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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**% *Date of Decision: 20.04.2026*+ **LPA 118/2026 & CM APPL. 14984-86/2026****M/S RAMPRASTHA PROMOTERS DEVELOPERS
PVT LTD**

.....Appellant

Through: Mr. Virender Ganda, Senior Advocate
with Mr. Sougat Sinha, Ms. R.
Gayathri Manasa, Mr. Ayandeb
Mitra, Ms. Ishika Sharma, Ms. Gargi
Patel, Ms. Sonali Kumar, Mr. Vishal
Majumdar and Ms. Maitrayee
Shrivastva, Advs.

Versus

M/S RHINE POWER PVT LTD

.....Respondent

Through: Mr. Viksit Arora, Advocate.

CORAM:**HON'BLE THE CHIEF JUSTICE****HON'BLE MR. JUSTICE TEJAS KARIA****TEJAS KARIA, J. (Oral)**

1. The present intra-court Appeal has been filed challenging the Judgment and order dated 02.02.2026 (“**Impugned Judgment**”) passed in W.P.(C) No.2182/2025 (“**Writ Petition**”), whereby the Writ Petition filed by the Respondent was disposed of with a liberty to the Respondent to seek adjournment in the ongoing Arbitration Proceedings between the Respondent and the Appellant pending the disposal of the Contempt Petition, being Cont. Cas.(C) No.1744/2024 (“**Contempt Petition**”), filed by the Respondent before this Court and directing that the Arbitration Proceedings shall await the outcome of the Contempt Petition.



2. The present Appeal raises the issue whether the Arbitration Proceedings initiated by the Respondent, seeking specific performance of the Agreement to Sell concerning the flats mentioned therein (“**Property**”) being the subject-matter of the Arbitration Proceedings, ought to be stayed during the pendency of the Contempt Petition.

3. Prior to the invocation of Arbitration Proceedings by the Respondent, the Respondent had filed an application under Section 9 of the Arbitration and Conciliation Act, 1996 (“**Act**”) before this Court being OMP(I)(COMM) No. 192/2023 (“**Section 9 Petition**”) and vide order dated 02.06.2023 (“**Section 9 Order**”), the Appellant was restrained from creating any third-party interest in, or parting with possession of, the Property until further orders. After the commencement of the Arbitration Proceedings by the Respondent, vide orders dated 19.10.2023 and 07.11.2023, Section 9 Petition was disposed of while continuing the interim measure granted *vide* Section 9 Order until the Arbitration Tribunal considered the interim measures sought in Section 9 Petition under Section 17 of the Act. The learned Arbitration Tribunal, thereafter, has extended the interim measure granted *vide* Section 9 Order from time to time.

4. During the subsistence of Section 9 Order continued by the learned Arbitration Tribunal, the Appellant sold and transferred the possession of 15 flats forming part of the Property. Accordingly, the Respondent filed the Contempt Petition before this Court alleging wilful disobedience of Section 9 Order by the Appellant. By order dated 07.11.2024 passed in the Contempt Petition, this Court found the Appellant *prima facie* guilty of wilful disobedience of Section 9 Order.

5. The Respondent, thereafter, filed an Application dated 20.11.2024 before the learned Arbitration Tribunal seeking a direction that the



Appellant be denied an opportunity of hearing on merits until it had purged the contempt. However, by order dated 04.12.2024, the learned Arbitration Tribunal rejected the said Application and declined to adjourn the Arbitration Proceedings pending the decision in the Contempt Petition, in the absence of any statutory provision for granting such a stay or order of a competent court staying the Arbitration Proceedings.

6. Aggrieved by the order dated 04.12.2024 passed by the learned Arbitration Tribunal refusing to adjourn the Arbitration Proceedings during the pendency of the Contempt Petition, the Respondent filed the Writ Petition seeking, *inter alia*, setting aside of the said order to the extent that it rejected the Respondent's Application dated 20.11.2024 for denial of a hearing on merits to the Appellant until it had purged the contempt and for adjournment of the Arbitration Proceedings pending the outcome of the Contempt Petition.

