

***THE HON'BLE JUSTICE MOUSHUMI BHATTACHARYA
AND**

***THE HON'BLE JUSTICE GADI PRAVEEN KUMAR**

+ WRIT PETITION No.37432 OF 2025

% 12-02-2026

Sagar Asia Private Limited,
Represented by its Director V. Jayasri w/o. V. Vidyasagar.

...Petitioner

vs.

\$ Mr. V. Agastya Sagar,
S/o. V. Vidya Sagar and Five Others.

... Respondents

!Counsel for the Petitioner: Mr.Vivek Reddy, Senior Counsel
Representing Ms.Sagarika Koneru

^Counsel for Respondent Nos.1 to 3: Mr. D.Pavan Kumar

^Counsel for Respondent Nos.4 and 5: Mr. A.Venkatesh,
Senior Counsel, representing
P.Pavan Kumar Rao

<Gist :

>Head Note :

? Cases referred

1. 2024 SCC OnLine SC 1754
2. (2020) 17 SCC 93
3. (2020) 15 SCC 706
4. MANU/TL/0107/2025
5. (2024) 4 SCC 1
6. (2025) 1 SCC 611
7. 2021:DHC:1097 – 2021 SCC OnLine Del 3708
8. (2021) 16 SCC 743
9. (2018) 15 SCC 678
10. W.P.No.30363 of 2025

HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD

THE HON'BLE JUSTICE MOUSHUMI BHATTACHARYA
AND

THE HON'BLE JUSTICE GADI PRAVEEN KUMAR

WRIT PETITION NO.37432 OF 2025

DATE: 12.02.2026

Between:

Sagar Asia Private Limited,
Represented by its Director V. Jayasri w/o. V. Vidyasagar.

...Petitioner

And

Mr. V. Agastya Sagar,
S/o. V. Vidya Sagar and Five Others.

...Respondents

Mr. Vivek Reddy, learned Senior Counsel representing Ms. Sagarika Koneru,
learned counsel appearing for the petitioner.

Mr. D. Pavan Kumar, learned counsel appearing for the respondent
Nos.1 – 3.

Mr. A. Venkatesh, learned Senior Counsel appearing for Mr.P.Pavan Kumar,
learned counsel appearing for the respondent Nos.4 and 5.

ORDER: (Per Hon'ble Justice Moushumi Bhattacharya)

1. The petitioner has assailed an order dated 08.10.2025 passed by a learned Sole Arbitrator dismissing an application (I.A.No.2 of 2025 in A.D.No.14 of 2024) filed by the petitioner under Order I Rule 10(2) of The Code of Civil Procedure, 1908 ('CPC') read with section 16 of The Arbitration and Conciliation Act, 1996 ('the Act') seeking discharge from the main Arbitration Case.

2. The petitioner is the respondent No.3 in the Arbitral proceedings who suffered the impugned order of dismissal. The respondent Nos.1 to 3 in the Writ Petition (including the writ petitioner) are the claimants in the arbitration and partners of the respondent No.6 (Sagar Asia Global LLP). The respondent No.1 initiated Arbitration under the Limited Liability Partnership (LLP) Agreement dated 19.04.2019 for dissolution of the respondent No.6-LLP. The respondent Nos.4 and 5 are the contesting respondents in the arbitral proceedings. The respondent Nos.4 and 5 entered into a Limited Liability Partnership Agreement dated 19.04.2019, the terms of such Agreement were modified by way of Supplement Agreement on 16.05.2019 with the respondent Nos.1 to 3 (claimants).

3. The primary case of the petitioner before the Arbitral Tribunal was that the petitioner was not a party nor a signatory to the LLP Agreement.

4. Learned Senior Counsel appearing for the petitioner/respondent No.3 argues that the present Writ Petition has been filed on the limited ground of the Arbitrator's inherent lack of jurisdiction and his failure to comply with section 16(5) of the Act. In support of the first ground, Senior Counsel submits that the Arbitrator was appointed under section 11 of

the Act to adjudicate the disputes arising specifically under the LLP Agreement but, however, assumed jurisdiction over other disputes including those arising out of the Distributorship Agreement. Counsel submits that the appointment of the Arbitrator was confined to the LLP Agreement in the section 11 application (Arbitration Application No.61 of 2020) since the High Court confined itself only to the existence of an Arbitration Agreement under the LLP Agreement. Counsel submits that an Arbitrator appointed under section 11 is not empowered to consolidate disputes or hold that other Agreements would be part of the adjudication as a Single Composite Transaction. It is further submitted that the Arbitrator failed to decide the petitioner's contention that the contesting respondent had filed neither a Statement of claim nor a counterclaim against the petitioner and the failure to decide was against the mandate of section 16(5) of the Act.

