2026:DHC:3465

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

Date of decision: 22.04.2026

\+ O.M.P.(I) (COMM.) 88/2026, I.A. 6052/2026 (For ad-interim relief), I.A. 6053/2026 (For Exemption),I.A. 11015/2026 (U/O XXXIX Rule 4) & I.A. 11047/2026 (Seeking exemption from filing certified copies of the documents)

JIOSTAR INDIA PVT. LTD. .....Petitioner

Through: Ms. Aanchal Tandon, Ms. Niti Jain and Mr. Nitai Agarwal, Advocates.

versus

MS ABSOLUTE LEGENDS SPORTS PRIVATE LIMITED & ANR. .....Respondents

Through: Mr. Arjun Syal and Ms. Vidisha Kumar, Advocates for R-1.
Mr. Neeraj J. Vasu and Ms. Pakhi Jain, Advocates for R-2.
Ms. Shivani Sharma and Mr. Sanampreet Singh, Advocates for Applicant in I.A. 11046/2026.
Mr. Paresh B. Lal, Ms. Shivani Sharma and Mr. Sanidhiya Gupta, Advocates for Intervener.

CORAM:
HON'BLE MR. JUSTICE HARISH VAIDYANATHAN SHANKAR

% JUDGEMENT (ORAL)

2026:DHC:3465

I.A. 11046/2026 (U/O I Rule 8-A seeking impleadment) I.A. 11015/2026 (U/O XXXIX Rule 4) & I.A. 11047/2026 (Seeking exemption from filing certified copies of the documents)

1. The application, being ***I.A. No. 11046/2026***, has been filed by **Avro Commercial Company Pvt. Ltd.**[1] under Order I Rule 8A read with Section 151 of the **Code of Civil Procedure, 1908**[2], seeking, *inter alia*, its impleadment as a party in the **petition being O.M.P.(I)(COMM.) 88/2026**[3], instituted under Section 9 of the **Arbitration and Conciliation Act, 1996**[4]. By way of the said application, the Applicant has prayed for the following reliefs:

> "….
> a. Pass an order allowing the present application and implead the Applicant as a party to the present proceedings in O.M.P. (I) (COMM.) 88 of 2026, in the interest of justice;
> b. Pass an order permitting the Applicant to file its reply to the Petition and the applications filed therein, including placing on record all relevant documents concerning its security interest;
> c. Pass such further or other orders as this Hon'ble Court may deem fit and proper in the facts and circumstances of the present case."

2. Along with ***I.A. No. 11046/2026***, two other applications have also been filed by the Applicant, *namely*: (i) I.A. No. 11015/2026, seeking vacation of the stay granted by this Court *vide* **Order dated 18.03.2026**[5] in the Interim Petition; and (ii) I.A. No. 11047/2026, seeking exemption from filing certified copies of certain documents. However, consideration of the said applications on merits would arise only in the event the Applicant succeeds in the present application,

[1]Applicant
[2] CPC
[3]Interim Petition
[4]A&C Act
[5]Interim order dated 18.03.2026

i.e., ***I.A. No. 11046/2026***, seeking impleadment in the Interim Petition.

3. Learned counsel appearing on behalf of the Applicant submits that the aforesaid applications have been necessitated in view of the Interim Order dated 18.03.2026 passed by this Court in the Interim Petition, whereby relief in terms of Prayer (c) of the Interim Petition came to be granted in favour of the Petitioner. For ready reference, Prayer (c) of the petition reads as under:

> "….
> **(c)** Pass an order in the nature of an ex-parte ad-interim/interim nature restraining the Respondent No.1 and/or Respondent No. 2 (or any of their directors/ officers/ employees/ representatives as well as any third party(ies) acting through Respondent no. 1 and/or 2, from creating any third-party rights, transferring, assigning or otherwise dealing with the media and commercial rights relating to the Legends League Cricket Masters T20 tournament in violation of the binding contractual agreements executed between the parties and to safeguard the amount outstanding on part of the Respondent No.1; and/or
>
> …."

4. The relevant operative portion of the Interim Order dated 18.03.2026, whereby the aforesaid relief was granted, is reproduced herein below for ready reference:

> "**6.**The Respondent No. 1 is therefore interdicted from, in any manner, creating any third-party rights, or transferring, assigning, or otherwise dealing with the media and commercial rights relating to the Legends League Cricket Master T20 tournament.
> **7.** Accordingly, the relief, as sought for in prayer (c), is granted to the Petitioner in aforesaid terms."

5. Turning now to the consideration of ***I.A. No. 11046/2026***, learned counsel appearing on behalf of the Applicant submits that the

Applicant and **Respondent No. 1 of the Interim Petition**[6] had entered into a **Loan Agreement dated 20.04.2024**[7], along with a **Hypothecation Agreement dated 20.04.2024**[8], pursuant to which Respondent No. 1 had availed financial assistance from the Applicant.

6. Learned counsel for the Applicant further submits that, under the aforesaid contractual arrangements, the Applicant claims the status of a secured creditor and asserts beneficial rights, *inter alia*, over the receivables as well as the tangible and intangible assets of Respondent No. 1.