7. By the Impugned Judgment, the learned Single Judge disposed of the Writ Petition with liberty to the Respondent to seek an adjournment in the Arbitration Proceedings pending disposal of the Contempt Petition and directed that the Arbitration Proceedings shall await the outcome of the Contempt Petition.

8. The reasoning assigned by the learned Single Judge for issuing the aforesaid directions in the Impugned Judgment is that, if the Respondent were compelled to proceed with the Arbitration Proceedings before the Contempt Petition was decided, such compulsion would have a direct bearing on the relief sought by the Respondent in the Arbitration Proceedings. It was further observed that the nature of the evidence required to be adduced in the Arbitration Proceedings would also substantially change, if the Respondent were compelled to seek the alternative relief of



damages, since the relief of specific performance claimed by the Respondent was stated to have become unavailable in view of the contempt allegedly committed by the Appellant by selling 15 flats out of the Property, unless and until the nullification of the third-party rights created therein, as sought in the Contempt Petition, was adjudicated.

9. Since the Respondent had specifically prayed for a declaration that all agreements and conveyance deeds executed by the Appellant in favour of third parties in respect of the sale of 15 flats in the Property were null and void, and for restoration of the status quo *ante* by reversion of possession handed over to such third parties, the Impugned Judgment observed that it would be expedient for the Contempt Petition to be decided prior to any further progress in the Arbitration Proceedings. The learned Single Judge took the view that deferring the Arbitration Proceedings during the pendency of the Contempt Petition would not amount to interference with the Arbitration Process, but would instead constitute a limited and proportionate intervention intended to preserve the efficacy of arbitration by ensuring that the proceedings were not conducted while the issue concerning the allegation of contempt, involving the very subject matter of the arbitration, remained pending.

10. The Impugned Judgment further records that it would be unfair to compel the Respondent to continue with the arbitration while being confined to a claim for damages, as such a course would be manifestly unjust, would place a premium on the alleged disobedience of the Court's order, and would allow a party to present the opposing side with a *fait accompli* of its own making. It was further observed that the Court could not countenance a situation in which violation of an injunction granted by this Court became a



means of altering the procedural balance or reshaping the substantive remedies available in arbitration.

11. The learned Senior Counsel for the Appellant submitted that the Arbitration Proceedings pertains to specific performance of the Agreement to Sell concerning the Property forms part of a series of agreements executed between the Parties in relation to a loan transaction availed of by the Appellant from the Respondent and, consequently, that the remedy of specific performance is not maintainable. It was further submitted by the Appellant that the Arbitration Proceedings ought to continue, as Section 9 Order had been obtained by the Respondent through misrepresentation. It was contended that Section 9 Order, in respect of which contempt proceedings had been initiated, had been procured by fraud and that, in any event, there had been no wilful disobedience thereof. It was further submitted that continuation of the Arbitration Proceedings was necessary to establish that Section 9 Order had been obtained by misrepresentation. On behalf of the Appellant, it was also submitted that proceedings under Section 340 of the Code of Criminal Procedure, 1973 (“**Cr.P.C.**”) had already been initiated against the Respondent, though the same were withdrawn with liberty to file afresh at a later stage. According to the Appellant, such withdrawal was on the premise that the truth must first emerge in the Arbitration Proceedings, which is the sole fact-finding mechanism, whereafter an application under Section 340 Cr.P.C. would be preferred.

12. It was also submitted by the learned Senior Counsel for the Appellant that the Court considering the Contempt Petition ought to be apprised that Section 9 Order had been obtained by fraud, which, according to the Appellant, would not be possible unless the Arbitration Proceedings were permitted to proceed.



13. The learned Senior Counsel for the Appellant submitted that continuation of the Arbitration Proceedings could not prejudice the protection of the assets that form the subject matter of the Contempt Petition. It was contended that the filing of a Rejoinder to the Statement of Defence, the leading of evidence, and the recording of oral evidence before the learned Arbitration Tribunal could not be regarded as prejudicial either to the interests of the Respondent or to the Property that is the subject matter of the contempt proceedings. It was accordingly submitted that the Respondent was not left remediless, contrary to what has been held in the Impugned Judgment.

