

IN THE HIGH COURT FOR THE STATE OF TELANGANA

AT HYDERABAD

THE HONOURABLE SMT. JUSTICE T. MADHAVI DEVI

EXEP.NO.1 OF 2026

DATED : 05.05.2026

Between:

OWH SE i.L.,
Registered Office at Taunusanlage 9-10,
60329 Frankfurt am Main,
Germany, Rep. by its POA Holder
Mr. Akash Nath, son of Mr. Akhileshwar Nath,
R/o. A-134, Priyadarshini Vihar, Delhi-110092, India

... Petitioner/DHR

AND

1. United Company Rusal, International P.J.S.C.
Registered office at Russian Federation,
236006, Kaliningrad Region, Kaliningrad City,
UL. Oktiabrskaya 8, Office-410

... Respondent No.1/JDR

2. AL Plus Holding LLC
Registered Office at Office G31,
Regus Al Jaidah Business Centre
Building 84, Street 224, Piazza Level,
QQ05A, Qanat Quartier, The Pearl,
Doha, Qatar.

3. International Limited Liability Company
Gershvin/ MK Gershvin LLC
Registered Office at 236006,
Kaliningrad Region, Kaliningrad,
8 Oktiabrskaya Street, Office 422
Russian Federation.

... Respondent Nos.2 & 3/TP

ORDER

This Execution Petition (EP) is filed for enforcement of Foreign Awards dated 25.09.2024 and 29.08.2025 passed by the London Court of International Arbitration in favour of the petitioner and against Respondent No.1(R1)/Rusal and RTI Limited. The issue was contested before the Arbitrators and Awards were issued by a Panel of three (3) Arbitrators. On 28.07.2025, R1's challenge to the Foreign Awards on merits was dismissed by the English Courts and therefore, according to the petitioner, the Awards have attained finality. Since the Awards were issued under the New York Convention, the petitioner claims to have filed for their enforcement in 11 jurisdictions where assets of the Award Debtor or entities controlled by the Award Debtor were located and this Execution Petition is filed against R1/Award Debtor and the entities controlled by and holding assets of the Award Debtor. The petitioner/Award Holder has specifically pleaded that:

- a. R1, R2 and R3 are a single economic entity, i.e., Respondent No.2 (R2) & Respondent No.3 (R3) are 100% wholly owned subsidiaries and are alter egos of R1 and R1 to R3 operate as a single economic entity, though they are separate legal entities and R1 controls the assets and affairs of R3 and R2.*

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b. R1, R2 and R3 have diverted assets of Award Debtor deliberately to frustrate enforcement of the Awards by dissipating R1's assets in R2 and R3 to put it out of the petitioner's reach.

2. On filing of this EXEP, the office had taken an objection with regard to the maintainability of the Execution Petition against respondents No.2 and 3 as they are not parties to the Awards. After hearing the parties at length and after considering the judicial precedents on the issue, *vide* orders dated 26.02.2026, this Court has overruled the office objection and thereafter, the Execution Petition was numbered and again placed before the Bench.

3. On 03.03.2026, the Execution Petition was taken up for admission and learned Senior Counsel, Sri K. Vivek Reddy, was heard on behalf of the petitioner and learned Senior Counsel from Delhi Sri K.K.Sharma, who submitted that he has instructions to appear on behalf of respondent No.2, was also heard provisionally though he did not have relevant papers served on him at that point of time. This Court had issued notice to the respondents and this Court was also inclined to direct respondent No.2 not to transfer its shares in Pioneer Aluminium Industries Limited

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to the extent of 26% of total shares of the said company as stated by the petitioner in his affidavit till the next date of hearing.

4. The said interim order is now contested and learned counsel appearing for respondents No.1 to 3, who come on record through their vakalats, have contested about the maintainability of the Execution Petition itself on the ground of jurisdiction. It is submitted that without adjudicating the issue of jurisdiction, the interim order ought not to have been passed. The matter was represented virtually by some of the counsel and therefore the matter was adjourned to 16.04.2026 for hearing of all the parties extensively on the issue of jurisdiction.

5. On 16.04.2026, the parties have advanced their arguments extensively on the point of jurisdiction to entertain the applications under Sections 47 and 49 of the Arbitration and Conciliation Act, 1996 and also as to whether respondents No.2 and 3 are necessary and proper parties to the Execution Petition. This Court has reserved the issue of jurisdiction for orders and all the parties have filed their written arguments in support of their oral submissions made during the course of hearing.

