2026 INSC 843

REPORTABLE

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NOS. OF 2026
(@ SLP (C) NOS. 12592–12597 OF 2026)

SHRUTI MANAV SHARMA & ANR. ... APPELLANTS

VERSUS

SUNANINA SINGH & ORS. ... RESPONDENTS

J U D G M E N T

ALOK ARADHE, J.

1. Leave granted.

2. These appeals present a question regarding the nature of interlocutory jurisdiction and limits of appellate interference with exercise of judicial discretion in granting temporary injunctions. The controversy requires this Court to examine whether the Division Bench of the High Court while exercising jurisdiction under Order XLIII Rule 1(r) of the Code of Civil Procedure, 1908 (the 'Code'), was justified in substituting its own view for that of the learned Single Judge notwithstanding the settled principles governing appellate review of discretionary orders.

I. THE APPEALS

3. These appeals arise from the final judgment and order dated 20.03.2026 passed by a Division Bench of the High Court of Delhi at New Delhi in FAO (OS) No.96 of 2022, FAO(OS) NO.97 OF 2022, FAO(OS) No. 98 of 2022, FAO(OS) NO.99 OF 2022, FAO(OS) NO.33 OF 2024 and FAO(OS) NO.49 OF 2024, whereby the Division Bench, in exercise of its jurisdiction under Order XLIII Rule 1(r) of the Code, set aside the order dated 29.07.2022 passed by the learned Single Judge granting an interim injunction in favour of Mrs. Sita Chaudhary (the 'original plaintiff'), and allowed the appeals preferred by the defendants. These appeals, by the original plaintiff's legal representatives and other family members aggrieved by the reversal, seek restoration of the injunction granted by the learned Single Judge.

II. THE FACTS

4. Shri Devinder Singh Chaudhary (the 'testator') had, over his lifetime, established various companies, partnerships and trusts, in which the capital or shareholding held principally by the testator and his wife, the original plaintiff, with a minuscule shareholding held by third parties. These entities were asset-holding entities. The testator died on 05.12.2009. According to the original plaintiff, the testator had executed a Will on 26.03.2004 governing the succession of his shares in the family assets. According to one of his sons, Mr. Deepinder Singh, the testator had instead executed a subsequent Will dated 04.10.2008; whereas according to another son, Mr. Virender Singh, the testator died intestate.

5. After the testator's death, his granddaughter, Ms. Sunanina Singh (defendant No.4), and her family moved to Chandigarh and began residing with the original plaintiff. Between 19.12.2018 and 06.06.2019, the original plaintiff executed a series of gift deeds and Limited Liability Partnership ("LLP") transfer agreements, transferring capital and shareholding in the family entities, effecting sales of property, and advancing interest-free loans, particulars of which are set out below:

Date	Corporate Entity	Transferor	Transferee	Shares/Capital
19.12.2018	Amba Promoters & Developers Pvt. Ltd. (Defendant No.16)	Sita Chaudhry	Sunaina Singh	6000 shares
19.12.2018	P.E. Manning (Consultants) Pvt. Ltd. (Defendant No.15)	Sita Chaudhry	Sunaina Singh	18,012 shares
14.03.2019	Ruchi Towers LLP (Defendant No.14)	Sita Chaudhry	Sunaina Singh	62% LLP Capital
14.03.2019	Rama Packing & Wires Industries LLP (Defendant No.17)	Sita Chaudhry	Sunaina Singh	47% LLP Capital
24.04.2019	Ruchi Towers LLP (Defendant No.14)	Rajpura Steel Tubes Pvt. Ltd.	Ajay Kadyan	38% LLP Capital
06.06.2019	Industrial Cables (India) Ltd. (Defendant No.13)	Sita Chaudhry	Sunaina Singh	21,21,240 shares

6. In addition, during the period of her residence with the original plaintiff, the defendant no.4 caused a farmhouse at 'The Green', Village Rajokri, Tehsil Vasant Vihar, New Delhi, to be sold through the original plaintiff for a sum of Rs.4.72 crores, and obtained a further sum of Rs.50 crores by way of loans and advances. With the funds so obtained, the defendant No.4 and Mr. Ajay Kadyan (defendant No.9) purchased flats at DLF Magnolias and Magnum Towers, Gurgaon, a factory at Laksar, Uttarakhand, and sports and luxury cars.

