



2026:DHC:835



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* IN THE HIGH COURT OF DELHI AT NEW DELHI

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Judgment pronounced on: 02.02.2026

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W.P.(C) 2182/2025 and CM APPL.10292/2025

M/S RHINE POWER PVT. LTD.

.....Petitioner

Through: Mr. Viksit Arora, Advocate.

versus

M/S RAMPRASTHA PROMOTERS AND DEVELOPERS PVT.

LTD.Respondent

Through: Mr. Virender Ganda (Sr. Advocate)
along with Mr. Sougat Sinha, Ms. R.
Gayathri Manasa, Ms. Charmi,
Advocates.

CORAM:

HON'BLE MR. JUSTICE SACHIN DATTA

JUDGMENT

1. The present petition has been filed by the petitioner seeking the following prayers:

(i) Set aside the Order dated 04.12.2024 passed by the Ld. Arbitral Tribunal in the matter of arbitration between the parties, to the extent that it rejects the Petitioner's Application dated 20.11.2024 seeking refusal of hearing to the Respondent on merits, till such time as it purges itself of the contempt and the adjournment of the arbitration proceedings awaiting the decision in the contempt proceedings initiated by the Petitioner against the Respondent in this Hon'ble Court vide CONT. CAS (C) No. 1744/2024;



- (ii) Direct the Ld. Arbitral Tribunal to refuse hearing to the Respondent on merits, till such time as it purges itself of the contempt / apparent breach of the Order dated 02.06.2023 passed by this Hon'ble Court in OMP (I) COMM No. 192/2023 and continued from time to time;
- (iii) Direct the Ld. Arbitral Tribunal to adjourn the arbitration proceedings between the parties awaiting the outcome of CONT. CAS (C) No. 1744/2024 filed by the Petitioner;

2. It is the case of the petitioner that the respondent company had duly received from, and/or owed to, the petitioner a sum of Rs.7,33,30,548 as on 27.09.2018. In lieu of the monies so received, the parties entered into five (5) Agreements to Sell (hereinafter referred to individually as "Agreement 1", "Agreement 2", "Agreement 3", "Agreement 4" and "Agreement 5" and collectively as the "Agreements") dated 27.09.2018, whereby the respondent agreed to sell twenty-one (21) flats to the petitioner, being developed in the respondent's project, i.e., a multi-storeyed residential complex known as "PRIMERA", located at Ramprastha City, Sector 37-D, Gurgaon, in terms of the conditions agreed in the aforementioned Agreements to Sell.

3. Five (5) separate Agreements to Sell were entered into on the same day, i.e., 27.09.2018, between the same parties in respect of Twenty-One (21) flats, as part of one composite transaction. It was recorded in the Agreements to Sell that the entire consideration amounts of Rs.



1,06,82,750/-, Rs. 1,06,82,750/-, Rs. 1,06,82,750/-, Rs. 1,06,82,750/- and Rs. 3,05,99,548/-, in terms of the respective Agreements to Sell, aggregating to Rs. 7,33,30,548/-, in lieu of twenty-one (21) flats, had been duly received by the respondent company as of the date of execution of the Agreements to Sell.

4. Thus, it is submitted that in terms of the Agreements, the entire obligation of the petitioner to pay the full consideration amount stood duly satisfied at the inception itself, i.e., at the time of execution of the Agreements.

5. It is submitted that in terms of Clause 6, each of the Agreements contained provisions for the buy-back of the respective flats agreed to be sold thereunder. Such buy-back could be exercised by the respondent company only within the timelines specified in the respective Agreements. As on 03.06.2019, the respondent had availed the buy-back option in respect of two (2) Agreements to Sell dated 27.09.2018 and upon making the requisite payment, a Cancellation Agreement dated 03.06.2019 was entered into between the parties, whereby two (2) out of the five (5) Agreements dated 27.09.2018, i.e., Agreement 4 and Agreement 5, were cancelled and the originals of the same were returned to the respondent.