6. **Contentions of learned counsel for the petitioner:**

Learned counsel for the petitioner submitted that under Section 46 of the Arbitration and Conciliation Act, 1996, beyond Award Debtor, the third parties are also covered. In support of this contention, he placed reliance upon the decision of the Hon'ble Supreme Court in the case of **Gemini Bay Transcription Private Limited Vs. Integrated Sales Service Limited and another**¹, wherein it was held that Section 46 uses the word 'persons' (and not 'parties'), enabling enforcement against non-signatories including third parties. It is submitted that Section 47 being procedural in nature does not go to the extent of requiring substantive evidence to 'prove' that a non-signatory to an arbitration agreement can be bound by a foreign award. He referred to the observation of the Hon'ble Supreme Court in the case of **Gemini Bay Transcription Private Limited Vs. Integrated Sales Service Limited and another** (1 supra) to this extent. He also relied upon the decision of the Bombay High Court in the case of **Imax Corporation Vs. E-City Entertainment (I) Pvt. Ltd. and others**², wherein the Award Holder filed for execution of foreign awards and related third party companies of Award Debtor were arrayed as parties and the third parties objected to

¹ (2022) 1 SCC 753

² 2025: BHC-OS:27042-DB : Commercial Arbitration Appeal (CARBA) (L) No.38267 of 2024 dated 05.01.2026

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their impleadment stating that they were neither parties to the arbitral agreement nor the arbitral proceedings and therefore, they are not liable to satisfy the Award and the learned Single Judge of the Bombay High Court has refused third party impleadment and on appeal, the Division Bench reversed the Single Judge's order and held that there was nothing wrong with the impleadment of third parties in the EP. It was held that the test for lifting of the corporate veil is satisfied as the corporate structure of the respondents was being misused to escape liability. The Division Bench also held that the Hon'ble Supreme Court's decision in the case of **Cox & Kings Ltd. Vs. SAP India (P) Ltd.**³ would not apply as the Award Debtor is proceeding against assets of R1 which have been diverted by R2 and R3 and that execution is permissible against the third parties qua the assets of the Award Debtor, which were diverted to the third party companies, to escape liability under the Award. He further submitted that Section 60 of CPC expressly permits execution against third-party assets over which the Award Debtor has a 'disposing power' and the question whether R1 has 'disposing power' over R2's assets is a question to be determined by this Court in execution. He relied upon the

³ (2024) 4 SCC 1

following judgments of other High Courts as well, wherein impleadment of third parties for enforcement of foreign award has been upheld.

(1) Bhatia Industries & Infrastructure Limited (BIIL) Vs. Asian Natural Resources (India) Ltd. And another⁴

(2) Delhi Airport Metro Express Vs. Delhi Metro Rail⁵

(3) Asian Natural Resources (I) Ltd. Vs. Vitol S.A.⁶

(4) Formosa Plastic Corporation Vs. Ashok Chauhan⁷

He also submitted that when the petitioner approached the Court at Qatar for enforcement of the Awards, the Qatar Court has recognized the shareholding of R1 in R3 and of R3 in R2 and has passed protective orders and the Qatar Court has injuncted against any further change in shareholding in R2 and R2 was restrained from transferring its shares in subsidiaries.

As regards the jurisdiction of this Court to entertain the Execution Petition against the shares held by R2 in Pioneer Aluminium Industries

⁴ (2017) 201 CompCas 46

⁵ Neutral Citation Number: 2023:DHC:1902

⁶ 2015 SCC OnLine Bom 4009

⁷ 1998 (76) DLT 817

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Limited, the learned counsel for the petitioner submitted that R1 owns and controls assets in Pioneer Aluminium Industries Limited through R2 and that R3 is 100% holding company of R2 and R1 is 100% holding company of R3 and since the assets of Pioneer Aluminium Industries Limited are in the State of Andhra Pradesh, India, but its shareholders register is in Hyderabad and therefore, this Court has jurisdiction to entertain this petition. He also referred to the Board resolution of Pioneer Aluminium Industries Limited filed before the Registrar of Companies which confirms that its books of account including the share register are kept at its Head Office in Hyderabad. Therefore, he submitted that this Court has jurisdiction to entertain this petition.

7. Contentions of learned counsel for respondent No.1:

Learned Senior Counsel appearing for respondent No.1 submitted that respondent No.1 is domiciled in Russia with no assets/business/operations in Telangana or India and that the alleged 26% shares in Pioneer Aluminium Industries Limited is owned by R2 and not by R1 and further that the petition is not maintainable against R2 in view of Section 48(1)(b) of the Arbitration and Conciliation Act, 1996. He placed reliance upon a decision of the Bombay High Court in