5. Counsel appearing for the respondent Nos.1 to 3/claimants supports the case of the petitioner on the maintainability of the Writ Petition as well as the merits of the petitioner's contention. Counsel submits that the petitioner is neither a party nor a signatory to the LLP Agreement which forms the basis of the Referral Court's adjudication under section 11 of the Act. Counsel submits that the respondent

Nos.1 to 3 have already filed their Statement of Claim and have not claimed any relief against the petitioner. Counsel submits that the presence of the petitioner would hence result in unnecessary procedural complications and diversion from the real disputes that require adjudication of the Arbitral Tribunal and would also result in causing prejudice to the respondent Nos.1 to 3.

6. Learned Senior Counsel appearing for the respondent Nos.4 and 5/contesting respondents in the Arbitration, urges that the Writ Petition has been filed essentially to seek review of the disputes on merits which is impermissible and that the petitioner has failed to demonstrate the exceptional circumstances which would warrant interference by the Revisional Court against the specific findings of the Arbitral Tribunal. Counsel places emphasis on the mandate of section 16(6) of the Act and submits that the Writ Court should only interfere in exceptional circumstances where the perversity goes to the root of the matter. Counsel submits that the Arbitral Tribunal has duly considered the pleadings of the parties, particularly all the Agreements executed between the parties to arrive at the specific conclusion that a non-signatory party (petitioner herein) has actively assumed applications or performance upon itself under the contract. The non-signatory

party has a positive, direct and substantial involvement in the performance of the contract (the LLP Agreement).

7. Counsel also relies on an admission made in its counter affidavit to an implead petition filed by the claimant No.1, of the petitioner that an Arbitrator should be appointed to adjudicate all the *inter se* disputes between the parties arising out of the Single Composite Transaction. Counsel submits that even otherwise, the conduct of the petitioner would make it clear that it is a veritable party to the Arbitration Agreement and consequently the petitioner cannot resile from the Arbitration. Counsel submits that the Writ Petition should be dismissed with costs.

8. We have considered the arguments put forth on behalf of the parties. Our decision is captioned with reference to the law and the facts brought on record.

The Hierarchy of Remedies provided under The Arbitration and Conciliation Act, 1996

Chapter IV – Jurisdiction of Arbitral Tribunals

9. Section 16(1) of the Act confers absolute jurisdiction on the Arbitral Tribunal to decide whether it has the competence to decide on the dispute raised before it, including on the objection

to the existence of validity of the Arbitration Agreement. Section 16(1) (a) and (b) draws a distinction between the arbitration clause and the underlying contract for the purpose of saving the existence/validity of the arbitration clause Agreement even if the contract is found to be null and void by the Arbitral Tribunal. Section 16(3) deals with a plea of the Arbitral Tribunal exceeding the scope of its authority and provides that such plea shall be raised as soon as the point is raised by the objector during the arbitral proceedings.

10. Section 16(5) of the Act contains a mandate on the Arbitral Tribunal to decide on a plea with regard to the Tribunal not having jurisdiction or exceeding the scope of its authority under sections 16(2) and (3), respectively. Section 16(5) further authorizes the Arbitral Tribunal to continue with the Arbitral proceedings and make an Arbitral Award even where the Tribunal takes a decision to reject the objection to jurisdiction or the Arbitral Tribunal exceeding the scope of its authority.

11. Section 16(6) authorizes the party aggrieved by the Arbitral Award to make an application for setting aside such Arbitral Award in accordance with section 34 of the Act.