7. Placing reliance upon the Interim Order dated 18.03.2026, the Loan Agreement, and the Hypothecation Agreement, learned counsel for the Applicant contends that the interim restraint granted by this Court *vide* Order dated 18.03.2026 and materially affects the rights and security interests of the Applicant. It is further submitted that such prejudice particularly arises insofar as the Applicant claims a subsisting interest in the receivables and other hypothecated assets described in Schedule I of the Hypothecation Deed, which enumerates the "*Details of the Hypothecated Properties*".

8. Learned counsel for the Applicant further submits that the Applicant's rights had arisen prior in point of time to the institution of the present Interim Petition under Section 9 of the A&C Act, and therefore, deserve due recognition and consideration by this Court. Learned counsel also contends that the interim directions already passed have the potential to disturb and adversely affect the subsisting

[6] Respondent No. 1
[7] Loan Agreement
[8] Hypothecation Agreement

commercial arrangement between the Applicant and Respondent No. 1.

9. Learned counsel for the Applicant submits that the impleadment of the Applicant in the present proceedings is necessary to enable this Court to undertake a complete, effective, and meaningful adjudication of the issues arising herein, and to render justice in its proper perspective after hearing all parties whose rights may be materially affected.

10. In the aforesaid backdrop, it is urged by the learned counsel for the Applicant that denial of an opportunity to the Applicant to place its case on record in the present Interim Petition under Section 9 of the A&C Act, without due consideration, would offend the foundational principles of fairness and the settled tenets of natural justice. According to learned counsel, such exclusion would cause serious prejudice to the Applicant, adversely impact its legal and commercial rights, and result in manifest injustice.

11. In support of the aforesaid submissions, learned counsel places reliance upon the judgment of the Bombay High Court rendered in a batch of petitions, including ***Prabhat Steel Traders Pvt. Ltd.vs. Excel Metal Processors Pvt. Ltd.***[9], particularly Paragraphs 42, 45, and 46 thereof, which read as under:

> "**42.** The question therefore arises for consideration of this Court is whether a third party who is aggrieved by any such order of interim measures granted by the arbitral tribunal can file an appeal under section 37 of the Arbitration & Conciliation Act, 1996 after obtaining the leave of the Court or otherwise and whether can impugn such order of the arbitral tribunal in respect of any goods or properties in respect of any such right, title or interest claimed by

[9]2018 SCC OnLine Bom 2347

such third party or in any other manner affected by such interim measures or not.

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45. The only distinction which can be drawn in the said judgment of this Court in case of ***Narayan Manik Patil*** (supra) is that the third party who is not a party to an arbitration agreement, cannot apply before the arbitral tribunal for modification and for vacating the order of interim measures passed by such arbitral tribunal. However, in case of a party to the arbitration agreement applying for interim measures under section 9 of the Arbitration & Conciliation Act, 1996 before a Court defined under section 2(1)(e) of the Arbitration & Conciliation Act, 1996, if any third party is likely to be affected if any such order of interim measures is granted as prayed by a party to the arbitration agreement or directly or indirectly any interim measures are prayed against such third party, no such interim measures can be granted by a Court against such third party unless such party is impleaded as a party to the said application under section 9 of the Arbitration & Conciliation Act, 1996.

46. Be that as it may, even if such third party is not impleaded as a party to such application filed under section 9 of the Arbitration & Conciliation Act, 1996, such third party can certainly apply for impleadment or intervention in such proceedings filed under section 9 of the Arbitration & Conciliation Act, 1996 and can apply for modification and/or variation of the order of interim measures passed by a Court. In my view, such third party cannot be asked to file a civil suit and to challenge the order of interim measures granted by the arbitral tribunal. The validity of the order passed by the arbitral tribunal under section 17 of the Arbitration & Conciliation Act, 1996 cannot be challenged in a civil suit. The Civil Court does not sit in an appeal against an order of the arbitral tribunal passed under section 17 of the Arbitration & Conciliation Act, 1996."

12. Relying upon the aforesaid observations, learned counsel for the Applicant submits that where orders of interim protection are likely to affect the rights or proprietary interests of a third party, such party cannot be rendered remediless or excluded from the proceedings. It is, therefore, contended that ***I.A. No. 11046/2026*** deserves favourable consideration and that the Applicant ought to be impleaded as a party to the present Interim Petition.

