

Dispute Resolution & Arbitration

Monthly Update
February 2025

- Dnyaneshwar Lingappa Bhosale vs. State of Maharashtra & Ors. (Writ Petition No. 5109 of 2017)
- My Preferred Transformation and Hospitality Pvt. Ltd. and another vs. Faridabad Implements Pvt. Ltd.
- Serosoft Solutions Pvt. Ltd. v. Dexter Capital Advisors
- Before the Hon'ble High Court of Delhi
WTC Noida Development Company Pvt. Ltd. [Appellant] Vs. Ms. Arti Khattar & Ors. [Respondents]
- In The High Court of Jharkhand and Ranchi
Rites Ltd and Anr. [Petitioner] Vs. M/s Supreme BKB DECO JV [Respondent]
- Wonderchef Home Appliances Pvt. Ltd. Vs. Shree Swaminarayanan Pty Ltd.

DISPUTE RESOLUTION AND ARBITRATION UPDATE



Dnyaneshwar Lingappa Bhosale vs. State of Maharashtra & Ors. (Writ Petition No. 5109 of 2017)

2025 SCC OnLine Bom 32

Introduction

- The Bombay High Court's judgement in the case, *Dnyaneshwar Lingappa Bhosale vs. State of Maharashtra & Ors*¹, highlights significant legal principles pertaining to the interpretation and application of the Bombay Land Requisition Act, 1948, and the Maharashtra Housing and Area Development Act, 1976 (MHADA Act). A division bench of the Bombay High Court, comprising Justice M.S. Sonak and Justice Jitendra Jain, meticulously examined the procedural lapses by the State authorities in acquiring land requisitioned for public purposes. The judgment underscores the fundamental legal premise that requisition, being a temporary measure, cannot be prolonged indefinitely without following due acquisition processes.

Background facts

- Requisition of Properties:**
The petitioners' lands in Solapur were requisitioned by the Collector of Solapur under the Bombay Land Requisition Act in July 1987 for a temporary purpose. The petitioners agreed to compensation of ₹1 lakh per hectare for the requisition.
- Proposed Acquisition:**
Subsequently, the State Government proposed acquiring the said properties for constructing a road and widening a Nalla. A Notice dated August 24, 1987, was published under the proviso to Section 41(1) of the MHADA Act, requiring the petitioners to show cause as to why their lands should not be acquired. However, no formal Notification under Section 41(1) of the MHADA Act was issued to complete the acquisition.
- Continuance of Possession:**

¹ Writ Petition No. 5109 of 2017 - Bombay High Court

Contributors

Amrita Narayan
Partner

Pragya Ohri
Partner

Faranaaz Karbhari
Counsel

Himani Singh Sood
Partner

Rahul P. Jain
Associate Counsel

Ashwin Rakesh
Principal Associate

Kanika Kumar
Principal Associate

Khushboo Rupani
Principal Associate

Akriti Shikha
Senior Associate

Saurobroto Dutta
Senior Associate

Kaif Khan
Associate

Madhav Sharma
Associate

Varchasva Bhardwaj
Associate

Devam Singh
Associate

Sharan Shetty
Associate

Shray Mehta
Associate

Despite the expiry of the requisition period in July 2011, the State authorities continued to retain possession of the properties without initiating or completing the acquisition process under the MHADA Act.

▪ **Legal Action:**

The petitioners approached the Bombay High Court, seeking restoration of possession of their lands. They contended that the requisition period could not exceed 24 years as per Section 9(1A) of the Bombay Land Requisition Act. The State argued that acquisition was complete under the MHADA Act and no further Notification was required.

Issue(s) at hand

- Whether the State Government could retain possession of the petitioners' properties beyond the requisition period, without issuing a Notification under Section 41(1) of the MHADA Act?
- Whether the publication of a Notice under the proviso to Section 41(1) of the MHADA Act, indicating the State's intent to acquire the land, constitutes valid acquisition?
- Whether the continuation of requisition beyond 24 years was legally sustainable under the Bombay Land Requisition Act?