6. Thereafter, it is submitted that despite several communications between the parties, the payment in lieu of exercising the buy-back option in respect of the remaining three Agreements, i.e., Agreement 1, Agreement 2 and Agreement 3, was admittedly not made by the respondent. Consequently, the time for exercising such option on behalf of the



respondent has lapsed. Accordingly, it is submitted that it became obligatory for the respondent company to convey fifteen (15) flats to the petitioner in accordance with the terms of the aforementioned remaining three Agreements.

7. The petitioner, apprehending that the officers of the respondent may have colluded with one another and cheated or played fraud upon the petitioner, and may have sold or created third party interest in the fifteen (15) flats despite having received the entire sale consideration for the same from the petitioner, served a legal notice dated 01.10.2020 upon the respondent, which was duly acknowledged by the respondent vide its letter dated 09.02.2021. Thereafter, legal notice(s) dated 22.08.2022, on behalf of the petitioner pursuant to the remaining three (3) Agreements, were sent to the respondent and were duly received by the respondent on 24.08.2022. It is submitted that as on 31.01.2024, the cumulative outstanding dues payable to the petitioner by the respondent company on account of guaranteed return and penal interest thereon stood at Rs. 5,96,25,552/-.

8. It is submitted that the petitioner did not receive any written response to the legal notice(s) dated 22.08.2022 however, the respondent had been orally acknowledging the petitioner's claim in respect of the fifteen (15) flats, while delaying the performance of the remaining three (3) Agreements on one pretext or another, including the assertion that the said project is still not ready for sale. It is submitted that getting suspicious about the lack of written response and no payment towards the guaranteed compounded return at the rate of 24% per annum after 17.11.2021, in terms of the remaining



three (3) Agreements, the petitioner made enquiries regarding the respondent's project. It is submitted that to utter shock of the petitioner, it came to know in May 2023 that the same has been registered with HARERA and that the respondent was selling flats therein, contrary to the verbal assurances given by the respondent to the petitioner.

9. Thereafter, in order to prevent the respondent from creating third party rights in respect of the said fifteen (15) flats, in contravention of Clause 10 of the remaining three Agreements, the petitioner approached this Court under Section 9 of the Arbitration and Conciliation Act, 1996 on 31.05.2023, praying as under:

“(i) Pass an order restraining the Respondents 1 – 6 from booking, selling, transferring, alienating or creating third party rights in the Said Flats viz. B-2003 (1720 sq. ft.), C-1301 (1695 sq. ft.), C-2102 (1720 sq. ft.), D- 2102 (1720 sq. ft.), D- 2103 (1720 sq. ft.), D-2204 (1695 sq. ft.), A-2202 (1720 sq. ft.), A-2203 (1720 sq. ft.), A-2002 (1720 sq. ft.), B-2202 (1720 sq. ft.), B-2203 (1720 sq. ft.), C-2102 (1720 sq. ft.), C-2103 (1720 sq. ft.), C-2203 (1695 sq. ft.), C-2204 (1695 sq. ft.) situated at apartment complex “PRIMERA”, located at Ramprastha City, Sector 37-D, Gurugram, Haryana.

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10. This Court *vide* order dated 02.06.2023 passed in OMP (I) (COMM) 192 of 2023, restrained the respondent from creating any third-party interest or parting with possession of any of the fifteen (15) flats which are the subject matter of the remaining three agreements executed between the



parties. The operative portion of the order dated 02.06.2023 is reproduced as under -

“7. Accordingly, the respondent no.1 is restrained from creating any third-party interest or parting with possession of the subject flats mentioned in prayer (i) of the petition till further orders.”

11. Subsequently, the petitioner formally invoked arbitration by sending a notice as required under Section 21 of the Arbitration and Conciliation Act, 1996 on 16.10.2023.

12. *Vide* Orders dated 19.10.2023 and 07.11.2023, this Court disposed of the OMP (I) (COMM) No. 192/2023 while extending the protection afforded to the petitioner *vide* order dated 02.06.2023 till such time as the learned Arbitrator takes up the petitioner's Application under Section 17 of the Arbitration and Conciliation Act, 1996, and relegated the parties to the arbitration by consent.

