Shabnoor

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

COMM ARBITRATION PETITION (L) NO.18386 OF 2026

1. Shailesh R. Gandhi
2. Bela S. Gandhi
3. Vadilal Dairy International Ltd.
   (earlier known as Super Milk
   Makers Private Limited)

... Petitioners

Vs.

1. Late Ramchandra R. Gandhi
2. Late Bhantumatiben R. Gandhi
3. Virendrabhai R. Gandhi
4. Ilaben V. Gandhi
5. Rajesh R. Gandhi
6. Mamataben R. Gandhi
7. Dharini V. Gandhi
8. Khevna V. Gandhi
9. Nilaben R. Modi
10. Late Nitaben P. Surti
11. Late Ushaben N. Modi
12. Nayanaben S. Choksi
13. Devanshu L. Gandhi
14. Late Pushpaben L. Gandhi
15. Harshaben V. Gandhi
16. Late Sharmishthaben P. Surti
17. Vadilal International Private Ltd.

18 Vadilal Industries Ltd.

19. Vadilal Industries USA, Inc. … Respondents

Mr. Mustafa Doctor, Senior Advocate with Mr. Rohaan Cama, Mr. Hiren Kamod, Ms. Spenta Kapadiya, Mr. Kyrus Modi, Mr. Faraz Alam Sagar, Mr. Surya Sambyal, Ms. Aarti Abhjyankar, Ms. Aditi Goyal, Ms. Urja Dhapre, and Mr. Prateek Ayyappan i/by IndusLaw for the petitioner.

Mr. Venkatesh R. Dhond, Senior Advocate with Ms. Shalaka Patil, Mr. Ankit Pathak, Mr. Amaan Rahman, and Mr. Harsh Khanchandani i/by Trilegal for respondent Nos.3 to 8.

Mr. Shyam Kapadia with Ms. Shalaka Patil, Mr. Ankit Pathak, Mr. Amaan Rahman, and Mr. Harsh Khanchandabi i/by Trilegal for respondent No.13.

Mr. Shiraz Rustomjee, Senior Advocate with Mr. Prattek Pai, Mr. Ankit Pathak, Mr. Amaan Rahman, and Mr. Harsh Khanchandani i/by Trilegal for respondent No.17.

Mr. Zal Andhyarujina, Senior Advocate with Mr. Ativ Patel, Ms. Viloma Shah, Mr. Harshad Vyas, and Mr. Viraj Raiyani i/by AVP Partners for respondent No.18.

CORAM : AMIT BORKAR, J.

RESERVED ON : JUNE 24, 2026

PRONOUNCED ON : JUNE 30, 2026

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JUDGMENT:

1. The petitioners have filed this petition under Section 9 of the Arbitration and Conciliation Act, 1996 read with Section 10 of the Commercial Courts Act, 2015. They are asking for interim protection of certain rights which, according to them, they have been continuously enjoying for the last about 33 years. Their case

is that these rights came to them under a family settlement entered into in the year 1993. Under that settlement, they were given exclusive rights to manufacture and sell ice cream and some other products under the brand name "Vadilal" in certain specified areas, including the State of Maharashtra. The petitioners contend that because of some recent actions of the respondents, they have a genuine apprehension that the respondents may act contrary to the family settlement and other related agreements and interfere with their long-standing business. According to them, such acts may disturb their business of manufacturing, selling, and marketing ice cream and other products under the "Vadilal" brand, which they have been carrying on for more than three decades. Therefore, they have approached this Court seeking urgent interim protection.

2. The petitioners have invoked the jurisdiction of this Court by relying upon Clause 10.1 of the Memorandum of Agreement dated 30 March 1993. According to them, the said clause clearly provides that the Memorandum of Agreement, the other understandings between the parties and all agreements executed pursuant to those understandings shall be governed by arbitration under the Indian Arbitration Act, 1940. It further provides that if any dispute arises between the parties regarding the agreement or its interpretation, such dispute shall be referred to arbitration. If both parties agree upon one arbitrator, the dispute shall be decided by such sole arbitrator. If there is no agreement, each party can nominate one arbitrator and those arbitrators shall appoint an Umpire. The clause also states that the arbitration proceedings shall be subject to the jurisdiction of the territory of the party other than the party

whose conduct has made the arbitration necessary.

3. According to the petitioners, in the present case it is the conduct of the respondents which has made the arbitration proceedings necessary. They, therefore, submit that under the agreed terms, jurisdiction would lie with the Court within the territory where the petitioners are situated, namely Bombay or Mumbai. It is further their case that the cause of action has also arisen within Mumbai because the petitioners carry on their business there and the effect of the respondents' alleged actions will also be suffered there. On this basis, the petitioners contend that Mumbai is the seat of arbitration and this Court has jurisdiction to entertain and decide the present petition under Section 9 of the Arbitration and Conciliation Act, 1996.

4. Petitioner Nos. 1 and 2 are Mr. Shailesh R. Gandhi and his wife Mrs. Bela S. Gandhi. They are acting in their individual capacity as well as on behalf of their children, Mr. Rahil S. Gandhi and Mrs. Rhea S. Gandhi. According to the petitioners, they represent the Bombay Group of the Vadilal business. It is their case that the rights of the Bombay Group under the family settlement of 1993 are exercised through petitioner No. 3.

5. Petitioner No. 3, Vadilal Dairy International Limited, earlier known as Super Milk Makers Private Limited, is a company incorporated under the Companies Act, 1956. Its registered office is situated at Plot No. M 13, MIDC Industrial Area, Tarapur, Boisar, Palghar, Maharashtra. According to the petitioners, after the family settlement of 1993 between the Bombay Group and the

Ahmedabad Group, this company, which belongs to the Bombay Group, has been exclusively carrying on the business of manufacturing, selling and distributing ice cream and juices under the "Vadilal" brand in the States of Maharashtra, Goa, Karnataka, Kerala and Andhra Pradesh, including Telangana.

6. Respondent Nos. 1 to 16 are stated to be members of the Gandhi family representing the Ahmedabad Group of the Vadilal business. According to the petitioners, for the purpose of the present dispute, the Ahmedabad Group exercises its rights under the 1993 family settlement through respondent No. 17.

