 under its contractual framework. The said order neither determines nor conclusively affects any rights that Respondent No. 4 may independently claim under the Pledge Agreement.

90. Learned senior counsel appearing for Respondent No. 4 has also placed reliance upon Section 58(2) of the Companies Act, 2013, to contend that the right to pledge shares is a statutory right and



cannot be curtailed by a private contractual arrangement. While this Court finds no reason to dispute the said proposition as a general statement of law, the issue in the present proceedings is not the existence of such a right, but the effect of its exercise in the context of the contractual obligations governing Respondent No. 1 under the Facility Agreement.

91. It is also noted that during the course of oral submissions, learned senior counsel for Respondent No. 4 urged that the interim Order dated 23.12.2025 deserves to be vacated. It was firstly contended that the Petitioner, having accepted and retained the benefit of Rs. 96 crores generated through the pledge transaction, cannot seek to impugn the same, as its conduct is hit by the doctrine of *approbate and reprobate*. Secondly, it was contended that the restraint on the creation of a charge or pledge over the assets of Respondent No. 1 cannot extend to shares held by Respondent Nos. 2 and 3, as such shares are the property of the shareholders and not of the company.

92. This Court is not persuaded by either of those submissions. The receipt of Rs. 96 crores by the Petitioner was pursuant to the directions of the Hon'ble Supreme Court and in partial satisfaction of an adjudicated liability exceeding Rs. 1321 crores. Such a receipt cannot be construed as a voluntary acceptance of the impugned transaction, such as to invite the doctrine of *approbate and reprobate*.

93. Insofar as the second contention is concerned, while it is correct that shares are, in law, the property of the shareholders and not assets of the company, however, Clause 6 of the Facility Agreement expressly restrains any transfer or recognition of transfer of promoter shareholding without prior written consent of the Petitioner and



invocation of the pledge would, *prima facie*, may result in a change in controlling interest and management of Respondent No. 1.

94. Therefore, this Court deems it apposite, at this stage, that such a technical distinction cannot be permitted to dilute the protective scope of an Order made to safeguard contractual rights pending adjudication, and whether the said pledge falls within the precise ambit of Clause 6 is a matter to be adjudicated upon by the learned Arbitral Tribunal.

95. Accordingly, the objections raised by the Respondent No.4 are rejected.

### **CONCLUSION:**

#### **I. ARB. P. No. 835/2026**

96. Considering the foregoing discussion, with respect to the Petition under Section 11 of the A&C Act, this Court, upon a *prima facie* examination in terms of the principles laid down in ***Krish Spinning***(*supra*), is satisfied that a valid arbitration agreement exists between the Petitioner and Respondent No. 1 under the Facility Agreement; and that a fresh arbitrable dispute has been disclosed, whereupon the statutory requirement under Section 21 of the A&C Act invoking Arbitration has been duly complied *vide* Notice dated 20.12.2025; therefore this Court finds no impediment to appoint a Sole Arbitrator to adjudicate the disputes as arisen *inter se* the parties to the said agreement.

97. Insofar as Respondent Nos. 2, 3 and 4 are concerned, this Court refrains from expressing any conclusive opinion at this stage on the question as to whether they are bound by the arbitration agreement or whether they constitute necessary or proper parties to the arbitral proceedings.



98. The said issues or any other issue concerning the jurisdiction or competence of the learned Arbitral Tribunal fall squarely within the jurisdictional domain of the learned Arbitral Tribunal under Section 16 of the A&C Act, and shall be examined and adjudicated by the learned Arbitral Tribunal independently, in accordance with law, without being influenced by any observations made hereinabove.

99. This Court requests **Hon'ble Mr. Justice U. U. Lalit, Former Chief Justice of India**, to enter into the reference and adjudicate the disputes between the parties.

100. The learned Arbitrator shall be entitled to a fee as may be agreed upon between the parties and the learned Arbitrator.

101. The learned Arbitrator is also requested to file the requisite disclosure under Section 12 of the A&C Act within a week of entering the reference.

## II. O.M.P.(I)(COMM.) No. 531/2025

102. This Court, in regard to the Petition under Section 9 of the A&C Act finds that the interim protection granted *vide* Order dated 23.12.2025 warrants confirmation as, upon a *prima facie* examination of the pleadings and material on record, the balance of convenience lies in favour of the Petitioner and any invocation of the pledge or transfer of management and control of Respondent No. 1 would cause irreversible consequences that cannot be undone or compensated in monetary terms, whereas continuation of the *status quo* does not causes irreparable harm to the Respondents.

103. Consequently, the interim protection granted *vide* Order dated 23.12.2025 in Section 9 Petition is confirmed and shall continue to remain operative until such time as the same is modified, varied, or



vacated by the learned Arbitral Tribunal in exercise of its powers under Section 17 of the A&C Act, in accordance with law.

104. It is made clear that, insofar as both the petitions are concerned, all rights and contentions of the parties arising out of or in relation to the arbitration agreement, including those pertaining to the claims and counter-claims, are expressly kept open to be adjudicated by the learned Arbitral Tribunal on their own merits, in accordance with law.

105. It is also made clear that the observations made hereinabove are purely *prima facie* in nature and have been rendered only for the purposes of adjudication of the present petitions. The same shall not be construed as an expression of opinion on the merits of the disputes between the parties, and the learned Arbitral Tribunal shall decide all issues independently and uninfluenced by any observations contained in the present judgment, in accordance with law.

106. The Registry is directed to send a copy of this Judgment to the learned Arbitrator through all permissible modes, including through e-mail.

107. Accordingly, both Petitions, being *O.M.P. (I) (COMM.) No. 531/2025 & ARB. P. No. 835/2026*, along with pending application(s), if any, stand disposed of in the above terms.

108. No Order as to costs.

**HARISH VAIDYANATHAN SHANKAR, J.**  
**MAY 29, 2026/jk**