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

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*Judgment reserved on: 27.01.2026**Judgment pronounced on: 15.04.2026**Judgment uploaded on: 15.04.2026*

+ FAO(OS) (COMM) 14/2026, CM APPL. 5068/2026, CM APPL. 5069/2026, CM APPL. 5070/2026 and CM APPL. 5071/2026

JLT ENERGY 9SAS

.....Appellant

Through: Mr. Rajshekhar Rao, Sr. Adv.
with Mr. V.P. Singh, Ms.
Meherunissa Anand, Mr. Asif
Ahmed, Ms. Shailja Rawal, Mr.
Suneel Kumar and Ms. Khushi
Mittal, Advs.

versus

HINDUSTAN CLEANENERGY LIMITED & ORS.

.....Respondents

Through: Mr. Jayant Mehta, Sr. Adv.
with Mr. Atul Shanker Mathur,
Mr. Prabal Mehrotra, Mr.
Shubhankar and Mr. Pallav
Arora, Advs.

CORAM:**HON'BLE MR. JUSTICE ANIL KSHETARPAL****HON'BLE MR. JUSTICE AMIT MAHAJAN****J U D G M E N T****ANIL KSHETARPAL, J.**

1. Through the present Appeal under Section 37(1)(b) of the Arbitration and Conciliation Act, 1996¹, the Appellant (Petitioner before the learned Single Judge) assails the correctness of the Judgment and Order dated 06.01.2026 [hereinafter referred to as

¹A&C Act



‘**Impugned Order**’], whereby the learned Single Judge dismissed the petition filed by the Appellant under Section 9² of the A&C Act [hereinafter referred to as ‘**Section 9 Petition**’], on the ground that non-fulfillment of *Conditions Precedent* (‘**CPs**’) and *Pre-Closing Actions*(‘**PCAs**’) within the Share Purchase Agreements [hereinafter referred to as ‘**SPAs**’] led to its termination, therefore, leaving no ground for its specific performance.

2. Herein, the Appellant contends that the learned Single Judge, dismissed the Section 9 Petition on the ground of termination of the SPAs. The learned Single Judge held that the Appellant failed to prove that the CP was successfully converted into Condition Subsequent (‘**CS**’), which led to the invocation of the automatic termination clause.

3. Accordingly, the issue that falls for consideration before this Court is whether the Appellant is entitled to a prohibitory injunction restraining the Respondents from creating any third-party rights or interests in assets and securities except as provided in the SPAs.

FACTUAL MATRIX:

4. In order to comprehend the issues involved in the present case, relevant facts in brief are required to be noticed.

5. The Appellant, JLT Energy 9 SAS, is a company incorporated under the laws of France belonging to a multinational group, Technique Solaire, engaged in the business of developing renewable

²Section 9



energy projects. The Respondent Nos.1 and 2 are Hindustan Cleanenergy Ltd. and Peridot Power Ventures Pvt. Ltd., respectively, and collectively own 100% shareholding in Respondent Nos.3 and 4 companies, which own and operate ground-mounted solar power projects in the State of Tamil Nadu and Bihar, respectively.

6. On 31.12.2024, the Appellant executed two SPAs with the Respondents for the acquisition of two solar power projects in Tamil Nadu and Bihar [hereinafter referred to as '**Tamil Nadu SPA**' and '**Bihar SPA**', respectively]. Schedule VII of the Bihar SPA stipulates that the Closing of the Tamil Nadu SPA constitutes a CP to the Closing of the Bihar SPA. Therefore, fulfilment of the Tamil Nadu SPA [hereinafter referred to as '**Agreement**'] was critical for this composite transaction to come to fruition.

7. The parties had mutually agreed to complete their respective CPs as set out in Clause 5, read with Schedule VII of the SPAs, before the Closing Long Stop Date ('**CLSD**'), i.e., 30.04.2025. Clause 11 of Part A of Schedule VII constitutes the genesis of the dispute, requiring the Respondents to convert the project land to the non-agricultural category [hereinafter referred to as '**NA Conversion Condition**']. It is also agreed as per the terms of the SPAs that should there be non-fulfilment of the CPs of the Agreement, Clause 5.6 would come into effect, leading to termination of the Agreement.