7. Respondent No. 17, Vadilal International Private Limited, earlier known as Vadilal International Limited, has its registered office at Vadilal House, Shrimali Society, Ahmedabad. According to the petitioners, under the family settlement of 1993, this company belongs to the Ahmedabad Group and has been carrying on the business of manufacturing, selling and distributing ice cream and juices under the "Vadilal" brand in all territories except those exclusively allotted to the Bombay Group. It is further stated that respondent No. 18, Vadilal Industries Limited, is the holding company of the Ahmedabad Group. According to the petitioners, respondent No. 17, along with certain other companies of the Ahmedabad Group, is proposed to be merged with respondent No. 18 and, under the proposed scheme, all obligations, and liabilities of respondent No. 17 arising from the 1993 family settlement agreements will stand transferred to respondent No. 18.

8. Respondent No. 19, Vadilal Industries USA Inc., is stated to be a subsidiary of respondent No. 17 carrying on business in the United States of America. According to the petitioners, this respondent had filed proceedings before the United States District Court for the District of Maryland seeking to prevent the petitioners from exporting their ice cream products. The petitioners state that those proceedings were unsuccessful, but according to them, they have adversely affected their business rights, the details of which are set out later in the petition.

9. According to the petitioners, late Mr. Ranchhodlal Vadilal Gandhi originally started the Vadilal business. Thereafter, his sons, respondent No. 1, Mr. Ramchandra Gandhi, and late Mr. Laxman Gandhi, joined the business. In due course, the next generation also became part of the business, including the sons of respondent No. 1, namely respondent No. 3, Mr. Virendra Gandhi, petitioner No. 1, Mr. Shailesh Gandhi, and respondent No. 5, Mr. Rajesh Gandhi, along with the son of late Mr. Laxman Gandhi, namely, respondent No. 13, Mr. Devanshu Gandhi.

10. According to the petitioners, during the years 1992 and 1993, differences arose regarding the future development and management of the Vadilal business between petitioner No. 1 and the other family members. These differences ultimately resulted in two separate groups within the Gandhi family, namely the Bombay Group and the Ahmedabad Group. The petitioners state that this led to a family settlement by which the business was divided between the two groups. According to them, the present dispute has arisen out of that family settlement, which was recorded

through the Parent Agreement or Memorandum of Agreement. They further state that for implementing the Parent Agreement, the Branding Agreement, the Irrevocable Power of Attorney and the Registered User Agreement were executed simultaneously.

11. On 30 March 1993, the Bombay Group and the Ahmedabad Group entered into a Memorandum of Agreement, described as the Parent Agreement. According to the petitioners, this agreement was executed for restructuring the Vadilal Group and recording the manner in which the business would be divided between the two groups. The petitioners state that the recitals of the Parent Agreement specifically provided that the business of the Bombay Group would consist of petitioner No. 3, then known as Super Milk Makers Private Limited, together with the Bombay Division of Vadilal Enterprises Limited. According to them, ownership, effective control and management of those businesses were given to the Bombay Group. They further state that all other companies and business centres mentioned in Schedule I of the Parent Agreement formed part of the Ahmedabad Group and were to remain under its ownership, control and management. According to the petitioners, under the Parent Agreement, the Bombay Group agreed to transfer its shareholding in Vadilal International Limited, now respondent No. 17, in favour of the Ahmedabad Group. They contend that this transfer was made only on the clear understanding that the Bombay Group would receive irrevocable operative rights to use the "Vadilal" brand in its exclusive territories. They rely upon Clause 2.2 of the Parent Agreement, which records that the transfer of shares would take place only

after such operative rights were granted in a manner satisfactory to the Bombay Group. They also rely upon Clause 5.1, which provides for execution of the Registered User Agreement and an Irrevocable Power of Attorney to enable the Bombay Group to execute Registered User Agreements on behalf of respondent No. 17 in respect of its exclusive territory. The petitioners further rely upon Clause 4.3(a), which provides that respondent No. 17 would not charge royalty from petitioner No. 3 for use of the "Vadilal" brand after 1 April 1992 because another Registered User Agreement was being executed with effect from that date. According to the petitioners, the Parent Agreement itself contemplated execution of an Irrevocable Power of Attorney by respondent No. 17 in favour of the Bombay Group for conferring ownership related and user rights in respect of the "Vadilal" logo and trademarks within the exclusive territories of the Bombay Group. It is their case that the agreement also recognised the right of the Bombay Group to execute Registered User Agreements on behalf of respondent No. 17. In support of this contention, the petitioners have again relied upon Clause 5.1 of the Parent Agreement, which records that these documents were executed simultaneously with the Parent Agreement for use of the existing and future trademarks and logos.

12. Clause 6.1.2 of the Parent Agreement, according to the petitioners, specifically divided the territories for sale of ice cream and juices between the two groups. Under this clause, Maharashtra, Goa, Karnataka, Kerala and Andhra Pradesh, including Telangana, were allotted exclusively to the Bombay

Group. All remaining territories in India, except these specified areas, were allotted exclusively to the Ahmedabad Group. According to the petitioners, the above provisions of the Parent Agreement clearly show that the rights created under the agreement, and subsequently reflected in the 1993 Family Settlement Agreements, were intended to be permanent in nature and were neither transferable nor capable of being terminated. The petitioners further contend that the Parent Agreement expressly provides that all disputes arising out of the family settlement and the connected agreements are required to be resolved through arbitration in accordance with Clause 10.1 of the Parent Agreement.

13. According to the petitioners, to implement the Parent Agreement, the parties simultaneously executed the Branding Agreement, the Irrevocable Power of Attorney and the Registered User Agreement on 30 March 1993. These documents are collectively referred to as the 1993 Family Settlement Agreements. It is further their case that Bela Investment and Finance Company Private Limited and Petitioner Nos. 1 and 2 were appointed as constituted attorneys of respondent No. 17 under the Irrevocable Power of Attorney. The petitioners contend that the Branding Agreement, the Irrevocable Power of Attorney and the Registered User Agreement all arise out of and form an integral part of the Parent Agreement. According to them, these documents were executed to maintain the identity of the brand, clearly divide the domestic territories between the two groups and enable each group to independently conduct its business within the rights given

under the family settlement. According to the petitioners, along with the Parent Agreement, the parties also executed the Branding Agreement on 30 March 1993 for regulating the use of the "Vadilal" brand by both groups. It is their case that this agreement formed part of the consideration given to the Bombay Group in return for giving up its shareholding in the company holding the brand.

