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IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

IN ITS COMMERCIAL DIVISION

COMMERCIAL ARBITRATION PETITION (L) NO. 33472 OF 2025

Mayank J. Shah & Ors.

...Petitioners

*Versus*

Raju V. Shah & Ors.

...Respondents

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**Mr. Navroz Seervai**, Senior Advocate, a/w Mr. Sanjay Jain, Adv. Hrushii Narvekar a/w Adv. Parag Kadi, Adv. Drishti Gudhaka, Adv. Vidhi Parwal i/b DSK Legal for the Petitioner.

**Mr. Chetan Kapadia**, Senior Advocate a/w Mr. Malcolm Siganporia a/w Mr. Yuvraj Singh a/w Mr. Rajesh Satpalkar a/w Ms. Meherzeen Avasia a/w Mr. Devansh Gadda i/b Mulla & Mulla & Craigie Blunt and Caroe for the Respondent No.1.

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**CORAM:** SOMASEKHAR SUNDARESAN, J.

**DATE:** JUNE 8, 2026

**JUDGEMENT :**

**Context and Factual Background:**

1. This is a Petition filed under Section 37 of the Arbitration and Conciliation Act, 1996 (*“the Act”*) impugning an order dated September 20, 2025 (*“Impugned Order”*) passed under Section 17 of the Arbitration and Conciliation Act, 1996.

2. The Petitioners, Mayank J. Shah, Shreyans J. Shah and Shruti M. Shah (*“collectively Mayank”*) and the Respondent No. 1, Raju V. Shah (*“Raju”*) are partners of Respondent No. 2, Vidhi Research and Development LLP (*“Vidhi LLP”*). Vidhi LLP is governed by a Limited Liability Partnership Agreement dated August 14, 2014 (*“LLP Agreement”*), which is the instrument containing the arbitration agreement.

3. The disputes between Mayank and Raju relate to control and management of Vidhi LLP, which owns land admeasuring approximately 2,18,122 square metres (*“Subject Land”*) earlier owned by Pfizer Limited (*“Pfizer”*). The parties have a serious conflict over governance rights vested in Raju about business and operational decisions of Vidhi LLP as contained in the LLP Agreement. The parties have been engaged in arbitration for a considerable period of time.

4. I have to take judicial notice of the fact that submissions in the arbitration proceedings have been concluded and judgement is reserved. Such judicial notice is based on multiple Petitions under Section 37 of the Arbitration and Conciliation Act, 1996 having been brought before this Court on various occasions from time to time, challenging decisions in other Section 17 proceedings filed in the same arbitration.

5. As regards this Petition, the challenge essentially is to the restraint imposed by the Impugned Order, whereby Mayank is restrained from dealing

with the Subject Land. The context of the restraint is Mayank's claim that an offer has been received for sale of a portion of the Subject Land admeasuring 1,00,000 square metres, purportedly from a multinational company for an indicated rate of ₹ 1.25 lakh per square metre – a projected consideration value of Rs. 1,250 crores.

6. According to Mayank, restraint on completing such a lucrative offer is unnecessary under Section 17 of the Act. Mayank would contend that the Impugned Order ignores the rule of majority, the provisions of the Limited Liability Partnership Act, 2008 (*"LLP Act"*) and the provisions of the LLP Agreement that bind the parties. According to Mayank, the Impugned Order interferes with the commercial wisdom of the majority partners of Vidhi LLP, and most importantly, grossly misinterprets an order dated July 20, 2022 passed by the very same Learned Arbitral Tribunal and that too by consent of the parties.

**Analysis and Findings:**

7. I have heard at significant length, Mr. Navroz Seervai, Learned Senior Advocate and Mr. Sanjay Jain Learned Advocate on behalf of Mayank; and Mr. Chetan Kapadia, Learned Senior Advocate on behalf of Raju. With their assistance, I have examined the material on record.

8. The Impugned Order essentially dealt with Interim Application No. 14 dated August 18, 2025 (“IA 14”) filed by Raju seeking a restraint on Mayank from dealing in any manner with the Subject Land and to restrain Mayank from giving effect to a letter dated July 7, 2025, by which Mayank had issued a notice for a circular resolution giving authority to Mayank to complete the transaction pursuant to the offer over a substantial portion of the Subject Land that is referred to above.

