



Arbitration Original Petition No.82 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 19.01.2026

CORAM

THE HONOURABLE MR.JUSTICE N.ANAND VENKATESH

Arbitration Original Petition No.82 of 2025
and A.No.5112 of 2025

MRF Limited,
Rep. By its General Manager – Secretarial,
Mr.K.G.George,
No.114, Greams Road,
Chennai – 600 006.

.... Petitioner

Vs.

1. Erdac Solutions Pvt Ltd.,
No.39/1, 2nd Floor,
Shanmugha Arcade, NGEF Lane,
Binnamaangala First State (Indiranagar 1st Stage),
Bangalore – 560 038.

2. Mr.Pramod Vaidya,
Arbitrator,
Erdac Solutions Pvt Ltd.,
No.39/1, 2nd floor,
Shanmugha Arcade, NGEF Lane,
Binnamaangala First Stage (Indira nagar 1st stage)
Bangalore – 560 038.

3. Mrs. Sandhya D Purohit,
1704/1705, Prathamesh Tower,
New Link Road,
Near New MGB Colony,
Borivali (west), Mumbai – 400 091.

.... Respondents



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Arbitration Original Petition filed under Section 34(2)(b)(ii) read with explanation 1 and 2 and Section 31(3)(a) of the Arbitration and Conciliation Act, 1996, to set aside the impugned award dated 18.06.2025 passed by the Arbitrator, the 2nd respondent herein in case No.NSE-LC-2025-02-306451.

For Petitioner : Mr.M.Vijayan,
for M/s.King & Partridge
For Respondent : No appearance [R1]
R2- Arbitrator
Ms.Madhupreetha Elango [R3]

ORDER

This petition has been filed to set aside the impugned award dated 18.06.2025 passed by the second respondent in case No.NSE-LC-2025-02-306451.

2. The 3rd respondent was holding shares in the petitioner company. The shares were held in the name of Mrs.Shanthi D. Purohit along with her sister-in-law. The 3rd respondent was seeking for change of name as Sandhya D. Purohit. In spite of providing all the particulars and documents and also making a declaration, the petitioner refused to effect the change of name. Aggrieved by the same, the petitioner raised the arbitration dispute in line with the Master Circular for online resolution of disputes in the Indian Securities Market dated 31.07.2023.

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3. The Arbitral Tribunal through award dated 18.06.2025 directed the petitioner to complete the process regarding the change of name of the 3rd respondent within two weeks from the date of the award. Aggrieved by the same, the present petition has been filed before this Court.

4. When this petition came up for admission on 17.10.2025, this Court entertained the petition mainly on the ground that the online award was bereft of reasons and hence, it is in violation of Section 31(5) of the Arbitration and Conciliation Act, 1996 [for brevity 'the Act'].

5. After service of notice, the 3rd respondent has filed counter affidavit. Apart from the merits of the case, the 3rd respondent has raised a preliminary objection on the maintainability of the present petition before this Court.

6. In view of the preliminary objection raised by the 3rd respondent on the jurisdiction of this Court to entertain this petition, this Court directed the learned counsel appearing on either side to make their submissions on the issue of jurisdiction.



7. The learned counsel for the 3rd respondent submitted that the 3rd respondent invoked the Master Circular and pursuant to the same, the Arbitral Tribunal has passed an award. As per clause 27 of the Master Circular, the venue and seat of the online proceedings has been dealt with and for the purpose of this case, the learned counsel relied upon clause 27(a) of the Master Circular, which is extracted hereunder:

“27. The venue and seat of the online proceedings shall be deemed to be the place:

a) In case of disputes between investor/client and listed companies (including their registrar and share transfer agents) or any of the specified intermediaries / regulated entities in securities market (as specified in Schedule A): where the investor resides permanently or, where the investor is not an individual, the place where it is registered in India or has its principal place of business in India, as provided in the relevant KYC documents.”

8. The learned counsel submitted that as per the above clause, the permanent residence of the 3rd respondent falls within Mumbai and therefore that should be considered as the seat of present arbitration proceedings. In such an event, it was contended that, only the Bombay High Court will have the jurisdiction to entertain any petition filed under Section 34 of the Act challenging the award. The learned counsel in order to substantiate her submission relied upon, the judgment of the Apex



Court in the case of **BGS SGS SOMA JV Vs. NHPC Limited** reported in (2020) 4 SCC 234 and in the case of **Hindustan Construction Company Limited Vs. NHPC Limited and Anr.** reported in (2020) 4 SCC 310.