14. It was further submitted by the learned Senior Counsel for the Appellant that the interests of the Respondent stood fully secured in the Arbitration Proceedings, inasmuch as a sum of Rs. 6,00,00,000/- had already been secured pursuant to the directions of the learned Arbitration Tribunal, of which Rs. 3,00,00,000/- had been secured by way of the Bank Guarantee placed on the record of the learned Arbitration Tribunal and a further sum of Rs. 3,00,00,000/- lying in the Appellant's escrow account, has been specifically earmarked and blocked.

15. Learned Senior Counsel for the Appellant further submitted that, in view of Section 5 of the Act, judicial interference in ongoing arbitration proceedings is limited and impermissible except in circumstances recognised by law. In support of this submission, reliance was placed on the following decisions of the Supreme Court:

- (a) ***SBP & Com. v. Patel Engineering Ltd.***, (2005) 8 SCC 618, [Paragraph Nos.45 and 46]
- (b) ***Deep Industries Ltd. v. ONGC***, (2020) 15 SCC 706, [Paragraph Nos. 16 and 17]



(c) *Bhaven Construction v. Sardar Sarovar Narmada Nigam Ltd.*,
(2022) 1 SCC 75, [Paragraph No.18]

16. The learned Senior Counsel for the Appellant submitted that the maintainability of the Writ Petition ought to have been decided as a preliminary issue; however, the Impugned Judgment records no finding whatsoever on that aspect, despite a specific objection having been raised by the Appellant in that regard.

17. The learned Senior Counsel for the Appellant further submitted that stalling the Arbitration Proceedings forecloses adjudication of the truth on merits, converts interim observations into irreversible consequences, and permits the contempt jurisdiction, which is collateral and penal in nature, to dictate the course of adjudication of civil and contractual rights, which is impermissible in law.

18. The learned Senior Counsel for the Appellant also submitted that the learned Single Judge failed to appreciate that the Arbitration is the only forum in which disputed questions of fact, contractual interpretation, and the conduct of the parties can be tested through pleadings, evidence, and cross-examination. It was further submitted that any order that halts or delays the Arbitration Proceedings causes permanent prejudice to the Appellant by foreclosing its defence and converting interim observations into irreversible findings.

19. The learned Senior Counsel for the Appellant further submitted that the Impugned Judgment does not specifically safeguard against the risk of foreclosing the Appellant's defence before the Arbitration Tribunal and, therefore, fails to protect the Appellant's substantive right to a fair adjudication.



20. The learned Counsel for the Respondent submitted that, although the scope of interference under Articles 226 and 227 of the Constitution of India with respect to ongoing Arbitration Proceedings is undoubtedly narrow, such power may nevertheless be exercised in cases of exceptional rarity where a party is left remediless under the statute or where clear bad faith on the part of one of the parties is demonstrated, as held in *Bhaven Construction* (supra). It was further submitted that, having itself placed reliance on *Bhaven Construction* (supra), the Appellant cannot contend that there is an absolute bar on the jurisdiction of this Court to interfere in Arbitration Proceedings.

21. The learned Counsel for the Respondent submitted that the question of maintainability of the Writ Petition or the jurisdiction of this Court has not been raised in the present Appeal and was sought to be urged for the first time during oral submissions. It was further submitted that the circumstances in which the Writ Petition was allowed by the learned Single Judge constitute a case of “exceptional rarity”, inasmuch as the Respondent had been left remediless on account of the admitted violation of the Section 9 Order, which, according to the Respondent, constitutes clear bad faith on the part of the Appellant. It was accordingly submitted that the present Appeal is liable to be dismissed.