7. Mr. Virender Singh, one of the sons of the original plaintiff and the testator, filed CS (OS) No.382 of 2020 on 20.11.2020, challenging the transfers made by the original plaintiff. The original plaintiff filed a written statement opposing prayers in the suit. She subsequently moved out of Chandigarh and began residing with her other granddaughter, Mrs. Shruti Manav Sharma who is the sister of defendant No.4.

8. On 21.10.2021, the original plaintiff instituted the suit, namely, CS (OS) No.589 of 2021, pleading that she was an elderly widow in poor health; and that defendant Nos.1 to 12 were members of her family while defendant Nos. 13 to 17 and 19 held the testator's estate; and that defendant Nos. 4 to 9, taking advantage of her old age, had procured the execution of the gift deeds and were disposing of properties held in the names of various companies. The plaint averred that defendant Nos. 4 and

9 had systematically procured transfer of her shareholding and LLP interests in their own names by illegal and fraudulent means, particulars of which were set out in paragraph 16 of the plaint. She sought, among other reliefs, (i) declaration that the transfers in favour of defendant Nos.4 and 9 were null and void; (ii) permanent and mandatory injunction restraining defendant Nos. 4 and 9 from exercising any right or authority founded on those transfers, including in respect of defendant Nos.13 (Industrial Cables (India) Ltd.), 15 (P.E. Manning Consultants Pvt. Ltd.) and 16 (Amba Promoters and Developers Pvt. Ltd.), and in respect of the transferred interests in defendant No.14 (Ruchi Towers LLP) and defendant No.17 (Rama Packaging and Wire Industries LLP); (iii) a mandatory injunction directing restoration of the shareholding and LLP interests to their position as on the date of the testator's death; and (iv) an injunction restraining alienation of the subject properties. Along with the plaint, she filed I.A. No.14829 of 2021 under Order

XXXIX Rules 1 and 2 of the Code, seeking an interim injunction.

III. <u>PROCEEDINGS BEFORE THE LEARNED SINGLE JUDGE</u>

9. By an *ad interim* order dated 12.11.2021, the learned Single Judge directed the parties to maintain *status quo* with regard to the alienation of the properties and directed issuance of notice to the defendants. The defendant Nos.4, 13 and 16 applied under Order XXXIX Rule 4 of the Code for vacation of that *ex parte* order.

10. By order dated 29.07.2022, the learned Single Judge disposed of both, the original plaintiff's application for injunction and the defendants' applications for vacation, holding, *inter alia,* as follows:

(i) Under the Will dated 26.03.2004, the original plaintiff did not acquire an absolute right to the testator's estate but only a limited beneficial interest, which had not matured into an absolute interest under Section 14 of the Hindu Succession Act, 1956 (the '1956 Act').

(ii) A doubt existed, at that stage, as to whether the Will dated 26.03.2004 was the testator's last will, given that a subsequent Will dated 04.10.2008 had been propounded and probate proceedings in respect of it were pending.

(iii) The original plaintiff could not, in law, have transferred the shareholding and interest in the testator's estate in favour of defendant Nos.4 and 9.

(iv) The transfer of that interest and shareholding to defendant Nos.4 and 9 was procured by undue influence exercised by them upon the original plaintiff.

(v) The defendant companies and LLPs were, in substance, the alter egos of defendant Nos. 4 and 9 and partook of the nature of quasi-partnerships.

(vi) The defendant Nos. 4 and 9 had drawn loans and advances from the companies, LLPs and other family-owned entities, and applied those funds to acquire properties and assets in their own names.

(vii) Various properties of the testator and of the defendant companies and LLPs had been disposed of, or were being disposed of by defendant Nos.4 and 9 after they acquired control of those entities.

11. On these findings, the learned Single Judge held that a *prima facie* case for granting an injunction was made out, and that the balance of convenience required that the properties standing in the names of the defendant companies and LLPs be preserved and their disposal be restrained pending final adjudication of the suit. The operative directions were as follows:

(i) No third-party interest, including by way of sale, transfer or encumbrance, shall be created in respect of the properties owned by defendant Nos.13 to 17.

(ii) Defendant Nos. 4 and 9 are restrained from transferring, selling, alienating or creating third-party interest in: the property/office at Building No.7, Basant Lok, Vasant Vihar, New Delhi; the flat at Magnolias, Gurgaon; the accommodation on the first and second floors of Tower B, Magnum

Towers, Golf Course Extension Road, Sector 58, Gurgaon; and the factory land and building at Village Khanpur, Purkazi, Laksar Road, District Uttarakhand – 247663.