8. Where the parties could not resolve a dispute within a period of 30 business days, then it has to be resolved as per Clause 16.2(b)-(c) of SPAs for resolution by arbitration. The arbitration was to be



administered by the Singapore International Arbitration Centre ('SIAC') in accordance with the Arbitration Rules of SIAC [hereinafter referred to as '**SIAC Rules**']. The Appellant invoked the arbitration clause on 07.08.2025 by filing an Emergency Relief Application before the SIAC, which ultimately culminated in the order dated 27.08.2025 and Emergency Award/Order dated 28.08.2025, in favour of the Appellant. The Emergency Arbitrator issued a prohibitory injunction restraining the Respondents from, directly or indirectly, creating any third-party rights or interests in the assets or securities of the third Respondent or the fourth Respondent, except as expressly permitted under the SPAs or with Appellant's prior written consent. On 18.12.2025, upon the constitution of the main arbitral tribunal, the injunction has been continued until further orders.

9. The Appellant filed the Section 9 Petition, bearing O.M.P.(I) (COMM.) 464/2025, seeking a prohibitory injunction against the Respondents to enforce the relief granted by the Emergency Arbitrator effectively. However, the learned Single Judge rendered a finding that the SPAs stood terminated, and refused to issue an injunction against the Respondents on the following grounds:

- i. The amendment agreement, which sought to convert the NA Conversion Condition into a CS and extend the CLSD, was non-binding because the parties did not execute it.
- ii. The parties could not have extended the CLSD *via* e-mail, as such an extension did not comply with the agreed procedure for amending the CLSD.



iii. Since the NA Conversion Condition remained a CP and CLSD was not extended, the Agreement was automatically terminated as provided under Clause 5.6, and issuing an injunction would have amounted to reviving the SPAs, contrary to the parties' commercial understanding.

iv. Even if the Agreement were not terminated, a relief of specific performance would entail implications for the government authorities rather than the Respondents, who are not privy to the Agreement.

v. The Appellant failed to meet the standard of establishing a *prima facie* case in its favour, thus, no injunction can be granted.

10. Aggrieved by the dismissal of the Section 9 Petition, the present Appeal has been preferred by the Appellant.

CONTENTIONS OF THE PARTIES:

11. Heard learned Senior Counsel for the parties at length and, with their able assistance, perused the paperbook.

12. Learned Senior Counsel representing the Appellant has submitted as follows:

i. The SPAs are not inherently determinable under Section 14(d)³ of the Specific Relief Act, 1963⁴, as held by the Supreme Court in ***K.S. Manjunath v. Moorasavirappa***⁵.

³Section 14(d)

⁴SRA

⁵2025 SCC OnLine SC 2378



ii. Grant of specific performance would not amount to compelling the local government authority to grant an approval, as held in ***Solitaire BTN Private Limited v. The Executive Officer, Gram Panchayat & Ors.***⁶.

iii. The learned Single Judge, by deciding issues pending before the Arbitral Tribunal and holding that the SPAs are incapable of specific performance, has effectively rendered the arbitration infructuous.

iv. The SPAs continue to subsist and have not automatically terminated. Reliance is placed upon the judgment of a Co-Ordinate Bench of this Court in ***Upma Khanna v. Tarun Sawhney***⁷.

v. The Respondents have failed to take best efforts to achieve fulfillment of CPs, particularly the NA Conversion Condition.

vi. The learned Single Judge ignored the parties' contemporaneous conduct showing conversion of the NA Conversion Condition from a CP to a CS, and wrongly read Clause 17.5 as mandatory for such conversion and for extension of the CLSD. Further, it has been incorrectly concluded that Clause 5.8.3 is inapplicable for the extension of CLSD without providing any reason.

vii. The learned Single Judge has failed to consider that the Respondents deliberately delayed the completion of the trigger automatic termination of the SPAs.