22. The learned Counsel for the Respondent submitted that the Respondent’s claim before the Arbitration Tribunal for specific performance of the Agreement to Sell dated 27.09.2018 is premised on the Tribunal’s jurisdiction being available to grant such a relief. It was submitted, however, that since the Property protected by the Section 9 Order had been dealt with in violation thereof, the Appellant had acted in clear bad faith and engineered a situation in which the Respondent’s primary claim for specific



performance of the Agreement to Sell dated 27.09.2018 could not, at present, be effectively granted by the learned Arbitration Tribunal and that, as a result, the Respondent had been left remediless.

23. The learned Counsel for the Respondent submitted that unless the contempt committed by wilful disobedience of Section 9 Order is purged by the Respondent by restoring the status quo once the sale in favour of third parties is declared as null and void by the Court in the Contempt Petition, it would not be possible for the Arbitration Proceedings to proceed. The learned Counsel for the Respondent relied upon the decision of the Supreme Court in ***Balwantbhai Somabhai Bhandari v. Hiralal Somabhai Contractor (Deceased) Represented by LRs and Others***, (2023) 17 SCC 545, wherein it is held that any interference in the course of justice is an affront to the majesty of law and the conduct of interference is punishable as contempt of Court. It was further held that although the transfer of the suit property *pendente lite* may not be termed as *void ab initio* yet when the Court is looking into such transfers in contempt proceedings, the Court can definitely declare such transactions to be void in order to maintain the majesty of law. Apart from punishing the contemnors for his contemptuous acts, the majesty of law may demand that appropriate directions be issued by the Court so that any advantage secured as a result of such contemptuous conduct is completely nullified. This may include issue of directions either for reversal of transactions by declaring such transactions to be void or passing appropriate directions to the authorities concerned to ensure that the contemptuous conduct on part of the contemnor does not continue to inure to the advantage of the contemnor or anyone claiming under him. It was further held that the beneficiaries of any contemptuous transactions have no locus to be heard in the contempt proceedings on the ground that they are



bona fide purchaser of the property without notice and, therefore, are necessary parties. Contempt is between the Court and the contemnor and no third party can involve itself into the same.

24. The learned Counsel for the Respondent submitted that the Respondent has specifically prayed in the Contempt Petition for declaring the sale of 15 flats out of the Property by the Appellant in violation of Section 9 Order as void and sought reversal of the said transactions. Accordingly, unless the outcome of the Contempt Petition is known, the Arbitration Proceedings cannot continue as if this Court in Contempt Petition declares the transaction of sale as void, the relief of specific performance of sale of the Property by the Appellant shall become available and the Respondent would not be compelled to seek and prove damages in lieu thereof.

25. The learned Counsel for the Respondent further submitted that the learned Arbitration Tribunal had expressed its inability to stay the Arbitration Proceedings on the ground that the Act contains no provision authorising such stay and that, therefore, the Respondent had been left remediless under the statutory framework. It was accordingly submitted that the intervention made by the Impugned Judgment in the Arbitration Proceedings was justified and clearly warranted.

26. The learned Counsel for the Respondent submitted that the Arbitration Proceedings, in which the Respondent's principal claim is for specific performance of the Agreement to Sell, ought to proceed further only upon final adjudication of the Contempt Petition pending before this Court. It was submitted that, in the absence of a stay of the Arbitration Proceedings, the Arbitration Tribunal could at best render a contingent award, and that



such a course would prejudice the Respondent, as recognised in the Impugned Judgment.

27. We have duly considered the rival submissions advanced on behalf of the Parties. It is well settled that the writ jurisdiction is sparingly exercised to interdict ongoing arbitration proceedings. Interference in the exercise of supervisory writ jurisdiction is warranted only in exceptionally rare circumstances, since proceedings under the Act are governed by a self-contained statutory code, as recognised by the Supreme Court in *Kandala Export v. OCI Corporation*, (2018) 14 SCC 715.

28. Accordingly, the sole question that arises for consideration in the present Appeal is whether the facts of the case disclose such exceptional circumstances as would justify the exercise of writ jurisdiction by the learned Single Judge to stay the further conduct of the arbitration proceedings between the Parties.