Findings of the Court

▪ **Distinction Between Notice and Notification:**

The Court highlighted the critical distinction between a 'notice' under the proviso to Section 41(1) of the MHADA Act and a 'notification' under the substantive provision of Section 41(1). It observed that the Notice dated August 24, 1987, merely expressed an intent to acquire the properties and did not fulfill the statutory requirement of issuing a final Notification. From the plain construction of the above provisions, it is apparent that the acquisition is complete only upon publication of a notification as contemplated by Section 41(1) in the official gazette. Mere publication of a notice under proviso to Section 41(1) requiring the owners or the persons interested to show cause as to why their land should not be acquired, does not complete the acquisition proceedings or vest the land in the Government free from all encumbrances. Therefore, based on the notice dated 24 August 1987, the respondents' contention about the petitioners' properties being acquired by the State Government and handed over to MHADA cannot be accepted.

▪ **Invalid Acquisition:**

After considering the provisions of Section 41 of the MHADA Act, the Court further held that the mere issuance of a notice regarding the proposed acquisition of the Petitioner's land was not a substitute for issuing a final notification contemplated under Section 41(1) of the MHADA Act. Therefore, based upon the notice dated 18 October 2007, issued under the 1st Proviso to Section 41(1) of the MHADA Act, it could not be held that the acquisition of the Petitioner's property was complete and that the Petitioner's property vested in the State Government free from all encumbrances.

▪ **Requisition Period and Possession:**

The Court ruled that requisition is a temporary measure and cannot continue indefinitely. It referred to Section 9(1A) of the Bombay Land Requisition Act, which limits the requisition period to a maximum of 24 years. As this period expired in July 2011, the State's continued possession of the properties thereafter was declared illegal.

▪ **Relief Granted:**

The Court directed the State authorities to either initiate and complete the acquisition proceedings within one year or restore possession of the properties to the petitioners. It imposed costs of ₹50,000 each on MHADA and the Solapur Municipal Corporation, payable to the petitioners.

HSA
Viewpoint

The Bombay High Court's judgment in *Dnyaneshwar Lingappa Bhosale vs. State of Maharashtra & Ors.* is a decisive reaffirmation of the rule of law and the sanctity of procedural compliance in land acquisition cases. By emphasizing the necessity of the Acquisition of land must adhere to the procedural mandates prescribed under the governing legislation. The Court's insistence on the issuance of a Notification under Section 41(1) of the MHADA Act underscores the principle that procedural compliance is not a mere formality but a substantive safeguard for landowners. By emphasizing the temporary nature of requisition under the Bombay Land Requisition Act, the Court has prevented the abuse of State power in perpetuating requisition as a substitute for acquisition. The Court's decision to grant one year to complete the acquisition process or restore possession balances the rights of the petitioners with the larger public interest served by the use of the land for infrastructure development. The imposition of costs on MHADA and the Solapur Municipal Corporation reflects the accountability of State authorities and serves as a deterrent against administrative lapses. This landmark ruling not only protects property rights but also reinforces the judiciary's vital role in upholding constitutional and legal norms.

My Preferred Transformation and Hospitality Pvt. Ltd. and another vs. Faridabad Implements Pvt. Ltd.