⁶W.P.(MD) No.24713/2023

⁷2012 SCC OnLine Del 2716



viii. *Lastly*, the learned Single Judge has erred in not considering the findings of the Emergency Award/Order.

13. *Per contra*, learned Senior Counsel representing the Respondents has submitted as follows:

i. The scope of interference under Section 37 of the A&C Act⁸ is minimal. Even though this Court may find that another view is possible, the interference is not called for.

ii. The SPAs were conditional upon fulfilment of the CP within the CLSD and stood automatically terminated under Clause 5.6 upon failure thereof. No obligation to extend the CLSD was contemplated. The Appellant's prayer for interim relief seeks to rewrite the agreed commercial bargain.

iii. The edifice of the Appellant's case rests on unsubstantiated allegations of breach on the part of the Respondents, which have been rightly rejected by the learned Single Judge in the Impugned Order.

iv. The learned Single Judge has correctly held that the Executive Officer, Gangavarpatti Town Panchayat, was the competent local authority to be approached for NA conversion.

v. The Appellant's allegation that the Respondents acted dishonestly in pursuing the Tehsildar certificate is untenable. A perusal of the emails dated 29.01.2025 and 30.01.2025 demonstrates that the conduct complained of, if anything, reflects adversely on the Appellant rather than the Respondents.

⁸Section 37



14. No other submissions were advanced by learned Senior Counsel representing the parties.

ANALYSIS AND FINDINGS

15. It is by now well settled that the jurisdiction exercised by this Court under Section 37 is narrow and circumscribed. An Appeal under the said provision does not contemplate a rehearing on merits, nor does it permit re-appreciation of facts as if this Court were exercising original jurisdiction. Interference is warranted only where the discretion exercised by the court below is demonstrated to be arbitrary, perverse, manifestly illegal, or in disregard of the settled principles governing the grant or refusal of interim measures.

16. Even where another view is possible on the same set of facts, that circumstance alone does not justify appellate interference. The law consistently discourages the substitution of judicial discretion merely because the appellate court may be inclined to take a different view. Such restraint is of particular significance in matters arising out of commercial contracts between sophisticated parties, where certainty, predictability, and adherence to contractual allocation of risk form the bedrock of arbitration jurisprudence.

17. The Supreme Court, in ***Somdatt Builders NCC NEC (JV) v. National Highway Authority of India***⁹, has reiterated that while exercising appellate jurisdiction under Section 37, courts must refrain from undertaking an interpretative exercise of contractual terms, particularly where the court of first instance has adopted a plausible

⁹Civil Appeal No.2058/2012



and reasoned construction. Though rendered in the context of an Appeal under Section 37 arising from a Section 34 proceeding, the principle of appellate restraint applies with equal force to Appeals emanating from orders under Section 9.

18. Guided by the aforesaid principles, we now proceed to examine the Impugned Order and the rival contentions of the parties, strictly within the confines of the limited appellate jurisdiction vested in this Court.

I. Nature of the Transaction and Interdependence of the SPAs

19. The factual backdrop of the case is largely undisputed. The SPAs were executed as part of a composite and interlinked commercial transaction for the acquisition of solar power projects situated in the States of Tamil Nadu and Bihar.

20. The intrinsic linkage between the two SPAs is evident from the express stipulation in the SPAs, which provides that the closing of the Tamil Nadu SPA constitutes a CP to the closing of the Bihar SPA. The contractual scheme, therefore, leaves no doubt that the agreements were not intended to operate independently but were designed as constituent parts of a single, integrated transaction. The failure of one agreement was contractually contemplated to have a determinative impact on the other.

21. In such cases, the Courts exercising jurisdiction under the A&C Act must be slow to dilute or reconfigure such consciously negotiated commercial structures. The role of the Court is to give effect to the



bargain struck between the parties, and not to remodel the contractual framework under the guise of interim protection.