29. It is an admitted position between the Parties that Section 9 Order passed by this Court continues to remain in force by virtue of its extension by the learned Arbitration Tribunal. During the subsistence of Section 9 Order, the Appellant alienated 15 flats forming part of the Property in respect whereof the relief of specific performance has been claimed in the Arbitration Proceedings. The Respondent has sought only the relief of specific performance before the learned Arbitration Tribunal and has not claimed the damages as an alternative relief. The case set up by the Respondent in the Writ Petition was that, by acting in breach of the Section 9 Order, the Appellant rendered the relief of specific performance sought before the learned Arbitration Tribunal largely illusory, unless the contempt was purged and the flats transferred in violation of the Section 9 Order were



restored, as per the decision of the Supreme Court in *Balwantbhai Somabhai Bhandari* (supra), wherein it was held as follows:

“117. We may summarise our final conclusion as under:

117.1. We hold that an assurance in the form of an undertaking given by a counsel/advocate on behalf of his client to the court; the wilful breach or disobedience of the same would amount to "civil contempt" as defined under Section 2(b) of the 1971 Act.

117.2. There exists a distinction between an undertaking given to a party to the lis and the undertaking given to a court. The undertaking given to a court attracts the provisions of the 1971 Act whereas an undertaking given to a party to the lis by way of an agreement of settlement or otherwise would not attract the provisions of the 1971 Act. In the facts of the present case, we hold that the undertaking was given to the High Court and the breach or disobedience would definitely attract the provisions of the 1971 Act.

117.3. Although the transfer of the suit property pendente lite may not be termed as void ab initio yet when the court is looking into such transfers in contempt proceedings the court can definitely declare such transactions to be void in order to maintain the majesty of law. Apart from punishing the contemnor, for his contumacious conduct, the majesty of law may demand that appropriate directions be issued by the court so that any advantage secured as a result of such contumacious conduct is completely nullified. This may include issue of directions either for reversal of the transactions by declaring such transactions to be void or passing appropriate directions to the authorities concerned to ensure that the contumacious conduct on the part of the contemnor does not continue to enure to the advantage of the contemnor or any one claiming under him.

117.4. The beneficiaries of any contumacious transaction have no right or locus to be heard in the contempt proceedings on the ground that they are bona fide purchasers of the property for value without notice and therefore, are necessary parties. Contempt is between the court and the contemnor and no third party can involve itself into the same.

117.5. The apology tendered should not be accepted as a matter of course and the court is not bound to accept the same. The apology



may be unconditional, unqualified and bona fide, still if the conduct is serious, which has caused damage to the dignity of the institution, the same should not be accepted. There ought not to be a tendency by courts, to show compassion when disobedience of an undertaking or an order is with impunity and with total consciousness.”

30. In view of the above, the Court while adjudicating the Contempt Petition, would be competent to determine whether the sale transactions undertaken by the Appellant during the subsistence of the Section 9 Order constituted wilful disobedience thereof and, upon so finding, to declare such transactions void and to issue appropriate directions to nullify the consequences of the contempt committed by the Appellant. It is, therefore, necessary that the Contempt Petition be decided prior to the Arbitration Proceedings proceed on merits.

31. The contention advanced on behalf of the Appellant that the Section 9 Order had been obtained by misrepresentation or fraud is of no relevance for the purposes of the present Appeal, particularly since the Appellant never challenged Section 9 Order. Consequently, while deciding the Contempt Petition, this Court cannot go behind the Section 9 Order or reopen the basis on which it came to be passed. The limited scope of the Contempt Petition is to determine whether the Appellant has committed wilful disobedience of the Section 9 Order and, if so, the consequences that must follow therefrom.

32. The submission that the learned Arbitration Tribunal must first determine whether the Section 9 Order had been procured by misrepresentation before the Contempt Petition can be adjudicated is misconceived, particularly when it is not in dispute that the said order was subsisting at the time when the flats forming part of the Property were sold. It is well settled that, even where an order alleged to have been breached in contempt proceedings is subsequently modified or set aside, a person who



has violated such order during the period of its operation remains liable for the disobedience committed during its subsistence. In that view of the matter, the circumstances in which the Section 9 Order came to be passed, including the allegation that the Respondent had obtained the injunction by misrepresentation, are wholly irrelevant for the purposes of adjudicating the Contempt Petition.