13. Learned counsel for the Applicant further places reliance upon the judgment of the High Court of Jammu and Kashmir in ***Mohammad Ishaq Bhat vs. Tariq Ahmad Sofi & Anr.***[10], particularly the opening paragraph framing the controversy and paragraph 9 thereof. On the strength of the said decision, it is submitted that although a stranger to an arbitration agreement may not independently seek relief under Section 9 of the A&C Act, such person may nevertheless be impleaded where he is able to demonstrate that he is a proper or necessary party, whose presence would assist the Court in arriving at a just and proper conclusion and would avoid multiplicity of proceedings. The relevant paraghraphs of the said judgement read as follows:

> "Whether a stranger to an arbitration agreement can be impleaded a party to an application under Section 9 Jammu and Kashmir Arbitration and Conciliation Act, 1997 (for short Act) is the short controversy involved in the present review petition.
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> **9.** Section 9 of the Act provides for interim measures for protection and preservation of the subject matter of arbitration proceedings and matters ancillary thereto. It also provides for interim measures like appointment of guardian for a minor or person of unsound mind to facilitate the arbitral proceedings. The provision enumerates the interim measures that the principal Court of original jurisdiction in a district of the High Court may order, to attain the objects set out therein. The concluding para of Section 9 of the Act provides that "a Court shall have same powers to make orders as it has for the parties for……any proceedings before it". There can be no disagreement with the legal preposition that right to seek interim measures vide Section 9 of the Act, is conferred exclusively on a party to the arbitration agreement. Section 2 (1)(g) of the Act leaves no room for any doubt in this regard. It defines "party" as "a party to a arbitration agreement". In the circumstances, a stranger to the arbitration agreement cannot press into service Section 9 of the Act and ask the Court to order any interim measure for protection and preservation of the subject matter of arbitration

[10] 2010 SCC OnLine J&K 41

agreement or other interim measures envisioned by the provision. The person, not a party to the arbitration agreement, no matter how grave and serious his grievance is can not approach to the Court with an application under Section 9 of the Act. It is exactly what has been laid down in AIR 2009 Guwahati 110. However restrictions placed on locus of a person to invoke Section 9 of the Act may not be applicable to a person who does not pray for any interim measures but intends to acquaint the Court with facts to enable the Court to make a just and proper order. If a person is materially and substantially interested in subject matter of the arbitration agreements and is likely to be materially affected by the order, the Court is asked to pass under Section 9 of the Act, is kept at bay there is every likelihood of justice being not done in the matter. A person having vital interest in the subject matter of arbitration agreement can not be asked to watch proceedings from the fence and leave the arena for the parties to the arbitration agreement to cut swords, when the victim of the out come of the dispute is non else but the person pushed to the fence. After all, what is endgame in proceedings before the Court. The Court is required to arrive at just conclusion and do justice between the parties. In order to enable the Court to discharge its mandate, it is necessary to a person who is interested in the subject matter of arbitration agreement and is in a position to render assistance to the Court is allowed to become a party to the proceedings. The case in hand is an illustrative instance of injustice that may be the result, if a person though stranger to arbitration agreement, is not allowed to become a party to the proceedings under Section 9 of the Act. The petitioner claims to be running business in the suit shop, in tenancy of his father for decades together and now in his possession as a tenant thereof. The respondent is claimed to have entered into a partnership with the respondent No. 2 petitioner's son where under tenancy rights in the suit shop along with business run in the suit shop, stands transferred to the firm, a plea vehemently denied by the petitioner. The petitioner as back as on 7-10-2006, i.e. before the application under Section 9 of the Act was moved by the respondent No. 1, filed on declaratory and injunction suit and the ad-interim order has been passed by the Court, fact which has been with held by the respondent in the application under Section 9 of the Act. If in peculiar situation, without hearing the petitioner and affording the petitioner an opportunity to protect his case, any of the interim measures suggested by the respondent No. 1 is ordered, it may have disastrous consequence for the petitioner. To illustrate if, as an interim measure the respondent No. 1 is ordered to be allowed to ran the business in the suit shop, and the petitioner restrained from interfering in the business of the respondent No. 1 or receiver as suggested by the respondent is appointed, person

> prejudicially affected by such orders may be none else but the petitioner. So viewed Section 9 of the Act can not be interpreted to forbid impleadment of a person, not a party to the arbitration agreement, to the proceedings under Section 9 of the Act. The Court has ample powers to implead a person as a party to the proceedings under Section 9 of the Act where a person asking for impleadment is in a position to convince the Court that he is proper and necessary party to the proceedings and his presence before the Court, is bound to enable the Court to pass just and proper order. Any other interpretation would result in multiplicity of litigation and thus would be against the public policy. What emerges is that whereas' as stranger to an arbitration agreement can not be allowed to seek interim measure(s) under Section 9 of the Arbitration and Conciliation Act, 1997, a stranger may be impleaded as a party where the Court is convinced that the applicant is a proper and necessary party to the proceedings and his presence is bound to enable the Court to arrive at a just and proper conclusion."

14. In response to the aforesaid submissions, learned counsel appearing on behalf of the non-applicant refutes the contentions advanced by the Applicant and opposes the prayer for impleadment.

Analysis & Decision:

15. This Court has heard learned counsel appearing on behalf of the parties at length and has carefully perused the applications filed by the Applicant, including the application for impleadment being *I.A. No. 11046/2026*, the documents annexed thereto, as well as the judicial precedents relied upon by learned counsel for the Applicant in support of the reliefs sought in the Applications.