(iii) The foregoing directions shall not preclude defendant No.13 from selling or transferring plots developed in Madhuban Colony, Rajpura, Punjab.

IV. PROCEEDINGS BEFORE THE DIVISION BENCH

12. Aggrieved, defendant Nos. 4, 9, 13 along with M/s. JMD Super Infratech Pvt. Ltd. preferred appeals under Order XLIII Rule 1(r) of the Code. During the pendency of those appeals, the original plaintiff died on 09.01.2025. Six of her seven grandchildren, together with three of her children, were substituted as her legal representatives pursuant to a family arrangement dated 12.02.2025.

13. By the impugned judgment dated 20.03.2026, the Division Bench noted the limited scope of its jurisdiction under Order XLIII Rule 1(r) of the Code – that, the grant or refusal of an injunction being discretionary, an appellate court does not undertake a fresh reconsideration of the entire matter, nor substitute its own view merely because it might have arrived at a different conclusion on the same material, and that interference is warranted only where the discretion has been exercised arbitrarily, capriciously, perversely, mala fide, upon an irrelevant or extraneous consideration, or contrary to settled legal principles; the guiding test being whether a reasonable person could have reached the same conclusion on the material before the trial court. Applying that standard, the Division Bench nonetheless proceeded to hold as follows:

(i) Clause 2 of paragraph III of the Will dated 26.03.2004, on a plain reading, expressly authorised the original plaintiff to administer the testator's estate during her lifetime without embargo.

(ii) Clause 3 of paragraph III of the said Will contemplated division of the residual estate only upon the original plaintiff's demise, with one-third of the residual estate to vest, after her death, in the family of defendant No.2, including defendant No.4.

(iii) The original plaintiff was herself a shareholder in the concerned companies and had, during her lifetime, gifted shares to her granddaughter and the granddaughter's husband.

(iv) In CS(OS) No.382 of 2020, filed by her son Mr. Virender Singh (defendant No.1), the original plaintiff had admitted execution of the gift deeds and transfer of her shares in favour of defendant No.4 and her husband, and had never questioned the correctness of those transfers.

(v) The delay in questioning the transactions, the absence of any contemporaneous criminal complaint, and the original plaintiff's continued participation in the corporate and legal affairs of the entities during the relevant period were all relevant to the existence of a *prima facie* case.

(vi) The injunction granted by the learned Single Judge extended even to properties asserted by defendant Nos.4 and 9 to be self-acquired, without a clear *prima facie* nexus being shown between the acquisition of those properties and the proceeds of the impugned transfers.

(vii) The grant of injunction would stall the development of ongoing projects, affecting not only defendant Nos.4 and 9 but also third-party purchasers of apartments and plots.

(viii) The preservation of the subject-matter of a dispute cannot be treated as a substitute for the foundational requirement of a *prima facie* case.

(ix) Section 89(8) of the Companies Act, 2013 expressly provides that no right in relation to any share in respect of which a declaration is required but has not been made shall be enforceable by the beneficial owner or any person claiming through him, and that statutory embargo cannot be diluted by treating non-compliance as a mere procedural lapse.

(x) The questions of title, beneficial interest and control were deeply contested and incapable of summary determination at the interlocutory stage, and, in the absence of a clear *prima facie* entitlement, the learned Single Judge could not have brushed aside the respondents' reliance on Section 89 of the Companies Act, 2013 in the manner that he did.

(xi) The interpretation of Section 14 of the 1956 Act being pending before a Larger Bench of this Court, any definitive or *prima facie* conclusion on its applicability would be premature.

(xii) The injunction granted by the learned Single Judge travelled beyond preservation and risked conferring an unwarranted advantage upon the plaintiff's side, warranting interference in appeal.

14. On this reasoning, the Division Bench concluded that the learned Single Judge had misapplied the settled principles governing the grant of injunction, and the order impugned before it could not be sustained. The Division Bench accordingly allowed the appeals.