the case of **Mitsui OSK Lines Ltd. Vs. Orient Shop Agency Pvt. Ltd.**⁸ in support of his contention that enforcement of a foreign award is confined to the parties to the award, and that bare assertions of fraud, absent specific and cogent evidence, are insufficient to extend the enforcement process to reach entities with no assets within the jurisdiction. He denied the contentions of the petitioner that R2 and R3 are alter egos of R1 and that they are single economic entity and submitted that the petitioner's attempt is only to manufacture a jurisdictional nexus where none lawfully exists. He submitted that jurisdiction cannot be created by vague averment of common control and alter ego and he referred to the Arbitral Awards to submit that there was no part of the Arbitral Awards which relates to R2 or R3. He also referred to the admissions made by the petitioner in EP at Para 208 that Rusal, i.e., R1 has sufficient means and financial capacity to pay the amount of Arbitral Awards and placed reliance upon a decision of Bombay High Court in the case of **Ningbo Aux Imp & Exp Co. Ltd. Vs. Amstrad Consumer India Pvt. Ltd. and another**⁹, wherein it was held that in circumstances where it is established that the Award Debtor

⁸ Chamber Summons No.157 of 2019 in Execution Application No.809 of 2014 decided on 07.02.2020

⁹ 2025 SCC OnLine Bom 2625

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has sufficient funds, means and net worth to satisfy the Arbitral Award, no interim relief may be granted against its subsidiary. He further submitted that Pioneer Aluminium Industries Limited's registered office is in Visakhapatnam, Andhra Pradesh and the shares/register of members are in the demat/electronic form and therefore, mere presence of corporate office and place of keeping books does not confer jurisdiction in Hyderabad as the registered office and the plant/unit is in Visakhapatnam, Andhra Pradesh. Further, it is submitted that the Award Debtor is R1, i.e., Rusal and not R2 or R3 and further that the shares of R2 in Pioneer Aluminium Industries Limited are not the assets of Rusal/Award Debtor. He further submitted that restructuring of shareholding structure was due to imposition of sanctions by US, UK, EU and Australia against Russia leading to operational challenges and disruption and that incorporation of R2 and investment discussions predate the first award, i.e., September, 2024 and the decision for investment in China and India for alumina supply was much prior to the Arbitral Awards. Therefore, the contention of the petitioner that there was an attempt to divert the funds to escape enforcement of Arbitral Awards is incorrect. He submitted that unless fraud or impropriety of Rusal is proved, corporate veil cannot be pierced. According to the

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learned Senior Counsel, the filing of the petition in India before this Court is nothing but abuse of process and forum shopping which should not be allowed by the Court. It is further submitted that though respondent No.2 is domiciled in Qatar and the petitioner has filed an application in Qatar, the petitioner has not sought any relief against sale/transfer of shares of Pioneer Aluminium Industries Limited before Qatar Court and no justification or explanation is given therefor. It is submitted that since Qatar Court has already observed that respondent No.1 has sufficient means for satisfaction of the Awards, the additional Indian enforcement action by the petitioner creates risk of double recovery and unjust enrichment. He further submitted that enforcement of the Arbitral Awards implicates geopolitical and sanctions-related considerations, particularly in the context of the German regulator's action against VTB Bank (Russia) SE/OWH. It is submitted that the petitioner is not the actual lender and the actual lender was a Russian bank which was taken over by a hostile German regulator due to enmity with Russia and to support Ukraine and as a result, enforcing the Arbitral Awards will give effect to the legal consequences of such unilateral coercive measures and foreign sanctions implementation which will conflict with India's neutral stance and interest with Russia.

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Therefore, he prayed that the Execution Petition be dismissed as not maintainable in view of Section 48(2) of the Arbitration and Conciliation Act, 1996.

8. Contentions of learned counsel for respondent No.2:

Learned Senior Counsel appearing for R2 submitted that R2 is not a party to the ISDA agreement and also to arbitral proceedings or the Arbitral Awards and therefore, the execution petition against R2 is not maintainable.

As regards the shares of Pioneer Aluminium Industries Limited, it is submitted that the said shares are legally owned by and registered in the name of R2 and not in the name of R1, i.e., Rusal. He placed reliance upon Order 21 Rule 47 of CPC which prescribes that attachment is permissible only of property belongs to the judgment debtor. He placed reliance upon a decision of the Delhi High Court in the case of **VK Uppal Vs. Akshay International Pvt. Ltd.**¹⁰ to submit that a decree against one company cannot be executed against another entity's assets and a share register's location cannot be transform third-party property into judgment debtor property. Therefore, according to