14. The petitioners state that the Branding Agreement provided that, in respect of products other than ice cream and juices, both groups could either create a completely new brand or use a double branded logo together with the "Vadilal" brand. According to them, the agreement prescribed specific proportions for such double branding so that parity between both groups could be maintained. They contend that these provisions were in furtherance of the Parent Agreement under which brand rights were to be conferred only after simultaneous execution of the Branding Agreement, the Registered User Agreement and the Irrevocable Power of Attorney. According to the petitioners, Clause 4.1 of the Branding Agreement is of particular importance because it provides that overseas markets, except in relation to restricted goods, are open to both groups on a non exclusive basis. They contend that this clause recognises that while domestic territories were divided exclusively between the two groups, both groups were free to expand their business in foreign countries subject to compliance with the agreed conditions relating to branding. The petitioners further contend that Clause 2.1 of the Branding Agreement records that the Bombay Group surrendered its shareholding and representation on

the Board of Vadilal International Limited in return for obtaining perpetual operative rights to use the "Vadilal" brand. They rely upon the clause to contend that both groups were permitted to continue using the existing brand names and trade names in respect of the businesses and products specifically identified in the agreement. According to the petitioners, Clause 6.2 of the Branding Agreement specifically required Vadilal International Limited, respondent No. 17, to grant an Irrevocable Power of Attorney permitting use of the "Vadilal" brand by the Bombay Group for ice cream and juices within its exclusive territories. They submit that this provision was directly linked with Clause 2.2 of the Parent Agreement and shows that the Bombay Group agreed to transfer its ownership interest in respondent No. 17 only because irrevocable brand rights were simultaneously granted in its favour. The petitioners contend that the Branding Agreement cannot be read separately from the Parent Agreement because it was executed as part of the same family settlement. According to them, the provisions relating to double branding, overseas business and use of logos were intended to maintain the balance of rights between the two groups. It is therefore their case that if the Branding Agreement is treated independently or brought to an end, the very object of the 1993 Family Settlement Agreements would stand defeated.

15. According to the petitioners, respondent No. 17 executed an Irrevocable Power of Attorney on 30 March 1993 in favour of Bela Investment and Finance Company Private Limited, petitioner No. 1 and petitioner No. 2. They contend that this document was

executed to ensure effective implementation of the Registered User Agreement contemplated under the family settlement and to secure the Bombay Group's continuing rights to use the "Vadilal" brand. The petitioners further state that the Irrevocable Power of Attorney specifically recognised respondent No. 17 as the registered proprietor of the "Vadilal" trademarks under the Trade and Merchandise Marks Act, 1958. According to them, Part D of the Irrevocable Power of Attorney reinforced Clause 5.1 of the Parent Agreement by providing for simultaneous execution of the Registered User Agreement and the Irrevocable Power of Attorney so that operative rights could be effectively granted to the Bombay Group. They further state that, acting under the authority given by the Irrevocable Power of Attorney, petitioner No. 3 entered into a Registered User Agreement dated 1 April 1993 with Bela Investment and Finance Company Private Limited. According to the petitioners, the Irrevocable Power of Attorney also authorised the representatives of the Bombay Group to independently protect and enforce the rights relating to the "Vadilal" brand without interference from the Ahmedabad Group. It is further their case that the document also bound respondent No. 17 and its successors to recognise and ratify all acts validly done by such authorised representatives in exercise of the powers granted under the said document. According to the petitioners, the Irrevocable Power of Attorney also authorised the representatives of the Bombay Group to independently protect and enforce the rights relating to the "Vadilal" brand without any obstruction from the Ahmedabad Group. It is their case that respondent No. 17 and any

company which may subsequently take over its rights or merge with it were also bound to recognise and accept all lawful acts done by these authorised persons under the Power of Attorney. According to the petitioners, this arrangement ensured that any future merger, restructuring or change in the corporate structure would not affect or reduce the rights already vested in the Bombay Group. The petitioners contend that the Irrevocable Power of Attorney is an important document forming part of the 1993 Family Settlement Agreements. According to them, it gives practical effect to the Parent Agreement, supports the Branding Agreement and secures the Bombay Group's permanent rights to use the "Vadilal" brand. They submit that these rights were granted because the Bombay Group had given up its shareholding and management rights in respondent No. 17. It is therefore their case that if the Irrevocable Power of Attorney is revoked or treated separately from the other agreements, the very purpose of the 1993 Family Settlement Agreements would be defeated.

16. According to the petitioners, although the right to use the "Vadilal" brand was created through the Parent Agreement, the Branding Agreement and the Irrevocable Power of Attorney, respondent No. 17 also executed a Registered User Agreement on 30 March 1993 in favour of petitioner No. 3. This agreement was in the standard form attached to the Irrevocable Power of Attorney. The petitioners state that it was executed only to implement the rights already created under the earlier agreements. They further submit that every person or company permitted to use the "Vadilal" brand, whether appointed by the Bombay Group or the

Ahmedabad Group, is required to execute a similar Registered User Agreement. According to the petitioners, the Registered User Agreement is the document through which the Bombay Group actually exercises its right to use the "Vadilal" trademarks in its exclusive territories. It was executed to give effect to Clauses 2.2 and 5.1 of the Parent Agreement. The petitioners further submit that this agreement also enabled the Bombay Group to take legal action if any third party infringed the "Vadilal" trademarks within its exclusive territories. The petitioners submit that the Registered User Agreement specifically records that petitioner No. 3 is the exclusive registered user of the "Vadilal" trademarks in the States of Maharashtra, Goa, Karnataka, Kerala and Andhra Pradesh, including Telangana. According to them, Recital C and Clauses 1 to 3 of the agreement clearly show that this licence is exclusive and enforceable within these territories. They further contend that this territorial arrangement is in accordance with Clause 6.1.2 of the Parent Agreement, which had already divided the territories between the Bombay Group and the Ahmedabad Group. According to the petitioners, the Registered User Agreement also requires petitioner No. 3 to maintain the quality of its products. Clause 5 provides that all directions, standards, specifications and quality requirements prescribed by the proprietor must be followed. It also states that if these requirements are not complied with, petitioner No. 3 would have to recall the products after receiving written notice. However, the petitioners point out that till date the respondents have never issued any such directions, standards or quality requirements under Clause 5 of the agreement.