V. SUBMISSIONS

15. Mr. Kapil Sibal, learned Senior Counsel for the appellants, submits that the Division Bench erroneously set aside a well-reasoned order of the learned Single

Judge, in contravention of the law laid down by this Court[1]. It is submitted that the Division Bench ought to have appreciated that a single granddaughter, defendant no.4, has, by exercising undue influence over the original plaintiff, usurped the entire family stake to the exclusion of every other family member; that the finding that Clause 2 of paragraph III of the Will dated 26.03.2004 conferred an absolute interest upon the original plaintiff rests on a misreading of that clause; that, as a consequence of the impugned transfers, defendant No.4 has come to control properties worth approximately Rs.1,035 crores, as against assets of only about Rs.40 crores held by the rest of the family, defendant Nos.4 and 9 together having appropriated some 96.3% of the estate, leaving the remaining family members with less than 4%; and that the mere pendency of a reference to a Larger Bench does not erase the precedential value of existing decisions. It is accordingly urged that the impugned judgment be set aside.

[1] **Wander Ltd. & Anr. vs. Antox India P. Ltd., 1990 Supp. SCC 727**

16. Mr. Mukul Rohatgi, learned Senior Counsel for the respondents, submits that the original plaintiff herself approved every transaction now sought to be branded as fraudulent; that the threshold for appellate interference laid down in ***Wander Ltd. & Anr.*** (supra) was duly met, since the findings of the learned Single Judge were themselves perverse; and that the impugned judgment does not call for interference in these appeals.

VI. THE JURISDICTION: STATUTORY FORM, EQUITABLE SUBSTANCE

17. The jurisdiction to grant a temporary injunction though statutory in form but equitable in substance. Section 36 of the Specific Relief Act, 1963 declares that preventive relief is granted at the discretion of the court; Section 37(1) defines a temporary injunction and subjects it to the Code. Order XXXIX Rule 1(a) of the Code is directed, in terms, at property "in danger of being wasted, damaged or alienated"; Section 94(c) empowers the court to grant such an injunction "to prevent the ends of justice from being defeated." Where a case falls outside the letter of Order XXXIX, the court's inherent power under Section 151 supplements, though it does not supplant, these express provisions[2].

18. The remedy is, in its origin, the characteristic remedy of the Court of Chancery, and its incidents, namely (i) it operates *in personam*, (ii) it is discretionary, and (iii) it is withheld where the common law remedy in damages is adequate, are traceable to that origin. The width of a discretion so conceived was addressed early. Sir George Jessel M.R. took the view[3] that the court's power to grant an injunction was, in principle, unlimited wherever it would be right or just to do so; that width was promptly qualified by the Court of Appeal:

> "*I have no doubt that the words 'just or convenient' do not mean that the Court can grant an injunction because it thinks it convenient, but mean that the Court should grant an injunction for the protection of rights or the prevention of injury according to legal principles.*" – North London Railway Co. v. Great Northern Railway Co., (1883) 11 QBD 30, per Cotton L.J.

---

[2] **Manohar Lal Chopra** v. **Rai Bahadur Rao Raja Seth Hiralal, AIR 1962 SC 527**
[3] **Beddow v. Beddow, (1878) 9 Ch D 89**

19. The discretion is therefore, a judicial one, exercised according to settled principles and not according to an individual sense of convenience. It presupposes a right in the applicant which the court is protecting. In the instant case, the original plaintiff claimed beneficial and testamentary interest in the family estate, now asserted on her behalf by her legal representatives. Indian law applies the equitable maxims to the same end. This Court[4] held that the grant of an interlocutory injunction is a discretion to be exercised in a judicial manner and in accordance with the settled principles of equity, so that the conduct of the party invoking the jurisdiction is itself examined by the court. On the pleadings and the findings of the learned Single Judge, it is the conduct of defendant Nos.4 and 9 in procuring the impugned transfers – by undue influence practiced upon an elderly widow residing in their household – that is squarely in issue; that is a matter for trial, but at the interlocutory stage it weighs in favour of preserving, rather than

[4] **Gujarat Bottling Co. Ltd. & Ors.** v. **Coca Cola Co. & Ors., (1995) 5 SCC 545**

permitting further dealing with, the properties and shareholding in question.