16. At the outset, this Court deems it apposite to advert to the statutory framework governing the controversy at hand. Since *I.A. No. 11046/2026* seeks impleadment in the present Interim Petition, which has been instituted under Section 9 of the A&C Act. It would be appropriate to reproduce the said provision for ready reference, which reads as under:

"**9. Interim measures, etc., by Court.-**
(1)A party may, before or during arbitral proceedings or at any time after the making of the arbitral award but before it is enforced in accordance with section 36, apply to a court—
(i) for the appointment of a guardian for a minor or person of unsound mind for the purposes of arbitral proceedings; or
(ii) for an interim measure of protection in respect of any of the following matters, namely:-
(a) the preservation, interim custody or sale of any goods which are the subject-matter of the arbitration agreement;
(b) securing the amount in dispute in the arbitration;
(c) the detention, preservation or inspection of any property or thing which is the subject matter of the dispute in arbitration, or as to which any question may arise therein and authorising for any of the aforesaid purposes any person to enter upon any land or building in the possession of any party, or authorising any samples to be taken or any observation to be made, or experiment to be tried, which may be necessary or expedient for the purpose of obtaining full information or evidence;
(d) interim injunction or the appointment of a receiver;
(e) such other interim measure of protection as may appear to the Court to be just and convenient, and the Court shall have the same power for making orders as it has for the purpose of, and in relation to, any proceedings before it.
(2) Where, before the commencement of the arbitral proceedings, a Court passes an order for any interim measure of protection under sub-section (1), the arbitral proceedings shall be commenced within a period of ninety days from the date of such order or within such further time as the Court may determine.
(3) Once the arbitral tribunal has been constituted, the Court shall not entertain an application under sub-section (1), unless the Court finds that circumstances exist which may not render the remedy provided under section 17 efficacious."

17. Equally, in view of the submissions advanced on behalf of the Applicant that it ought to be permitted to be arrayed as a party in the present Interim Petition despite not being a signatory to the arbitration agreement under which the petition has been instituted, it becomes necessary to notice the statutory definition of the expression "party" as contained in Section 2(h) of the A&C Act. The same is reproduced

herein below for ready reference:

> **"2. Definitions—**
> (h) "party" means a party to an arbitration agreement."

18. A conjoint reading of the aforesaid provisions leaves little room for doubt that while Section 9 of the A&C Act empowers the Court to grant interim measures in aid of arbitration, the entire statutory architecture of the enactment remains fundamentally anchored to disputes arising between parties to an arbitration agreement. The expression "*party*", specifically defined under Section 2(h), cannot be rendered otiose while considering a prayer for impleadment in proceedings under Section 9 of the A&C Act.

19. It is trite that proceedings under Section 9 of the A&C Act are ancillary, preservative, and protective in nature. The jurisdiction conferred upon the Court thereunder is intended to secure the subject matter of arbitration, preserve assets, protect contractual rights *inter se* the parties to the arbitration agreement, and ensure that arbitral proceedings, whether contemplated, pending, or concluded, are not rendered nugatory. Such proceedings are not designed to become a forum for adjudication of substantive rival claims on merits, much less claims set up by third parties who are strangers to the arbitration agreement.

20. The legislative intent is, therefore, manifest that the remedies contemplated under the A&C Act, including recourse under Section 9, are primarily structured around persons who are parties to, or who claim through or under, the arbitration agreement. A person who is admittedly not a signatory to the arbitration agreement, and who does not trace any enforceable right through the agreement under which the

Section 9 proceedings have been initiated, cannot, in the ordinary course, insist upon being impleaded as though such person were a contesting party to the arbitral dispute.

21. This Court is reluctant to consider the acceptance of the proposition that applications of the present nature, seeking impleadment by third parties in Section 9 proceedings, ought to be entertained. If such a course were adopted, it would open the floodgates to collateral interventions by every person asserting that he/she may, directly or indirectly, be affected by an interim measure passed therein.

22. Situations may well arise, as is sought to be projected in the present case, where disputes arising out of an arbitration agreement may incidentally affect the commercial or legal claims of persons alien to the arbitration. However, if proceedings under Section 9 of the A&C Act, meant to secure urgent and limited interim protection, are transformed into a platform for adjudicating disputes between third, fourth, or even subsequent parties, the statutory scheme of the A&C Act would stand seriously diluted.

23. It is pertinent to note that proceedings under Section 9 of the A&C Act are intended to maintain a temporary protective arrangement pending arbitral adjudication. They are not meant to serve as a platform for the determination of competing claims of multiple parties *inter se*. Entertaining such an exercise would render the very purpose of Section 9 of the A&C Act nugatory.

24. By way of illustration, in the present case, an interim arrangement came to be passed between the parties to the Present

Petition so as to preserve the subject matter of the dispute. If every third party claiming to be affected by such an arrangement were permitted to enter the *lis* and seek adjudication of its independent rights, the Court would be compelled at an interim stage to determine complex questions of title, entitlement, and liability. Such an approach would not only impermissibly enlarge the otherwise circumscribed scope of proceedings under Section 9 of the A&C Act, but may also prejudice the rights of all concerned parties even before substantive adjudication in appropriate proceedings. Such a consequence is neither contemplated nor intended under the scheme of the A&C Act.

