

2+27 (3 Cases)

IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH

1. FAO-3530-2025 (O&M)

Date of Decision: 26th November 2025

NESS WADIAAppellant(s)

V/s.

K.P.H. DREAM CRICKET PRIVATE LTD. AND ORSRespondent(s)

2. FAO-3573-2025 (O&M)

MOHIT BURMANAppellant(s)

V/s.

K.P.H. DREAM CRICKET PRIVATE LTD. AND ORSRespondent(s)

3. FAO-CARB-20-2025 (O&M)

KARAN PAULAppellant(s)

V/s.

K.P.H. DREAM CRICKET PRIVATE LTD. AND ORSRespondent(s)

CORAM: **HON'BLE MR. JUSTICE ASHWANI KUMAR MISHRA**
HON'BLE MR. JUSTICE ROHIT KAPOOR

(Through Video Conference/Hybrid Mode)

Present: Mr. Puneet Bali, Senior Advocate, assisted by
Mr. Kunal Vajani, Advocate,
Mr. Vipul Joshi, Advocate
Ms. Favi Singla, Advocate
for the appellant in FAO-CARB-20-2025 and
for respondent No.2-in FAO-3530-2025 & FAO-3573-2025.

Mr. Anand Chhibbar, Senior Advocate with
Mr. Amitabh Tiwari, Advocate,
Mr. Satvik Bansal, Advocate and
Ms. Ateevraj Sandhu, Advocate
for the appellant in FAO-3530-2025
for respondent No. 3 in FAO-CARB-20-2025

Mr. Shrey Goel, Advocate and
Ankur Saigal, Advocate with
for respondent No.4 in FAO-3530-2025
for respondent No.2 in FAO-CARB-20-2025
(Joined through Video Conferencing)

Mr. Deepak Sabherwal, Advocate
for respondent No.1 in all the Appeals.

Mr. Sangram Singh Saron, Advocate with
Mr. M.B. Rajwade, Advocate,
for respondent No.3 in FAO-3530-2025
for respondent No.4 in FAO-CARB-20-2025

ASHWANI KUMAR MISHRA, J. (Oral)

1. These three appeals arise out of a common order dated 19.04.2025 passed by the Commercial Court of the Additional District Judge, Chandigarh in a petition bearing Arbitration No.52 of 2025, filed under Section 9 of the Arbitration and Conciliation Act, 1996 (hereinafter referred to as 'the Act of 1996'). The petitioner therein was Mr. Karan Paul and the prayer in the said petition under Section 9 of the Act of 1996 was to restrain respondents No.2 to 4 therein from altering the composition of Board of Directors of the respondent No.1-Company.

2. Respondent No.1-Company was the K.P.H. Dream Cricket Private Ltd. (hereinafter referred as 'the Company'). Respondent No.2 to 4 were Mr. Mohit Burman; Mr. Ness Wadia and Ms. Preity Zinta respectively.

3. According to the parties, the Company is running a Franchise in the Indian Premier League, in the name of "Kings XI Punjab". The Company is registered as a private company under the provisions of the Indian Companies Act, 2013 (hereinafter referred to as "the Act of 2013"). The share-holding of the Company is in the following terms:-

I. Mohit Burman - 48%

- | | | | |
|------|--------------|---|-----|
| II. | Ness Wadia | - | 23% |
| III. | Preeti Zinta | - | 23% |
| IV. | Karan Paul | - | 6% |

4. The petition under Section 9 of the Act of 1996 relied upon Clause 67 of the Articles of Association of the Company, which is reproduced hereinafter:-

“67 Whenever any difference or dispute arises between the Company on the one hand and any of the members or their heirs, executors, administrators, nominees or assignees on the other hand or between the members inter-se or their respective heirs, executors, administrators, nominees or assigns inter-se touching the true intent, construction or incident or consequences of these Articles or touching anything done, executed emitted or suffered in pursuance thereof or to any affairs of the Company, every such disputes or differences shall be referred to the sole arbitration of the Chairman, for the time being of the Company or to same person appointed by both parties and it will be so objection that he is an Officer of the Company or that he had to deal with such disputes or differences and it is only after an Award is given by such Arbitrator that the parties will be entitled to take any other proceedings relating to such disputes, differences and award. The Award made by such Arbitrator shall be final and binding on the parties. The arbitration shall be conducted according to the provisions of the Indian Arbitration and conciliation Act, 1996.”

5. The application under Section 9 of the Act of 1996 was contested by the respondents No.1 to 3 primarily on the ground that the nature of dispute raised would fall within the ambit and scope of adjudication by the National Company Law Tribunal as the issue relates to

operation and mismanagement of the Company and that the dispute is not a dispute simplicitor between the members of the Company or member and the Company itself. It was also contended that one of the members i.e. Ms. Preity Zinta has also filed a suit which has been rejected under Order 7 Rule 11 of the CPC, against which an appeal is pending.