¹⁰ Ex. App. No.516/2009, Delhi HC

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the learned Senior Counsel, impleading R2 is impermissible in law both under CPC as well as Arbitration and Conciliation Act. He placed reliance upon a decision of the Hon'ble Supreme court in the case of **Fuerst Day Lawson Ltd. Vs. Jindal Exports Ltd.**¹¹, wherein it was held that the Court must first determine enforceability under Sections 47-49 before taking effective steps for execution. Without prejudice to his arguments that Arbitral Awards cannot be enforced against a third party, he submitted that even if the enforceability of Arbitral Awards against third party is permissible, it is only in cases where assets of Award Debtor have been dissipated to the third party in such a manner that it has no means to satisfy the award. It is submitted that as per the petitioner's admissions alone, respondent No.1 has sufficient means and assets to satisfy the Arbitral Awards and therefore, this EXEP against R2 is not maintainable. He submitted that the petitioner's statements are both misplaced and misleading and also that its reliance on the decision of the Hon'ble Supreme Court in the case of **Gemini Bay Transcription Private Limited Vs. Integrated Sales Service Limited and another** (1 supra) is misplaced in order to obtain interim orders in this case even though there was no jurisdiction of this Court. He also

¹¹ (2001) 6 SCC 356

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placed reliance upon a decision of Bombay High Court in the case of **Imax Corporation Vs. E-City Entertainment (I) Pvt. Ltd.** (2 supra). It is submitted that in the said case, there was evidence of diversion of assets to subsidiaries in a manner where the award debtor was left with insufficient funds to satisfy the Award contrary to the submissions of the petitioner in this case that R1 has sufficient means to satisfy the Arbitral Awards and therefore, the said decision would not be applicable to this case. It is further submitted that the petitioner has falsely stated that it has filed applications in 9 jurisdictions and therefore, it is compelled to come to India against the shares owned by R2. It is submitted that there are substantial orders by Qatar and Cyprus Courts and that the petitioner has not sought enforcement of Arbitral Awards in Qatar, but is seeking injunction against transfer/damages for change of shareholding and has secured more than adequate amount of security. According to him, it is a clear case of over securitization and excessive litigation to cause wrongful loss and reputational damage to the respondents. He placed reliance upon a decision of the Hon'ble Supreme Court in the case of **Balwant Rai Saluja and another Vs. Air India Limited and others**¹² and in the case of **Cox & Kings Ltd. Vs. SAP India (P) Ltd.** (3 supra)

¹² (2014) 9 SCC 407

to submit that a company is in law a different person from its promoters, directors, shareholders and employees and therefore, the principle of separate legal personality equally applies to corporate groups; and therefore, piercing the corporate veil should be applied restrictively and only where the subsidiary was a mere camouflage to avoid liability. He submitted that there are no such circumstances prevailing in the present matter.

9. Contentions of learned counsel for respondent No.3:

Learned Senior Counsel appearing for respondent No.3 also has taken similar objection as R2 that it was not a party to the Arbitration agreement and arbitral proceedings and therefore, the Arbitral Awards are not enforceable against it. He placed reliance upon a decision of the Bombay High Court in the case of **Ningbo Aux Imp & Exp Co. Ltd. Vs. Amstrad Consumer India Pvt. Ltd. and another** (9 supra) and also **Mitsui OSK Lines Ltd. Vs. Orient Shop Agency Pvt. Ltd.** (8 supra) in support of this contention. It is submitted that respondent No.3 is incorporated in Russia and has no place of business or assets in India and no part of any cause of action has arisen in India. It is submitted that it also does not own any shares in Pioneer Aluminium Industries

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Limited and therefore, none of the essential conditions under CPC are satisfied. It is submitted that respondent No.1 also has no Telangana nexus and the petitioner has invoked jurisdiction of this Court only on the basis that Pioneer Aluminium Industries Limited's share register is maintained in Hyderabad, which is factually incorrect. He also supported the contention of respondent No.2 that without fraud or impropriety being proved/established, the corporate veil cannot be pierced and bald pleadings that one company was a front for another are insufficient to pierce the veil. Therefore, according to him also, the invoking of jurisdiction of this Court by the petitioner is nothing but abuse of process of law. It is submitted that the petitioner has already obtained injunction against sale transfer of shares by R2 in Qatar Court and filing application before this Court for the very same relief is nothing but over securitization and therefore, it is not sustainable or maintainable.

10. Thus, the respondents have pleaded that this Court has no jurisdiction to entertain this Execution Petition and this EXEP itself should be dismissed.

11. Learned counsel for the petitioner, while rebutting the contentions raised by the respondents, has advanced the following further arguments.

(1)The claim of over securitization is unfounded. It is submitted that Qatar Court on 29.03.2026 has rejected the petitioner's plea of injunction stating that R2 has nowhere disclosed its asset value to substantiate this.

(2)He also submitted that the pleadings of R2 that the petitioner has claimed before Qatar Court that R1 has sufficient funds to satisfy Awards is also incorrect. It is submitted that the pleadings are referred to R1 Group's financials as a whole and not R1 alone and the definition of R1 Group expressly includes its subsidiaries, i.e., R2 and R3.