25. It is indeed possible that an order passed under Section 9 of the A&C Act may, in a given case, have incidental or consequential bearing upon the rights or commercial interests of persons other than the contracting parties. However, that circumstance by itself cannot furnish a legal basis to permit impleadment of every such person in proceedings under Section 9 of the A&C Act. To allow unrestricted intervention by third parties would neither be advisable nor conducive to the orderly administration of justice under the A&C Act.

26. This Court is, therefore, of the considered view that if applications of the present nature were to be entertained as a matter of course, the same would run contrary to the legislative scheme underlying Section 9 of the A&C Act, which is intended to secure prompt, efficacious, and time-sensitive interim reliefs in aid of arbitration for parties to the arbitration agreement, and not to convert such proceedings into a forum for even examination of independent claims of non-parties leave alone a determination. Such a course

would defeat the summary and urgent character of the jurisdiction exercised under Section 9 of the A&C Act and, in turn, undermine the primary object and legislative intent of the A&C Act itself.

27. In the present case, it is apparent that the Applicant, in substance, seeks to secure preservation and protection of rights allegedly existing in its favour by seeking to override, or at least subordinate, the rights asserted by the Petitioner in the present Interim Petition. Such a claim is sought to be founded upon an independent and allegedly prior contractual arrangement entered into between the Applicant and Respondent No. 1.

28. In the considered opinion of this Court, such relief cannot be secured indirectly through an application for impleadment in proceedings instituted under Section 9 of the A&C Act by parties to a separate arbitration agreement. The Applicant does not derive any right, title, or entitlement from the arbitration agreement, which forms the very foundation of the present Interim Petition. Consequently, it cannot seek to enter these proceedings merely because it claims an independent contractual interest against one of the existing parties.

29. This Court also takes note of the fact that the Loan Agreement, from which the Applicant claims its asserted rights, itself contains an arbitration clause. The relevant portion thereof reads as follows:

> "**17.7. Arbitration**
>
> **17.7.1.**The Parties shall endeavour to settle any dispute arising in connection with the interpretation, performance, termination of this Agreement, or otherwise in connection and/or arising out of this Agreement (**"Dispute"**), through consultations and negotiations.
>
> **17.7.2.** If the Parties are unable to resolve the Dispute within 15 (fifteen) days of service of the notice of Dispute, such Dispute may

> be referred to by any Party to arbitration under the (Indian) Arbitration and Conciliation Act, 1996, as amended. The arbitration shall be referred to a sole arbitrator appointed jointly appointed by the Lender and the Borrower."

30. It is trite that where the Applicant alleges breach, frustration, impairment, or jeopardy of rights arising under the Loan Agreement entered into between the Applicant and Respondent No. 1, the proper and efficacious course available to it is to invoke remedies under that very contractual framework, including the dispute resolution mechanism mutually agreed upon between the parties thereto. Such claims cannot be merged into, or superimposed upon, the present proceedings, which arise out of an entirely independent arbitration arrangement between different contracting parties.

31. This Court also takes note that if claims of the present nature were to be entertained in proceedings under Section 9 of the A&C Act, there would be no principled basis to limit the extent or nature of such intervention. Numerous other persons may similarly approach the Court asserting independent rights flowing from separate contracts *inter se* one or more parties to the arbitration. Any such dilution of the carefully circumscribed scope of jurisdiction under Section 9 of the A&C Act would seriously impair the legislative fabric and procedural discipline underlying proceedings under the A&C Act.

32. Further, it appears that the entire case of the Applicant rests on the assertion that it is a secured creditor and therefore enjoys a preferential or superior right *vis-à-vis* the rights claimed by the Petitioner. As stated earlier, having regard to the nature, scope, and object of proceedings under the A&C Act, this Court is not called

upon, nor would it be permissible in law at this stage, to adjudicate such competing claims of priority, security interest, or *inter se* entitlement arising out of independent contractual transactions.

33. Merely because Respondent No. 1 happens to be a common party in both arrangements, one with the Petitioner and another with the Applicant, cannot constitute a legal ground for composite adjudication of disputes emanating from separate contracts governed by separate rights and remedies.

34. *I.A. No. 11046/2026* itself proceeds on the basis that the Applicant claims rights arising out of the Loan Agreement and the Hypothecation Agreement allegedly executed with Respondent No. 1. Those rights, even if assumed *arguendo* to exist, do not emanate from the arbitration agreement forming the basis of the present Interim Petition. They are separate contractual rights, resting upon separate documentation, and enforceable in accordance with remedies otherwise available in law. Such claims cannot, *ipso facto*, enlarge the scope of proceedings under Section 9 of the A&C Act so as to transform the same into a forum for the determination of third-party contractual interests.

35. Further and in addition to the above, in the present Interim Petition, this Court has merely directed preservation of the subject matter of the arbitral dispute on the basis of the well-settled parameters governing interim relief between the Petitioner and Respondent No. 1. No final or conclusive adjudication of rights of any party has yet been undertaken.

36. Therefore, if third parties are permitted to enter such

proceedings by carving out exceptions unsupported by the statutory framework, the same would not only prejudice the legislative intent underlying Section 9 but would also render proceedings of the present nature cumbersome, protracted, and unmanageable by impermissibly expanding their otherwise limited scope.