13. It is submitted that *vide* order dated 09.01.2024, the learned Arbitral Tribunal, upon taking up the application under Section 17 of the Arbitration and Conciliation Act, 1996, extended the protection afforded to the petitioner *vide* order dated 02.06.2023 passed in OMP (I) (COMM) No. 192 of 2023.

14. Thereafter, on 22.01.2024, the Arbitral Tribunal further extended the protection afforded to the petitioner *vide* order dated 02.06.2023 passed in OMP (I) (COMM) No. 192 of 2023. In addition, it is submitted that since an apprehension arose on account of the submission made on behalf of the



respondent that all the flats of the respondent's development had been sold, the Arbitral Tribunal directed the respondent to file an Affidavit of its Managing Director disclosing the present status of the fifteen (15) flats which were subject matter of the arbitration between the parties as well as of the order dated 02.06.2023 passed by in OMP (I) (COMM) No. 192 of 2023.

15. Thereafter, it is submitted that *vide* orders dated 05.04.2024, 13.05.2024, 13.07.2024, 20.07.2024, 24.08.2024 and 19.10.2024, the Arbitral Tribunal extended the protection afforded to the petitioner *vide* order dated 02.06.2023 passed in OMP (I) (COMM) No. 192 of 2023.

16. It is submitted that the respondent did not comply with the directions of the Arbitral Tribunal to file an Affidavit of its Managing Director disclosing the status of the concerned Fifteen (15) flats. Subsequent to which the petitioner filed another Application under Section 17 of the Arbitration and Conciliation Act, 1996 on 12.07.2024, premised on the information received upon making physical enquiries at the site, to the effect that the subject Fifteen (15) flats had been sold by the respondent in gross violation and willful disobedience of the order dated 02.06.2023 passed in OMP (I) (COMM) No. 192 of 2023, as continued from time to time.

17. It submitted that on 12.07.2024, the respondent also filed an application seeking recall of the order dated 13.05.2024 passed by the Arbitral Tribunal insofar as it is closed its right to file a Statement of Defense.

18. It is submitted that subsequently the respondent filed an Affidavit of Assets dated 24.07.2024, wherein it admitted to having sold and parted with



the possession of the Fifteen (15) flats, in violation of the restraint imposed by this Court.

19. It is further submitted that upon perusal of the Affidavit of Assets dated 24.07.2024 filed on behalf of the respondent, the Arbitral Tribunal observed that the respondent was in apparent breach of the injunction granted by this Court, and also made reference to taking consequential steps before the appropriate Court. The following observation was made by the Arbitral Tribunal in the order dated 20.07.2024:

"2. From the Affidavit of Assets, it appears that the Respondent has acted contrary to the Order initially passed by the Hon'ble Delhi High Court on 02.06.2023 in OMP (I) (COMM) 192/2023. From Annexure DB-2 filed with Affidavit of Assets it is seen that in respect of three flats i.e. Flat No. D-2103, C-2102 and C-2103, an agreement was executed by the Respondent with third parties prior to the date of the Order of injunction i.e. 02.06.2023. However, in respect of most of the other flats, agreements were executed in operation till date, including under Section 17 of the Act, and possession was parted with after 02.06.2023 in all cases. The Claimant is at liberty to take whatever steps it considers necessary for the apparent breach of the Order of injunction before the appropriate Court....."

20. Accordingly, the petitioner moved a Contempt Petition against the respondent bearing CONT. CAS (C) No. 1744/2024 for having willfully disobeyed the order dated 02.06.2023 passed in OMP (I) (COMM) No. 192 of 2023.

21. *Vide* order dated 07.11.2024 passed in CONT. CAS (C) No. 1744/2024, the Court found the respondent *prima facie* guilty of willfully disobeying the order dated 02.06.2023 passed in OMP (I) COMM No. 192/2023.