Supreme Court Judgment dated 10.01.2025, 2025 SCC OnLine SC 70

Background facts

- The Appellants entered into lease agreements with the Respondent, who is the owner of the suit property. Due to certain disputes arising between the parties, the Respondent invoked arbitration, resulting in an arbitral award dated February 4, 2022, in favour of the Respondent.
- The Appellants received a scanned copy of the arbitral award on February 4, 2022 via email and subsequently received a signed hard copy on February 14, 2022, which marked the commencement of the limitation period under Section 34(3) of the Arbitration and Conciliation Act, 1996 ("Arbitration Act").
- Pursuant to the Supreme Court's Suo Moto Writ Petition No. 3/2020, the period from March 15, 2020 to February 28, 2022 was excluded for the purpose of limitation due to the COVID-19 pandemic. Considering this extension, the 3-month limitation period for filing a petition under Section 34(3) of the Arbitration Act expired on May 29, 2022. The additional condonable period of 30 days, as provided under the proviso to Section 34(3) of the Arbitration Act, expired on June 28, 2022, during the High Court's summer vacation, which lasted from June 4, 2022 to July 3, 2022.
- The Appellants filed the petition under Section 34 of Arbitration Act along with an application for condonation of delay on the date when the court reopened, *i.e.*, July 4, 2022.
- Further, it would be relevant to note that the notification dated May 20, 2022 of the Registrar General of the Delhi High Court as per which July 4, 2022 would be considered the date of reopening for calculating limitation. Meanwhile, the Respondent filed for execution of the award.
- Section 34 application was dismissed by the Single Judge of Delhi High Court by order dated February 7, 2023 as being barred by limitation. The Appellants preferred an appeal under Section 37, which was dismissed by the Division Bench by order dated April 3, 2024 ("Impugned Judgment").

Issue(s) at hand?

- Whether the benefit of the additional 30 days under the proviso to Section 34(3) of the Arbitration Act, which expired during the vacation, can be given when the petition is filed immediately after reopening in exercise of power under Section 4 of the Limitation Act, 1963 ("**Limitation Act**")?
- Do the provisions of the Limitation Act apply to Section 34 proceedings, and to what extent?
- Does Section 4 of the Limitation Act apply to Section 34(3) as per an analysis of the statutory scheme as well as precedents of the Supreme Court on the issue? If Section 4 applies, does it apply only to the 3-month limitation period or also the 30-day condonable period?
- In light of the answer will Section 10 of the General Clauses Act, 1897 apply to Section 34(3) of the Arbitration Act, and if so, in what manner?

Findings of the Court

- Justice P.S. Narasimha and Justice Pankaj Mithal after considering Sections 34(3) and 43(1) of the Arbitration Act, Sections 4 and 29(2) of the Limitation Act and Section 10 of the General Clauses Act, 1897, as well as precedents of the Supreme Court, have answered the question in the negative and have dismissed the present appeal. Further, the Hon'ble Bench held that the petition filed by the Appellants under Section 34 of the Arbitration Act was beyond limitation and was rightly dismissed as it was filed beyond the condonable period of 30 days, which conclusively and absolutely expired on 28.06.2022.
- The Hon'ble Bench held that the Section 34 application preferred by the Appellant is barred by limitation based on the following reasoning:
 - (i) There is no exclusion of Sections 4 to 24 of the Limitation Act when calculating the limitation period under Section 34(3) of the Arbitration Act.
 - (ii) Section 4 of the Limitation Act applies to Section 34(3) of the Arbitration Act only to the extent when the 3-month period expires on a court holiday. Section 4 of the Limitation Act benefits a party only when the "prescribed period", *i.e.* the 3-month limitation period under Section 34(3) expires on a court holiday. In such a situation, the application under Section 34 will be considered as having been filed within the limitation period if it is filed on the next working day of the court.
 - (iii) Section 4 of the Limitation Act does not come to the aid of the party when the 3-month limitation period expires on a day when the court is working. The 30-day condonable period expiring during the court holidays will not survive and neither Section 4 of the Limitation Act

nor any other provision of the Limitation Act will inure to the benefit of the party to enable filing of the Section 34 application immediately after reopening. It does not aid the Appellant when the 30-day condonable period expires on a court holiday.

- (iv) In view of the applicability of Section 4 of the Limitation Act to Section 34 proceedings, Section 10 of the General Clauses Act, 1897 does not apply in view of the express wording of its proviso that excludes the applicability of the provision when the Limitation Act applies and will not benefit the Appellant when the 30-day condonable period expires on a court holiday.

HSA
Viewpoint

The Supreme Court's judgment reflects a strict adherence to procedural timelines under Section 34(3) of the Arbitration Act.