II. Contractual Architecture: CPs, CLSD& Consequences

22. Clause 5 of the SPAs, read with Schedule VII, meticulously enumerates that the CPs and PCAs are required to be fulfilled prior to CLSD. Clause 11 of Part A of Schedule VII requires conversion of the project land from agricultural to non-agricultural use, i.e., NA Conversion Condition.

23. The significance of this condition is evident from the fact that land-use conversion is fundamental to the viability, financing, and regulatory compliance of a solar power project. The parties consciously treated it as a CP and tied its fulfillment to the CLSD. The original CLSD was fixed as 30.04.2025 and was thereafter extended once, by mutual consent, till 31.05.2025.

24. Clause 5.6 of the SPAs provides that failure to fulfill the CP on or before the CLSD would result in automatic termination of the Agreement. The language employed is clear, unambiguous, and self-operative, leaving no discretion with either party or the Court once the stipulated event occurs.

III. Alleged Conversion of CP into CS and Extension of CLSD

25. The central plank of the Appellant's challenge rests on the assertion that the NA Conversion Condition, though originally stipulated as a CP, stood converted into a CS. It is contended that such conversion arose either from the contemporaneous conduct of the



parties or from a mutual understanding reflected in *inter se* correspondence and a draft amendment circulated between them.

26. The aforesaid contention has been examined in detail by the learned Single Judge and, in the considered view of this Court, rightly rejected. Clause 17.5 of the SPAs unequivocally mandates that any amendment or modification of the Agreement must be in writing and executed by all parties. Clause 17.10 further stipulates that any waiver, relaxation, or forbearance in respect of contractual obligations must be express and in writing. These provisions are not procedural formalities but embody a deliberate commercial choice, consciously incorporated to exclude informal, implied, or unilateral variations.

27. The material relied upon by the Appellant falls manifestly short of these contractual requirements. The draft amendment remained unsigned and was expressly circulated only for discussion purposes. The email exchanges, even when read cumulatively and in the manner most favourable to the Appellant, do not evince any concluded agreement in accordance with the SPAs. To accord binding effect to such material would be to disregard the express contractual mechanism agreed upon by the parties.

28. The reliance placed by the Appellant on Clause 5.8.3 to contend that the CLSD stood extended, or that the CP stood converted into a CS, through correspondence is equally untenable. Clause 5.8.3 cannot be read in isolation so as to dilute or override the mandatory requirements stipulated under Clause 17.5. The SPAs must be



construed as a cohesive whole, and any interpretation which renders one provision otiose or nugatory is impermissible in law.

29. In this backdrop, the learned Single Judge was justified in holding that the NA Conversion Condition continued to operate as a CP and that, in the absence of a validly executed amendment, the CLSD was never extended beyond 31.05.2025. The said finding is a plausible and reasoned conclusion drawn from the contractual text and the material on record and does not warrant interference.

IV. Automatic Termination and the Question of Fault

30. Having held that the NA Conversion Condition was contractually stipulated as a CP, that it was never validly converted into a CS, and that it remained unfulfilled within the extended CLSD, the legal consequence flowing from such non-fulfillment must now be examined. The SPAs leave no ambiguity in this regard. Clause 5.6 expressly provides that failure to fulfill the CPs on or before the CLSD would result in automatic termination of the Agreement.

31. The operation of Clause 5.6 is self-executing. Upon non-fulfillment of the CPs within the stipulated timeline, the Agreement stood terminated by operation of contract, without requiring any further act, election, or declaration by either party. Once such automatic termination is triggered, the contractual relationship between the parties stands extinguished in all practical respects, subject only to any consequences that may survive termination.



32. The Appellant has sought to avoid this consequence by contending that the non-fulfillment of the NA Conversion Condition was attributable to lack of best efforts, delay, and dishonest conduct on the part of the Respondents.

33. *Firstly*, the Appellant's allegation that the Respondents failed to exercise "best efforts" to obtain the NA Conversion is wholly unsubstantiated. The Agreement does not cast an exclusive or absolute obligation upon the Respondents to secure such conversion, nor does it prescribe any fixed timeline or standard beyond reasonable cooperation. In the absence of a clear contractual breach, a vague assertion of inadequate effort cannot be sustained.