Chapter VII – Recourse against Arbitral Award:

12. The Award rejecting the plea on jurisdiction or the Arbitral Tribunal going beyond its mandate or authority can be the subject matter of an application for setting aside of the Arbitral Award on the grounds available under sections 34 (1), (2) and (2)(a) of the Act.
13. The substance of section 16(5) of the Act is reflected in the ground available to a party under section 34(2)(a)(iv) of the Act for setting aside the Award. Section 34(2)(a)(iv) is set out below:

“The Arbitral Award deals with a dispute not contemplated by or not falling within the terms of the submission to Arbitration, or it contains decisions on matters beyond the scope of the submission to arbitration;”

“Provided that, if the decisions on matters submitted to arbitration can be separated from those not so submitted, only that part of the arbitral award which contains decisions on matters not submitted to arbitration may be set aside; or”

Chapter IX - Appeals

14. Section 37(1) restricts Appeals from specified orders passed by the Court, namely, refusing to refer the parties to arbitration under section 8 (37(1)(a)); granting or refusing to grant any measure under section 9 (37(1)(b)); or for setting aside or refusing to set aside an Arbitral Award under section 34 (37(1)(c)).

15. Section 37(2) specifies that the Appeals shall also lie to a Court from an order of the Arbitral Tribunal accepting the plea referred to in section 16 (2) or 16(3) (37(2)(a)) or granting or refusing to grant an interim measure under section 17 (37(2)(b)) of the Act.

16. Section 37(1) commences with a *non-obstante* clause expressly prohibiting Appeals from any orders save and except those specified under sections 37(1) and (2). Section 16 finds reference in section 37(2)(a) of the Act, which provides for an appeal against an order of the Arbitral Tribunal:

37(2)(a) – “accepting the plea referred to in sub-section (2) or sub-section (3) of section 16.”

Effect of the Statutory Framework

17. It is evident from the statutory framework that The Arbitration and Conciliation Act, 1996 confers comprehensive powers upon an Arbitral Tribunal to rule on its own competence and jurisdiction, embodying the principle of *Kompetenz-Kompetenz*. The pro-arbitration stance is reflected in section 16(1)(a) & (b) wherein the Arbitral Tribunal’s jurisdiction remains unaffected even if the underlying contract is adjudicated as null and void. The Arbitral Tribunal is empowered to treat the arbitration clause as an agreement

independent of the other terms of the contract by virtue of the doctrine of Severability.

18. Section 16 (2) & (3) prescribes strict time frames within which an objection on the Arbitral Tribunal's jurisdiction or allegations of it exceeding its authority must be raised. Further, section 16(4) confers discretionary authority upon the Arbitral Tribunal to admit a belated plea only if it considers the delay to be sufficiently justified.

19. Section 16(5) of the Act reinforces the authority of the Arbitral Tribunal by mandating that, upon the rejection of a plea challenging its jurisdiction or authority, the Tribunal shall continue with the matter and pass a final Arbitral Award, notwithstanding the pending objections of a party regarding its competence.

20. Section 16(6) caps the upward mobility of the aggrieved party (the objector whose plea on jurisdiction and authority was rejected) to challenge the continuation or making of the Award under section 16(5) as soon as the objection is rejected. The party aggrieved must wait for the culmination proceedings and the passing of the Arbitral Award and only thereafter may they challenge the decision by filing an application for setting aside the Arbitral Award under section 34 of the Act. The section 34

Court can either accept the aggrieved parties' contentions or reject the same either by setting aside or upholding the Award, respectively

21. The rights of a aggrieved party by the rejection of its objection to the Arbitral Tribunal jurisdiction/authority is protected under section 34(2)(a)(iv). Under this provision, the Court, while considering an application to set aside the award, may examine whether the Arbitral Award deals with a dispute not contemplated by or not falling within the terms of the submission to arbitration or whether it contains decisions on matters beyond the scope of the submission to Arbitration.

22. Section 37(2)(a) provides for an Appeal from an order of the Arbitral Tribunal only where

the objection to jurisdiction or authority has been accepted by the Arbitral Tribunal under section 16(2) & (3) of the Act.