33. The law regarding this Court's power to exercise the writ jurisdiction to stay the ongoing Arbitration Proceedings is settled by the Supreme Court in ***Deep Industries*** (supra) which holds that:

“16. Most significant of all is the non obstante clause contained in Section 5 which states that notwithstanding anything contained in any other law, in matters that arise under Part I of the Arbitration Act, no judicial authority shall intervene except where so provided in this Part. Section 37 grants a constricted right of first appeal against certain judgments and orders and no others. Further, the statutory mandate also provides for one bite at the cherry, and interdicts a second appeal being filed [see Section 37(2) of the Act].

17. This being the case, there is no doubt whatsoever that if petitions were to be filed under Articles 226/227 of the Constitution against orders passed in appeals under Section 37, the entire arbitral process would be derailed and would not come to fruition for many years. At the same time, we cannot forget that Article 227 is a constitutional provision which remains untouched by the non obstante clause of Section 5 of the Act. In these circumstances, what is important to note is that though petitions can be filed under Article 227 against judgments allowing or dismissing first appeals under Section 37 of the Act, yet the High Court would be extremely circumspect in interfering with the same, taking into account the statutory policy as adumbrated by us hereinabove so that interference is restricted to orders that are passed which are patently lacking in inherent jurisdiction.”

34. Further, in ***Bhaven Construction*** (supra) it is held that:

“18. In any case, the hierarchy in our legal framework, mandates that a legislative enactment cannot curtail a constitutional right. In



Nivedita Sharma v. COAI [Nivedita Sharma v. COAI, (2011) 14 SCC 337 : (2012) 4 SCC (Civ) 947], this Court referred to several judgments and held :

“11. We have considered the respective arguments/submissions. There cannot be any dispute that the power of the High Courts to issue directions, orders or writs including writs in the nature of habeas corpus, certiorari, mandamus, quo warranto and prohibition under Article 226 of the Constitution is a basic feature of the Constitution and cannot be curtailed by parliamentary legislation — L. Chandra Kumar v. Union of India [L. Chandra Kumar v. Union of India, (1997) 3 SCC 261 : 1997 SCC (L&S) 577] . However, it is one thing to say that in exercise of the power vested in it under Article 226 of the Constitution, the High Court can entertain a writ petition against any order passed by or action taken by the State and/or its agency/instrumentality or any public authority or order passed by a quasi-judicial body/authority, and it is an altogether different thing to say that each and every petition filed under Article 226 of the Constitution must be entertained by the High Court as a matter of course ignoring the fact that the aggrieved person has an effective alternative remedy. Rather, it is settled law that when a statutory forum is created by law for redressal of grievances, a writ petition should not be entertained ignoring the statutory dispensation.”

(emphasis supplied)

It is therefore, prudent for a Judge to not exercise discretion to allow judicial interference beyond the procedure established under the enactment. This power needs to be exercised in exceptional rarity, wherein one party is left remediless under the statute or a clear “bad faith” shown by one of the parties. This high standard set by this Court is in terms of the legislative intention to make the arbitration fair and efficient.”

35. Accordingly, the scope of interference by this Court with ongoing arbitration proceedings is extremely limited and may be invoked only in exceptional circumstances, namely where a party is left remediless under the



statutory framework or where clear bad faith on the part of a party is demonstrated. In the present case, the Respondent has specifically sought, in the Contempt Petition, a declaration that the transfers of the 15 flats out of the Property are null and void, together with restoration of the *status quo ante* by reversion of possession handed over to third parties or to persons claiming through them. Unless the said relief is first adjudicated, which this Court in the exercise of its contempt jurisdiction is competent to grant in terms of *Balwantbhai Somabhai Bhandari* (supra), the Respondent would be effectively left remediless in pursuing its claim for specific performance before the learned Arbitration Tribunal. Further, the facts of the present case disclose clear bad faith on the part of the Appellant, inasmuch as, while disputing the Respondent's entitlement to seek specific performance of the Agreement to Sell, the Appellant has at the same time admitted to having sold 15 flats forming part of the Property, thereby rendering the relief of specific performance liable to be frustrated. In these circumstances, the exceptional conditions contemplated in *Bhaven Construction* (supra) stand satisfied. The learned Single Judge was, therefore, justified in exercising writ jurisdiction and in directing that the further arbitration proceedings between the Parties shall await the outcome of the Contempt Petition.