VII. THE OBJECT OF THE ORDER: PRESERVATION OF THE SUBJECT – MATTER FOR TRIAL

20. The single most important proposition governing these appeals is that an interlocutory injunction decides nothing; it is a holding operation, so that the trial, when it comes, is not a barren exercise. Lord Diplock's classical formulation[5], has been adopted verbatim in India:

> *"The object of the interlocutory injunction is to protect the plaintiff against injury by violation of his right for which he could not be adequately compensated in damages recoverable in the action if the uncertainty were resolved in his favour at the trial."*

21. The corresponding English refinement is the principle of minimisation of irremediable error. As Hoffman J. put it[6], "the fundamental principle is that the court should take whichever course appears to carry the lower risk of injustice if it should turn out to have been 'wrong'." The same learned Judge, sitting in Privy Council[7], restated

[5] **American Cyanamid Co.** v. **Ethicon Ltd., [1975] AC 396**
[6] **Films Rover International Ltd.** v. **Cannon Film Sales Ltd., [1987] 1 WLR 670**
[7] **National Commercial Bank Jamaica Ltd.** v. **Olint Corpn. Ltd., [2009] 1 WLR 1405**

the enquiry as being whether, if the injunction is refused and the claimant succeeds, he can be adequately compensated, and whether, if it is granted and the defendant succeeds, the defendant can be adequately compensated, the court adopting whichever course is likely to cause the least irremediable prejudice.

22. The Indian formulation, adopting the American Cyanamid language, is found in ***Wander Ltd. & Anr.*** (supra), where this Court held that the interlocutory remedy is intended "to preserve in *status quo* the rights of the parties which may appear on a *prima face* case." This preservative purpose is echoed in the structure of the statute itself: Order XXXIX Rule 1(a) speaks of property "in danger of being wasted, damaged or alienated," and Section 94 of the Code speaks of preventing "the ends of justice from being defeated." This Court[8] explained that an interim order is intended to protect the subject-matter of the proceedings until disposal of the case, so that the ultimate relief, if the party succeeds, is not rendered meaningless.

---

[8] **Zenit Mataplast Pvt. Ltd. v. State of Maharashtra & Ors., (2009) 10 SCC 388**

23. Applying those touchstones here: the shareholding, LLP interests and immovable properties in question constitute the entire subject-matter of the suit. If defendant Nos.4 and 9 are left free, pending trial, to further alienate, encumber or otherwise deal with the family companies, the LLPs or the properties acquired with their proceeds, the decree in the plaintiff's favour whether resting on the Will dated 26.03.2004, or on a finding of undue influence avoiding the impugned transfers, or otherwise would be rendered an empty formality. This is precisely the paradigm which Order XXXIX Rule 1(a) is drafted to meet: it is directed not at the merits of the claim but at the risk. That risk is squarely present on the facts before us, and it is the loss of control over the family entities, or the creation of third-party rights in the properties acquired through them, that no eventual decree could undo.

VIII. <u>PRIMA FACIE CASE: A SERIOUS QUESTION TO BE TRIED</u>

24. The threshold for a *prima facie* case is a modest one. It does not require proof of title; it requires only that the claim not be frivolous or vexatious – a serious question to be tried. A *prima facie* case does not mean a case proved to the hilt but a case which can be said to be established if the evidence which is led in support of the same were believed. While determining whether a *prima facie* case had been made out, the relevant consideration is whether on the evidence led it was possible to arrive at the conclusion in question and as to whether that was the only conclusion which could be arrived at on that evidence[9].

25. The classic modern statement is **Dalpat Kumar** v. **Prahlad Singh, (1992) 1 SCC 719**:

> "*The existence of the prima facie right and infraction of the enjoyment of his property or the right is a condition for the grant of temporary injunction. Prima facie case is not to be confused with prima facie title which has to be established, on evidence at the trial. Only prima facie case is a substantial question raised, bona fide which needs investigation and a decision on merits.*"

26. This Court elucidated the meaning of expression '*prima facie* case' in ***Gujarat Bottling Co. Ltd. & Ors.*** (supra) to mean that the Court should be satisfied that there is

[9] **Martin Burn Ltd.** v. **R.N. Banerjee, AIR 1958 SC 79**

a serious question to be tried at the hearing, and there is a probability that of plaintiff obtaining the relief at the conclusion of the trial on the basis of the material placed before the Court. The expression '*prima facie* case' means a substantial question raised *bona fide* which needs investigation and decision on merits and the Court, at the initial stage, cannot insist upon a full proof case warranting an eventual decree[10].