Section 37 prohibits Appeals at the Behest of the Objector whose Challenge to the Arbitral Tribunal's Jurisdiction was Rejected

23. It is pertinent to note that section 37(2)(a) restricts the right to Appeal only to a party who has suffered an order relating to the issue of jurisdiction/authority at the behest of

the objector who had raised that plea during the Arbitral proceedings. This essentially means that the Appeals shall be confined only to cases where the Arbitral Tribunal has ruled in favour of the objector by holding that it lacks jurisdiction or has acted in excess of its authority under section 16(2) & (3) of the Act. In other words, a party whose objection to the Arbitral Tribunal's jurisdiction or authority was rejected does not have the statutory right to Appeal from an order rejecting its objection to the Arbitral Tribunal's jurisdiction/authority (underlined for emphasis).

24. Thus, section 37(2)(a) of the Act marks an important distinction between the rights of a party whose jurisdictional objection was rejected and the party in whose favour such an order was passed. The right of Appeal under section 37(2)(a) is available only to the latter, i.e., the party aggrieved by an order of the Arbitral Tribunal accepting the plea that it has no jurisdiction.

25. Section 37(2)(a) of the Act is also significant since it does not permit a direct appeal against an order rejecting a jurisdictional objection raised under section 16. In such a situation, the party whose objection has been rejected cannot immediately approach the Appellate Court. The specific

provision under which such an aggrieved party may approach the Appellate Court is section 37(1)(c) of the Act, but only after the Arbitral Award has been challenged under section 34. This means, the aggrieved party, namely, the Objector who raised the plea of lack of jurisdiction and failed before the Arbitral Tribunal, must first avail the remedy under section 34 and cannot approach the Appeal Court directly from the section 16 stage itself.

26. Therefore, the statutory scheme provides for a two-tier challenge mechanism for a party aggrieved by a decision of the Arbitral Tribunal under sub-sections (2) and (3) of section 16, where the plea of jurisdiction is rejected. Pursuant to section 16(6), such a party must await the passing of the final Award before instituting a challenge under section 34(2)(a)(iv) of the Act. In that event, the award is sustained by the section 34 Court (i.e., the aggrieved party plea to jurisdiction being rejected), the second tier of the remedy lies under section 37(1)(c) of the Act, i.e., from the order of the section 34 Court refusing to set aside the Arbitral Award under section 34 of the Act.

27. In the present case, the petitioner/'party aggrieved' under section 16(6) has invoked the supervisory jurisdiction of the

High Court under Article 227 of the Constitution. The Arbitral Tribunal is yet to pass a final Award. Thus, the petitioner has admittedly jettisoned the statutory remedy in favour of Article 227 of the Constitution.

“Kompetenz – Kompetenz”

28. *Kompetenz – Kompetenz*, or Competence-Competence, is the jurisdictional principle to empower an adjudicating body to exercise on the issues on its own jurisdiction. In other words, the adjudicating body can decide on the pleas challenging its own jurisdiction. Section 16 of the Act embodies the principle of *Kompetenz – Kompetenz* and was framed in accordance with Article 16 of the UNCITRAL Model Law. In essence, the Arbitral Tribunal may rule on its own jurisdiction, including any objections concerning the existence or validity of the arbitration agreement. Section 16(1)(a) and (b) of the Act further bolsters this authority through the principle of severability by treating the arbitration clause as an agreement independent of the substantive underlying contract. Section 16 further restricts interference of the Courts on the jurisdiction of the Arbitral Tribunal and lays emphasis that the decision of the Arbitral Tribunal on this aspect can only be subjected to judicial

scrutiny by the Courts at the post-Award stage - as prescribed under the statutory scheme.

29. The policy consideration for the principle of *Kompetenz - Kompetenz* is to recognize the intention of parties in choosing arbitration as a method for resolving the disputes arising out of the contract and to prevent parties from initiating parallel proceedings before the Courts and consequently delaying arbitral process. Section 16 advances the principle of arbitral autonomy as intrinsically-related to the right to arbitrate, which in turn is concomitant with the freedom of contract¹.

30. Thus, the scheme provides for a comprehensive statutory and effective alternative remedy to the petitioner.

Interference under Article 227 of the Constitution of India is not permissible where there is an effective Statutory Remedy available to the Party

31. Section 16 of the Act does not provide a pre-Award remedy where a plea on jurisdiction is rejected by the Arbitral Tribunal or a plea that it has acted in excess of its authority. Section 16(6) contains an express prohibition

¹SBI General Insurance Company Limited v. Krish Spinning, 2024 SCC OnLine SC 1754

on the aggrieved party challenging such a rejection immediately after the rejection is made known to the party. Section 16(6) makes it clear that the only recourse available to the aggrieved party is to await the final Arbitral Award and make an Application for setting aside of the Arbitral Award under section 34.