(3)As regards the contention of the respondents that the petitioner has not filed any application before Russian Courts though it has claimed that it has filed applications before 9 jurisdictions, it is submitted that the petitioner has not filed applications in Russian Courts, but in order to enforce foreign award, the

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Award Holder can proceed wherever the assets of the Award Debtor are located and that the territorial jurisdiction is determined by the location of the assets of the Award Debtor and not the location of Award Debtor.

In support of his contentions, he placed reliance upon the following 3 decisions:

- (i) **Taqa India Power Vs. NCC Infrastructure Holdings Ltd.**¹³
- (ii) **Sundaram Finance Limited Vs. Abdul Samad and another**¹⁴
- (iii) **Brace Transport Corpn. Vs. Orient Middle East**¹⁵

Findings of this Court:-

12. Having regard to the rival contentions and the material on record, this Court finds that the preliminary objection with regard to jurisdiction has to be decided having regard to the following issues.

- (i) The parties to the arbitration;
- (ii) Whether R2 and R3 are alter egos of R1; and

¹³ 2023 SCC OnLine Del 7207

¹⁴ (2018) 3 SCC 622

¹⁵ (1995) Supp (2) SCC 280

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- (iii) If yes, whether the registered office or the office where the shareholders' register of the company whose assets are in India is kept, decides the jurisdiction of the Court.

13. With regard to the first issue, there is no dispute that the arbitration is between the petitioner and R1 and the arbitration has been conducted in terms of New York Convention on enforcement of International Arbitral Awards. In terms of the said Convention, the Arbitral Awards can be enforced where the parties have any presence or have any assets. The petitioner claims that R1 is the holding company of R3 which in turn is the holding company of R2 and R2 is having assets in Pioneer Aluminium Industries Limited which has its registered office in Andhra Pradesh, but has kept its registrar of shareholders in Hyderabad. The issue of alter egos and whether group companies can be made parties to Execution Petition for enforcement of Arbitral Awards has been considered by the Hon'ble Supreme Court in the case of **Gemini Bay Transcription Private Limited Vs. Integrated Sales Service Limited and another** (1 supra). The Hon'ble Supreme Court has considered whether 'alter ego' doctrine can be considered for

piercing the corporate veil and at para 43 and thereafter at para 73, has held as under:

43. Given these parameters, let us examine arguments of the appellants insofar as Section 48(1)(a) is concerned. If read literally, Section 48(1)(a) speaks only of parties to the agreement being under some incapacity, or the agreement being invalid under the law to which parties have subjected it. There can be no doubt that a non-party to the agreement, alleging that it cannot be bound by an award made under such agreement, is outside the literal construction of Section 48(1)(a). Also, it must not be forgotten that whereas Section 44 speaks of an arbitral award on differences between “persons”, Section 48(1)(a) refers only to the “parties” to the agreement referred to in Section 44(a). Thus, to include non-parties to the agreement by introducing the word “person” would run contrary to the express language of Section 48(1)(a), when read with Section 44. Also, it must not be forgotten that these grounds cannot be expansively interpreted as has been held above. The grounds are in themselves specific, and only speak of incapacity of parties and the agreement being invalid under the law to which the parties have subjected it. To attempt to bring non-parties within this ground is to try and fit a square peg in a round hole.

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73. Shri Salve argued relying upon three judgments of this Court, namely, Indowind Energy Ltd. v. Wescare (India) Ltd. [Indowind Energy Ltd. v. Wescare (India) Ltd., (2010) 5 SCC 306 : (2010) 2 SCC (Civ) 397] , Chloro Controls (India) (P) Ltd. v. Severn Trent Water Purification Inc. [Chloro Controls (India) (P) Ltd. v. Severn Trent Water Purification Inc., (2013) 1 SCC 641 : (2013) 1 SCC (Civ) 689] , Cheran