37. Now adverting to the judgments relied upon by the Applicant, this Court finds that the decision of the Bombay High Court in ***Prabhat Steel Traders Pvt. Ltd.*** (*supra*) came to be rendered in an altogether distinct factual as well as procedural backdrop, and is therefore clearly distinguishable from the present case. The proceedings before the Bombay High Court arose under Section 37 of the A&C Act, wherein a challenge had been laid to an order passed by the learned Arbitral Tribunal on an application under Section 17 of the Act.

38. In that case, the subject matter claimed by the Petitioners therein was *prima facie* distinguishable and discernible from that of the other contesting parties. In the present case, however, the subject matter appears to be common, and the claims projected by the Applicant are asserted to be competing with those of the Petitioner. Further, in ***Prabhat Steel Traders Pvt. Ltd.*** *(supra)*, the interim decision under challenge directly operated against the Petitioners therein. In the present matter, by contrast, the Applicant is not directly proceeded against, but merely asserts that it is incidentally affected by the adjudication of claims arising out of an independent arbitration agreement between the existing parties.

39. The reliance placed by the Applicant upon the aforesaid

judgment is, therefore, misplaced. Apart from the fact that the said decision is not binding upon this Court, the principles noticed therein arose in a materially different factual matrix and in the context of a different statutory provision. The same cannot be mechanically extended to proceedings under Section 9 of the A&C Act, where the issue falls to be examined on an entirely different statutory footing.

40. Further, insofar as certain observations made therein concerning Section 9 proceedings may suggest that every third party, whether directly or indirectly affected, must necessarily be impleaded and heard before any interim order is passed, this Court, with utmost respect, is unable to subscribe to such a broad proposition. Such a view, if accepted as a matter of general practice, would fail to account for the provisions of the statute, the limited and urgent nature of Section 9 jurisdiction, the summary character of such proceedings, and the serious practical consequences that may ensue if unrestricted intervention by third parties were routinely permitted.

41. Similarly, the reliance placed by the Applicant upon the judgment of the High Court of Jammu and Kashmir in ***Mohammad Ishaq Bhat*** (*supra*) is equally misplaced, inasmuch as the factual matrix therein was entirely distinguishable from that of the present case.

42. In the said matter, the Court was concerned with a situation where a person had already instituted independent civil proceedings and had secured an interim order in his favour from a competent Court, the efficacy whereof was alleged to be threatened by a subsequent petition under Section 9 of the A&C Act filed between the

parties therein. It was in those peculiar and exceptional circumstances that impleadment came to be permitted. Clearly, the rights sought to be protected in that case flowed from a subsisting judicial order passed by a competent forum, and any attempt to circumvent or render nugatory such an order would necessarily stand on an altogether different footing. The said decision, therefore, affords no assistance to the Applicant in the facts of the present case, where no such prior judicial protection is shown to exist.

43. At this stage, this Court deems it appropriate to take note of some judicial pronouncements concerning the nature and scope of proceedings under Section 9 of the A&C Act, particularly where third parties seek participation, intervention, or impleadment in any form.

44. A Coordinate Bench of this Court in ***National Highways Authority of India (NHAI) v. China Coal Construction Group Corpn.***[11], while dealing with a claim for intervention, made the following observations:

> "**15.5** Question Nos. 3 & 4.
>
> (3) Whether the Intervenor can be impleaded as a party in the petition (OMP 351/2004) and
>
> (4) Whether the Intervenor is entitled to seek clarification of the order dated 25.01.2005 passed by this court?
>
> In view of the discussion with regard to questions 1 and 2 above, it becomes clear that the Intervenor has no privity of contract with NHAI. It is also clear that the Intervenor is not a party to the arbitration proceedings. Section 9 of the Act is with reference to arbitral proceedings just as the Intervenor cannot be a party in the arbitral proceedings pending between NHAI and China Coal, it has no locus standi in the present proceedings. The interim orders that may be passed under Section 9 or Section 17 are with respect to the parties to the arbitration and in connection with the subject matter thereof. As such, the Intervenor's application under Order 1 Rule 10 cannot be allowed and nor can its application for modification

[11] 2006 SCC OnLine Del 115

> of the order dated 25.01.2005, which order, in any event, stands merged in the order being passed herein."

45. The aforesaid observations lucidly reiterate that a person who is neither privy to the contract nor a party to the arbitration proceedings cannot ordinarily claim participation in proceedings under Section 9 of the Act.