Justice Pankaj Mithal rightly expressed his view that statutes prescribing different limitation periods for various legal proceedings create unnecessary complexity. His suggestion that all statutes should adhere to a uniform limitation period of, such as 90 days, for preferring Special Leave Petition/Appeal to the Supreme Court of India deserves legislative consideration.

Serosoft Solutions Pvt. Ltd. v. Dexter Capital Advisors

2025 SCC OnLine SC 22

Background facts

- A dispute arose between the parties under a Client Service Agreement concerning non-payment of fees, leading to arbitration. The Arbitral Tribunal, after framing issues, allowed the cross-examination of witnesses. The Claimant's cross-examination of the Respondent's witness (RW-1) commenced in December 2023, but after several adjournments and delays caused by discovery applications, it continued intermittently until October 2024. The Tribunal granted multiple opportunities for cross-examination, extending well beyond the initial schedule. Upon conclusion of the cross-examination, the Claimant sought further time, which the Tribunal denied, citing excessive delays, lack of preparedness, and the impending expiry of its mandate under *Section 29-A of the Arbitration and Conciliation Act, 1996*.
- Aggrieved by this decision, the claimant filed a petition under *Article 227* of the Constitution before the High Court, which, while acknowledging the principle of minimal interference in arbitral proceedings, directed the Tribunal to provide an additional opportunity for cross-examination under exceptional circumstances. This order was subsequently challenged before the Supreme Court.

Issue(s) at hand?

- Was the High Court justified in interfering with the Arbitral Tribunal's decision under its supervisory jurisdiction under *Article 227*?

Findings of the Court

- The Supreme Court overturned the High Court's decision, reinforcing the doctrine of judicial non-intervention in arbitral proceedings except in cases of patent perversity. The Court emphasized that *Section 18 of the Arbitration and Conciliation Act, 1996*, mandates equal treatment of parties and a full opportunity to present their case. However, it also highlighted the statutory obligation of courts to exercise judicial restraint in interfering with matters governed under *Part I of the Act*, including the conduct of arbitral proceedings.
- The Court noted, that the Arbitral Tribunal had already provided ample opportunity for cross-examination, with RW-1 having been examined for over 12 hours. It found no demonstrable perversity or procedural unfairness warranting High Court interference. The Apex Court further emphasized that the High Court's reasoning—that cross-examination is an essential means of discovering the truth—was merely a normative statement and did not justify judicial intervention. Referring to the precedent, the Court reiterated that interference under *Articles 226 and 227* is warranted only in cases of manifest perversity or bad faith, neither of which was established in the present case.
- Accordingly, the Supreme Court set aside the High Court's order and directed the Arbitral Tribunal to resume and conclude the proceedings expeditiously.

HSA Viewpoint

This decision is a significant reaffirmation of the principle of minimal judicial interference in arbitration, ensuring procedural efficiency and finality in arbitral proceedings. The Supreme Court's ruling upholds the autonomy of arbitral tribunals and reinforces that supervisory jurisdiction under *Article 227* should be exercised sparingly, only in cases of glaring perversity. The judgment serves as a critical precedent against undue judicial intervention in arbitration, strengthening the integrity and efficacy of the arbitral process.

WTC Noida Development Company Pvt. Ltd. [Appellant] Vs. Ms. Arti Khattar & Ors. [Respondents]

