



IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
ARBITRATION APPLICATION NO.272 OF 2025

Gaurav Ghai

...Applicant

V/s.

Ravi Ghai and Ors.

...Respondents

WITH
ARBITRATION PETITION (L) NO.1134 OF 2026

Gaurav Ghai

...Petitioner

V/s.

Ravi Ghai and Ors.

...Respondents

WITH
ARBITRATION PETITION (L) NO.20092 OF 2025

Ravi Iqbal Ghai

...Petitioner

V/s.

M/s. Vimadalal & Co. and Ors.

...Respondents

Dr. Birendra Saraf, Senior Advocate with Mr. Chirag Mody, Mr. Parag Khandhar, Mr. Tapan Radkar & Ms. Zara Dhanbhoora i/b M/s. DSK Legal, for Petitioner in ARBPL/1134/2026 & for Applicant in ARBAP/272/2025 & for Respondent No. 5 in ARBPL/20092/2025.

Mr. A.Y. Sakhare, Senior Advocate with Mr. Sachin Gade & Mr. Rahul Thakur, for Respondent No. 1 in ARBAP/272/2025 & ARBPL/1134/2026 and Petitioner in ARBPL/20092/2025.

Mr. Dharam Jumani with Mr. Munaf Virjee, Ms. Anuya Pathare, Mr. Yohan Mehta & Ms. Mithali Shetty i/b M/s. AMR Law, for Respondent No. 5 in ARBAPL/1134/2026 & for Respondent No. 2 in ARBAP/272/2025.

Mr. Simil Purohit, *Senior Advocate with Mr. Rubin Vakil i/b M/s. Gajria & Co., for Respondent No. 1 in ARBPL/20092/2025.*

Ms. Dhruvi Mehta *with Ms. Janhavi Kapgate i/b M/s. Wadia Ghandy & Co., for Respondent No. 2 in ARBPL/20092/2025.*

CORAM: SANDEEP V. MARNE, J.

DATED: 18 APRIL 2026.

P.C.:

1) Arbitration Application No.272 of 2025 is filed under Section 11 r/w. Sections 14 and 15 of the Arbitration and Conciliation Act, 1996 (**the Arbitration Act**) by Mr. Gaurav Ghai for appointment of a substitute Arbitrator on account of resignation by the previous Arbitrator.

2) Arbitration Petition (L) No.1134 of 2026 is filed by Mr. Gaurav Ghai for seeking interim measures under Section 9 of the Arbitration Act.

3) Arbitration Petition (L) No.20092 of 2025 is filed by Mr. Ravi Iqbal Ghai seeking declaration that there is no valid or binding arbitration agreement arising out of Supplemental Family Agreement dated 25 August 2023 and that appointment of the previous Arbitrator (Mr. Justice R.D. Dhanuka, former Chief Justice of this Court) is *ab initio void* and for his removal. The Petition is rejected by the registry under Rule 986 of the Bombay High Court (Original Side) Rules, 1980. For the purpose of enabling the court to dispose of the Petition, the same is restored.

4) On 9 November 2021, a Family Settlement Agreement is said to have been executed between the parties to Arbitration Application No.272 of 2025. It is claimed that on 25 August 2023, the parties entered into a Supplemental Agreement. Both the Agreements contain arbitration agreements.

5) By letter dated 22 April 2025, which is shown to have been addressed on behalf of Mr. Ravi Ghai, both Family Settlement Agreement as well as Supplemental Agreement were terminated. On 20 May 2025 Mr. Gaurav Ghai invoked arbitration. With the purported consent of the parties, Mr. Justice R.D. Dhanuka, former Chief Justice of this Court was appointed as the learned sole Arbitrator for adjudication of disputes and differences between the parties. However, once the learned Arbitrator entered the reference, Mr. Ravi Iqbal Ghai raised an objection on 25 June 2025, and sought removal of Arbitrator and termination of arbitration proceedings contending *inter alia* that the Family Settlement Agreement was based on his coercive consent and that Supplemental Family Agreement was executed fraudulently. It appears that he also raised certain allegations against his own Advocates and Solicitors contending that he had never instructed them to issue notice of termination dated 22 April 2025. Both, on the grounds of objections raised by Mr. Ravi Iqbal Ghai as well as possibility of partner of the Solicitor's Firm being a potential witness, the learned Arbitrator has resigned from the Reference on 4 July 2025.

