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

INTERIM APPLICATION NO. 7805 OF 2025
IN
COMMERCIAL ARBITRATION PETITION NO. 126 OF 2025

Leadit India Private Limited ...Applicant

Versus

Goldmines Telefilms Private Limited ...Respondent

Mr. Chetan Kapadia, Senior Counsel, *a/w Sahil Mahajan, Vidisha Rohra, Siddhi Patil, Sahil Mahajan, for the Applicant.*

Mr. Karl Tamboly, *a/w Aurup Dasgupta, Prapti Bhadra, i/b M/s. Jhangiani, Naruala & Associates, for Respondent.*

CORAM : SOMASEKHAR SUNDARESAN, J.
DATE : April 10, 2026

ORDER :

1. Interim Application No.7805 of 2025 is an application seeking modification of an order dated October 1, 2025 passed by me, when considering a challenge under Section 34 of the Arbitration and Conciliation Act, 1996 ("***the Act***"), by replacing a direction to deposit cash with a direction to provide a bank guarantee.

2. The order dated October 1, 2025 had been carried higher to the Supreme Court and came to be dismissed by an order dated December 2, 2025. The Supreme Court granted liberty to the Applicant

to seek a modification by way of the substitution now being pursued. The Interim Application does not set out any particular reason or explain any material change in circumstances since October 2025 that would necessitate or justify the substitution of the security by way of a bank guarantee. However, considering that a bank guarantee could be regarded as a cash equivalent, the request by Mr. Chetan Kapadia, Learned Senior Advocate on behalf of the Applicant was considered.

3. Mr. Kapadia pitches the request on the premise of commercial common sense to indicate that the bank guarantee would be good enough and can be provided within the banking limits enjoyed by the Petitioner while a cash deposit would block cash without use. He also submits that interest accrued on the deposit amount would also be covered by the bank guarantee, and the value of the bank guarantee would also be enhanced year-on-year to account for the interest accruing thereon.

4. The submission on behalf of the Applicant is strongly resisted on behalf of the Respondent. Mr. Tamboly would point to Suit No. 37 of 2026 filed before the Additional District and Sessions Judge at Kukatpally by the wife of the Managing Director of the Applicant, who admittedly is a 95.84% shareholder in the company, seeking to annul

the impugned Arbitral Award. In other words, the Applicant, through its majority shareholder has attempted to frustrate the very arbitral award which the Applicant seeks to offer a bank guarantee in substitution of the direction to deposit cash. This is a red flag for any Court whose discretion is being appealed to. While a cash deposit secures the arbitral award, which is on par with a decree of a Court, a bank guarantee from a party that indulges in such contrivances to frustrate the arbitral award presents a serious risk to the prospect of securing the fruits of the arbitral award.

5. The devices deployed by a 95% owner of the Applicant and potential devices of the Applicant are one and the same. The Suit filed seeks a declaration that the arbitral award impugned in the Section 34 Petition ought to be declared as invalid, illegal and unenforceable. Such a misadventure may be without legal merit, but it points to the state of mind of the persons in control of the Respondent and their intention to frustrate the fruits of the arbitral award. Such conduct erodes any confidence that the Court may have in allowing a direction to deposit cash being substituted with a direction to provide a bank guarantee. Even today, in multiple matters, litigation to pre-empt invocation or receipt of amounts involved in a bank guarantee is seen. In view of the conduct of the Applicant's main shareholder, who is but the wife of the

Managing Director of the Applicant, I am of the view that this is not a fit case to erode the security in the form of a cash deposit with a substitution by a bank guarantee.

6. In these circumstances, the Interim Application is ***dismissed*** and ***disposed of*** without any alteration to the earlier order directing a cash deposit.

7. All actions required to be taken pursuant to this order shall be taken upon receipt of a downloaded copy as available on this Court's website.

[SOMASEKHAR SUNDARESAN, J.]