22. The petitioner also moved an application dated 20.11.2024 before the Arbitral Tribunal, seeking that the respondent be not given an opportunity of hearing on merits, till such time as it purges itself of the contempt.

23. *Vide* order dated 04.12.2024, the Arbitral Tribunal, *inter alia*, rejected the aforementioned application dated 20.11.2024 filed by the petitioner and refused to adjourn the arbitration proceedings pending the decision in the contempt proceedings initiated by the petitioner against the respondent in CONT.CAS (C) 1744/2024, for lack of any provision in law or of an order of a competent Court staying the proceedings.

24. Thereafter, the respondent filed its Statement of Defense before the Arbitral Tribunal. *Vide* order dated 21.01.2025, the Arbitral Tribunal, *inter alia*, granted 4 weeks' time to the petitioner to file its rejoinder to the respondent's Statement of Defense.

25. It is the case of the petitioner that the impugned order dated 04.12.2024, to the extent it rejects the petitioner's application dated 20.11.2024 (seeking refusal of a hearing to the respondents on merits) and further denies adjournment of the arbitration proceedings pending the decision in the contempt proceedings, is unsustainable in law. Hence the present petition has been filed.

26. The impugned order dated 04.12.2024, *inter alia*, holds as under:-



I am also of the view that cases should be contested on merits, and no party should be allowed to steal a march over the other on mere hyper-technicality. The Respondent appears to have a reasonable defence – worth examining, and denying an opportunity to the Respondent to establish the same would, in my view, lead to miscarriage of justice. No doubt, the proceedings have got delayed and, if the Respondent were to be granted time at this stage to file their Statement of Defence with documents, the proceedings would get relegated to the stage of pleadings. However, this prejudice suffered by the Claimant can be compensated with costs, and by subjecting the Respondent to stringent conditions, so as to ensure that there is no further delay caused by them in these proceedings. The time frame prescribed in Section 23 of the Act is directory and not mandatory. The provisions of the CPC do not, *per se*, apply to these proceedings. The objective of Arbitration proceedings is to dispose of the lis expeditiously. Despite the delay caused by the Respondent, that objective can be achieved as the Tribunal can fix dates for hearing the matter at short intervals, and deny unnecessary and unjustified adjournments to the parties.

I find the submission of Mr Kirpal and Mr Arora – that the proceedings be adjourned till the disposal of the contempt case, to be completely unacceptable. No provision in law has been cited by them in support of this submission. Unless, there is an order of a competent Court staying these proceedings, I am not inclined to await the decision in the contempt proceedings. It is for the Claimant to see as to how it can pursue its claim, as originally made, in the emerging circumstances. I may observe that the



Claimant has not presently sought the alternate relief of damages in its Statement of Claim.

For all the aforesaid reasons I allow the Application moved by the Respondent and recall the order dated 13.05.2024, insofar as the Tribunal forfeited the right of the Respondent to file its Statement of Defence with documents. This Application is allowed subject to the following conditions:

- i. The Respondent shall pay costs of ₹ 25,000/- to the Claimant. The costs shall be paid within two weeks.
- ii. The Respondent shall file its Statement of Defence with documents within one week. It is made clear that no further time shall be granted for the said purpose and in case the same is not filed, the right of the Respondent shall again be forfeited, once and for all.
- iii. The Respondent shall not seek, nor be granted any undue adjournments in future, till the conclusion of these proceedings.

The Application moved by the Claimant on 20.11.2024 for denying hearing to the Respondent till such time as it purges the alleged contempt is rejected.

The aforesaid Applications are disposed of in terms aforesaid.

27. In the above backdrop, learned counsel for the petitioner contends that the petitioner's claims before the Arbitral Tribunal are for the specific performance of the Agreements to Sell dated 27.09.2018 and the immovable assets covered by the Agreements to Sell were the subject matter of an interim order granted under Section 9 of the Arbitration and Conciliation Act, 1996. It is pointed out that by attempting to deal with or alienate the said assets in violation of the subsisting interim orders, the respondent has



sought to render infructuous the claims advanced by the petitioner before the Arbitral Tribunal.