27. Tested against that standard, the learned Single Judge's conclusion that a *prima facie* case was made out cannot be faulted. The nature of the original plaintiff's interest under the Will dated 26.03.2004, and whether it matured into an absolute interest under Section 14 of the 1956 Act, is itself a substantial question; so too is the effect of the subsequently propounded Will dated 04.10.2008, in respect of which probate proceedings remain pending. The plea that defendant Nos.4 and 9, while residing with an elderly widow dependent upon them, procured transfer of virtually the entire family

[10] **Anand Prasad Agarwalla** v. **Tarkeshwar Prasad & Ors.; (2001) 5 SCC 568, Ramakant Ambalal Choksi** v. **Harish Ambalal Choksi & Ors.; (2024) 11 SCC 351** and **State of Kerala** v. **Union of India; (2024) 7 SCC 183**

shareholding and estate in their own favour, is not a frivolous or vexatious plea, it self-evidently requires proof at trial and cannot be shut out at the threshold. The Division Bench's insistence on a "clear *prima facie* nexus," on a detailed reading of specific clauses of the Will, on the effect of the original plaintiff's conduct in a separate suit, and on the applicability of Section 89 of the Companies Act, 2013, required precisely the kind of close, merits-based enquiry that the authorities considered above hold to be impermissible at the interlocutory stage. We wish only to record, and to emphasise, that the finding of a *prima facie* case is confined to the existence of a serious dispute for trial; it is not, and is not intended to be, a finding upon the true construction of the Will dated 26.03.2004, upon the validity of the Will dated 04.10.2008, upon the applicability of Section 14 of the 1956 Act or Section 89 of the Companies Act, 2013, or upon the truth of the plea of undue influence, all of which remain squarely for decision at trial.

IX. BALANCE OF CONVENIENCE

28. The Court, while dealing with the prayer for injunction has also to advert itself to the second essential ingredient for grant of injunction *viz.* 'balance of convenience'. In order to determine whether the balance of convenience lies, the Court must weigh two matters. The first is to protect the plaintiff against injury by violation of his rights for which he could not be adequately compensated in damages recoverable in the action if the uncertainty were to be resolved in his favour. The second matter is that the defendant's need to be protected against injury resulting from his having been prevented from exercising his own legal rights for which he could not be adequately compensated by an undertaking if the uncertainty were to be resolved in defendant's favour at the trial[11].

29. The aforesaid principle has been reiterated with approval by this Court in ***Wander Ltd. & Anr.*** (supra) and it has been held that need to protect the plaintiff against the

---

[11] **Halsbury's Laws of England, Fourth Edition, Vol-24, para 856, American Cynamid Co.** and **Ethicon Ltd.; (1975) 1 All ER 504** and **Fellowes and Son** v. **Fisher; (1975) 2 All ER 829**

injury by violation of his right for which he cannot be compensated in damages recoverable in the action if the uncertainty were to be resolved in his favour has to be weighed against the corresponding need of the defendant to be protected against injury resulting from his having been prevented from exercising his legal rights for which he would not be adequately compensated. The Court, therefore, must weigh one need against another and determine where the 'balance of convenience' lies.

30. Here, the balance is not equally poised. What is restrained is not any business or enterprise conducted by defendant Nos.4 and 9 in their own right, but further alienation of shareholding, LLP interests and immovable properties whose very provenance is under a cloud. Defendant Nos.4 and 9 lose nothing of substance by being restrained from alienating assets to which their title is itself under challenge; they remain free to possess and enjoy those assets pending trial, and the learned Single Judge's order expressly carved out an exception permitting defendant No.13 to continue selling developed plots in Madhuban Colony, which meets, at least in part, the concern that in injunction of this kind may otherwise stall ongoing development and affect third-party purchasers. The appellants, on the other hand, stand to lose, irrecoverably, the very subject-matter of the suit, comprising control of family companies representing the substantial part of the testator's estate, should that control or the properties acquired through it pass into the hands of strangers to the suit during its pendency.

X. IRREPARABLE INJURY

31. The Court, while dealing with the prayer for grant of injunction is required to consider the third essential ingredient *viz.* irreparable injury. This Court in ***Gujarat Bottling Co. Ltd. & Ors.*** (supra) has held that the Court is required to satisfy itself that the party seeking injunction needs protection from the consequences of apprehended injury and the injury is such which cannot be adequately compensated by way of damages. Thus, the Court is required to satisfy itself that in case an injunction as prayed for is not granted, the party seeking the same will suffer irreparable injury.

