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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ O.M.P.(I) (COMM.) 124/2025

SREI EQUIPMENT FINANCE LIMITED

.....Petitioner

Through: Mr. Dayan Krishnan, Sr. Adv with Mr.
Mehul Parti, Ms. Harshita Malik, Mr.
Shreedhar Kale, Advs.

versus

BRACE IRON AND STEEL PRIVATE LIMITED

.....Respondent

Through: Mr. Darpan Wadhwa, Sr. Adv with Ms.
Vasudha Sen, Mr. Vineet Wadhwa, Mr.
FDivita Vyas, Ms. Ranjana Roy, Advs.

CORAM:

HON'BLE MR. JUSTICE JASMEET SINGH

ORDER

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30.05.2025

1. This is a petition filed under Section 9 of the Arbitration and Conciliation Act, 1996, seeking the following substantial prayers:-

“a. Pass an order of ex-parte, ad-interim injunction in the favour of the Petitioner and against the Respondent restraining, injuncting and directing the Respondent, its partners, associates, servants, and/or agents either individually, jointly and/or in association with third parties and/or any third party claiming through it, without limitation, to:

i. Maintain complete status quo on the capital structure of the Respondent;

ii. Not take any steps that would affect the Petitioner's rights or valuation of the Respondent's equity shares in the Respondent including capital structure of the Respondent;



iii. Not transfer or utilize any cash balance other than for day-to-day operations of the Respondent in the normal course of business, including any transfer or utilization that would adversely affect the Respondent's ability to pay the interest amount of INR 2,79,46,72,096/- due to the Petitioner;

iv. Not encumber, alienate or create any charge on any of the assets of the Respondent;

v. Not incur any financial indebtedness or avail any loans, either secured or unsecured, in any form.”

2. The brief facts of the case are that on 27.01.2015, the petitioner sanctioned a term loan of Rs.149,00,00,000/- by way of a sanction letter to the respondent towards the purchase of oxygen plants and pipelines.
3. Following the sanction letter, the parties entered into binding Subscription Agreement dated 23.02.2015, setting down the terms and conditions for allotment of 1,490 CCDs of the respondent of face value of Rs.10,00,000/- each to the petitioner.
4. The Subscription Agreement contains an arbitration clause, being Clause 7.2.3, which reads as under:

“7.2.3 Appointment of Arbitrators

If a Dispute is referred to arbitration by any Party, then such Dispute shall be resolved by a panel of three (3) arbitrators. The Company and the Investor shall appoint one (1) arbitrator each. The third arbitrator, who shall act as



chairman of the arbitration panel, shall be nominated by the 2 (two) arbitrators so nominated by the Parties.”

5. In terms of the said clause, the petitioner has appointed Justice Jayant Nath (Retd.) as its nominee arbitrator. The respondent has appointed Justice Suresh Kumar Kait (Retd. Chief Justice, High Court of Madhya Pradesh) as its nominee.
6. The parties state that the presiding arbitrator be appointed by the Court.
7. For the said reasons, Mr. Justice (Retd.) Vipin Sanghi, Former Chief Justice, Uttarakhand High Court (Mob. No.: 9871300037) is appointed as the presiding arbitrator.
8. The remuneration of the learned Arbitrators shall be in terms of the Fourth Schedule of the Arbitration & Conciliation Act, 1996.
9. The arbitral tribunal shall enter reference and shall treat the present petition as a Section 17 application and will endeavour to dispose the same within 6 weeks from today.
10. The present petition is disposed of in the aforesaid terms.
11. *Dasti* under the signature of the Court Master.

JASMEET SINGH, J

MAY 30, 2025 / (MS)

Click here to check corrigendum, if any