Properties Ltd. v. Kasturi & Sons Ltd. [Cheran Properties Ltd. v. Kasturi & Sons Ltd., (2018) 16 SCC 413 : (2019) 1 SCC (Civ) 486] that a comparison between Sections 35 and 46 of the Arbitration Act, 1996 would show that the legislature circumscribed the power of the enforcing court under Section 46 to persons who are bound by a foreign award as opposed to persons which would include “persons claiming under them” and that, therefore, a foreign award would be binding on parties alone and not on others. First and foremost, Section 46 does not speak of “parties” at all, but of “persons” who may, therefore, be non-signatories to the arbitration agreement. Also, Section 35 of the Act speaks of “persons” in the context of an arbitral award being final and binding on the “parties” and “persons claiming under them”, respectively. Section 35 would, therefore, refer to only persons claiming under parties and is, therefore, more restrictive in its application than Section 46 which speaks of “persons” without any restriction. Quite apart from this, another important conundrum arises from the Division Bench judgment [Integrated Sales Services Ltd. v. Arun Dev, 2017 SCC OnLine Bom 1] in the present case. The Division Bench judgment [Integrated Sales Services Ltd. v. Arun Dev, 2017 SCC OnLine Bom 1] applied Delaware law to satisfy itself that such law had indeed been followed to apply the alter ego doctrine correctly, as a result of which the foreign award would have to be upheld. We wish to indicate that this approach is completely erroneous. First and foremost, Section 48 does not contain any ground for resisting enforcement of a foreign award based upon the foreign award being contrary to the substantive law agreed to by the parties and which it is to apply in reaching its conclusion. As a matter of fact, whether the award is correct in law (applying Delaware law), would be relevant if at all such award were to be set aside in the State in which it was made and that too if such law permitted interference on the ground that the arbitral award had infringed the substantive law of the agreement. As has been pointed out hereinabove, the arbitral award in

this case was not challenged in the State of Missouri. Hence, the Division Bench's foray into this line of reasoning is wholly incorrect.”

14. Further in the case of **Imax Corporation Vs. E-City Entertainment (I) Pvt. Ltd. and others** (2 supra), in paras 22, 31, 248, 269 to 271 and 313, it was held as under:

*“22. In addition to E-City, against whom the three foreign awards were directed, the IMAX also impleaded the 2nd, 3rd and 4th Respondents as parties to this Commercial Arbitration Petition No.414 of 2018. IMAX contended that a rolled-up Petition or a consolidated Petition seeking recognition and enforcement of foreign arbitral awards was maintainable, considering the law laid down in **Government of India V/s. Vedanta Ltd.** [(2020) 10 SCC 1].*

31. Dangre, J's order neatly formulates Issues/Points for determination (A) to (G) and answers them in the following terms: -

***Issue No. A:** - that the common Petition filed by the IMAX seeking Enforcement/Execution of the foreign awards was maintainable and could be entertained.*

***Issue No. B:** - that under section 48 of the said Act, it was impermissible for the Court to undertake a review on the merits of the foreign awards.*

***Issues No. C:** - that IMAX's Enforcement/Execution Petition was barred by limitation, given the law laid down in *Vedanta Ltd.* (supra).*

***Issue No. D:** - that the master agreement violated the provisions of FEMA, and there was a breach of the fair hearing principle*

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because the Foreign Arbitral Tribunal did not consider the unchallenged testimony of one of E-City's witnesses. Therefore, enforcement of the foreign awards would be contrary to the public policy of India as provided under Section 48(2)(b) of the said Act.

Issue No. E: - *that IMAX was not competent to raise any challenge to the demerger schemes in its Enforcement/Execution Petition.*

Issue No. F: - *that the impleadment of 2nd, 3rd and 4th Respondents was unwarranted and based on the assumption that E-City's assets were improperly diverted to or through them.*

Issue No. G:- *that on the ground of IMAX Ltd merging into IMAX Corporation in January 2002, neither could the invocation of the arbitration clause by IMAX Ltd be regarded as invalid under the Laws of Singapore nor could this be a ground to interfere with the foreign arbitral awards by invoking Section 48(1)(a) or (d) of the said Act, as this would amount to a review on merits.*

248. *Mr Seervai and Mr Jagtiani submitted that the 2nd, 3rd and 4th Respondents were neither parties to the arbitral agreement nor to the arbitral proceedings. They submitted that making the 2nd to 4th Respondents liable to satisfy the foreign awards to which they were not even parties, and consequently were not given any opportunity to put forth their version, would amount to the grossest breach of the principles of natural justice and fair play.*

269. *In the present case, the incorporation of the 2nd and 3rd Companies may be proper or even the Schemes of Arrangement may have been got sanctioned by complying with the prescribed legal formalities, still, the fact that such Schemes were intended to divert*

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properties and assets of E-City (1st Respondent) worth Rs.210 crores to the 2nd and 3rd Respondents Companies so that such properties and assets would be immunised from execution in the pending arbitral proceedings in which a liability award had already been made cannot be ignored. Such divesting, therefore, was improper in the sense that the same suffered from an impropriety as distinct from an illegality.

270. The impropriety was linked to the use of the Company's structure to avoid the liability which had arisen and, in any event, was most imminent. The corporate structure, in the present case, was utilised as a "sham" or a "façade" only to render the execution of any arbitral award by IMAX complicated, if not impossible. By using the corporate device, the Respondents Nos. 1 to 4 brought about a situation in which the properties and assets of E-City (1st Respondent) would continue to be controlled by the 4th Respondent, the holding Company. At the same time, such properties and assets would be immune from execution of liabilities imposed by the foreign awards.