34. *Secondly*, the plea of delay on the part of the Respondents is equally misconceived. The material on record does not demonstrate any deliberate or attributable delay that could be characterised as a breach of contract. On the contrary, the correspondence indicates that the process of NA conversion was subject to statutory authorities and external contingencies, for which the Respondents could not be faulted.

35. *Thirdly*, the allegation of dishonest conduct or *mala fides* on the part of the Respondents is not only unsupported by evidence but is also conspicuously absent from the foundational pleadings. Such serious imputations cannot be sustained on mere inference or conjecture, particularly in commercial contracts. The learned Single Judge has rightly observed that no material whatsoever was placed on record to substantiate this charge.



36. *Lastly*, the Appellant's attempt to attribute the non-fulfillment of the NA Conversion Condition exclusively to the Respondents, overlooks its own contractual rights and obligations. Even assuming that the act of obtaining NA Conversion was ministerial in nature, nothing prevented the Appellant from itself taking ownership of the process and proceeding towards closure. The Appellant's inaction cannot be recast as a breach by the Respondents.

37. Further, the allegation that the Respondents deliberately delayed completion of the CPs by undertaking internal restructuring is an afterthought. The record shows that such restructuring was carried out with prior intimation to, and with the knowledge and consent of, the Appellant.

38. Therefore, the learned Single Judge has correctly found that this premise is neither contractually nor factually supported. We find no reason to interfere with the well-reasoned conclusion that the allegations of breach are an afterthought, raised only to evade the contractual consequences of non-fulfillment of CPs.

39. Further, at the stage of proceedings under Section 9, this Court is required neither to undertake a detailed enquiry into disputed questions of fact nor to record findings on allegations of breach, *mala fides*, or fault. More fundamentally, Clause 5.6 does not predicate termination upon attribution of fault. The contractual scheme clearly indicates that the parties treated time-bound fulfillment of the CPs as fundamental to the transaction, and consciously agreed that failure



thereof would bring the Agreement to an end, irrespective of the reasons for such failure.

40. To accept the Appellant's submission would be to read into Clause 5.6 a fault-based exception which the parties themselves did not incorporate. Such an approach would amount to rewriting the contractual bargain and converting a time-bound conditional transaction into an open-ended arrangement, contrary to the express terms of the SPAs and the commercial intent underlying them.

41. Furthermore, the judgments relied upon by the Appellant pertain to agreements for sale of immovable property and proceed on the settled principle that time is ordinarily not of the essence in such contracts. Those authorities are clearly distinguishable and have no application to the present case, which concerns the sale of equity shares, i.e., movable property, in going concerns, with only an ancillary CP relating to land-use conversion of immovable property owned by the Respondents. Moreover, having regard to the structure of the SPAs, including the Lockbox mechanism and the automatic termination clause, time was expressly and unequivocally of the essence for completion of the transaction.

42. The Appellant's reliance on *Upma Khanna* (*supra*) is misconceived. The said decision arose at an interlocutory stage, where injunctive relief was granted on a *prima facie* finding that the sellers, despite receipt of confirmation from the competent authority, had deliberately declined to proceed with the transaction. Significantly, the said *prima facie* view did not survive final adjudication, and the suit



for specific performance was ultimately dismissed *vide* RFA(OS) 34/2019 by this Court. In contrast, the Respondents herein have placed material on record evidencing *bona fide* and continuous efforts to obtain NA Conversion, which has not been granted to date for reasons beyond their control. The factual and legal premise of *Upma Khanna (supra)* is thus wholly absent, and the Appellant has failed to establish any breach on the part of the Respondents.

43. In the aforesaid backdrop, the learned Single Judge was justified in holding that, upon non-fulfilment of the NA Conversion Condition within the extended CLSD, the Agreement stood automatically terminated by operation of Clause 5.6 of the SPAs. The rejection of the Appellant's fault-based challenge is founded on a correct appreciation of the contractual scheme, which does not predicate termination upon attribution of breach or *mala fides*.