17. The petitioners further submit that Clause 11 of the Registered User Agreement requires petitioner No. 3 to obtain all necessary permissions and comply with all applicable laws relating to manufacture, sale and distribution of Vadilal products, including the Prevention of Food Adulteration Act, 1954. According to them, this obligation is also reflected in the Irrevocable Power of Attorney, where the representatives of the Bombay Group had undertaken to ensure compliance with all statutory requirements.

18. According to the petitioners, Clause 14 of the Registered User Agreement clearly provides that petitioner No. 3 is not required to pay any royalty, fee, or commission to respondent No. 17 for use of the "Vadilal" brand. They submit that the only consideration under the agreement was the mutual promises and obligations accepted by both sides. The petitioners further point out that Clause 15 provides that the agreement will continue indefinitely. According to them, this shows that the agreement was not an ordinary commercial licence but was a part of the family settlement under which the Bombay Group received permanent and irrevocable rights in the "Vadilal" brand after giving up its shareholding and management rights in respondent No. 17. The petitioners submit that although Clause 16 of the Registered User Agreement contains a provision regarding termination, the said clause is only a standard clause found in the prescribed format of the agreement. According to them, since the Registered User Agreement forms part of the family settlement and was executed along with the Irrevocable Power of Attorney, the termination clause cannot be read in isolation so as to defeat the permanent

rights created under the family settlement. According to the petitioners, the Registered User Agreement is the operative document through which the Bombay Group exercises its rights in the "Vadilal" brand. They contend that this agreement is inseparably connected with the Parent Agreement and the Irrevocable Power of Attorney, and all these documents together maintain the balance of rights created under the family settlement. It is therefore their case that any attempt to treat the Registered User Agreement separately or to terminate it would defeat the object of the 1993 Family Settlement Agreements.

19. The petitioners, therefore, submit that the combined reading of Clauses 2.2 and 5.1 of the Parent Agreement, Clauses 2.2 and 6.2 of the Branding Agreement, Part D of the Irrevocable Power of Attorney, and Recital C together with Clauses 1 to 3 of the Registered User Agreement clearly shows that after the Bombay Group gave up its shareholding in respondent No. 17, it was granted permanent and irrevocable rights to use the "Vadilal" brand within its exclusive territories.

20. According to the petitioners, from the year 1993 till the year 2025, they carried on their business without any interference. During this period, disputes had arisen only among the members of the Ahmedabad Group. The petitioners state that after those disputes were settled during the years 2024 and 2025, the respondents started taking various steps against the petitioners. According to them, these actions included filing legal proceedings in the United States and issuing legal notices in India. The petitioners further contend that since the respondents could not

obtain any adverse order against petitioner No. 3 in the proceedings before the United States Court, they thereafter adopted various other actions, as stated in the petition, with the intention of disturbing the petitioners' business and putting pressure upon them to accept a buy out on terms favourable to the Ahmedabad Group.

21. According to the petitioners, for giving effect to the partition and restructuring of the Vadilal Group, four documents were executed on 30 March 1993. These documents together are referred to as the 1993 Family Settlement Agreements. They consist of the Parent Agreement, the Branding Agreement, the Irrevocable Power of Attorney and the Registered User Agreement. According to the petitioners, all these documents were executed together as part of one common arrangement for implementing the family settlement.

22. The petitioners contend that under the 1993 Family Settlement Agreements, they were granted permanent and irrevocable rights to use the "Vadilal" brand in their exclusive territories, namely Maharashtra, Goa, Karnataka, Kerala and Andhra Pradesh, including Telangana. According to them, these rights were given in consideration of the Bombay Group giving up its shareholding in respondent No. 17 and other group companies as part of the family settlement. According to the petitioners, the Parent Agreement is the main document governing the family settlement and contains the terms relating to the restructuring of the Vadilal Group and the rights of both groups. It is their case that the Parent Agreement, among other things, provides that the

Bombay Group would transfer all its shares in respondent No. 17 and other group companies to the Ahmedabad Group. At the same time, the Bombay Group would retain petitioner No. 3 and would have the exclusive right to manufacture and sell products under the "Vadilal" brand in its allotted territories, while the Ahmedabad Group would have similar rights in the remaining parts of India. The petitioners further submit that the Parent Agreement also contemplated execution of three other documents, namely the Branding Agreement, the Irrevocable Power of Attorney and the Registered User Agreement, for giving effect to its terms. It also provides that any dispute arising under the Parent Agreement or the connected agreements would be resolved through arbitration.

23. According to the petitioners, on 26 May 2026, respondent No. 17 issued a communication purporting to terminate the Registered User Agreement and the Irrevocable Power of Attorney executed in favour of the petitioners. The petitioners contend that on the strength of this alleged termination, respondent No. 17 has also sought to interfere with and prevent the petitioners from exercising their right to use the "Vadilal" brand, which according to them has been granted under the 1993 Family Settlement Agreements.

24. Mr. Doctor, learned Senior Advocate appearing for the petitioners submitted that the entire stand taken by the respondents is against the understanding reached between the members of the Gandhi family in the year 1993. According to him, the respondents are reading every agreement separately though all four documents were executed on the same day for carrying out

one common family arrangement. He submitted that the respondents are proceeding only on the basis that once the Registered User Agreement is terminated, every right of the petitioners to use the "Vadilal" name automatically comes to an end. According to him, this approach is completely incorrect because the Registered User Agreement cannot be separated from the Parent Agreement, the Branding Agreement and the Irrevocable Power of Attorney. He submitted that all these documents were executed together for giving effect to one family settlement and, therefore, they have to be read together. According to him, if one document alone is picked up and interpreted without reading the remaining documents, the true intention of the parties will not become clear, and the entire family arrangement will get disturbed.

25. Learned Senior Counsel further submitted that throughout the hearing the respondents repeatedly described the petitioners only as licensees of the "Vadilal" brand. According to him, this itself shows that the respondents have misunderstood the nature of the arrangement between the parties. He submitted that the petitioners are not outsiders who were granted a commercial licence on payment of consideration. They are members of one branch of the Gandhi family itself. According to him, after division of the family business, both branches agreed that each branch would continue carrying on business under the "Vadilal" name in its respective territory. Therefore, the right claimed by the petitioners does not arise because respondent No.17 granted them any ordinary licence. It arises because both branches accepted such

arrangement while settling the family disputes. Learned Senior Counsel relied upon Clause 2.1 of the Branding Agreement and submitted that both groups were allowed to continue using the "Vadilal" name for their businesses. According to him, this clearly shows that both branches received corresponding rights under the family settlement and the arrangement was never intended to remain dependent upon the wishes of one branch alone.