271. Therefore, by applying the principles in Balwant Rai Saluja and Anr. (supra) to the facts of this matter, a case is made out for lifting of the corporate veil and holding that the 2nd and 3rd Respondents were impleaded correctly as parties to the enforcement/execution proceedings, and further execution could be levied against the properties and assets of E-City (1st Respondent) improperly diverted or divested in favour of the 2nd and 3rd Respondents.

313. For all the above reasons, we conclude that there was nothing wrong in impleading the 2nd to 4th Respondents in IMAX's Petition. Besides, execution can be levied against those of E-City's (1st Respondent's) properties and assets that were diverted to the 2nd and 3rd Respondents for satisfaction of the foreign awards. However, such execution can be only qua the diverted properties and assets presently

held by the 2nd and 3rd Respondents, and not against the 2 nd and 3rd Respondents independently.”

15. The Hon’ble Supreme Court in the case of **Balwant Rai Saluja and another Vs. Air India Limited and others** (12 supra) at paras 70, 71 and 74 has held as under:

“70. The doctrine of “piercing the corporate veil” stands as an exception to the principle that a company is a legal entity separate and distinct from its shareholders with its own legal rights and obligations. It seeks to disregard the separate personality of the company and attribute the acts of the company to those who are allegedly in direct control of its operation. The starting point of this doctrine was discussed in the celebrated case of Salomon v. Salomon & Co. Ltd. [1897 AC 22 : (1895-99) All ER Rep 33 (HL)] Lord Halsbury LC, negating the applicability of this doctrine to the facts of the case, stated that: (AC pp. 30 & 31)

“[a company] must be treated like any other independent person with its rights and liabilities [legally] appropriate to itself ... whatever may have been the ideas or schemes of those who brought it into existence.”

Most of the cases subsequent to Salomon case [1897 AC 22 : (1895-99) All ER Rep 33 (HL)] , attributed the doctrine of piercing the veil to the fact that the company was a “sham” or a “façade”. However, there was yet to be any clarity on applicability of the said doctrine.

71. In recent times, the law has been crystallised around the six principles formulated by Munby, J. in Ben Hashem v. Ali Shayif [Ben Hashem v. Ali Shayif, 2008 EWHC 2380 (Fam)] . The six principles, as found at paras 159-64 of the case are as follows:

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(i) Ownership and control of a company were not enough to justify piercing the corporate veil;

(ii) The court cannot pierce the corporate veil, even in the absence of third-party interests in the company, merely because it is thought to be necessary in the interests of justice;

(iii) The corporate veil can be pierced only if there is some impropriety;

(iv) The impropriety in question must be linked to the use of the company structure to avoid or conceal liability;

(v) To justify piercing the corporate veil, there must be both control of the company by the wrongdoer(s) and impropriety, that is use or misuse of the company by them as a device or facade to conceal their wrongdoing; and

(vi) The company may be a “façade” even though it was not originally incorporated with any deceptive intent, provided that it is being used for the purpose of deception at the time of the relevant transactions. The court would, however, pierce the corporate veil only so far as it was necessary in order to provide a remedy for the particular wrong which those controlling the company had done.

... ..

74. *Thus, on relying upon the aforesaid decisions, the doctrine of piercing the veil allows the court to disregard the separate legal personality of a company and impose liability upon the persons exercising real control over the said company. However, this principle has been and should be applied in a restrictive manner, that is, only in scenarios wherein it is evident that the company was a mere camouflage or sham deliberately created by the persons exercising control over the said company for the purpose of avoiding liability. The intent of piercing the veil must be such that would seek to remedy a wrong done by the*

persons controlling the company. The application would thus depend upon the peculiar facts and circumstances of each case.”

16. In the decisions relied upon by the learned Senior Counsel for the respondents, i.e., **Fuerst Day Lawson Ltd. Vs. Jindal Exports Ltd.** (11 supra), the Hon’ble Supreme Court has held that under the new Arbitration Act of 1996, the foreign award is already stamped as the decree and in one proceeding, there may be different stages and in the first stage, the Court may have to decide about the enforceability of the award having regard to the requirement of the said provisions and once the Court decides that the foreign award is enforceable, it can proceed to take further effective steps for execution of the same and there arises no question of making foreign award a rule of court/decreed again. Therefore, this Court has to decide about the jurisdiction of this Court initially and if it is satisfied about the jurisdiction, then only the execution petition can be proceeded with.