32. A party is not entitled to an order of injunction as a matter of right. The grant of interlocutory injunction is a remedy which is discretionary in nature. However, such a discretion has to be exercised on the touchstone of trinity test *viz. prima facie* case, balance of convenience and irreparable injury[12]. It is equally well settled legal proposition that the temporary injunction being an equitable relief, the discretion to grant such relief will be exercised only when the plaintiffs conduct is free from blame and he approaches the Court with clean hands[13].

33. This is precisely the injury that is irreparable in the sense in which equity uses that word. Loss of controlling shareholding in family companies, or the creation of third-party rights in properties acquired with the proceeds of disputed transfers, that a subsequent decree cannot unwind, is the paradigm of such injury; it is not mere financial loss capable of computation and recovery

---

[12] **Shiv Kumar Chadha** v. **Municipal Corporation of Delhi & Ors., (1993) 3 SCC 161**
[13] **Seema Arshad Zaheer & Ors.** v. **Municipal Corpn. of Greater Mumbai & Ors., (2006) 5 SCC 282**

from a solvent party, of the kind that courts, following **Evans Marshall & Co. Ltd.** v. **Bertola SA[14],** have held to be adequately met by an award of damages. No decree for money could restore to the appellants the specific shareholding and properties in question, once alienated to third parties during the pendency of the suit.

34. The plea that certain properties held by defendant Nos.4 and 9 are self-acquired does not, on the pleadings, alter this conclusion. It is the appellants' case – accepted, on a *prima facie* view, by the learned Single Judge that these properties were purchased with the proceeds of loans and advances drawn from the family companies and LLPs and with the sale proceeds of properties transferred by the original plaintiff, without any independent source of income being pleaded by defendant Nos.4 and 9 for their acquisition. Properties so acquired are, for the purposes of interim protection, properties traceable to and standing in the place of the very shareholding and proceeds whose transfer is impugned in the suit, and must, for the present, be preserved along with them.

[14] [1973] 1 WLR 349

Whether they are in truth self-acquired, and whether the plea of traceability is ultimately made out, are matters for trial and not for this Court, or indeed for the Division Bench, to resolve at the interlocutory stage.

35. All three conditions, a *prima facie* case in the form of a serious and substantial dispute requiring investigation, a balance of convenience in favour of preservation, and an injury that, if the shareholding and properties are permitted to be alienated, would be irreparable in the relevant sense, thus coexist, and were correctly found by the learned Single Judge to coexist.

XI. THE STANDARD OF APPELLATE INTERFERENCE

36. An order on an application for temporary injunction is a discretionary one, and an appellate court does not ordinarily substitute its own discretion for that of the court of first instance, save where the discretion has been exercised arbitrarily, capriciously or perversely, or in ignorance of the settled principles governing the grant or refusal of such relief. The principle laid down in ***Wander Ltd. & Anr.*** (supra) which has been approved by subsequent decisions of this Court[15], has been guiding the appellate courts in the country for decades while exercising the appellate jurisdiction considering the correctness of the discretion and jurisdiction for grant or refusal of interlocutory injunctions. The order of the learned Single Judge, resting as it does on seven specific findings addressing the nature of the original plaintiff's interest under the Will, the doubt surrounding its finality, the plea of undue influence, and the alter-ego character of the defendant entities, cannot be said to be arbitrary, capricious or perverse, nor to have been passed in ignorance of settled principle. It is, on the contrary, an order squarely anchored in the three conditions that govern the grant of interim injunction. The Division Bench's substitution of its own appreciation of the Will, of the parties' conduct, and of the applicability of statutory provisions bearing on the final merits, for the exercise of discretion by the learned Single Judge, was not warranted on the standard it had

[15] **Shyam Sel and Power Limited** v. **Shyam Steel Industries Limited, (2023) 1 SCC 634** and **Ramakant Ambalal Choksi** (supra)

itself correctly recited, and constitutes precisely the kind of interference that ***Wander Ltd. & Anr.*** (supra) forbids.

XII. THE VICE OF THE MINI-TRIAL

37. Before parting with these appeals, we consider it necessary to record our disquiet at a recurring feature of orders passed under Order XXXIX of the Code, and of appellate orders reviewing them, that reach this Court. Such orders are, with increasing frequency, running into pages of close analysis of the rival documents, weighing the probable outcome of issues of title, undue influence or fraud, and expressing views, in substance, on which party is likely to succeed at trial. Orders become lengthy for a single reason: the court passing them has, whether consciously or not, entered upon the final merits of the controversy and conducted what is, in substance, a mini-trial upon affidavits and documents that properly await the leading of evidence.