28. It is submitted that the petitioner is well within his rights to pursue the contempt petition bearing CONT.CAS (C) 1744/2024 and also to seek that the illegal transfer/ alienation effectuated by the respondent be declared null and void. It is submitted that pending adjudication of the contempt petition filed and the prayers sought by the petitioner therein, it would be utterly futile for the petitioner to pursue the Arbitration. It is further submitted that only upon final adjudication of the contempt petition can the arbitration be meaningfully proceeded with.

29. It is submitted that if the petitioner is compelled to amend its claims on account of the contumacious conduct of the respondent, the same will tantamount to letting the respondent enjoy the fruits of its contempt. It is submitted that this cannot be permitted in the light of the *prima facie* observations of the Court in the contempt proceedings and the interim order passed therein. Attention is drawn to the order date 28.04.2025 in the contempt proceedings wherein it has been held as under:-

“38. Essentially, there shall be an interim order restraining further transfer, alienation or creation of any third-party rights or interests and the parting of possession in respect of the flats as noted.

39. Therefore, respondent no.1 will ensure that there is no further transfer, alienation or creation of any third-party rights or interest and parting of possession in respect of the “Said Flats” viz. B-2003 (1720 sq. ft.), C-1301 (1695 sq. ft.), C-2102 (1720 sq. ft.), D- 2102 (1720 sq. ft.), D-2103 (1720 sq. ft.), D-2204 (1695 sq. ft.), A-2202 (1720 sq. ft.), A- 2203 (1720 sq. ft.), A-2002 (1720 sq. ft.), B-2202 (1720 sq. ft.), B-2203 (1720 sq. ft.), C-2102 (1720 sq. ft.), C-2103 (1720 sq. ft.), C-2203 (1695 sq. ft.), C-2204 (1695 sq. ft.) situated at apartment complex



“PRIMERA”, located at Ramprastha City, Sector 37-D, Gurugram, Haryana, by any third party deriving any right, title or interest from the execution of any agreement(s) / conveyance deed(s), and further the SubRegistrar, Kadipur, Gurugram is directed not to register any conveyance deed/agreement in respect of the Said Flats.

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43. Considering that the possession has already been granted to the third parties, as per respondent no.1, the Court is not passing any coercive orders yet. Those issues will stand reserved for determination later. The Court is restricting the relief to what has been sought by petitioner in these applications.”

30. It is submitted that only upon the culmination of the contempt proceedings can the Arbitral Tribunal effectively continue with the Arbitral proceedings, wherein the petitioner would have the opportunity to make an informed choice regarding the amendment of its claims in the manner which is appropriate.

31. Per contra, learned counsel for the respondent, while vehemently disputing the allegations made by the petitioner, submits that the petitioner is shying away from continuing with the arbitral proceedings under the guise of having fraudulently obtaining an *ex parte* order dated 02.06.2023.

32. It is further submitted that the writ petition is not maintainable and, in this regard, reliance is placed on the following judgments:-

- i) **“SBP & co. v. PATEL ENGINEERING LTD. (2005) 8 SCC 618 – Para 45 & 46 @ Pg. 49 of the W.S.**
- ii) **DEEP INDUSTRIES LIMITED VS ONGC (2020) 15 SCC 706 - Para 16 & 17 @ Pg. 90 of the W.S.**
- iii) **BHAVEN CONSTRUCTION v. SARDAR SAROVAR NARMADA NIGAM LTD. (2022) 1 SCC 75 – Para 18 @ Pg. 105 of W.S.**



33. It is further submitted that while it is not disputed that the interim directions contained in the order dated 02.06.2023 were violated, it is contended that such violation was inadvertent and not willful. Attention is drawn to the fact that this Court, *vide* order dated 19.02.2025, granted liberty to the petitioner to request the Arbitral Tribunal to defer the arbitral proceedings and/ or suitably extend the time for the petitioner to file its rejoinder in response to the statement of defence filed on behalf of the respondent.