36. As regards the contention advanced on behalf of the Appellant that the Respondent is not entitled to seek the relief of specific performance before the learned Arbitration Tribunal, the same pertains to the merits of the dispute pending before the learned Arbitration Tribunal and would fall for consideration only after the Contempt Petition has been finally adjudicated by this Court. Consequently, no prejudice can be said to be occasioned to the Appellant merely because the Impugned Judgment is not interfered with in the present Appeal, since the Appellant shall remain at



liberty to urge all contentions available to it before the learned Arbitration Tribunal upon adjudication of the Contempt Petition.

37. The learned Single Judge has acknowledged that writ jurisdiction to interdict the ongoing arbitration proceedings is to be exercised only in exceptionally rare situations. However, the Impugned Judgement provides cogent and persuasive reasons for invoking writ jurisdiction in the peculiar facts and circumstances of the present case,. The Impugned Judgment correctly proceeds on the basis that compelling the Respondent to continue with the Arbitration Proceedings, while requiring it to alter its position by pursuing damages in lieu of specific performance, would be manifestly unjust so long as the Contempt Petition remains pending. Equally, if this Court, while deciding the Contempt Petition, were ultimately to hold that there was no wilful disobedience of the Section 9 Order, such determination would also have a direct bearing on the nature of the relief that may be pursued in the Arbitration Proceedings. It is, therefore, both appropriate and expedient that the outcome of the Contempt Petition be awaited since the issues arising therein are inextricably connected with the Arbitration Proceedings.

38. The submission advanced on behalf of the Appellant that no prejudice would be caused to the Respondent if the Arbitration Proceedings were permitted to continue, on the ground that the Respondent is not left remediless in view of the security allegedly available in its favour, cannot be accepted. The Respondent has not sought damages in the Arbitration Proceedings. The question of compensating the Respondent for any loss suffered by reason of an alleged breach of the Agreement to Sell would arise only if the relief of specific performance were ultimately held to be unavailable by the learned Arbitration Tribunal. Such a consequence,



however, cannot be permitted to be precipitated by the Appellant's alleged contemptuous conduct in rendering the relief of specific performance incapable of being granted. This situation can be appropriately addressed only by ensuring that the Arbitration Proceedings do not continue in parallel with the Contempt Petition and that the Contempt Petition is decided before the Arbitration Proceedings continue further.

39. In view of the foregoing, we concur with the approach adopted by the learned Single Judge in the Impugned Judgment, whereby liberty was granted to the Respondent to seek adjournment before the learned Arbitration Tribunal and it was directed that the further Arbitration Proceedings shall await the outcome of the Contempt Petition.

40. In our considered view, the directions in the Impugned Judgment do not trench upon or impermissibly interfere with the Arbitration Process; rather, it preserves the rights of the Parties by deferring the Arbitration Proceedings until clarity emerges as to what remedies may properly be pursued before the learned Arbitration Tribunal.

41. In that background, the insistence of the Appellant that the Arbitration Proceedings must continue notwithstanding the pendency of the Contempt Petition cannot be accepted, particularly when the Appellant, as respondent in the arbitration, has not itself sought any substantive relief by way of counterclaim. We, therefore, find no infirmity in the Impugned Judgment.

42. Accordingly, the Impugned Judgment is upheld and the present Appeal, along with the pending Applications, stands dismissed. There shall be no order as to costs.

TEJAS KARIA, J

DEVENDRA KUMAR UPADHYAYA, CJ

APRIL 20, 2026/ap