26. Learned Senior Counsel then submitted that the respondents are trying to support the termination by placing reliance upon Recital A of the Registered User Agreement. According to him, the respondents contend that every right regarding the "Vadilal" brand flows only from that agreement because the recital refers to the registered "Vadilal" trademark along with other trademarks mentioned in the Schedule. According to him, this interpretation is not correct. He submitted that while reading the recital the respondents have ignored the actual language used in the document and have also ignored the distinction which has been carefully maintained in the different family settlement documents. According to him, the respondents are attempting to enlarge the scope of the Registered User Agreement far beyond what the parties themselves intended while executing it.

27. Learned Senior Counsel further submitted that the respondents have overlooked the important words "Registered Trade Mark" appearing immediately before the word "Vadilal" in Recital A. According to him, they have also ignored that both the Branding Agreement and the Registered User Agreement themselves make it clear that the Registered User Agreement was

confined only to the registered trademarks specifically described in its Schedule. He submitted that the respondents have nowhere pleaded that on 30 March 1993 the word mark "Vadilal" itself stood registered in the broad manner now suggested by them. According to him, therefore, the reference in Recital A can only relate to the six registered trademarks mentioned in the Schedule and cannot be stretched to cover every right connected with the "Vadilal" brand. Learned Senior Counsel further submitted that even if any doubt remains after reading the Registered User Agreement, the Branding Agreement itself removes that doubt. According to him, the Branding Agreement has deliberately created two different categories. One category consists of the existing brand names and trade names mentioned in Annexure I. The other consists of the registered trademarks mentioned in Annexure-II. According to him, the agreement itself treats these two categories differently and, therefore, the respondents are not justified in treating them as one and the same.

28. Learned Senior Counsel thereafter invited attention to the Branding Agreement and submitted that Item No.1 of Annexure I specifically mentions the brand name "Vadilal". According to him, the agreement itself permits both branches of the Gandhi family to continue using the existing brand names and trade names mentioned in Annexure I for carrying on their respective businesses. He submitted that this right was never made dependent upon execution or continuance of the Registered User Agreement. According to him, the parties intended that such right should continue permanently as an important part of the

consideration under the Family Settlement. Therefore, according to him, the respondents cannot now say that such right has automatically come to an end only because they claim to have terminated the Registered User Agreement. Learned Senior Counsel further submitted that the Branding Agreement separately provides that the registered trademarks mentioned in Annexure II would be dealt with through the Registered User Agreement and the Irrevocable Power of Attorney. He pointed out that Annexure II contains only six registered "Vadilal" trademarks and those are the very same six trademarks mentioned in the Schedule to the Registered User Agreement. According to him, this clearly shows that the Registered User Agreement was intended to operate only regarding those six registered marks and was never intended to become the source of every right relating to the "Vadilal" brand.

29. Learned Senior Counsel further submitted that the Registered User Agreement came into existence only because the Trade and Merchandise Marks Act, 1958 required execution of such an agreement before a person could be registered as a registered user of a registered trademark. According to him, this statutory requirement alone explains why the Schedule to the Registered User Agreement specifically mentions six registered trademarks together with their registration numbers. He submitted that the purpose of executing that document was only to satisfy the legal procedure under the Trade Marks law. According to him, it was never intended to create entirely fresh rights in favour of the petitioners. He therefore submitted that the Registered User Agreement applies only to the six registered trademarks mentioned

in its Schedule. Even assuming for the sake of argument that the respondents have validly terminated that agreement, which the petitioners strongly dispute, such termination cannot take away the independent right of the petitioners to use the "Vadilal" brand flowing from the Parent Agreement and the Branding Agreement. According to him, the respondents are wrongly trying to convert termination of one implementing document into extinction of rights created under the larger Family Settlement. He submitted that such action itself amounts to breach of the Parent Agreement as well as the Branding Agreement.

30. Learned Senior Counsel further submitted that communication dated 26 May 2026 issued by respondent No.17, whereby it purported to terminate the Registered User Agreement, revoke the Irrevocable Power of Attorney and also declare that the Branding Agreement no longer survives, is wholly illegal, and contrary to the contractual arrangement between the parties. According to him, the respondents have proceeded on the allegation that the petitioners committed continuing breaches of Clauses 5 and 11 of the Registered User Agreement. He submitted that respondent No.17 has relied upon several notices issued from 13 September 2025 onwards and has contended that the alleged breaches continued for more than 180 days without being rectified. Learned Senior Counsel submitted that every one of those allegations has been specifically denied by the petitioners and, therefore, according to him, the respondents were not justified in taking such drastic action.

31. Learned Senior Counsel also submitted that although the respondents repeatedly relied upon laboratory reports for making allegations regarding the quality of the petitioners' products, copies of those reports were never supplied along with the notices beginning from 13 September 2025. According to him, those reports were made available only on 13 March 2026 after expiry of the alleged contractual period of 180 days given for curing the defects. He submitted that the respondents have therefore sought to terminate the agreement by relying upon documents which were not even supplied to the petitioners during the very period in which they were expected to remove the alleged defects. According to him, such a course is neither fair nor in accordance with the contractual requirements because a party cannot be expected to answer allegations or rectify defects without first being supplied with the material relied upon against it.

32. Learned Senior Counsel further submitted that every notice issued between 13 September 2025 and 3 December 2025 was based only on the allegation that the petitioners were required to recall their products because of alleged breach of the Food Safety and Standards Regulations, particularly Table 2B contained in Appendix B. According to him, throughout this period the respondents consistently maintained that the products manufactured by the petitioners were liable to be recalled on that basis. It was, therefore, submitted that the entire foundation of the respondents' action was based upon those alleged violations alone.

33. Learned Senior Counsel submitted that by a detailed reply dated 24 February 2026 the petitioners specifically pointed out

that the laboratory reports relied upon by the respondents did not show presence of Salmonella or Listeria. According to him, these were the only microbiological parameters relevant under Table 2B for the products manufactured by the petitioners. He submitted that after receiving this reply, the respondents themselves changed the basis of their allegations. Instead of continuing with the original case based upon Table 2B, they started relying upon different provisions of the Food Safety and Standards Act and the Regulations. According to him, this change itself shows that the earlier allegations could not be supported and, therefore, the respondents attempted to justify their action on a different basis.