V. The Alleged Infructuousness of Arbitration

44. The Appellant has contended that the refusal of interim protection under Section 9 renders the arbitration infructuous and amounts to a pre-judging of issues pending before the arbitral tribunal. The submission proceeds on the premise that unless interim protection is granted, the arbitral proceedings would be reduced to a mere academic exercise.

45. The jurisdiction conferred upon the Court under Section 9 is well recognised to be protective and ancillary in nature. The object of Section 9 is to preserve the subject matter of arbitration and to safeguard the rights of parties pending adjudication. Pertinently, the



aforesaid provision does not operate in a vacuum; rather, it proceeds on the foundational requirement that a subsisting and enforceable right exists which is capable of protection by way of interim measures.

46. Where, upon a *prima facie* examination of the contractual framework and the material placed on record, the Court arrives at the conclusion that the underlying Agreement has ceased to subsist, the jurisdiction under Section 9 cannot be invoked to grant interim relief so as to resurrect or revive a terminated contract. Grant of interim protection in such circumstances would amount to granting final relief in the guise of an interim measure and would run contrary to the settled principles governing Section 9.

47. In the present case, the learned Single Judge, after a careful examination of the SPAs and the material on record, found that the Agreement stood automatically terminated upon non-fulfilment of the CPs within the CLSD. Once such a *prima facie* finding was returned, the refusal to grant interim protection was a natural and logical consequence. The contention that the Court ought nevertheless to have granted interim relief would require the Court to proceed on the assumption that the Agreement continued to subsist, despite a contrary *prima facie* finding.

48. We also find no merit in the submission that the learned Single Judge has pre-judged or foreclosed the issues pending before the arbitral tribunal. The Court has not rendered any final or conclusive determination on the merits of the disputes between the parties. The examination undertaken was limited to ascertaining whether, as on the



date of filing of the Section 9 Petition, there existed a subsisting Agreement capable of enforcement. Such an enquiry is inherent in the exercise of jurisdiction under Section 9 and does not trench upon the adjudicatory domain of the arbitral tribunal.

49. It bears emphasis that the arbitral tribunal remains free to adjudicate upon all disputes raised by the parties in accordance with law, including issues relating to breach, fault, and consequences thereof. The refusal of interim protection under Section 9, founded on a *prima facie* view as to non-subsistence of the Agreement, does not denude the arbitral tribunal of its jurisdiction nor render the arbitral proceedings infructuous.

50. In this backdrop, this Court is of the opinion that the learned Single Judge was justified in holding that no case for the grant of interim protection under Section 9 was made out. The conclusion that interim relief could not be granted in the absence of a subsisting Agreement is a reasoned and legally sustainable view, consistent with the limited and ancillary nature of Section 9 jurisdiction.

VI. Allegations of Approaching Incorrect Authorities

51. The contention that the Respondents approached the wrong authority for NA Conversion is untenable. The learned Single Judge has rightly held that the Executive Officer, Gangavarpatti Town Panchayat was the competent authority, a position reinforced by the Madras High Court's judgment directing the very same authority to issue the NA Conversion. The Respondents' repeated representations



to the said authority during the subsistence of the SPAs and the agreed extension establish *bona fide* and diligent efforts.

52. Further, the allegation that approaching the Tehsildar was dishonest is equally misconceived. The contemporaneous correspondence shows that such steps were taken with the Appellant's knowledge and were even suggested as an interim measure to facilitate closing. The Appellant's shifting and contradictory positions render the allegation wholly unsustainable.

VII. Specific Performance and Statutory Approvals

53. Further, the learned Single Judge has rightly held that even assuming the SPAs had subsisted, the relief sought by the Appellant would, in effect, amount to enforcing contractual obligations contingent upon the grant of statutory approval. The NA Conversion Condition was dependent upon the discretion of the competent authority, namely the Executive Officer, Gangavarpatti Town Panchayat, and was not within the control of either party. Despite persistent efforts and repeated communications by the Respondents over several months, the NA Conversion was not granted, demonstrating that such approval was not a matter of course.