46. Similarly, a Division Bench of the Gujarat High Court in ***Vijay Arvind Jariwala v. Umang Jatin Gandhi***[12] made certain pertinent observations, the essence whereof is that proceedings under Section 9 are intended to operate between parties to the arbitration agreement and are not designed to accommodate third parties asserting independent claims. The relevant portion of the said judgment reads as follows:

> "**8.** It was in the above proceedings of Section 9 that the petitioner herein filed application Exhibit 49 on 4.9.2021. In the said application filed under Order I Rule 10 of the Civil Procedure Code, 1908, the petitioner prayed to join two parties as respondents-one Falguni Sandip Naik as respondent No. 2 and Sandip Balwantrai Naik as respondent No. 3. The petitioner stated that the firm Blue Feathers gave to said Falguniben unsecured loan of Rs. 4,26,35,000/- by cheque and Rs. 2,54,00,000/- by cash. Falguniben was wife of the partner Sandip Balwantrai Naik-the erstwhile partner who had retired from the firm as stated above. It was stated that these amounts were paid during the years 2011 to 2014. Out of the said total amount given unsecured loan, Rs. 19 lakhs by cheque and Rs. 1,75,10,000/- by cash were repaid to the firm by said Falguniben, and the remainder amount was required to be recovered.
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> *****
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> **15.** In light of the prayer of the petitioner seeking to join the proposed respondents who were third parties in the proceedings of Section 9 of the Arbitration Act, the question in principle arises that whether a third party who is not party to the arbitration agreement, could be impleaded as parties. In the present case as seen above,

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respondent partner in the proceedings of Section 9 initiated by other existing party, wants to join Falguni Naik and Sandip Balwantrai Naik on the ground that the partnership firm had certain dealings and transactions with them and in that context they were required to be joined in the proceedings of the interim measures initiated by the respondent existing partner.

16. The Arbitration Act, 1996 is a special Act, designed to provide machinery in law to facilitate the disputes between the parties till the process of arbitration. The parties who have entered into arbitration agreement, are entitled to seek constitution of arbitral tribunal in accordance with the provisions of the Act. The provisions of Arbitration Act, 1996 are made to apply to the parties who are bound by arbitration clause and their relationship in the resolution of disputes between them, in the process of arbitration is governed by the provisions of the Act.

17. Section 9 of the Act enables a party to seek interim measures before or during a arbitral proceedings, which are intended inter alia to balance the rights between the parties who would subject themselves to arbitral proceedings for resolution of disputes, until such disputes are decided by arbitrator. In the Act the term 'party' is defined in Section 2(h) to mean a party to an arbitration agreement. When the statutory provisions under the Act are acted upon between the parties, they are the parties with the arbitration agreement.

18. In relation to the aspect as to whether in the proceedings of appointment of arbitrator under Section 11 read with Section 7 of the Act, who could be the parties that may be impleaded as respondent, the law has found a definite exposition. Section 7 deals with the arbitration agreement which means an agreement between the parties to submit to arbitration the disputes, whereas Section 11 is about appointment of arbitrators. In ***Deutsche Post Bank Home Finance Limited v. Taduri Sridhar [(2011) 11 SCC 375]*** there was tripartite housing development agreement with developer as guarantor. Inter se dispute arose between the guarantor and the borrower in respect of the construction agreement and in that view arbitration clause was invoked. It was held that the lender was not party to the arbitration agreement, could not have been impleaded. The order of appointment of arbitrator the same related to the lender was set aside and to the extend it related to disputes between borrower and lender was upheld.

19. Similar proposition was laid down in other decisions in ***Jagdish Chandar v. Ramesh Chandar [(2007) 5 SCC 719], Yogi Agarwal v. Inspiration Clothes & U, [(2009) 1 SCC 372], S.N. Prasad v. Monnet Finance Limited [(2011) 1 SCC 320]***, that a person who is not party to the arbitration agreement, if impleaded as party in the petition under Section 11 of the Act, the court should delete such

party or while accommodating arbitrator it should make clear that arbitrator will decide only disputes between the parties to the arbitration agreement.

20. It is the 'party' defined under Section 2(h) of the Act which may initiate proceedings under Section 9 for interim measures. The very basis of Section 9 proceedings is the arbitration clause under which the arbitration proceedings could be initiated. The interim measures could be prayed for and would operate between the parties who would be going for or have gone, for arbitration, namely the parties to the arbitration. By analogical reasoning it would imply that third party has no concern with the proceedings of Section 9 nor with the said provision recognizes the inclusion of the third party, who may be independently claiming the rights against the parties to the arbitration and vice versa.

21. In Firm ***Ashok Traders*** (supra) in which the Supreme Court considered the question of nature of and maintainability of application Under Section 9 in view of the Section 69 of the Partnership Act, 1932 when filed by partner of unregistered firm, inter alia observed that an application under Section 9, under the scheme of the Arbitration Act, 1996 is not a suit, though the application may result into initiation of civil proceedings. The Supreme Court observed that 'the right conferred by Section 9 cannot be said to be one arising out of contract. The qualification which the person invoking jurisdiction of the court under Section 9 must possess is of being a 'party' to an arbitration agreement.' It was further observed, 'a person not party to an arbitration agreement cannot enter the court for protection under Section 9'.