32. Therefore, it is clear that the petitioner must show circumstances of exceptional rarity to warrant interference by a Writ Court or a Revisional Court in an order passed by the Arbitral Tribunal under section 16(5) of the Act during pendency of the arbitral proceedings.

33. The Supreme Court affirmed that a foray to the Writ Court from a dismissal of an application under section 16 by the Arbitrator can only be made if the order is undeniably perverse and there is a patent lack of inherent jurisdiction. The perversity must stare one in the face². An exceptional circumstance would also include 'bad faith' on the part of the contesting party to invoke the remedy under Article 227 of the Constitution. High Courts must be circumspect in exercising jurisdiction in these matters even though petitions under Article 226 or 227 of the Constitution may be

² Punjab State Power Corporation Limited v. Emta Coal Limited, (2020) 17 SCC 93

maintainable against orders passed under section 37 of the Act³. No interference is warranted if the justification for the conclusion is reflected in the order⁴.

Does the Present Case Reach the Benchmark of an Exceptional/Rare case?

34. The petitioner's case before the Arbitral Tribunal is duly recorded in the impugned order. The petitioner/respondent No.3 asserted that it is neither a party nor a signatory to the LLP Agreement dated 19.04.2019. The petitioner also urged that there were no disputes between the claimant and the petitioner and that consequentially, the claimant did not seek any relief against the petitioner. The petitioner contended that the Arbitral Tribunal lacked inherent jurisdiction over the petitioner and accordingly sought to be discharged from the arbitral proceedings.

35. After considering all the documents including the LLP Agreement and the Distributorship Agreement both dated 19.04.2019, the Arbitral Tribunal passed a detailed order on the above contentions and came to the following conclusions:

³ Deep Industries Ltd. v. ONGC, (2020) 15 SCC 706

⁴ State of Telangana vs. IHHR Hospitality Private Limited: MANU/TL/0107/2025

- (i) The conduct of the respondent Nos.1-3 (the claimants in the arbitration) and the petitioner (the respondent No.3 in the arbitration) discloses that all the parties treated all the agreements and transactions between them as one single composite transaction.
- (ii) The execution of all the agreements makes it evident that the LLP was incorporated to service and distribute the petitioner's product in the market on an exclusive basis.
- (iii) The business of the LLP was contingent on the due performance of the claimant's applications under the LLP Agreement with the petitioner's compliance with the exclusivity accorded to the LLP under the distribution agreement.
- (iv) Although the petitioner is not a signatory to the LLP Agreement, it was actively involved in the negotiation and performance of the LLP Agreement through the respondent Nos.1-3
- (v) The documents filed by the respondent Nos.4 and 5 (the respondent Nos.1 and 2 in the arbitration) in the statement of defence establish the petitioner's active and substantial involvement in the affairs of the LLP.
- (vi) Although the petitioner is not a signatory to the LLP Agreement, its intention to be bound by the terms of the LLP Agreement is evident from the fact that the respondent Nos.1 - 3 who are admittedly associated with the petitioner are mandated by the LLP Agreement to ensure procurement and supply of products to the LLP.

36. The Arbitral Tribunal also considered the relevant case law, including *Cox and Kings Limited v. SAP India Private Limited*⁵, to hold that non-signatories can be bound by the Arbitration Agreement if there is a defined legal relationship between the signatory and non-signatory parties and the intention of the parties to be bound by the Arbitration Agreement can be gauged from the circumstances surrounding the participation of the non-signatory party. The Arbitral Tribunal accordingly concluded that the close relationship, long acquaintance, substantial involvement and a single composite transaction indicated that there was mutual understanding among all the parties to treat the non-signatory party (the petitioner) as a party to the LLP Agreement. The Arbitral Tribunal proceeded to hold that the petitioner is a necessary party to the arbitration and is not entitled to be discharged.