34. It is submitted that pursuant to order dated 19.02.2025, the petitioner requested the learned Sole Arbitrator to defer the hearing. The Arbitral Tribunal on 05.03.2025 passed a detailed order rejecting the request of deferment sought by the petitioner, however granting additional four weeks to the petitioner for filing their rejoinder.

35. It is submitted that there is no ground to delay adjudicatory process of the pending arbitration. Hence the present petition deserves to be dismissed.

FINDINGS

36. There can be no cavil with the proposition that the scope of interference with arbitral proceedings in the exercise of jurisdiction under Article 226 of the Constitution of India is extremely narrow and circumscribed. It would be only in the rarest of rare cases that this Court would interfere, in terms of the threshold requirement set out in Paragraph-18 of the judgment in ***Bhaven Constructions v. Sardar Sarovar Narmada***



Nigam Ltd., (2022) 1 SCC 75, where one party is left remediless or where a clear bad faith is shown by one of the parties.

37. Having perused the impugned order dated 04.12.2024 passed by the learned Arbitrator, it is evident that refusal on the part of the learned Arbitrator to defer the arbitral proceedings, was with a view to avoid protraction of arbitration proceedings, and taking note of absence of any express statutory provision enabling deferment of proceedings. Per se, the same cannot be faulted.

38. However, the matter does not end here. It cannot be disputed that the outcome of the pending CONT.CAS (C) 1744/2024 will have a vital bearing on the ongoing arbitral proceedings between the parties.

39. In CONT.CAS (C) 1744/2024, this Court has found *prima facie* merit in the petitioner's allegations that the respondent is guilty of contempt of the subsisting interim orders passed by this Court under Section 9 and by the Arbitral Tribunal under Section 17 of the A&C Act.

40. *Vide* order dated 28.04.2025, interim directions have also been issued in CONT.CAS (C) 1744/2024, *inter alia*, restraining the Sub Registrar, Kadipur from registering any Conveyance Deed / Agreement in respect of the said flats. The petitioner's prayer for nullification of agreement(s) / conveyance deed(s) executed by the respondent in favour of third parties or thereafter by such third parties in respect of the concerned flats is pending consideration.

41. The petitioner is right in contending that if it is compelled to proceed with the arbitration before the aforesaid contempt case is adjudicated and



prior to the adjudication of the petitioner's pending application (in the contempt proceedings) for nullification of the creation of third-party rights, the same will have a direct bearing on the nature of the claims that can be canvassed in the arbitral proceedings.

42. The impugned order dated 04.12.2024 passed by the learned Arbitrator itself notes that the petitioner has not claimed any damages in the arbitral proceedings and has confined its reliefs to seeking specific performance. Clearly, if the petitioner is compelled to pursue arbitration without adjudication of CONT.CAS (C) 1744/2024 filed therein, the same would be prejudicial to the petitioner, as the nature of evidence that is required to be adduced in the arbitral proceedings will also substantially change if the petitioner is compelled to resort to seeking the alternative relief of the damages.

43. What is a matter of concern to this Court is that the respondent has allegedly dealt with the subject matter of the arbitration in the teeth of a subsisting injunction, and now seeks to proceed with the arbitration as though the consequences of such conduct are legally irrelevant (for the purposes of arbitration). The Arbitral Tribunal observed that there is no specific provision to defer the proceedings to enable the claimant to pursue contempt remedies. This, however, cannot be permitted to operate to the prejudice of the petitioner, nor should it result in a situation where a serious allegation of violation of a Court order is allowed to alter the procedural balance between the parties and/or to compel the petitioner to seek alternate relief/s. If the respondent is ultimately held guilty of committing 'contempt',



such a course would tantamount to permitting the respondent to enjoy the fruits of such ‘contempt’ which cannot be permitted in terms of **DDA v. Skipper Construction Co. (P) Ltd.**, (1996) 4 SCC 622¹.