9. The Learned Arbitral Tribunal examined the contents of such letter sent by Mayank in his capacity as a Designated Partner of Vidhi LLP, intimating that a proposal had been received for assignment and transfer of approximately 1,00,000 square metre at a tentative rate of Rs. 1.25 lakh per square metre to be carved out of the Subject Land. The said letter interpreted an earlier interlocutory order dated July 20, 2022 passed by the Learned Arbitral Tribunal and called upon Raju to communicate his acceptance or reservations, if any, to the proposed transaction as described (without any supporting documents) within a period of six weeks, failing which Mayank indicated that he would proceed with the sale of the portion of the Subject Land “without any further recourse” to Raju or to the Learned Arbitral Tribunal.

10. On August 23, 2025, after hearing submissions on IA 14, the Learned Arbitral Tribunal directed Mayank to disclose to Raju, all documents

underlying the letter dated July 7, 2025, so that any decision by Raju on the merits of the proposal could be an informed one. According to Raju, there has been no compliance with the disclosure directed by the Learned Arbitral Tribunal on August 23, 2025. Yet, in an uninformed manner, a coercive sale of a substantial portion of the Subject Land was being threatened, thereby posing a risk to the subject matter of the arbitration agreement.

11. A plain reading of the Impugned Order would indicate that Mayank's response to the aforesaid contention is entirely pitched on the interpretation of law. The affidavit-in-reply from Mayank underlines the majority principle in the running of bodies corporate; asserts that there is no embargo on the majority taking a decision to transfer or deal with the Subject Land; and asserts that the provisions of the LLP agreement that are relied upon by Raju to oppose the proposed transaction are provisions that restrain partners of Vidhi LLP individually and do not restrain Vidhi LLP acting through majority of the partners. Mayank asserted that he is a 80% owner of interest in Vidhi LLP and it is entirely in his commercial wisdom to deal with the Subject Land in the manner he chooses and he cannot be stalled by a minority partner of Vidhi LLP questioning the commercial wisdom of the majority partner.

12. Mayank has also asserted that Raju has ceased to be a partner of Vidhi LLP. This contention is based on the argument that Raju had vested the benefits of his interest in Vidhi LLP in a trust for the benefit of his son, and

that constituted cessation of partnership interest by Raju, thereby rendering all special protections enjoyed by Raju under the LLP Agreement coming to an end. Such a contention has not only been stayed by earlier orders passed under Section 17 by the Learned Arbitral Tribunal, but also such protections granted by the Learned Arbitral Tribunal have been endorsed by this Court, disposing of challenges under Section 37 of the Act. I have already had occasion to pass judgments dated April 10, 2026 and May 18, 2026 in this regard, endorsing the basis on which the Impugned Orders are meritorious along with legal analysis based on a *prima facie* view of first principles of trust law read with law governing limited liability partnerships. Equally, it is noteworthy that for purposes of these proceedings, Mr. Seervai acknowledged that these protections have been granted by the Learned Arbitral Tribunal and form subject matter of separate challenges, but what is in issue in the captioned Petition is the endorsement of the unreasonable nature of Raju's opposition to the sale of a significant portion of the Subject Land.

13. The Learned Arbitral Tribunal examined Mayank's notice dated July 7, 2025 in the backdrop of the earlier developments which now form subject matter of the aforesaid judgments rendered by me. That apart, the Learned Arbitral Tribunal considered and interpreted an earlier order dated July 20, 2022 which had put in place an interim arrangement, by consent of the parties. The Learned Arbitral Tribunal's interpretation of such earlier order of

July 2022 is assailed by Mr. Seervai as being perverse, which he contends infects the Impugned Order.

14. Under the interim arrangement of July 2022, a demand for capital contribution of Rs. 54 crores was agreed by Mayank not to be pressed, and an advance notice of eight weeks was to be given, should Mayank seek enforcement of the said demand. The purported resolution of Vidhi LLP considered in that order dated July 20, 2022 also pertained to sale of two flats owned by Vidhi LLP. In case such sale were persisted with, and the terms were finalized, the same were to be communicated to Raju in writing. If Raju was in a position to bring a higher offer to the table within four weeks, sale would be in terms of such better offer, failing which the sale of the two flats would be completed on the terms offered.