6) Since the previous Arbitrator has already resigned from the reference, nothing survives to be adjudicated in the Arbitration Petition

(L) No.20092 of 2025 and the same is required to be disposed of. Mr. Ravi Ghai has unnecessarily impleaded his own Solicitors as Respondent No.1 in the said Petition. It appears that the Solicitors have filed an affidavit in this Court on 19 August 2025 in pursuance of directions issued vide order dated 14 August 2025. Since the Petition is being disposed of, the action of the Solicitor (Respondent No.1) in filing affidavit in this Court shall not be treated as a breach of any professional commitment in any proceedings.

7) So far as the Arbitration Application No.272 of 2025 filed under Section 11 r/w. Sections 14 and 15 of the Arbitration Act is concerned, Dr. Saraf, the learned Senior Advocate appearing for the Applicant therein has submitted that a substitute Arbitrator needs to be appointed on account of resignation by the previous Arbitrator due to acts attributable to Mr. Ravi Iqbal Ghai. He submits that Mr. Ravi has not disputed execution of the Family Settlement Agreement. In his letter dated 25 June 2025, he had only raised dispute relating to his consent being obtained through coercion. He therefore, submits that at least *qua* one agreement there is no dispute about existence of arbitration agreement.

8) So far as Supplemental Agreement is concerned, Dr. Saraf submits that by notice dated 22 April 2025 issued at the behest of Mr. Ravi Iqbal Ghai even the Supplemental Agreement was terminated, containing an implicit admission about existence thereof. He therefore, submits that there is *prima facie* existence of arbitration agreement between the parties. That since Reference is already alive this Court needs to substitute the Arbitrator.

9) So far as Arbitration Petition No.1134 of 2026 filed under Section 9 of the Arbitration Act seeking interim measures is concerned, Dr. Saraf fairly submits that if Arbitral Tribunal is constituted, Petitioner therein is willing to exercise remedies under Section 17 of the Arbitration Act before the Arbitral Tribunal. He submits that order passed by this Court on 16 January 2026 be continued till the Arbitral Tribunal decides Application under Section 17 of the Arbitration Act.

10) *Per contra*, Mr. Sakhare, the learned Senior Advocate appearing for Mr. Ravi Iqbal Ghai, opposes the Arbitration Application No.272 of 2025 submitting that there is no arbitration agreement between the parties and therefore, there is no question of making any reference. He submits that his client has emphatically denied having executed both, the Family Settlement Agreement as well as Supplemental Agreement. He submits that signatures of his client have been obtained on both the documents by way of fraud, duress and coercion. He submits that his client has filed a Criminal Case before the Magistrate's Court. He further submits that a separate suit is filed by his client seeking cancellation of the concerned documents. Mr. Sakhare relies on judgment of the Hon'ble Apex Court in *Vidya Drolia & Others V/s. Durga Trading Corporation.*¹ and *Avital Post Studioz Limited & Ors. V/s. HSBC PI Holdings (Mauritius) Ltd.*². Mr. Sakhare prays for dismissal of the Arbitral Application No.272 of 2025.

1 (2021) 2 SCC 1

2 (2021) 4 SCC 713

11) Having considered the submissions canvassed by the learned counsel appearing for the rival parties, it is seen that reference to arbitration is already made with the alleged consent of the parties. Since the previous Arbitrator has resigned from the reference, substitute arbitrator is required to be appointed. The statutory scheme of Section 15 of the Arbitration Act is such that the Court is duty bound to appoint substitute Arbitrator on account of use of the word 'shall' in sub-section (2) of Section 15 of the Act. Whether Mr. Ravi Iqbal Ghai has indeed executed the Family Settlement Agreement and/or Supplemental Family Settlement Agreement and whether his consent for execution of those documents is obtained out of free will or the same is vitiated by duress/coercion/fraud is something which the Arbitral Tribunal will decide after assessing the evidence.