54. Grant of interim protection in such circumstances would necessarily require the Court to presume that the statutory approval would be forthcoming, or to indirectly compel steps leading to such approval. Such an approach is impermissible. As held by the Supreme Court in *Nand Kishore Lalbhai Mehta v. New Era Fabrics*¹⁰, where

¹⁰(2015) 9 SCC 755



performance of a contract is subject to grant of permission by a statutory authority and such permission is not obtained, the contract cannot be specifically enforced and the purchaser's remedy, if any, lies elsewhere. The principle applies *a fortiori* in the present case, where no consideration has been paid and the SPAs contain an automatic termination clause which has admittedly taken effect.

55. The position is further reinforced by the decision of the Supreme Court in ***Puravankara Projects Ltd. v. Hotel Venus International Ltd.***¹¹, which holds that where an agreement is subject to governmental permission, failure to obtain such permission renders the agreement unenforceable. This is also consistent with the settled principle noted in *Chitty on Contracts* that an obligation subject to a CP not within the control of the parties will not be specifically enforced before the condition occurs.

56. Further, ***Solitaire BTN Solar*** (*supra*) does not establish that NA Conversion is automatic or inevitable, as borne out by the admitted fact that permission has not been granted in the present case despite sustained efforts. ***Nirmala Anand*** (*supra*) turned on a change in law and the express willingness of the statutory authority to grant approval, neither of which exists here. Furthermore, that case did not involve an automatic termination clause. ***K.S. Manjunath*** (*supra*) deals with contracts that are inherently determinable within the meaning of Section 14(d). The present case, however, does not turn on inherent determinability but on an express contractual stipulation providing for automatic termination upon the occurrence of specified

¹¹(2007) 10 SCC 33



contingencies. The ratio of the aforesaid decisions, therefore, has no application to the facts at hand.

57. The SPAs expressly provided for automatic termination upon non-fulfillment of CP within the agreed timelines. The contracts thus came to an end by operation of their own terms, and not on account of any breach or bad faith attributable to the Respondents. In the absence of any breach, the question of reviving a self-terminated contract or granting specific performance, even at a *prima facie* stage, does not arise.

58. In this backdrop, the learned Single Judge was justified in holding that no interim relief in the nature of specific performance could be granted in respect of obligations contingent upon uncertain statutory approvals.

VIII. Consideration of Emergency Award/Order and its findings

59. The Appellant has urged that the learned Single Judge erred in not according due weight to the Emergency Award/Order. At the outset, it is necessary to delineate the source and scope of such an Award/Order. The Emergency Award/Order in the present case emanates from the parties' agreement to arbitrate under the SIAC Rules and derives its authority from the contractual adoption of those rules. The powers exercised by an Emergency Arbitrator are, therefore, procedural in nature and traceable to the institutional framework agreed between the parties, and not to the A&C Act.



60. Significantly, Clause 16.1 of the SPAs expressly provides that the Agreement shall be governed by Indian law and that the courts at New Delhi shall have exclusive jurisdiction, subject to arbitration. The legal consequence of this stipulation is that questions relating to the subsistence, enforceability, or termination of the SPAs, as also the grant of interim measures, must necessarily be examined in accordance with Indian substantive law and the statutory framework under the A&C Act. The SIAC Rules, including the standards applied by an Emergency Arbitrator, cannot displace or dilute the jurisdiction of Indian courts exercising powers under Section 9.

61. It is in this backdrop that the role of the Emergency Award/Order falls to be considered. As recorded in the Impugned Order and fairly acknowledged by learned Senior Counsel for the Appellant, the entitlement to interim relief under Section 9 must be independently established before the Court, irrespective of any interim order passed by the arbitral tribunal. A Co-Ordinate Bench of this Court in **Raffles Design International (India) (P) Ltd. v. Educomp Professional Education Ltd**¹² has authoritatively held that an Emergency Award/Order does not bind the Court under Section 9, which is required to apply its own mind to the material on record and assess the prayer for interim relief in accordance with Indian law.