15. Separately, as an interim measure, the July 2022 order provided for a framework of procedure for communication as agreed between the parties. It was made clear that all communication by or on behalf of the LLP would be copied to Raju. All communication received by the LLP would also be sent to Raju. Raju would be entitled to communicate his reservations or suggestions to Mayank. Raju would not write any letter of communication to any third party in relation to transactions proposed on behalf of Vidhi LLP, nor take any steps to obstruct or hinder any such transactions, and the parties would be at liberty to move the Learned Arbitral Tribunal, if any, of the aforesaid activities

or actions on behalf of Vidhi LLP necessitated consideration of interference by the Learned Arbitral Tribunal. Finally, as regards the Subject Land (which incidentally is substantially the whole of the assets held by Vidhi LLP) it was directed that in case any proposal were made for dealing with the Subject Land or any part thereof, Mayank would communicate the same in writing to Raju, who would have the right to communicate his reservations or suggestions within six weeks. Unless Raju expressly consented, no decision would be implemented for a period of eight weeks and the parties would be at liberty to move the Learned Arbitral Tribunal for interim relief, if any.

16. In the Impugned Order, the Learned Arbitral Tribunal set out the true effect and meaning of the order dated July 20, 2022 and went on to reject the muscular majoritarian approach canvassed on behalf of Mayank. The dispute between the parties was really that according to Raju, he was entitled to receive all communications that Vidhi LLP engaged in so that he could assess the consequences of the same and take an informed decision on any proposal propounded by Mayank. On the other hand, Mayank's contention was that the requirement to furnish any documents and communication related only to the resolutions by which Raju's partnership interest was under threat and the demand for contribution of Rs. 54 Crores had been made in 2022, which had been subject matter of what was considered on July 20, 2022.

17. The Learned Arbitral Tribunal disagreed. Mr. Seervai would submit that the said order and the arrangement contained in it being one passed by consent, Mayank's view on what he had consented to cannot be wished away. That apart, it is Mayank's contention that as a majority owner of interests in Vidhi LLP, his commercial wisdom should prevail. If Raju were to convey his objections within the six-week period alluded to in the July 2022 order, the additional period of two weeks to approach the Learned Arbitral Tribunal before implementing the same would enable Raju to seek interim relief but in grant of such interim relief, the legal position to be brought to bear would be that Raju was not entitled to any information or material other than that connected to the resolutions that were subject matter of the original interim order dated July 20, 2022.

18. The Learned Arbitral Tribunal rejected the aforesaid stance. The Learned Arbitral Tribunal held that Raju had invoked arbitration in his capacity as a partner of the Vidhi LLP and his entitlement as a partner was subject matter of the Arbitration Agreement. In any case, as a partner, he would be not only entitled to receive all communications as stipulated in the order dated July 20, 2022 but also in his view of Raju being designated as a "working partner" under clause 9.1 of the LLP Agreement, his entitlement to be involved in the affairs of Vidhi LLP could not be wished away. This is an

eminently sensible interlocutory view that has been taken within the framework of the protective jurisdiction of Section 17 of the Act.

19. The Learned Arbitral Tribunal held that the interim order dated July 20, 2022 had indeed been passed by consent of the parties in the backdrop of the aforesaid factual matrix and ruled that it intended to cover not merely Resolution Nos. 2 and 3, but to cover generally, the conduct of the affairs of Vidhi LLP during the pendency of the arbitration proceedings. Learned Arbitral Tribunal pointed out that the import of the order dated July 20, 2022 as canvassed by Mayank would mean that the Learned Arbitral Tribunal had not effectively protected the parties about the conduct of the affairs of Vidhi LLP during the pendency of the arbitration proceedings and that the Learned Arbitral Tribunal had actually taken away the entitlements that were otherwise available to Raju as a working partner under the LLP Agreement. The Learned Arbitral Tribunal held that such a case had neither been proposed by any party nor intended by the Learned Arbitral Tribunal when the July 2022 order was passed.