22. The position of law that the proceedings under the Arbitration Act which would include the proceedings under section 9 proceedings are confined between the parties to the arbitration agreement stand buttressed also by decision of the Supreme Court in the context of section 11(6) of the Act. It was held in ***S.N. Prasad, Hitek Industries (Bihar) Limited v. Monnet Finance Limited [(2011) 1 SCC 320]*** in the context of section 7 and 11 of the Arbitration Act, 1996, that a guarantor cannot be made a party to a reference to arbitration and subjected to arbitration award, who was not party to loan agreement contained in the arbitration clause. In that case, there was arbitration agreement between the lender, borrower and one of the guarantors and it was held that it could not be deemed or construed to be arbitration agreement in respect of another guarantor in a party to arbitration agreement. In the proceedings of section 11, a person who is not a party to the agreement, has no association in eye of law. On the same footing, a third party cannot be a party in the proceedings under section 9 of the Act for interim measures wherein by very nature of the proceedings, third party cannot be said to have a legal participatory

right."

(emphasis supplied)

47. In sum and substance, in the considered opinion of this Court, third parties ordinarily cannot be permitted to enter the house of arbitration through its window when the doors stand closed both by statute as well as by the consensual arrangement of the parties. Unless such persons are shown to be direct and legally recognisable parties to the arbitration agreement, or persons claiming through or under such parties in a manner known to law, they cannot seek ingress into arbitral proceedings merely on the basis of collateral, incidental, or independent assertions of right.

48. To hold otherwise, and to permit any person asserting separate, collateral, or independent claims to intrude into arbitral proceedings, including proceedings under Section 9 of the A&C Act, which are interim, temporary, and circumscribed in their object, would be wholly counterproductive to the very purpose of the enactment. Such a course would unsettle the basic foundation and carefully structured architecture upon which the arbitral framework rests, *namely,* party autonomy, consensual jurisdiction, procedural expedition, minimal judicial interference, and the efficient resolution of disputes within the boundaries chosen by the contracting parties themselves.

49. Lastly, this Court notes that the present application seeking impleadment has been filed under Order I Rule 8A of the CPC. This Court has reservations as to whether the said provision is at all attracted in the facts of the present case.

50. Order I Rule 8A of the CPC is ordinarily intended to enable a person or body of persons interested in "*any question of law*" directly

and substantially in issue in a suit, and where "*public interest*" so requires, to present its opinion on such question of law, subject to the permission of the Court and to such extent as the Court may specify. In the present case, however:

a. The Applicant seeks impleadment in furtherance of its own asserted private commercial interest, and not in public interest;

b. The relief sought is not confined to assisting the Court on a pure question of law, but substantially seeks adjudication of factual and proprietary claims; and

c. The present proceedings themselves arise under a special statute governing arbitral remedies, whose scope cannot be enlarged by resort to a general procedural provision in a manner contrary to the legislative scheme.

51. On that ground too, this Court would opine that the present application would not be maintainable under the provision sought to be relied upon.

52. In view of the foregoing discussion, this Court is of the considered opinion that ***I.A. No. 11046/2026*** is wholly devoid of merit and does not disclose any legal basis warranting impleadment or intervention in the present proceedings. The same is, accordingly, dismissed.

53. Consequently, the connected applications being I***.A. No. 11015/2026*** and ***I.A. No. 11047/2026*** shall also stand dismissed.

O.M.P.(I) (COMM.) 88/2026, I.A. 6052/2026 (For ad-interim relief), I.A. 6053/2026 (For Exemption)

54. Ms. Aanchal Tandon, learned counsel appearing on behalf of

the Petitioner, submits that the statements made on behalf of Respondent No. 1, as recorded by this Court in the Order dated 11.03.2026, have not been complied with till date.

55. Learned counsel for the Petitioner draws the attention of this Court to the Order dated 11.03.2026, and in particular to Paragraphs 2 and 3 thereof, wherein learned senior counsel appearing for Respondent No. 1 had made a categorical statement that an affidavit would be filed disclosing the particulars specified therein. The said paragraphs are reproduced below for ready reference:

> "**2.** Learned Senior Counsel, Mr. Bhandari, who appears on advance notice for the Respondent No. 1 submits that he will be filing an affidavit disclosing therein all the commercial transactions that are currently being undertaken by the Respondent No. 1, including the Agreement entered into with the Respondent No. 2.
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> **3.** Learned Senior Counsel appearing on behalf of the Respondent No. 1 also submits that the affidavit will be filed by all the Directors of the Respondent No. 1 Company and will also set out therein the receivables from any commercial arrangement of whatsoever nature that the Respondent No. 1 has entered into and that any amounts received as a result of the same, would first be deposited in this Court, in an account that may be opened by the Worthy Registrar General for the said purpose towards the satisfaction of the admitted liability."

56. Learned counsel appearing on behalf of Respondent No. 1 submits that the affidavits, as contemplated in Paragraphs 2 and 3 of the aforesaid Order, shall be filed and brought on record within a period of one (01) week, and no further extension shall be sought. He further submits that he shall ensure due compliance with the statements and assurances recorded by this Court.

57. Respondent No. 1 is accordingly directed to comply with the aforesaid statements and undertakings within a period of one (01) week from today.

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58. List on 08.05.2026.

HARISH VAIDYANATHAN SHANKAR, J.

APRIL 22, 2026/tk/DJ