17. In the case of **Cox & Kings Ltd. Vs. SAP India (P) Ltd.** (3 supra), the Hon’ble Supreme Court has summarised its conclusions in para 165 to hold that the definition of “parties” under Section 2(1)(h) read with Section 7 of the Arbitration Act includes both the signatory as well as non-signatory parties and that the principle of ‘alter ego’ or

‘piercing the corporate veil’ cannot be the basis for the application of the group of companies doctrine. However, this Court finds that the judgment in the case of **Cox & Kings Ltd. Vs. SAP India (P) Ltd.** (3 supra) was to determine the validity of the group of companies doctrine in the jurisprudence of Indian Arbitration and the doctrine provides that the arbitration agreement which is entered into by a company within the group of companies, may bind non-signatory affiliates if the circumstances are such as to demonstrate the mutual intention of the parties to bind both signatories and the non-signatories. The Five Judge Bench was called upon to consider whether there can be reconciliation between the group of companies doctrine and well settled legal principles of corporate law and contract law. This Court finds that the said judgment was not in respect of enforcement of foreign arbitral awards and therefore, the said decision is not applicable to the facts of the case before this Court.

18. From the above judgments, it is clear that third parties also can be made parties to the enforcement of Arbitral Awards provided it is proved that the funds/shares/assets have been transferred in order to avoid enforcement of the Arbitral Tribunal Awards. Thus, in order to verify whether R2 and R3 are alter egos of R1, it is necessary to pierce

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the corporate veil to find out whether the companies have been formed/created for diversion of the assets of R1 only or whether the assets of R1 have been diverted to R3 and in turn to R2 to evade the enforcement of arbitral proceedings has to be seen.

19. Therefore, it is now to be seen whether there is any intention and whether there is any attempt to divert or transfer assets/shares of respondent No.1 company to respondent No.3 and in turn to respondent No.2 which in turn has invested in Pioneer Aluminium Industries Limited. It is noticed that respondent No.1 is a company incorporated in Jersey and foreign award was passed on 25.09.2024 and the addendum to the first award was passed on 12.11.2024 and the second award was passed on 29.08.2025 and the addendum to it was passed on 01.10.2025. Respondent No.2 company was incorporated on 22.12.2022, much before the first Arbitral Award and respondent No.3 company was incorporated on 06.11.2025 and the significant share holders of R2 is R3, i.e., the International Limited Liability Company Gershvin. The ownership and shareholding of these companies is not disputed by the respondents. It is noticed that Pioneer Aluminium Industries Limited is having registered office at APIIC Industrial Park, Rachapalli Village, Makavarapalem, Andhra Pradesh, whereas the address at which its

books of account are to be maintained and details of the police station at whose jurisdiction the place of the address at which the books of account are to be maintained falls within the jurisdiction of Telangana. The details as to when the investments have been made in Pioneer Aluminium Industries Limited are not evident from the records. It is not denied by respondent No.2 that it owns 26% shares in Pioneer Aluminium Industries Limited. Therefore, this Court is of the *prima facie* opinion that the Execution Petition is maintainable against all the three respondents.

20. As regards the territorial jurisdiction of this Court, this Court finds that the petitioner has chosen the territorial jurisdiction on the ground that share holders register of Pioneer Aluminium Industries Limited is kept in Hyderabad though its registered office is in Andhra Pradesh. Under the Company Law, the jurisdiction of the Court is where the registered office of a company is and therefore, following the said logic, the jurisdiction would have to be High Court of Andhra Pradesh at Amaravati. Even if the contention of the petitioner that the petitioner is not seeking any direction against Pioneer Aluminium Industries Limited is taken into consideration, the petitioner is seeking injunction against the shares of R2 in Pioneer Aluminium Industries Limited and R2 is

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registered in Qatar and the petitioner has already invoked the jurisdiction of Courts in Qatar for enforcement of the Arbitral Awards, but has not chosen to seek injunction against transfer of shares of R2 in Pioneer Aluminium Industries Limited for the reasons best known to it. Situs of the assets, i.e., shares in Pioneer Aluminium Industries Limited lies in Qatar. Therefore, this Court is of the opinion that the jurisdiction under Sections 47 and 48 of the Arbitration and Conciliation Act, 1996 does not lie with this Court and in such circumstances, the Execution Petition is liable to be dismissed.

21. Accordingly, EXEP No.1 of 2026 is dismissed. No order as to costs. The interim order granted on 03.03.2026 and extended from time to time shall stand vacated.

22. Pending miscellaneous petitions, if any, in this Execution Petition shall stand closed.

23. Upon pronouncement of the order, Sri Siva Kumar Vakkalanka, learned counsel for the petitioner, appearing virtually, prayed for suspension of the operation of this order for a period of four (04) weeks to enable the petitioner to prefer an appeal.

24. Considering the said submission, the operation of this order shall remain in abeyance for a period of four (04) weeks, i.e., till 02.06.2026.

JUSTICE T. MADHAVI DEVI

Date: 05.05.2026

Svv