IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

COMMERCIAL ARBITRATION PETITION NO.748 OF 2024

Monali Prabhakar Ahirrao ....Petitioner
V/S
IIFL Securities Limited ....Respondent

Mr. Anuj Tiwari *for the Petitioner.*

Mr. Kunal Katariya with Ms. Jyoti Ghag and Mr. Ankit Singhal i/b M/s. Dua Associates *for Respondent.*

CORAM : SANDEEP V. MARNE, J.
DATE : 4 DECEMBER 2025.

P.C.:

1. This Petition is filed under Section 34 of the Arbitration and Conciliation Act, 1996 (**the Arbitration Act**) challenging Award dated 30 March 2023 passed by the Appellate Arbitral Tribunal of the National Stock Exchange of India Limited. By the impugned Award, the Appellate Arbitral Tribunal has directed payment of actual brokerage as per Agreement between the parties from 13 July 2021 to 17 August 2022 by modifying/setting aside the Award of the Lower Arbitral Tribunal dated 1 November 2022, which had dismissed the claim of the Petitioner in entirety.

2. I have heard Mr. Tiwari, the learned counsel appearing for the Petitioner and Mr. Katariya, the learned counsel appearing for the Respondent. I have gone through the findings recorded in the both the Arbitral Awards. I have also perused the records of the case filed alongwith Arbitration Petition.

3. The disputes between the parties arose in respect of performance of

Member Broker- Alliance Partner Agreement dated 5 February 2021 executed between Petitioner and Respondent. Respondent is a stock broker and entered into an Agreement with the Petitioner under which the Petitioner was to act as a sub-broker of the Respondent. In respect of brokerage generated through trades preferred by the Petitioner, a sharing arrangement was made between Petitioner and Respondent. Under clause 22 of the Agreement, the Agreement was terminable without assigning any reasons by giving a one month notice in writing. Accordingly, Respondent served termination notice dated 15 September 2021 proposing to deactivate the terminal and to cancel the Agreement on expiry of period of 30 days. However, it appears that well before issuance of termination notice dated 15 September 2021 terminal of the Petitioner was already deactivated with effect from 12 July 2021. Aggrieved by the termination of the Agreement and deactivation of terminal from 12 July 2021, the Petitioner raised several claims before the Lower Arbitral Tribunal. The claims of the Petitioner were essentially raised on projection of loss of profits. Accordingly, Petitioner claims total sum of Rs.20,26,32,641.35 as the estimated earnings to performance of the contract for a period of four years. The Lower Arbitral Tribunal rejected the claim in entirety. The Appellate Tribunal has however, partly allowed the claim by holding that the termination is found to be unlawful. However, instead of reinstating the agency of the Petitioner, the Appellate Arbitral Tribunal has directed payment of actual due brokerage from the date of suspension of terminal (13 July 2021) till the date of the first meeting with the Lower Arbitral Tribunal (17 August 2022). It appears that accordingly a sum of Rs.1,38,369/- is already paid by the Respondent to the Petitioner.

4. Agreement contained clause 22 dealing with termination of the Agreement which reads thus:

> “22. TERMINATION OF AGREEMENT
>
> This agreement can be terminated by either party by giving 30 days written notice to the other. Not with standing anything contained in the agreement, MEMBER BROKER has the right to terminate this agreement forthwith, In case of breach of any of the provisions of this agreement by the ALLIANCE PARTNER.”

5. Thus, the contract executed between the Petitioner and the Respondent was determinable by simply issuing a notice of one month without assigning any reason. Either of the parties could terminate the contract. No reasons were required to be assigned for termination of the contract. Accordingly, Respondent has terminated the contract by notice dated 15 September 2021. The Appellate Arbitral Tribunal has not accepted the reason recorded in the termination notice i.e., inability to generate business which would be mutually beneficial. In my view however, no reasons were required to be indicated in the termination notice. Be that as it may. Though the termination notice contemplated suspension of terminal on expiry of 30 days, it appears that terminal of the Petitioner was already suspended on 12 July 2021. To this extent only it could be contended that there is some breach of contractual obligation on the part of the Respondent in not giving 30 days notice before the suspension of the terminal. However, for this breach, the Petitioner has received compensation in the form of actual brokerage arising out of her clients during the period from the date of suspension of terminal till the date of the first meeting with the Lower Arbitral Tribunal. Considering the facts and circumstances of the case, award of this compensation in favour of the Petitioner appears to be unexceptionable.

6. Petitioner raised the fanciful claim of amount of Rs.20.26 crores by computing future projection of brokerage for the next four years. However, what Petitioner misses is the point that she has no right to perform the

contract which was determinable by its very nature. It is well settled position of law, so also provisions of Section 14 of the Specific Relief Act that a contract which is determinable in nature cannot be specifically performed. In that view of the matter, the Petitioner has rightly denied the claim for future projected brokerage during the tenure of contract.

7. I am therefore of the view that the view taken by the Arbitral Tribunal is plausible. Findings recorded earlier do not suffer from the vice of perversity. None of the enumerated grounds under Section 34 of the Arbitration Act are made out. The Petition is accordingly **rejected**.

(SANDEEP V. MARNE, J.)