9. *Per contra*, the learned counsel for the petitioner submitted that the very invocation of the arbitration by the 3rd respondent is unsustainable since the Master Circular will come into play only where the dispute arise out of an activity in the Securities Market and in the case in hand, the actual dispute arose out of the rejection of the claim made by the 3rd respondent seeking for rectification of the name in the register. The learned counsel therefore submitted that the Arbitral Tribunal lacked jurisdiction to entertain the dispute and therefore, the award itself must be construed as a nullity in the eye of law. The learned counsel further submitted that the manner in which, the arbitration proceedings were conducted has been explained at paragraph 10 of the petition and adding insult to injury, the award is not supported by any reason and hence, it is in violation of Section 31(5) of the Act and therefore, that is also a ground to uphold that the award is nullity. In view of the same, the award being a nullity, can certainly be challenged before this Court, since the Registered office of the petitioner is situated within the jurisdiction of this Court.



10. This Court has carefully considered the submissions made on either side and the materials available on record.

11. The 3rd respondent had invoked the arbitration based on the Master circular for online dispute resolution dated 31.07.2023 (updated as on 20.12.2023). According to the 3rd respondent, the arbitration proceedings can be invoked even in cases where a shareholder is seeking for change in name and which is refused by the concerned entity.

12. On a careful reading of the online award passed by the Arbitral Tribunal, it is seen that there is no indication that the petitioner had raised any preliminary objection before the Arbitral Tribunal with respect to its jurisdiction. On the other hand, the award passed by the Arbitral Tribunal reads as if the petitioner does not have any objection in making the required change of name in the company records provided that the Arbitral Tribunal gives an award based on the documents submitted by the 3rd respondent. For better appreciation, the relevant portion in the award is extracted hereunder:

“As a part of respondent’s submissions during the online hearing, respondent declared that respondent will have no objection to making the required change of name in the company records provided the arbitration panel gives



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an award based on the documents submitted to the arbitration panel confirming that Ms.Shanti D. Purohit and Ms.Sandhya D. Purohit are two names of one and the same person. Respondent also agreed to the time line for completing the process of name change as per applicant's request "within two weeks from the date of award"

13. Even in the present petition that has been filed challenging the award, the petitioner has not specifically questioned the jurisdiction of the Arbitral Tribunal and what has been questioned is regarding the violation of Section 31(5) of the Act on the ground that the award is bereft of any reasons.

14. It is now too well settled that, where the jurisdiction of the Arbitral Tribunal is put to question, it has to be raised before the Arbitral Tribunal under Section 16 of the Act, so that the Tribunal will be able to deal with that issue before passing the award. However, as a Matter of Law, it has now been held by the Apex Court that, where the Court is able to find lack of jurisdiction on the face of the materials placed before the Court, the same can be dealt with under Section 34 of the Act. This is in view of the fact that jurisdiction of an Arbitral Tribunal goes to the root of the matter.



15. The petitioner for the first time is raising the issue of jurisdiction of the Arbitral Tribunal during oral arguments and the same has not been specifically raised as a ground in the petition. As stated supra, the issue of jurisdiction has not been raised before the Arbitral Tribunal and even assuming on a demurer that the Arbitral Tribunal lacks jurisdiction under the Master Circular dated 31.07.2023, that is a ground that has to be raised before the Court, which has the jurisdiction to entertain a petition under Section 34 of the Act. It is one thing to say that the Arbitral Tribunal does not have the jurisdiction to entertain the dispute. However, such a question touching upon the jurisdiction of the Arbitral Tribunal can only be raised before the Court, which has the jurisdiction to test the jurisdiction of the Arbitral Tribunal, which entertained the dispute. Just because, the petitioner is of the opinion that the award is a nullity, that does not mean that the same can be put to challenge before any Court across India. Such a ground that has been raised on the side of the petitioner is unsustainable.

16. The relevant clause in the Master Circular makes it very clear that the venue and seat of the online proceedings shall be deemed to be the place, where the investor resides permanently. The records placed before this Court shows that the 3rd respondent's permanent residence is



in Mumbai. In such an event, the seat of arbitration under the circular must be taken to be Mumbai and the award can only be challenged before the High Court of Bombay. This Court will lack the territorial jurisdiction to test the award passed by the Arbitral Tribunal.

17. The law on this issue is now too well settled and the judgments that were relied upon by the learned counsel for the 3rd respondent squarely covers the issue.

18. In the light of the above discussions, this Court upholds the jurisdictional issue raised on the side of the 3rd respondent and this Court holds that in line with Clause 27 of the Master Circular, the seat of arbitration proceedings would be at Mumbai and therefore, the petition for setting aside the award can only be filed before the High Court of Bombay.

19. In the light of the above findings, it is not necessary for this Court to go into the other issues that were raised on the side of the petitioner.



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20. In view of the above, it is left open to the petitioner to challenge the award before the High Court of Bombay. The time spent by the petitioner in prosecuting this petition will be given due credit while calculating the limitation as per Section 14 of the Limitation Act. The Registry is directed to return the papers to the learned counsel for petitioner and the petitioner will be at liberty to approach the High Court of Bombay, if so advised and file necessary petition.

This petition is disposed of in the above terms. Connected application is closed.

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Index:yes
Speaking order
NCC:yes
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N.ANAND VENKATESH, J.

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