FAO (COMM) No. 12 of 2025

Background facts

- The present matter pertains to a dispute arising out of a lease deed between the WTC Noida Development Company Pvt. Ltd. (“Appellant”) and Ms. Arti Khattar (“Respondent”). The Appellant had taken a commercial space on lease from the Respondent vide a lease deed dated November 1, 2013, which entitled the Appellant to occupy and use the commercial space for a period of three years (“lease deed”). Additionally, the lease on the commercial space was further extended multiple times between 2016 to 2021, by the mutual consent of the parties. The said lease deed also contained an arbitration agreement between the parties in the form of a clause present in the lease deed.
- On December 5, 2024, the Respondent addressed a notice to the Appellant, thereby directing the Appellant to vacate the leased commercial space. Thereafter, on January 4, 2025, the Respondent instructed the maintenance agency of the leased commercial space to disconnect the utilities at the leased commercial space, which the maintenance agency acceded to on January 5, 2025. Aggrieved by the disconnection of the utilities to the leased commercial space, the Appellant filed a commercial arbitration petition, being OMP (I) (COMM.) No.2/2025, under Section 9 of the Arbitration and Conciliation Act, 1996 (“Act”) before the District Court, Saket.
- During the proceedings before the District Court, the Appellant contended that after the Respondent had directed the Appellant to vacate the leased commercial space, the parties had reached an agreement to terminate the lease deed and execute a fresh lease deed with an associated company of the Appellant. However, much to the surprise of the Appellant, the Respondent had directed the maintenance agency to disconnect utilities to the leased commercial space, while the parties were in the process of finalizing the formalities for the fresh lease deed. However, the District Judge opined that the arbitration agreement contained in the lease deed was no longer valid. Therefore, the District Judge had proceeded to dismiss the aforesaid petition vide an order dated January 13, 2025 (“Impugned Order”), at the preliminary stage and without even issuing a notice to the Respondent.
- Aggrieved by the Impugned Order, the Appellant filed an Appeal before the Hon’ble High Court of Delhi (“**Hon’ble Court**”), thereby praying for the setting aside of the Impugned Order passed by the District Court. Hence the present appeal.

Issue(s) at hand?

The following issue was put before the Hon’ble Court:

- Whether the District Judge was correct in dismissing the commercial arbitration petition at the preliminary stage, without issuing notice to the Respondent?

Findings of the Court

- At the outset, the Hon’ble Court noted that as the Ld. District Judge had dismissed the commercial arbitration petition filed by the Appellant without even issuing notice of the same to the Respondents, it was not necessary to issue notice of the instant Appeal to the Respondents.
- The Hon’ble Court referred to the decision laid down by the Hon’ble Supreme Court in the case of Vidya Drolia v. Durga Trading Corpn¹, wherein it was held that it is only rarely and as a demurrer that the courts may interfere at the stage of Section 8 and/or Section 11 of the Act when “*it is manifestly and ex facie certain that the arbitration is non-existent, invalid or the disputes are non-arbitrable*”.
- Furthermore, the Hon’ble Court also reference the decision laid down in the case of SBI General Insurance Co. Ltd. v. Krish Spinning², wherein it was held that an arbitration agreement, by virtue of a presumption of separability, survives the principal contract in which it was contained, after the termination of the principal contract. The Hon’ble Court opined that an arbitration agreement contained in a contract is treated independently of the other terms of the contract, and therefore, the question of whether the said arbitration agreement stands discharged is in itself may be a dispute arising out of or in relation to or under the substantive contract and would not be precluded from reference to arbitration.
- Thereafter, the Hon’ble Court noted that the Ld. District Judge had not even called for a response from the Respondents, on the point of the existence of the arbitration agreement between the

¹(2021) 2 SCC 1

²2024 SCC OnLine SC 1754

parties. Accordingly, the Hon'ble Court opined that the Ld. District Judge had acted prematurely in dismissing the commercial arbitration petition. The Hon'ble Court also noted that the pleadings of the Appellant in the commercial arbitration petition did not justify the finding made by the Ld. District Judge that the arbitration agreement between the parties stood extinguished.

- Therefore, the Hon'ble Court set aside the impugned order of the Ld. District Judge and remanded the matter back to the Ld. District Judge to consider the matter afresh after receiving a response from the Respondent.

HSA
Viewpoint

In our opinion, the present decision of the Hon'ble High Court underscores that arbitration agreement between disputing parties should be upheld by the Courts, by ensuring that premature dismissal of arbitration-related matters does not occur. Furthermore, this decision also serves as a reminder that procedural fairness must be maintained to preserve confidence in arbitration as an effective dispute resolution mechanism, by ensuring that both parties are heard before dismissal of proceedings, wherein the existence of the arbitration agreement itself is questioned.