12) In fact, perusal of letter dated 25 June 2025 of Mr. Ravi Iqbal Ghai shows that he did not dispute execution of Family Settlement Agreement but only contended that the same was executed under coercive consent. Paragraph 1 of the letter dated 25 June 2025 reads thus:-

1. That I was the founder and 100% shareholder of Graviss Group of companies. In the year 2020, out of natural love and affection for my son Mr. Gaurav Ghai, I voluntarily and orally stated to transfer 49% of the shareholding in the said group to him. A comprehensive Family Settlement Agreement was executed in 2021 by influence of Gaurav Ghai and his wife with the help of my wife Gum Ghai, duly signed on every page, notarized, and documented in accordance with law. The same agreement was executed under the coercive consent of me. As I was suffering from cancer since, 2018.

13) Thus, Mr. Ravi Iqbal Ghai *prima facie* has admitted his signature on Family Settlement Agreement. There is no dispute to the position

that Family Settlement Agreement contains arbitration clause. Even *qua* Supplemental Family Agreement, Mr. Ravi Iqbal Ghai has admitted his signature on some of the pages thereon, which is clear from paragraph 2 of the letter dated 25 June 2025.

2. Subsequently, in 2023, a Supplementary Family Agreement was allegedly executed by certain family members, including myself. However, I categorically state that the said supplementary agreement is fraudulent, fabricated and forged. My signatures were obtained on isolated pages under different pretexts and later unlawfully attached to the impugned document. The notarial process followed was casual, and not in line with the formal and registered process undertaken during the first agreement.

14) Considering the above position, in my view, it would be necessary to appoint a substitute Arbitrator in the Reference, which is alive. So far as Arbitration Petition (L) No.1134 of 2026 is concerned, on 16 January 2026 this Court has issued following directions:-

3. In the meantime and till the next date, Respondent Nos.1 to 3 are restrained from effecting any transfer of shares of Respondent No.4-LLP.

15) Arbitration Petition (L) No.1134 of 2026 can be converted into Application under Section 17 of the Arbitration Act and till the said Application is decided by the Arbitral Tribunal, the above arrangement needs to be continued.

16) I accordingly, proceed to pass the following order:-

(A) Mr. Justice Sunil B. Shukre, former Judge of this Court is appointed as sole Arbitrator to adjudicate upon the disputes and differences between the parties arising out of the concerned Agreements. The contact details of the Arbitrator are as under:-

Office Address:- 13, Avanti, 7th Floor, Avanti Ambar Apartments, Narayan Dabholkar Marg, Malabar Hills, Mumbai- 400 006.

Email id:- sbshukre2010@gmail.com

contact No.:- 9769429839

(B) A copy of this order be communicated to the learned sole Arbitrator by the Advocates for the Applicant within a period of one week from the date of uploading of this order. The Applicant shall provide the contact and communication particulars of the parties to the Arbitral Tribunal alongwith a copy of this order.

(C) The learned sole Arbitrator is requested to forward the statutory Statement of Disclosure under Section 11(8) read with Section 12(1) of the Act to the parties within a period of 2 weeks from receipt of a copy of this order.

(D) The parties shall appear before the learned sole Arbitrator on such date and at such place as indicated by him, to obtain appropriate direction with regard to conduct of the arbitration including fixing a schedule for pleadings, examination of witnesses, if any, schedule of hearings etc.

(E) All arbitral costs and fees of the Arbitral Tribunal shall be borne by the parties equally in the first instance, and shall be subject to any final Award that may be passed by the Tribunal in relation to costs.

- 17) With the above directions, the Application is disposed of.
- 18) Arbitration Petition (L) No.1134 of 2026 is converted into Section 17 Application to be decided by the Arbitral Tribunal on its own merits. Till the Application is decided, ad-interim measures granted vide order dated 16 January 2026 shall continue to operate till decision of Application under Section 17. Parties would be at liberty to file additional pleadings before the learned Arbitrator.
- 19) Arbitration Petition (L) No.20092 of 2025 is disposed of as infructuous. However, it is clarified that Respondent No.1 therein shall not be subjected to any action on account of filing of affidavit in pursuance of order passed by this Court on 14 August 2025. The affidavit is retained in the Court records. In the event, Mr. Gaurav Ghai or any other parties to arbitration applies before the Arbitrator for copy of the said affidavit, such Application shall be decided by the Arbitral Tribunal on its own merits.
- 20) All issues on merits are expressly kept open to be agitated before the Arbitral Tribunal appointed as above.
- 21) With the above directions all the three Petitions are disposed of.

[SANDEEP V. MARNE, J.]