6. The Commercial Court, after referring to the facts of the case, has held in Para-22 that by virtue of Clause 67 of the Articles of Association of the Company, the dispute raised is arbitrable. Para No.22 of the impugned order reads as under:-

“22. A perusal of Clause 67 of Article of Association reveals that whenever any dispute and differences arises between the members inter se then the matter can be referred to arbitrator. The respondent no. 2 in his reply has admitted that some dispute and differences has arisen between them. In the opinion of this Court when there is a dispute between the members inter se then the members can invoke arbitration clause and can approach this Court. In the case titled Arcelor Mittal Nippon Steel India Limited Vs. Essar Bulk Terminal Limited(supra), it has been held that, the application for interim relief are inherently applications which are required to be disposed urgently. The object is to ensure the protection of the property being the subject matter of arbitration and to ensure that the arbitration proceedings do not become infructuous. No doubt, as per Section 430 of Companies Act, the petitioner has right to approach the NCLT for the act of oppression and mis-management of the company. However, in the case titled Eastern India Motion Picture Association and Others Vs. Milan Bhowmik and others (supra), it has been held that, the share holder can come to the Civil Court despite of bar under Section 430 of Companies Act. Thus, at this stage in the opinion of this Court, when there is an arbitration clause in the

Article of Association, then the petitioner can invoke the jurisdiction of this Court under Section 9 of the Arbitration and Conciliation Act.”

7. The Commercial Court has also made observations on the merits of the Claim in Paras 23 and 24, as per which the applicant-Karan Paul had no right to become the Chairman of the Board of Directors as per his alleged turn/rotation.

8. Insofar as the observation and finding of the Commercial Court under Section 9 of the Act of 1996, in Para 22 of the impugned order are concerned, respondents No.2 and 3 (Mohit Burman and Ness Wadia) are in Appeal bearing FAO-3573-2025 and FAO-3530-2025 respectively, while the petitioner-Karan Paul has filed Appeal bearing No.FAO-CARB-20-2025, challenging observations made in Para 23 and 24 of the impugned order.

9. Today, when the matter is taken up, Mr. Puneet Bali, Senior Advocate, who appears for the appellant-Karan Paul in FAO-CARB-20-2025, states that the cause brought before the Court in proceedings under Section 9 of the Act of 1996 has ceased to exist on account of subsequent developments, and therefore, the application/petition under Section 9 of the Act of 1996 has lost its efficacy. He further states that the applicant has already filed petition under Section 11 (6) of the Act of 1996 for appointment of an Arbitrator which is pending consideration and therefore, the appeal filed under Section 37 of the Act of 1996 be disposed of by leaving all issues open for determination in appropriate proceedings.

10. Mr. Anand Chhibbar, Senior Advocate, who appears on behalf of appellant-Ness Wadia, in FAO-3530-2025 and for respondent No. 3 in FAO-CARB-20-2025, states that the prayer of the petitioner-Karan Paul, not to press his Appeal and to leave all issues to be agitated in proceedings under Section 11(6) of the Act of 1996, is a calculated move on part of the petitioner-Karan Paul, to get over the difficulty caused on account of the observations made by the Commercial Court on merits of the claim, and therefore, this Court may proceed to decide the Appeal on merits. Mr. Chhibbar further submits that this Court in proceedings under Section 11(6) of the Act of 1996 will have the limited jurisdiction and the issues touched by the Commercial Court, on merits, ought to be adjudicated by this Court in proceedings under Section 37 of the Act of 1996.

11. We have learned counsel for the parties and perused the materials on record.

12. Having given our anxious consideration to the respective submissions advanced in light of the facts placed before this Court, we are of the considered view that the scope of present Appeals under Section 37 of the Act of 1996 will rest upon the scope of parent proceedings initiated under Section 9 of the Act of 1996. Section 9 of the Act of 1996 provides for interim measures etc. by the Court. Proceedings in this regard ultimately remain interim in nature and character and subject to the final determination of issues in appropriate proceedings. Ordinarily, finality would be attached in such proceedings to aspects that affects matters of moment that remain interlocutory in nature.

13. Considering the nature of proceedings under Section 9 of the Act of 1996, we are of the view that the observations and findings of the Court in proceedings under Section 9 of the Act of 1996 would only be in aid of final determination of cause. It is the petitioner-Karan Paul, who has invoked jurisdiction of the Court under Section 9 of the Act of 1996 and once he states that the cause for pressing the petition under Section 9 of the Act of 1996 no longer survives/subsists; this Court would not be inclined to adjudicate the legality of the order passed by the Commercial Court particularly when the applicant has not availed any benefit in such proceedings. The observations and findings of the Commercial Court itself are inter-locutory in nature and do not attach any finality to the *lis* on merits. We, therefore, clarify that the observation made by the Commercial Court, in Para 22 of the impugned judgment, will not prejudice the rights and contention of the parties in appropriate proceedings where the issue has to be decided as to whether the dispute is arbitrable or not? The claim of the parties on merits on this aspect is left open for appropriate adjudication at the competent level.

14. We also clarify that the observations made by the Commercial Court in Paras 23 and 24 are also of the same genus and therefore, remain interlocutory in nature and, would not encumber the jurisdiction of the competent authority to deal with such questions at the appropriate stage in competent proceedings.

15. In view of the aforesaid observations, leaving all questions open for determination before the competent forum, these appeals are disposed of and consequently consigned to records.

16. Pending application(s), if any, in these cases, are disposed of accordingly.

[ASHWANI KUMAR MISHRA]
JUDGE

[ROHIT KAPOOR]
JUDGE

November 26, 2025
Ess Kay

<i>Whether speaking / reasoned</i>	:	<i>Yes</i>	/	<i>No</i>
<i>Whether Reportable</i>	:	<i>Yes</i>	/	<i>No</i>