62. In the present case, the Emergency Arbitrator granted relief at a preliminary stage on the basis of a “*reasonably arguable*” case, while expressly recording that the determination was based on a limited evidentiary record and that the merits of the dispute would be

¹² (2016) SCC OnLine Del 5521



examined by the regular arbitral tribunal. The Emergency Award/Order thus proceeded on a lower threshold, tailored to the exigencies of emergency relief under the SIAC framework, and was accompanied by explicit caveats as to its tentative nature.

63. When the Appellant's prayer is examined on the touchstone of the settled principles governing grant of injunctions under Indian law, it becomes evident that the essential requirements are not satisfied. *First*, in view of the *prima facie* finding that the SPAs stood automatically terminated upon non-fulfillment of the CPs within the CLSD, no subsisting contractual right capable of protection by way of interim injunction has been demonstrated. Section 9 jurisdiction cannot be invoked to preserve or enforce rights arising from a contract which has, *prima facie*, ceased to subsist.

64. *Secondly*, the balance of convenience does not lie in favour of the Appellant. The interim relief sought would continue wide-ranging restraints over assets and securities valued at approximately USD 12 million, notwithstanding that no consideration has been paid and the transaction itself failed to close within the agreed timelines. Grant of such relief would impose disproportionate commercial and operational burdens upon the Respondents, while effectively conferring upon the Appellant the benefits of the transaction without performance of its reciprocal obligations.

65. *Thirdly*, the Appellant has failed to demonstrate any irreparable injury warranting interim protection. The SPAs contemplate monetary consequences upon termination, and any alleged loss suffered by the



Appellant is capable of being adequately compensated in damages. As emphasised by the Supreme Court in *Colgate Palmolive Ltd. v. Hindustan Lever Ltd.*¹³, interlocutory injunctions are not to be granted merely on assertions of apprehended injury, but only where the cumulative requirements of *prima facie* case, balance of convenience, and irreparable harm are satisfied.

66. In these circumstances, the Emergency Award/Order, founded on a lower and provisional standard and rendered without the benefit of the complete evidentiary record available before the Court in the Section 9 proceedings, could not govern or dictate the outcome of the Appellant's case. The learned Single Judge rightly proceeded on a fuller record, applied the correct statutory and equitable principles, and declined interim relief.

CONCLUSION:

67. In view of the foregoing discussion, this Court finds no perversity, illegality, or jurisdictional infirmity in the Impugned Order. The SPAs stood automatically terminated upon non-fulfillment of the CP within the CLSD, and the Appellant has failed to establish any subsisting right warranting protection by way of an interim injunction.

68. The interim relief sought would, in effect, extend contractual restraints, originally limited to a defined period, throughout the pendency of the arbitral proceedings, without payment of any consideration, in respect of assets valued at approximately USD 12

¹³(1997) 7 SCC 1



million. Grant of such relief would impose disproportionate and irreparable commercial burdens upon the Respondents, wholly unwarranted in the facts of the present case.

69. At the same time, the learned Single Judge has adequately balanced equities by directing the Respondents to deposit a sum of INR 3 crores, a direction with which the Respondents have duly complied.

70. Having considered the rival submissions and bearing in mind the limited scope of appellate interference under Section 37, this Court finds that the present Appeal is devoid of merit.

71. The learned Single Judge has undertaken a detailed and careful examination of the facts of the case in the light of the applicable legal principles while passing the Impugned Order. The analysis of the terms of the SPAs is thorough and well-reasoned.

72. The Impugned Order is accordingly upheld, and the Appeal stands dismissed. All pending applications also stand disposed of.

73. It is clarified that the observations contained in this judgment are confined to the adjudication of the present proceedings and shall not influence the determination of the disputes on merits by the arbitral tribunal.

ANIL KSHETARPAL, J.

AMIT MAHAJAN, J.

APRIL 15, 2026/sp/sh