Rites Ltd and Anr. [Petitioner] Vs. M/s Supreme BKB DECO JV [Respondent]

Arb.A./8/2024 (High Court of Jharkhand and Ranchi)

Background facts

- A dispute arose between the Petitioners and the Respondent in respect of a tender floated for construction of a bridge on river Konar, along with its approach road over bridge ROB on Gomoh-Barkakana railway line at BTPS.
- To resolve the said dispute between the Petitioner and Respondent a Sole Arbitrator was appointed.
- During the pendency of the Arbitration proceedings, the Respondent filed an amendment petition under Section 23 of the Arbitration and Conciliation Act, 1996 ("Act") and under Order 6 Rule 17 of Code of Civil Procedure, 1908 ("CPC").
- The Petitioner opposed the amendment petition filed by the Respondent before the Sole Arbitrator.
- The Sole Arbitrator allowed the amendment petition filed by the Respondent vide order dated October 6, 2024.
- The Petitioner filed the instant Writ Petition for quashing the order dated October 6, 2024, whereby the Sole Arbitrator had allowed the amendment petition filed by the Respondent.

Issue(s) at hand?

- Whether the Petitioner can approach the Hon'ble Court by way of a Writ Petition for interfering with an Interim Order of an Arbitrator?
- Whether the Arbitrator had the power to allow the amendment petition?

Findings of the Court

- At the outset the Hon'ble Court relied on the judgement in the case of *Serosoft Solutions Private Ltd. Vs. Dexter Capital Advisors Pvt. Ltd.*¹ wherein it was held that power under Article 226 and 227 of the Constitution can be invoked for interfering with an interim order only in exceptional rarity. It was also held that the avenue for interference with the interim order is a limited one.
- The Hon'ble Court further held that nature of amendment was necessitated in view of the judgement in the case of *Batliboi Environmental Engineers Ltd. Vs. Hindustan Petroleum Corporation Limited & Anr*² which was passed during the pendency of the Arbitral proceeding.
- The Hon'ble Court further held that an Arbitral Tribunal is not bound by the strict rigors of CPC.
- Additionally, the Hon'ble Court relied on the judgement in the case of *Life Insurance Corporation Ltd Vs. Sanjeev Builders Pvt Ltd*³ and held that amendment can be allowed at any stage of proceeding for the purpose of determining the real controversy between the parties.
- The Hon'ble Court finally held, that the nature of amendment did not introduce a new cause of action or change the nature of dispute referred to the Arbitrator.
- In view of the same, the Hon'ble Court held that the present case does not justify interference with the interim order passed by the Arbitrator allowing the amendment in exercise of extraordinary jurisdiction of the Hon'ble Court under Article 226 and 227.
- Accordingly, the Hon'ble Court dismissed the present Writ Petition.

HSA Viewpoint

The judgment reaffirms the principle that the High Court has the power to interfere with an Interim Order passed by a lower Court under Article 226 and 227 of the Constitution in exceptional rare situations. The judgement further clarifies that Arbitral Tribunal are not bound by the strict rigors of CPC. The judgement also removes all ambiguities and makes it clear that amendment is permissible by parties to a dispute at any stage of the proceedings, if such an amendment is necessary for determining the actual controversy between the parties and necessary for passing a just and fair order.

¹ (2022) 1 SCC 75

² (2024) 2 SCC 379

³ 2022 SCC On Line SC 1128

Wonderchef Home Appliances Pvt. Ltd. Vs. Shree Swaminarayanan Pty Ltd.

2025 SCC OnLine Bom 178

Background facts

- Wonderchef Home Appliances Pvt. Ltd. ("Applicant"), led by renowned chef Sanjeev Kapoor, entered into a Distribution Agreement with Shree Swaminarayanan Pty Ltd. ("Respondent"), an Australian distributor, on December 26, 2017.
- The agreement contained an arbitration clause and required the distributor to maintain Wonderchef's brand image.
- A dispute arose when the Respondent allegedly sent emails criticizing Wonderchef's products and business practices to various stakeholders.
- Wonderchef argued that these emails violated confidentiality clauses and harmed its reputation.
- The Applicant filed a petition under Section 9 of the Arbitration and Conciliation Act, 1996 ("Arbitration Act"), seeking an injunction to restrain the Respondent from making further adverse statements until arbitration was completed.
- A Single Judge Bench of the Bombay High Court ("HC") stated that the distributor shall be restrained for 90 days from making disparaging statements or taking any actions that could harm Wonderchef's reputation.