20. Against this backdrop, the Learned Arbitral Tribunal also listed the documents actually disclosed by Mayank to Raju pursuant to the order dated August 23, 2025 in the course of IA 14, to enable Raju to make an informed decision in connection with the transaction proposed over a significant portion of the Subject Land. Having considered these documents, the Learned Arbitral

Tribunal held that they do not inspire confidence for permitting a sale of the portion of the Subject Land as proposed and that too as an interlocutory measure.

21. The Learned Arbitral Tribunal has provided detailed reasons in respect of each of the documents in question to explain why they do not inspire confidence. An agreement dated April 4, 2025, shared by Mayank with Raju is not an agreement with the proposed purported purchaser, but is an agreement with another entity called Ulltra Lifespace Private Limited ("*Ulltra*") which according to Mayank himself was earlier a "group company" of Mayank, but has purportedly ceased to be so. Ulltra, by that agreement, proposes to render services for a potential sale of the land with a 3% commission or fee payable by Vidhi LLP to Ulltra on the value of the transaction. Neither before nor after such agreement was executed between Vidhi LLP and Ulltra, was anything about it ever disclosed to Raju. No documents or communications in connection with the agreement nor any resolution permitting the execution of such agreement had been disclosed, and there is no indication of any area of land or price for the land in the said agreement.

22. Next, dealing with a non-disclosure and confidentiality agreement between Ulltra and an undisclosed third party (the name had been redacted and blanked out), the Learned Arbitral Tribunal noted that such agreement, apart from being with an undisclosed party records that Ulltra proposed to

provide real estate services to such party, again with no indication as to the area or price of the land, or implications for Vidhi LLP in this regard.

23. The third document dealt with by the Learned Arbitral Tribunal is yet another redacted letter dated August 26, 2025 addressed to Ulltra by a party whose name is undisclosed, setting out the scope of services and the fee payable to Ulltra on the rate per square metre that may be achieved. It is through this document that the purported tentative consideration for the transaction is claimed by Mayank. What is unclear is who would pay the fee to Ultra, who authorized Ulltra to enter into an agreement with the third party and that too on behalf of Vidhi LLP, and who on behalf of Vidhi LLP agreed to increase the fee from 3% to 18%. The Learned Arbitral Tribunal also found that the fee in question did not appear to be a fee normally payable to a facilitator of such a transaction.

24. A term sheet between a party purportedly holding 100% interest in a special purpose vehicle, which in turn owns 30 acres of land, and yet another party (all of which is redacted), indicating some transaction for a consideration in the range of Rs. 55 crores to Rs. 60 crores per acre, was also similarly found to be vague by the Learned Arbitral Tribunal.

25. In my opinion, the vociferous contention on Mayank's behalf that the Learned Arbitral Tribunal has misread the order dated July 20, 2022, which misreading should be adequate to set aside the Impugned Order, is entirely

without merit. In my opinion, no case is made out for interference with the Impugned Order, which is a sensible, reasonable and evidently logical interim arrangement to preserve and protect the subject matter of the arbitration agreement. Even if the order passed in July 2022 were to be a consent order, on the basis of the material on record now made available and analysed by the Learned Arbitral Tribunal, a full-blown measure of protection of the subject matter of the arbitration agreement is wholly justified. Therefore, even hypothetically accepting Mr. Seervai's contested submission at its highest (that Mayank is the best judge of confirming what he agreed to), in my view a clear case is made out for protection of the subject matter of the arbitration agreement i.e. ownership of the Subject Land. Raju is as much a party to the order passed by consent, and if the two parties who had consented to the July 2022 order were to have a disagreement over what they consented to, it is only the Learned Arbitral Tribunal that would need to consider how to interpret the July 2022 order. That apart, the Learned Arbitral Tribunal is fully clothed with powers to grant protective measures, which it has ably discharged by way of the Impugned Order. Any contrary outcome in the Impugned Order would have made a mockery of the protective jurisdiction under Section 17.