34. Learned Senior Counsel further submitted that even the process of collecting samples was not carried out in accordance with the mandatory procedure prescribed under the Food Safety and Standards Rules, 2011 and the microbiological sampling guidelines issued by the FSSAI. According to him, every microbiological report relied upon by the respondents relates only to Table 2A of Appendix B, which deals with process hygiene standards. He submitted that these standards are different from the standards which determine whether a food product is legally fit to be released into the market. According to him, the respondents have ignored this distinction and have wrongly treated process hygiene standards as though they were statutory product safety standards. Learned Senior Counsel submitted that this approach itself is legally incorrect and cannot become the basis for terminating valuable rights claimed by the petitioners.

35. Learned Senior Counsel also submitted that neither the laboratory reports nor any other documents produced by the respondents show that the samples were collected by following the procedure prescribed under the Food Safety and Standards Rules or the microbiological sampling guidelines issued by the FSSAI. According to him, when the method of collecting samples itself becomes doubtful, every laboratory report prepared on the basis of such samples also becomes open to serious doubt. He therefore submitted that such reports cannot legally form the foundation for termination of the Registered User Agreement. According to him, before taking such a serious step, the respondents were expected to strictly comply with the prescribed procedure, which, according to the petitioners, has not been done.

36. Learned Senior Counsel submitted that, on the contrary, the petitioners themselves produced independent laboratory reports along with their replies dated 17 October 2025 and 24 February 2026 showing that their products complied with the applicable FSSAI standards. He further submitted that on 9 May 2026 an FSSAI empanelled third party agency, namely, BSCIC Certifications Private Limited, carried out a detailed audit of the manufacturing facility of petitioner No.3. According to him, the audit examined as many as 102 different parameters, awarded a compliance score of 96% and granted the highest A+ Compliance rating. Learned Senior Counsel also pointed out that during more than thirty years of business between the parties, the respondents had never earlier insisted upon inspection of the petitioners' manufacturing units. According to him, the sudden demand for inspection during

February and March 2026 is not an ordinary contractual exercise but forms part of the respondents' attempt to disturb the petitioners' long-standing rights flowing from the Family Settlement.

37. Learned Senior Counsel further submitted that both the proposed arbitration and the present proceedings under Section 9 are founded upon Clause 10.1 of the Parent Agreement. According to him, the arbitration clause has been drafted in wide language and covers not only disputes arising under the Parent Agreement but also disputes relating to the connected understandings and agreements executed for implementing the Family Settlement. He submitted that the objection raised by the respondents that respondent Nos.17 and 18 are not parties to the Parent Agreement and therefore cannot be referred to arbitration is completely without merit. According to him, the arbitration clause cannot be read in a narrow manner because the present dispute concerns enforcement of rights arising from the entire Family Settlement and all the connected agreements executed for giving effect to it. Therefore, according to him, the arbitration clause fully applies to the present controversy.

38. Learned Senior Counsel also submitted that all the four agreements forming the 1993 Family Settlement were admittedly executed on the same day and each document repeatedly refers to the others. He pointed out that respondent No.17 itself is a confirming party to the Branding Agreement. It has also now issued the communication terminating the Registered User Agreement and revoking the Irrevocable Power of Attorney.

According to him, these actions directly interfere with the petitioners' rights to continue using the "Vadilal" brand under the Parent Agreement and the Branding Agreement. He, therefore, submitted that the present dispute clearly arises out of the Family Settlement and the connected agreements and, therefore, falls within the scope of the arbitration clause contained in the Parent Agreement.

39. Learned Senior Counsel further submitted that respondent No.18 also cannot avoid the present proceedings by saying that it is a stranger to the dispute. According to him, respondent No.18 is the company in whose favour the respondents are proposing to transfer the rights relating to the "Vadilal" brand under the scheme pending before the National Company Law Tribunal. He further submitted that respondent No.18 also played an active role in obtaining the laboratory reports which have subsequently been relied upon by respondent No.17 while issuing the termination communication. According to him, respondent No.18 has not remained a silent or formal party but has actively participated in the acts which have ultimately resulted in the present dispute. Therefore, it cannot now contend that it has no connection with the controversy or that the arbitration proceedings cannot continue against it.

40. In support of his submissions regarding the existence of the arbitration agreement, the jurisdiction of the Arbitral Tribunal and the binding effect of the Family Settlement upon the respondents, Learned Senior Counsel placed reliance upon the judgments in *Girish Mulchand Mehta v. Mahesh S. Mehta,* 2009 SCC OnLine

Bom 1986 and *ASF Buildtech Private Limited v. Shapoorji Pallonji & Co Private Limited* (2025) 9 SCC 76. According to him, these decisions recognise that where several agreements form part of one composite transaction or one family arrangement, the Court is required to examine the entire arrangement as a whole and not each document separately. He submitted that these judgments support the petitioners' case that the disputes raised in the present proceedings are capable of being referred to arbitration.

41. Learned Senior Counsel also submitted that the respondents are not correct in contending that this Court has no territorial jurisdiction merely because the petitioners have invoked arbitration. According to him, this argument proceeds upon a wrong interpretation of Clause 10.1 of the Parent Agreement. He submitted that arbitration became necessary only because the respondents attempted to interfere with the petitioners' continued use of the "Vadilal" brand. Therefore, according to him, the party which has necessitated the arbitration proceedings is the respondents themselves and not the petitioners who merely invoked the arbitration clause. Learned Senior Counsel further submitted that before issuing the impugned communication, the respondents had first filed trademark infringement proceedings and proceedings relating to quality against the petitioners' distributors before Courts in the United States. According to him, those proceedings did not succeed because the United States Court noticed the arbitration agreement between the parties and observed that the disputes could appropriately be resolved by arbitration. He submitted that thereafter the respondents changed

their course and started making allegations regarding quality in India, demanded recall of the petitioners' products and finally issued the communication dated 26 May 2026 whereby they purported to terminate the Registered User Agreement and also asserted that the petitioners had lost every right to use the "Vadilal" brand.

42. Learned Senior Counsel therefore submitted that the present disputes have arisen entirely because of the conduct of the respondents. According to him, the petitioners have not created any fresh rights for themselves but have only approached this Court for protection of rights which already existed under the Family Settlement and the connected agreements. He, therefore, submitted that, in view of Clause 10.1 of the Parent Agreement, this Court possesses the necessary territorial jurisdiction to entertain and decide the present petition under Section 9 of the Arbitration and Conciliation Act.