Issue(s) at hand?

- Whether a court can grant an injunction under Section 9 of the Arbitration Act to prevent a party from making derogatory statements pending arbitration?
- Whether commercial speech, even if critical, falls under confidentiality provisions in distribution agreements?
- How should courts reconcile contractual duties with the right to free speech in commercial disputes?

Findings of the Court

- The Court observed, that interim relief under Section 9 of the Arbitration Act is meant to preserve the subject matter of arbitration and cannot be used to impose a gag order unless explicitly provided for in the Agreement.
- It was noted that the Petitioner's claim of breach of confidentiality due to the Respondent's comments was too broad, as distributors are expected to discuss products publicly, and such communication does not necessarily amount to a violation of confidentiality obligations.
- The Court took note of Clause 12.2(c) of the Agreement, which required the Respondent to conduct business in a manner that reflects favourably on the Petitioner's reputation. Since disputes concerning this obligation arose under the Agreement, they were held to be arbitrable, making interim protection under Section 9 a relevant consideration.
- The Court emphasized that free speech in commercial matters should not be lightly interfered with. Given the Petitioner's strong reputation, it was observed that the Respondent's emails were unlikely to cause substantial harm.
- The Court, in an attempt to balance equities, granted a limited injunction for 90 days, directing the Respondent to comply with Clause 12.2(c) and refrain from actions that could harm the Petitioner's reputation. Simultaneously, the Petitioner was expected to initiate arbitration or take steps toward dispute resolution during this period.
- The Court left the issue of the Respondent's statements to the arbitral tribunal under Section 17 of the Arbitration Act, which could issue directions, impose costs, or award damages. The petition was disposed of with no order as to costs, expecting arbitration to commence within 90 days.

HSA Viewpoint

The ruling underscores the balance courts must maintain between enforcing contractual obligations and upholding commercial free speech. While recognizing the distributor's duty to protect the brand's reputation under the agreement, the Court was mindful that an overly broad restraint on speech could set a troubling precedent. By granting a limited 90-day injunction, the judgment ensures that the interim relief granted serves its intended purpose, preventing immediate harm without encroaching on the respondent's right to voice concerns. The decision reaffirms that arbitration remains the primary forum for resolving such disputes, with interim measures functioning as safeguards rather than punitive restrictions. This ruling provides valuable guidance on managing reputational risks while respecting the principles of contractual fairness and free expression.

HSA

AT A GLANCE

FULL-SERVICE CAPABILITIES

-  **BANKING & FINANCE**
-  **COMPETITION & ANTITRUST**
-  **CORPORATE & COMMERCIAL**
-  **DEFENCE & AEROSPACE**
-  **DISPUTE RESOLUTION**
-  **ENVIRONMENT, HEALTH & SAFETY**
-  **INVESTIGATIONS**
-  **LABOR & EMPLOYMENT**
-  **PROJECTS, ENERGY & INFRASTRUCTURE**
-  **PROJECT FINANCE**
-  **REAL ESTATE**
-  **REGULATORY & POLICY**
-  **RESTRUCTURING & INSOLVENCY**
-  **TAXATION**
-  **TECHNOLOGY, MEDIA & TELECOMMUNICATIONS**

GLOBAL RECOGNITION



CONTACT US

-  www.hsalegal.com
-  mail@hsalegal.com
-  HSA Advocates

PAN INDIA PRESENCE

New Delhi

Email: newdelhi@hsalegal.com

Mumbai

Email: mumbai@hsalegal.com

Bengaluru

Email: bengaluru@hsalegal.com

Kolkata

Email: kolkata@hsalegal.com