44. This Court is, therefore, of the view that permitting the petitioner to pursue the contempt proceedings and permitting deferment of the arbitral proceedings in the interregnum, does not amount to interference with the arbitral process. On the contrary, it is a limited and proportionate intervention intended to preserve the efficacy of arbitration by ensuring that the proceedings are not conducted against the backdrop of an unresolved allegation of contempt involving the very subject matter of the dispute.

45. To compel the petitioner, in such circumstances, to continue with the arbitration or to confine itself to a claim for damages would be manifestly unfair. It would place a premium on the alleged disobedience of a Court’s order and allow a party to present the opposing side with a *fait accompli* of its own making. This Court cannot countenance a situation where a violation of a judicial injunction becomes a means of altering the procedural balance or reshaping substantive remedies in arbitration.

46. It is also noticed that CONT.CAS (C) 1744/2024 is at an advanced stage of consideration and is now listed for hearing on 21.02.2026. In these

¹ “17. The principle that a contemner ought not to be permitted to enjoy and/or keep the fruits of his contempt is well settled. In *Mohd. Idris v. Rustam Jehangir Babuji* [(1984) 4 SCC 216 : 1984 SCC (Cri) 587 : (1985) 1 SCR 598] this Court held clearly that undergoing the punishment for contempt does not mean that the court is not entitled to give appropriate directions for remedying and rectifying the things done in violation of its orders. The petitioners therein had given an undertaking to the Bombay High Court. They acted in breach of it. A learned Single Judge held them guilty of contempt and imposed a sentence of one month’s imprisonment. In addition thereto, the learned Single Judge made appropriate directions to remedy the breach of undertaking. It was contended before this Court that the learned Judge was not justified in giving the aforesaid directions in addition to punishing the petitioners for contempt of court. The argument was rejected holding that “the Single Judge was quite right in giving appropriate directions to close the breach (of undertaking)”.



circumstances, this Court holds that the ends of justice require that the claimant be permitted to pursue the contempt proceedings in accordance with law, and that the arbitral proceedings be deferred for a limited period pending such adjudication. This is necessary to ensure that no party derives any procedural or substantive advantage from an act alleged to be in violation of a subsisting Court order, and to ensure that the arbitral process remains meaningful and effective.

47. This Court also notices that in the ongoing arbitral proceedings, no counter-claim has been preferred by the respondent. As a result, it would not really be prejudiced if arbitral adjudication of the petitioner's claim/s is delayed. On the contrary, if it turns out in the contempt proceedings that the respondent is guilty of willful disobedience/ contempt of the orders passed by this Court, then the prejudice caused to the petitioner, as a result of being compelled during the intervening period to change the nature of the claims/evidence, shall be irreversible. Clearly, such a situation ought to be avoided. The same is also in line with the judgment in ***Bhavesh Constructions v. Sardar Sarovar Narmada Nigam Ltd.***, (2022) 1 SCC 75, which clearly contemplates that this Court can exercise jurisdiction under Article 226 of the Constitution of India to safeguard against situations where a party seeks to claim an advantage on account of "bad faith" conduct. It has also been observed therein that the legislative intent/principle guiding this Court is that the mechanism of arbitration must be both fair and efficient.



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48. In the circumstances, the present petition is disposed of with liberty to the petitioner to seek adjournment in the ongoing arbitral proceedings pending disposal of CONT.CAS (C) 1744/2024. The petitioner shall diligently pursue the said CONT.CAS (C) 1744/2024 and neither party shall take any unnecessary adjournment therein. Further proceedings in the arbitration shall await the outcome of CONT.CAS (C) 1744/2024.

49. It is made clear that the observations made in this order are for the purpose of deciding the present petition in the conspectus of the limited controversy that falls for consideration; the same will have no bearing on the outcome of CONT.CAS (C) 1744/2024, which will be decided on its own merits.

50. The petition is disposed of in the above terms. Pending application also stands disposed of.

SACHIN DATTA, J

FEBRUARY 2, 2026/uk, sv