43. Learned Senior Counsel lastly submitted that the present dispute directly arises from a family settlement honestly entered into between members of the same family. According to him, it is a settled principle that Courts ordinarily lean in favour of preserving family settlements because such settlements are intended to maintain peace, avoid future disputes and permanently distribute rights and obligations between different branches of the family. He submitted that such arrangements should not be unsettled on technical grounds when the conduct of the parties for several years shows that the arrangement has been acted upon. In support of this submission, reliance has been placed upon the decisions in

Kale & Ors. v. Deputy Directors of Consolidation & Ors. (1976) 3 SCC 119, and *Hari Shankar Singhania & Ors. v. Gauri Hari Singhania & Ors.* (2006) 4 SCC 658.

44. Learned Senior Counsel, therefore, submitted that the petitioners have made out a clear case for grant of interim protection during the pendency of the arbitral proceedings and also for the statutory period thereafter. According to him, the petitioners have continuously carried on business under the "Vadilal" brand for more than three decades without any earlier objection from the respondents and without any adverse finding recorded by the competent statutory authorities regarding the quality of their products. He submitted that over these years the petitioners have established substantial goodwill, invested heavily in their business and are providing employment to more than one hundred persons. According to him, if the petitioners are suddenly prevented from using the "Vadilal" brand, the loss of goodwill, business reputation, market identity and employment cannot later be adequately compensated by payment of money. On the other hand, according to him, the respondents will not suffer any comparable prejudice if the petitioners are permitted to continue using the brand in the same manner in which they have done for more than thirty years until the disputes are finally decided by the learned Arbitral Tribunal.

45. Mr. Dhond, learned Senior Counsel appearing for respondent Nos.3 to 8 and 13 first submitted that he would deal with what, according to him, was the main argument raised by the petitioners while making their rejoinder submissions. According to him, this

argument is the real foundation of the entire case of the petitioners. Therefore, before considering the other issues, this point itself requires careful consideration because, according to him, the remaining submissions of the petitioners proceed on this very basis.

46. Learned Senior Counsel submitted that the petitioners are trying to make a distinction between the Registered User Agreement and the Branding Agreement. According to him, the petitioners say that the Registered User Agreement applies only to six registered trademarks mentioned in its Schedule and that those trademarks are no longer being used. According to the petitioners, all the other registered and unregistered marks together form the "Vadilal" brand and their right to use that brand comes only from the Branding Agreement. On this basis, the petitioners contend that even if the Registered User Agreement has been terminated, their right to continue using the "Vadilal" brand still survives.

47. Learned Senior Counsel submitted that this argument cannot be accepted. According to him, all the products presently manufactured and sold by the petitioners prominently display the registered "Vadilal" trademark written inside a red oval device. He submitted that this itself is a registered trademark. Therefore, according to him, the petitioners cannot now say that they are not using any registered trademark. He further submitted that the petitioners are now attempting to argue that the trademark presently used is different from the six trademarks mentioned in the Schedule because it came to be registered later. According to him, such a distinction has no legal basis.

48. Learned Senior Counsel further submitted that Clause 7.8 of the Branding Agreement itself answers this issue. According to him, the clause clearly provides that whenever any future trademark is registered, the right to use such trademark can arise only through execution of another Registered User Agreement. He submitted that the Branding Agreement by itself does not automatically permit use of future registered trademarks. According to him, whether the trademark is an existing one or one registered later, the parties always intended that its use would remain governed by a Registered User Agreement. He also relied upon Recital A of the Registered User Agreement and submitted that it supports this interpretation.

49. Learned Senior Counsel, therefore, submitted that the petitioners must clearly explain the legal source from which they claim the present right to use the registered "Vadilal" trademark. According to him, if they say that the right flows from the Registered User Agreement dated 30 March 1993, then that agreement already stands terminated and any dispute regarding such termination has to be decided by the competent Civil Court at Ahmedabad. On the other hand, if they say that the present trademark is outside the Registered User Agreement; then according to him, they have no authority to use that registered trademark because no separate Registered User Agreement has ever been executed in respect of it. He further submitted that, apart from this, even the rights claimed under the Branding Agreement have already been brought to an end by the communication dated 26 May 2026.

50. Learned Senior Counsel submitted that the present controversy arises out of four separate documents executed between the parties, namely the Separation Agreement, the Branding Agreement, the Registered User Agreement and the Power of Attorney. According to him, although these agreements were executed on the same day, each one was made for a different purpose and each created different legal rights and obligations. Therefore, according to him, they cannot all be treated as one single agreement.

51. Learned Senior Counsel then explained the background in which these documents came to be executed. According to him, after disputes arose between the Bombay Group and the Ahmedabad Group, the Separation Agreement divided the business and profit making units between both groups. However, so far as the "Vadilal" brand and trademark rights were concerned, the Separation Agreement itself did not directly confer those rights. According to him, it only contemplated that such rights would thereafter be regulated through the Registered User Agreement and the Power of Attorney, which would govern the manner in which the parties could use the brand.

52. Learned Senior Counsel relied upon Clauses 2.2, 5.1 and 4.3(a) of the Separation Agreement. According to him, these clauses themselves show that the parties intended the actual rights relating to the "Vadilal" brand to arise under the Registered User Agreement and the Power of Attorney. He submitted that the Separation Agreement merely recorded the overall understanding between the parties, whereas the detailed rights, obligations, and

conditions relating to use of the brand were deliberately kept in separate agreements.

53. On this basis, Learned Senior Counsel submitted that the Separation Agreement by itself did not create any independent right in favour of the petitioners to use the "Vadilal" brand. According to him, the operative rights were granted only through the Registered User Agreement and the Power of Attorney. He submitted that these documents not only permitted use of the brand but also imposed conditions regulating such use, and therefore the petitioners cannot separate the rights from the conditions contained in those agreements.

54. Learned Senior Counsel lastly submitted that the petitioners themselves have admitted in the present petition that the Registered User Agreement is the operative document through which the Bombay Group has been using the "Vadilal" brand. According to him, the rights granted under that agreement were always limited and conditional. They were subject to quality control, compliance with food safety requirements, inspection by respondent No.17 and recall of products wherever necessary. According to him, the parties intended that both the existing registered trademarks and any future registered trademarks would remain governed by the Registered User Agreement and its conditions. Therefore, according to him, once that agreement stands terminated, the petitioners cannot continue to claim any independent right to use the registered "Vadilal" trademark.