26. Leaving aside the interpretation of the July 2022 Order, the Learned Arbitral Tribunal issued directions at an initial stage of considering IA 14 and directed disclosure of information. Mayank's conduct in reaction to this

direction makes a mockery of the directions issued and is *prima facie* contemptuous of the direction to be accountable. The Impugned Order speaks for itself as to why the documents shared, purportedly in compliance with the directions to disclose, do not inspire confidence to enable disposal of a significant portion of the only asset owned by Vidhi LLP. Such land is the subject matter of the arbitration agreement and the Impugned Order preserves and protects that in an impeccable manner.

27. The claim that the transaction in question would yield Rs. 1,250 crores as asserted by Mayank, truly does not inspire confidence going just by the heavily redacted documents that Mayank chose to provide to Raju and to the Learned Arbitral Tribunal. Even ignoring the redactions, the structuring of the documents presents a smoke-and-mirrors imagery. No cogent empirical basis to inspire confidence even of this Court is discernible, so as to justify an appellate intervention on the basis of the grievance that Mayank has come to Court with.

28. Needless to say, Raju is meant to be the working partner of Vidhi LLP. The LLP Agreement protects Raju from making capital contributions into the firm, and from any dilution of his ownership stake in Vidhi LLP. Yet, it is apparent that there has been a relentless assault by Mayank in the course of the arbitration proceedings – with claims of Raju’s rights having come to an end; of the LLP Agreement having been overridden by an Addendum; of Raju

being obligated to provide capital; of Raju being required to bring in amounts to cover losses that arose from expenses that had been capitalised historically, suddenly being passed through the profit and loss account; and of such expenses being significantly owed to interest purportedly accruing to none other than Mayank's own entities. The Learned Arbitral Tribunal is the best judge of the material before it and as the master of the evidence, is best placed to rule on the quantity and quality of evidence. Factoring all that in, the Learned Arbitral Tribunal is best placed to formulate protective measures. The Learned Arbitral Tribunal has done just that. Unless such measures are perverse and implausible such that no reasonable person would take such a view, the Section 37 Court ought not to substitute the Learned Arbitral Tribunal's view with its own view.

29. Mayank's stance that the creation of a trust shaved Raju off all protective provisions in the LLP Agreement falls in the ambit of *post litem motam* (words used after the litigation arose). Mayank has purported that realisation dawned on him much later to contend that Raju's entitlement as a partner had come to an end. All these factors taken together must inform the Learned Arbitral Tribunal's assessment of the protection necessary under Section 17 of the Act. I have already dealt with the aforesaid contention in my other judgements referred to above. Solely to avoid prolixity, I am not extracting from those judgements. In any case, the limited question raised in

the captioned proceedings falls within the narrow confines of permissible interference under Section 37 of the Act, read with the primary ground of assault by Mr. Seervai on the Impugned Order, namely, that the Impugned Order has grossly misread the order dated July 20, 2022.

30. In my opinion, it would be a mockery of Section 17 of the Act, if amidst such a trenchant dispute in arbitration, a significant portion of the prime asset of Vidhi LLP were permitted to be alienated and that through convoluted structured transactions, the import of which is not even discernible in the manner in which they are presented. Even if one were to take Mr. Seervai's submission at the highest, namely that Mayank was not obliged to share the material based on which the convoluted agreements through Ultra had been executed by Vidhi LLP, after having been directed to share all necessary information, Mayank's conduct does not inspire confidence to let such transaction be implemented.

31. The Learned Arbitral Tribunal is fully entitled to protect Raju and ensure that even assuming for the sake of argument that such an agreement is otherwise tenable by invoking the majority principle, it would be totally a mockery of the scheme of preservation of subject matter of arbitration agreement to allow the transaction to be completed. Far from being a fair protective interim measure, it would be a measure that would undermine the substratum of Vidhi LLP.

32. In my opinion, there is no perversity in the understanding articulated by the Learned Arbitral Tribunal, whether or not one invokes the history and legacy of the order dated July 20, 2022. That apart, one cannot ignore the fact that the order dated July 20, 2022 was passed at an early stage of the arbitration proceedings. Four years have gone by since then, and the parties have kept the Learned Arbitral Tribunal intensely busy with multiple Interim Applications. By this stage, the conduct of the parties is as clear as daylight to the Learned Arbitral Tribunal and the measure and degree of protection that is necessary, is fully discernible to it.