37. It is now settled that the decision as to whether the non-signatory party is a party to the arbitration agreement is within the domain of the Arbitral Tribunal. The Arbitral Tribunal can delve into the factual and circumstantial aspects of the matter to decide whether its jurisdiction extends to the non-signatory party. The parties are permitted to file implead applications before the Tribunal to implead non-signatory

⁵ (2024) 4 SCC 1

parties to arbitration: *Cox and Kings* (supra). The aforesaid principle was once again reiterated in *Cox and Kings v. SAP India (P) Ltd.*⁶.

38. Notably, the counter affidavit filed by the petitioner in the IA filed for the petitioner's impleadment contains the specific statement that a sole arbitrator may be appointed to adjudicate all *inter se* disputes between the parties arising out of the single composite transaction between the parties. The said statement is set-out below:

'...to appoint a sole arbitrator to adjudicate all inter se disputes between the parties arising out of the single composite transaction between the parties...'

39. This Court does not wish to elaborate further on the disputes *inter se* the parties or the conduct of the petitioner in relation to its participation in the Agreement/transactions since the arbitral proceeding is yet to culminate in an Award.

40. However, the important consideration is whether the Writ Court is empowered to identify fault-lines in the impugned order passed by the Arbitral Tribunal under section 16(5) of the Act. As stated above, the Tribunal arrived at the impugned findings after a thorough evaluation of the documentary evidence and

⁶ (2025) 1 SCC 611

the conduct of the parties including the text of the Agreements executed between the parties. The adjudication falls squarely within the Tribunal's mandate under section 16.

41. Hence, the answer to the above question i.e., whether a Writ Court can interdict such findings and interrupt arbitral proceedings midway must be answered with a definitive "No".

42. Consequently, the broader answer to the captioned heading i.e., *whether the present case meets the benchmark of an exceptional/rare case?*, must also be answered in the negative since the impugned order does not reflect perversity to the extent of denuding the arbitral tribunal of its jurisdiction under section 16 of the Act.

The Petitioner's Arguments are Indefensible with reference to the Statutory Scheme:

43. The petitioner has mounted the attack on the impugned order on two planks, i.e., (i) patent lack of inherent jurisdiction and (ii) the Arbitrator's failure to comply with section 16(5) of the Act. The petitioner supports the charge of inherent lack of jurisdiction on the ground that the Arbitrator impermissibly consolidated disputes arising out of disparate agreements in the

absence of a mandate granted by the High Court under section 11(6) of the Act.

44. In essence, the petitioner argues that the Arbitrator's appointment was restricted to disputes arising solely from the LLP Agreement and that there was no mandate on the Arbitrator to adjudicate upon the Distributorship Agreement.

45. The second charge, i.e., that the Arbitrator failed to decide on the plea raised by the petitioner on the Arbitrator's lack of jurisdiction amounts to a violation of section 16(5) and is hence required to be corrected through the supervisory jurisdiction of the High Court under Article 227 of the Constitution.

46. The twin allegations for justifying filing of the present WP does violence to the statutory scheme under the Act, including section 16 thereof.

47. Section 16(6) of the Act prohibits a party aggrieved by an Arbitral Award rejecting that parties objection to the Arbitral Tribunal's jurisdiction or authority under sections 16(2) and 16(3), respectively, to interrupt the Arbitration proceeding before the Award is made or from taking recourse to any other proceeding save that of section 34 for setting aside of the Award

including on the question of jurisdiction and authority of the Tribunal.

48. Therefore, the findings of the Arbitral Tribunal with regard to the petitioner being a veritable party to the LLP despite not being a signatory thereto or the Agreements being interconnected as a composite transaction are grounds available to the petitioner for setting aside of the Award once it is made. Hence, the only remedy available to the petitioner is to wait for the Award and thereafter seek setting aside of the Award under section 34 of the Act on the grounds available under the said provision.

49. As things stand today, the petitioner has challenged the impugned order not under the prescribed statutory route (section 34 after making of the Award), but by way of a sidewind in the form of an Article 227 invocation. This is not only contrary to the Scheme but also in abuse of process. Abuse, it certainly is, since there is nothing to suggest from the impugned order is in violation of section 16(5) of the Act or amounts to gross perversity or satisfies the Benchmark of a Rare and Exceptional case.