38. This is not what Order XXXIX requires, nor what the law permits - whether of the court of first instance or of an appellate court reviewing it. Lord Diplock's caution[16], that the interlocutory stage is not the occasion to resolve conflicts of evidence on affidavit or to decide difficult questions of law calling for mature consideration, has been consistently accepted in India. This Court[17], emphasised the court's reluctance to decide difficult questions of law or fact at the interlocutory stage. The scope of examination on an application under Order XXXIX – and, equally, of an appeal against an order made on such an application – is confined to the limited and threshold question whether the plaintiff has shown a serious dispute meriting investigation at trial; it does not extend to an examination of the final effect, probative value or ultimate merits of the documents annexed to the pleadings, which is the trial court's task, to be undertaken after evidence and not before.

39. Measured against this standard, the judgments of the learned Single Judge as well as the Division Bench bear the marks of a mini-trial. Having correctly stated the limited standard of appellate interference laid down in

---

[16] **American Cyanamid Co.** v. **Ethicon Ltd. [1975] AC 396**
[17] **Colgate Palmolive (India) Ltd.** v. **Hindustan Lever Ltd., (1999) 7 SCC 1**

Wander Ltd. & Anr. (supra) that interference is warranted only where the discretion below has been exercised arbitrarily, capriciously, perversely, or contrary to settled principles of law regulating the grant or refusal of temporary injunctions. The Division Bench proceeded, over twelve detailed findings, to construe individual clauses of the Will dated 26.03.2004, to weigh the effect of delay and of admissions said to have been made in a separate suit, to apply Section 89 of the Companies Act, 2013 to the facts, and to assess whether a "clear *prima facie* nexus" had been demonstrated between specific acquisitions and specific proceeds. Each of these is a matter of substance properly reserved for trial; none of them is a matter upon which an appellate court, confined to asking whether the Single Judge's discretion was perversely or arbitrarily exercised, may substitute its own appreciation of the evidence.

40. We accordingly do not approve the practice of writing lengthy, merits-laden orders, whether at the interlocutory stage or in appeal from it, on applications for temporary injunction, and emphasise that courts confine such orders to recording, with reasons, their findings on the three settled conditions of *prima facie* case, balance of convenience and irreparable injury, without embarking upon an examination of the final merits or the probable outcome of the issues that properly arise for trial.

XIII. CONCLUSION AND OPERATIVE ORDER

41. For the foregoing reasons, these appeals are allowed. The judgment and order dated 20.03.2026 passed by the Division Bench of the High Court of Delhi at New Delhi in FAO (OS) No.96 of 2022, FAO(OS) NO.97 OF 2022, FAO(OS) No. 98 of 2022, FAO(OS) NO.99 OF 2022, FAO(OS) NO.33 OF 2024 and FAO(OS) NO.49 OF 2024 is set aside, and the order dated 29.07.2022 of the learned Single Judge is restored. We hold and direct as follows:

(a) The interim injunction granted by the learned Single Judge by order dated 29.07.2022, in the terms set out in paragraph 9 above, shall stand restored and shall continue in operation until further orders of the learned Single Judge in the suit.

(b) This order proceeds upon a *prima facie* appraisal of a serious dispute requiring investigation at trial. It shall not be read as any expression of opinion on the true construction of the Will dated 26.03.2004, the validity of the Will dated 04.10.2008, the plea of intestacy, the applicability of Section 14 of the 1956 Act or of Section 89 of the Companies Act, 2013, the plea of undue influence or fraud, or the plea of self-acquisition – all of which shall be decided by the trial court on evidence, uninfluenced by any observation in this judgment.

(c) The observations of the Division Bench on the merits of these questions, recorded in the impugned judgment, shall similarly stand effaced and shall not bind or influence the trial court.

(d) The appellants shall continue to be bound by, and shall renew if required, the undertaking as to damages furnished before the learned Single Judge.

(e) The learned Single Judge shall take up and dispose of CS(OS) No.589 of 2021 as expeditiously as possible, preferably within a period of eight months.

42. The appeals are accordingly allowed in the above terms. Pending applications, if any, stand disposed of. There shall be no order as to costs.

……………………………………………….J.
[PAMIDIGHANTAM SRI NARASIMHA]

……………………………………………….J.
[ALOK ARADHE]

NEW DELHI;
AUGUST 12, 2026.