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IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

ARBITRATION PETITION (L) NO.448 OF 2015

M/s. Summit Partners India Private Investments ... Petitioner

Versus

M/s. Krishidhan Seeds Pvt. Ltd. And Others ... Respondents

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Mr. Virag V. Tulzapurkar, Senior Advocate, a/w. Mr. Chakrapani Misra, Mr. Pranav Sampat and Ms. Shreya Dua, i/b. M/s. Khaitan & Co., for the Petitioner.

Mr. Kunal Dwarkadas, i/b. Kartikeya & Associates, for Respondent No1.

Mr. Zal Andhyarujina, a/w. Mr. Rohan Cama, i/b. Dastur Dadhich & Kalambi, for Respondent Nos. 2 to 13.

Ms. Priya Ranade, a/w. Ms. Triveni Jain, i/b. Markand Gandhi & Co., for Respondent Nos. 14 to 22.

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CORAM : S.C. GUPTE, J.

DATED : 23 APRIL, 2015

P.C. :

. By consent of the parties, this Arbitration Petition is disposed of by appointing Mrs. Justice Sujata Manohar (Retd.) as the Sole Arbitrator under the Arbitration and Conciliation Act, 1996 (“**Arbitration Act**”) to adjudicate upon the disputes and differences that form the subject matter of this Arbitration Petition as well as Suit No.521 of 2013 filed in the Court in Jalna on the following terms and conditions:

- (a) It is clarified that the objection raised by Respondent Nos. 2 to 13 in respect of the RBI Circulars and the enforceability of the agreements that form the subject matter of the present disputes shall be decided as a preliminary issue in the arbitration. The parties shall be at liberty to lead evidence for the purpose of determining the value of the shares held by the Petitioner in Respondent No.1 Company in this regard.
- (b) The seat of the arbitration shall be in Mumbai. The Sole Arbitrator shall be at liberty to decide the rules and procedure applicable to the arbitration proceedings.
- (c) The Sole Arbitrator shall endeavour to complete the arbitration within a period of one year from the date of this order.
- (d) This Arbitration Petition shall be treated as an application before the Sole Arbitrator under Section 17 of the Arbitration Act. The pleadings in the present Arbitration Petition shall be treated by the Sole Arbitrator as the pleadings of the parties in the Section 17 application. Parties shall be at liberty to file additional pleadings, if any. It is clarified that all contentions are kept open and the parties shall be at liberty to apply for any further relief as may be available to them under law.
- (e) Respondent Nos. 2 to 13 shall also be at liberty to file appropriate application(s) under Section 17 of the Arbitration Act before the

Sole Arbitrator.

- (f) The parties agree that they will forthwith make appropriate applications under Section 17 of the Arbitration Act before the Sole Arbitrator.
- (g) It is clarified that Respondent Nos. 14 to 22 shall also be parties to the arbitration.
- (h) Liberty is hereby granted to Respondent Nos. 2 to 13 to file a counter claim and statement of claim, if any.
- (i) Mr. Andhyarujina, learned Advocate appearing on behalf of Respondent Nos. 2 to 13 and learned Advocate for Respondent No.1 state on instructions that in view of the fact that no sale is being completed within a period of 8 (eight) weeks from today, without prejudice to their rights and contentions, Respondent Nos. 1 to 13 will maintain status quo with regard to 21 plots of the Akola Oil Industry properties as identified by Respondent Nos. 2 to 13 in the summary of residential plots at Akola tendered in this Court on 27 March 2015. The said summary is taken on record and marked “X” for identification. It is clarified that the learned Observer appointed by the Company Law Board – Mr. Justice Lahoti (Retd.)– and the parties may continue to proceed with the process of selling the Akola Oil Industry properties within the framework of the existing orders of the Company Law Board but shall not create any third party rights for this period. Mr.

Andhyarujina states that as and when any of the above 21 plots or the 25 plots at Items D & E of the said summary are proposed to be sold, Respondent Nos. 2 to 13 will communicate to the Petitioner such proposals. It is ordered and directed that Mr. Justice Lahoti (Retd.) will give reasonable notice to the Petitioner of any meetings to consider such proposal.

- (j) Respondent Nos. 2 to 13 shall place the present order before the Court of the Civil Judge, Junior Division at Jalna which is seized of Suit No.551 of 2013.
- (k) Mr. Andhyarujina further states that Respondent Nos. 2 to 13 shall adhere to their obligations under Article 24 of the Articles of Association of Respondent No.1 Company. This statement is made without prejudice to the rights and contentions of Respondent Nos. 2 to 13 that they have already complied with the aforesaid obligations.
- (l) Mr. Tulzapurkar, learned Senior Advocate appearing on behalf of the Petitioner states on instructions that the Petitioner shall not make and/or pursue any application whatsoever before the Escrow Agent (DBS Bank Limited) in furtherance of and/under the Escrow Agreement dated 2 August 2012, for a period of eight weeks from the date of this order.
- (m) There is an order dated 3 March 2014 passed by Company Law Board and modified on 25 April 2014 regarding status quo in

respect of immovable assets of Respondent No.1. The parties are at liberty to approach the Ld. Arbitrator to seek further appropriate orders in that behalf, if so advised. It is clarified that this Court has not expressed any opinion in relation to any reliefs prayed in the present petition or in relation to order dated 3 March 2014 and the same shall be construed accordingly. The application if any, made in this behalf to the Ld. Arbitrator shall be decided on its own merits and uninfluenced by the order of 3 March 2014 passed by Company Law Board.

(n) All contentions of the parties on merits are kept open.

2. In view of the consent order recorded above, this Court makes it clear that save and except, in relation to Akola Oil Industries Properties, for which the arrangement recorded in the foregoing paragraphs shall operate, it shall be open to the Petitioner to insist on compliance of Article 17 of Articles of Association of Company. It shall also be open to the Respondents to contend that there has been no breach of Article 17 whatsoever on the part of the Respondents. It is clarified that this Court has expressed no opinion in this behalf.

3. The Arbitration Petition is disposed of accordingly.

(S.C. GUPTE, J.)