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

\+ O.M.P.(I) (COMM.) 111/2024

STEEL EXCHANGE OF INDIA LIMITED & ANR. .....Petitioners

Through: Mr.. Nithin Chowdary Pavuluri, Mr. Subham Saurabh, Advs.

versus

INDIA COKE AND POWER PRIVATE LIMITED .....Respondent

Through: Mr. Kumar Shahswat Singh Sawno Ms. Aanchal Gupta, Advs.

CORAM:
HON'BLE MR. JUSTICE JASMEET SINGH

ORDER

% **04.09.2025**

1. This is a petition filed under Section 9 of the Arbitration and Conciliation Act, 1996 ("***1996 Act***") seeking the following prayers:

> *"i. Direction to the Respondent to immediately restitute the pledged shares, which were unilaterally invoked and transferred to themselves; as per the Share Pledge Agreement dated 31.03.2023 & 11.05.2023.*
>
> *ii. Restrain the Respondent from taking any further action or disposing of the pledged shares until the resolution of the on going dispute through fair and transparent proceedings;*
>
> *iii. Direct the Respondent to bear the costs and expenses incurred by Petitioner No.1 in pursuing legal action to protect their rights and interests in this matter;"*

2. The facts are that in February 2022, the petitioner No. 1 and the respondent entered into multiple sale and purchase contract for coal and metal scraps ("***Contracts***"), wherein petitioner No. 1 was the buyer and respondent

was the seller.

3. These said Contracts contained arbitration clause being Clause No. 10, which reads as under:-

> *"10. GOVERNING LAW, ARBITRATION AND JURISDICYION*
>
> *10.1 This Agreement shall be governed by and construed in accordance with the Laws of India.*
>
> *10.2 Any dispute or difference arising between the Parties in connection with, arising out of, or relating to this Agreement, including regarding its existence, validity or termination shall be referred to and finally resolved by arbitration under the Arbitration and Conciliation Act, 1996 (as amended from time to time). The parties agree that the arbitral tribunal shall comprise a Sole Arbitrator to be appointed by the Indian Council of Arbitration, Delhi from among the panel of its arbitrators upon request of the party initiating the arbitration.*
>
> *10.3 The place of the arbitration shall be at Delhi. The award shall be final and binding on the Parties. The language to be used in arbitration shall be English. The parties agree that the arbitrator shall adopt and follow the procedure as laid out in the relevant rules of the Indian Council of Arbitration (ICA), Delhi (as amended from time to time) in relation to the procedural conduct of the arbitration proceedings. The arbitrator shall be required to provide reasons for his/her award. During the pendency of the arbitration, the Parties shall continue to discharge their respective obligations under this*

Agreement.

10.4 Subject to Clause 10.2, the Parties agree to the exclusive jurisdiction of Courts of competent jurisdiction at Mumbai with the sole exception of Section 36 of the Arbitration and Conciliation Act, 1996, for which the parties may seek recourse to any court of competent jurisdiction."

4. Subsequently, petitioner Nos. 1 and 2 and the respondent entered into two Shares Pledge Agreements, dated 31.03.2023 and 11.05.2023 ("***Shares Pledge Agreements***"), wherein the petitioner No. 1 pledged in total Rs. 4 crores worth of shares ("***pledged shares***") as held by it in petitioner No. 2, in order to secure the outstanding amount due and payable to the respondent.

5. Disputes arose between the parties regarding the amount due and payable by the petitioner No.1 to the respondent and subsequently, the respondent invoked the Share Pledge Agreements and transferred the pledged shares in its own name. Hence, the petitioners filed the present petition seeking direction to the respondent to restitute the said pledged shares.

6. This Court *vide* order dated 10.04.2024, restrained the respondent, their men, agent and/ or servants from taking any further action in disposing of the said pledged shares and/ or creating third party rights in the pledged shares.

7. However, it is stated that during the pendency of the proceedings before this Court, the said pledged shares have been returned to the petitioner No.1.

8. Mr. Sawno, learned counsel on behalf of the respondent states that even after return of the said pledged shares, Rs. 109 crores are still due and payable to the respondent by the petitioner No. 1. The same is disputed by learned counsel for the petitioner No.1.

9. The disputes between the parties regarding the amount due and payable by the petitioner No.1 to the respondent need to be settled through arbitration mechanism and this Court under Section 9 of the 1996 Act is only required to secure the subject matter of the arbitration proceedings, which in the present case are the said pledged shares.

10. However, in view of the fact that the said pledged shares have been returned to the petitioner No. 1, the present petition has become infructuous and is hence dismissed.

11. Needless to add, the Court has not commented on the merits of the case and it is made clear that all the rights and contentions of the parties, including as to the arbitrability of any of the claim, any other preliminary objection, as well as claims/counter-claims and merits of the dispute of either of the parties, are left open for adjudication by the learned Arbitrator.

12. With these directions the petition is disposed of.

JASMEET SINGH, J

SEPTEMBER 4, 2025/AS