33. If nearly half of the Subject Land were permitted to be disposed of in the cloak-and-dagger manner as is discernible from the redacted instruments, nothing may survive in the arbitral award even if the ultimate decision were to go in favour of Raju. The strong *prima facie* case in Raju's favour has been well articulated in the Impugned Order. He is the pre-agreed working partner for all purposes and is entitled to participate in the decisions of Vidhi LLP, which itself is a special purpose vehicle holding the Subject Land.

34. Taking all these factors into account, the Learned Arbitral Tribunal is the best judge for fashioning the interim measure. The sale and disposal or even creation of third party rights over such a significant component of the only asset of Vidhi LLP can have far-reaching repercussions and therefore, the Learned Arbitral Tribunal was legitimately satisfied that such an approach

would be foolhardy and would run counter to the scheme of Section 17 of the Act.

35. In these circumstances, it is clear to me that the reading of the order dated July 20, 2022 is not the sole basis of the Impugned Order. The Impugned Order, needless to say, presents a fair and appropriate reading of the threat and danger to the subject matter of the arbitration agreement, which the Learned Arbitral Tribunal is best placed to protect.

36. It is well settled law that an appeal is to be regarded as a continuation of the original proceeding, and unless there is a statutory requirement to the contrary, the powers of the appellate forum are co-extensive with the power of a forum whose adjudication is under appeal<sup>1</sup>. Therefore, it is now trite law that when this Court exercises its jurisdiction under Section 37 of the Act, its power to interfere may only be exercised in the same manner in which the power to interfere is exercisable under Section 34 of the Act. Equally, an appellate Court exercising the power under Section 37 of the Act to review the exercise of discretion by an Arbitral Tribunal would be well guided by the principles set out by the Supreme Court in *Wander vs. Antox*<sup>2</sup> to interfere only if there is something perverse or implausible in the exercise of discretion by the Learned Arbitral Tribunal. The following extract would suffice:

<sup>1</sup> *Jute Corporation of India Ltd. Vs. CIT* – **1991 Supp 2 SCC 744**

<sup>2</sup> *Wander Ltd. Vs. Antox India (P) Ltd.* – **1990 Supp SCC 727**

14. The appeals before the Division Bench were against the exercise of discretion by the Single Judge. In such appeals, the appellate court will not interfere with the exercise of discretion of the court of first instance and substitute its own discretion except where the discretion has been shown to have been exercised arbitrarily, or capriciously or perversely or where the court had ignored the settled principles of law regulating grant or refusal of interlocutory injunctions. An appeal against exercise of discretion is said to be an appeal on principle. Appellate court will not reassess the material and seek to reach a conclusion different from the one reached by the court below if the one reached by that court was reasonably possible on the material. The appellate court would normally not be justified in interfering with the exercise of discretion under appeal solely on the ground that if it had considered the matter at the trial stage it would have come to a contrary conclusion. If the discretion has been exercised by the trial court reasonably and in a judicial manner the fact that the appellate court would have taken a different view may not justify interference with the trial court's exercise of discretion.

[Emphasis Supplied]

37. In a plethora of judgements, in particular, those under Section 37 of the Act, when considering a challenge to orders passed under Section 17 of the Act, **Wander vs. Antox** has been followed and reiterated multiple times. Therefore, the Petition is completely devoid of merit. Considering the nature of the factual matrix, this is a fit case for costs to follow the event.

38. However, considering that the Learned Arbitral Tribunal has concluded hearings and would be best placed to adjust costs across the parties, I leave it

to the Learned Arbitral Tribunal to factor in costs incurred in this round of litigation as well, when it assesses costs in the arbitration proceedings.

39. Considering the sheer volume of Interim Applications that have been pursued in these proceedings, the Learned Arbitral Tribunal is requested to call for detailed statements of costs in respect of each and every round of litigation, including further Appeals from interlocutory orders passed by it, so that the commercial reality of costs is truly brought to bear depending on the assessment of the same by the Learned Arbitral Tribunal.

40. With the aforesaid directions and observations, the Petition is *dismissed*.

41. All actions required to be taken pursuant to this Judgement shall be taken upon receipt of a downloaded copy as available on this Court's website.

[ SOMASEKHAR SUNDARESAN, J.]