50. The argument made on behalf of the respondent Nos.1 to 3 is even more curious. These respondents are

obviously in cahoots with the petitioner and prop the specious argument up of the presence of the petitioner resulting in unnecessary procedural complications and protracting the Arbitral process.

51. None of the above arguments are in sync with the redress available to an aggrieved party (the petitioner) under section 16(6) of the Act. The argument wrests authority from the Arbitral Tribunal to decide on the jurisdictional issue and substituting the same with the High Court under its supervisory jurisdiction. This is in stark contradiction to the sequence envisaged under section 16 and is statutorily impermissible.

52. *Surender Kumar Singhal and Ors. v. Arun Kumar Bhalotia and Ors*⁷, a Single Bench decision of the Delhi High Court, relied on *Deep Industries Ltd. vs. ONGC (supra)*, among other cases, reinforces that the scope of interference under Article 226/227 of the Constitution is only applicable where the order is perverse so as to amount to a patent lack of inherent jurisdiction. *DLF Home Developers Limited v. Rajapura Homes Private Limited and Another*⁸ reiterated that it should be left to the wisdom of the sole Arbitrator to decide whether the disputes should be consolidated and adjudicated under one composite

⁷ 2021:DHC:1097 – 2021 SCC OnLine Del 3708

⁸ (2021) 16 SCC 743

Award. *Ameet Lalchand Shah v. Rishabh Enterprises and Another*⁹ involved a specific finding of a single commercial project despite the existence of different Agreements involving several parties.

53. A similar issue fell before this Court in *NMDC Steel Limited v. Danieli and C. Officine Meccaniche Spa and Others*¹⁰, i.e., whether a Procedural Order passed by the Arbitral Tribunal could be challenged under Article 226/227 of the Constitution. The Court rebuffed the challenge on the ground that the impugned Procedural Order did not satisfy the benchmark of an exceptional and rare case.

Conclusion

54. We have discussed the reasons for our disinclination to interfere with the impugned order passed by the Arbitral Tribunal rejecting the petitioner's plea on jurisdiction. However, we wish to sum up those reasons in the concluding portion of this order.

55. Section 5 of the Act underscores the principle that judicial interference in the arbitral process is antithetical to the scheme of the Act. The entire Act consolidates the autonomy of the

⁹ (2018) 15 SCC 678

¹⁰ W.P.No.30363 of 2025

parties in choosing to arbitrate and the independence of the Arbitral Tribunal to carry that intention forward. Section 16 is a resounding declaration of the autonomy of the arbitral tribunal to decide upon its jurisdiction.

56. Thus, arresting the continuity of the Arbitral process by recourse to a route outside the contemplation of the Act would be abhorrent to the statutory scheme. The recent pronouncement of the Supreme Court enabling a party to invoke the writ jurisdiction of a High Court in lieu of the prescribed statutory route, has carved out only a very small window (more of a crack) in the comprehensive armour of the Act. The Supreme Court has clarified that the aperture can only be opened for cases of exceptional rarity or a perversity which is patent.

57. The present case fails to make the cut under any of the aforesaid parameters. The Arbitral Tribunal has expressed its mind and indicated clear reasons for dismissing the petitioner's challenge to its jurisdiction. The impugned order falls squarely within the realm of the Arbitrator's exclusive zone of decision-making powers under section 16 of the Act. The petitioner's challenge to the impugned order is premature as the Award is yet to be rendered. The petitioner's choice of forum is

entirely misplaced as a clear statutory remedy is available under section 16(6) of the Act. That stage has not yet been reached. There is no conceivable reason as to why the Writ Court would impede the momentum of the arbitral proceedings midway. Entertaining such a plea would set a precarious precedent encouraging similar applications by disgruntled and impatient parties who seek to bypass the statutory framework rather than await the final Award.

58. We do not find any reason to interfere with or set aside the impugned order passed by the Arbitral Tribunal dated 08.10.2025. The Writ Petition is found to be devoid of merit.

59. W.P.No.37432 of 2025, along with all connections applications, is accordingly dismissed. No costs.

MOUSHUMI BHATTACHARYA, J

GADI PRAVEEN KUMAR, J

Date: 12.02.2026
Note: L.R. Copy be marked.
B/o. BMS/NDS/TJMR