55. Learned Senior Counsel further submitted that the Registered User Agreement created a complete contractual relationship between the parties. According to him, this agreement did not merely permit use of the "Vadilal" trademark but also imposed several obligations upon the petitioners. He submitted that the agreement contained provisions relating to quality control, inspection, compliance with statutory requirements, termination in case of continued breach and also an exclusive jurisdiction clause in favour of the Courts at Ahmedabad. According to him, these provisions clearly show that the parties intended this agreement to independently govern their rights and obligations regarding use of the trademark.

56. Learned Senior Counsel also referred to the Irrevocable Power of Attorney executed by respondent No.17. According to him, this document was not intended to create any separate or independent right in favour of the petitioners. It was executed only to facilitate execution of future Registered User Agreements and to enable proper implementation of the arrangement regarding registered trademarks. He submitted that the Power of Attorney itself recognises the quality control mechanism and remains closely connected with the Registered User Agreement. Therefore, according to him, it cannot be treated as an independent source of rights.

57. Learned Senior Counsel then relied upon the Branding Agreement. According to him, even this agreement recognises that where any logo or trademark is subsequently registered in the name of respondent No.17, the right to use such registered mark

can arise only through execution of a Registered User Agreement. He further submitted that although the Branding Agreement contains a clause regarding jurisdiction, it does not contain any arbitration clause. According to him, this also shows that the parties intentionally provided different methods for resolution of disputes arising under different agreements.

58. Proceeding further, Learned Senior Counsel submitted that the Branding Agreement itself recognises the importance of the Registered User Agreement. According to him, rights relating to the "Vadilal" brand, trademarks, and logos were intended to be governed by the Registered User Agreement and not independently by the Branding Agreement. Therefore, according to him, the petitioners cannot rely only upon the Branding Agreement while ignoring the conditions and restrictions contained in the Registered User Agreement.

59. Learned Senior Counsel thereafter submitted that the petitioners repeatedly violated the quality control obligations contained in the Registered User Agreement. According to him, repeated microbiological testing disclosed contamination in several products manufactured by the petitioners. He submitted that beginning from September 2025, several notices were issued calling upon the petitioners to remove those defects. According to him, despite sufficient opportunity being given, the breaches continued. Therefore, respondent No.17 was left with no alternative, but to issue the communication dated 26 May 2026 terminating the Registered User Agreement revoking the Power of Attorney and informing the petitioners that their rights under the

Branding Agreement also came to an end.

60. Learned Senior Counsel submitted that the petitioners are not correct in saying that the termination was sudden or hurried. According to him, the petitioners themselves invoked arbitration on 10 March 2026, which was even before expiry of the contractual cure period and much before the Registered User Agreement was actually terminated on 26 May 2026. According to him, this itself shows that the petitioners approached arbitration even before the contractual process was completed.

61. Learned Senior Counsel further submitted that after issuing the termination notice, respondent No.17 instituted a Civil Suit before the City Civil Court at Ahmedabad seeking an injunction restraining the petitioners from using the "Vadilal" trademarks. According to him, the petitioners themselves have filed an application under Section 8 of the Arbitration and Conciliation Act in that suit. Therefore, according to him, the Ahmedabad Court is already examining whether the disputes are arbitrable and whether the jurisdiction lies before the Courts at Ahmedabad or Mumbai. He submitted that substantially the same issues are therefore already pending before that Court.

62. Learned Senior Counsel submitted that the present dispute does not arise under the Separation Agreement and consequently cannot be referred to arbitration under the arbitration clause contained in that agreement. According to him, the Separation Agreement, the Branding Agreement, the Registered User Agreement and the Power of Attorney are four separate

agreements executed for different purposes, by different parties and containing separate rights and obligations. He submitted that each agreement provides its own mechanism for resolution of disputes and therefore one dispute resolution clause cannot automatically govern disputes arising under another agreement.

63. Learned Senior Counsel pointed out that while the Separation Agreement contains an arbitration clause, the Branding Agreement contains only a jurisdiction clause and the Registered User Agreement confers exclusive jurisdiction upon the Civil Courts at Ahmedabad. According to him, these differences were consciously incorporated by the parties and therefore clearly indicate that they intended different forums for deciding disputes arising under different agreements. He submitted that this contractual arrangement must be respected and cannot be altered by reading all four agreements as though they constitute one single document.

64. Learned Senior Counsel places strong reliance upon the decision of the Supreme Court in *Duro Felguera, S.A. v. Gangavaram Port Ltd.*, (2017) 9 SCC 729. He submits that the Supreme Court held that where the parties consciously split their commercial arrangement into several distinct contracts, each containing separate arbitration clauses, each agreement has to be treated independently and disputes arising under one agreement cannot automatically be referred under the arbitration clause contained in another agreement.

65. Mr. Dhond placing reliance upon the decision of the Delhi High Court in *Faith Constructions v. N.W.G.E.L. Church,* 2025 SCC OnLine Del 1746 submitted that, this Court lacks territorial jurisdiction to entertain the present petition. According to him, the Court having jurisdiction would be the competent Court at Ahmedabad, where the substantial cause of action has arisen and where the respondents carry on business.

66. On this basis, Learned Senior Counsel submitted that the grievance made by the petitioners arises only because the Registered User Agreement has been terminated. According to him, the right to use the "Vadilal" brand itself flows from that agreement and not from the Separation Agreement. Therefore, according to him, the present controversy is governed by the exclusive jurisdiction clause contained in the Registered User Agreement and not by the arbitration clause contained in the Separation Agreement. He submitted that for this reason itself the petition under Section 9 is not maintainable before this Court.

67. Mr. Rustomjee, learned Senior Counsel appearing for respondent No.17 submitted that respondent No.17, namely, Vadilal International Private Limited, is the registered proprietor as well as the beneficial owner of the "Vadilal" brand and the trademarks connected with it. According to him, even the petitioners have accepted this position in their own pleadings as well as in other proceedings. Therefore, according to him, there is no dispute regarding ownership of the trademark and the only question is whether the petitioners have any legal authority to continue using it after termination of the Registered User

Agreement.

68. Learned Senior Counsel further submitted that the petitioners are admittedly manufacturing and marketing their products by prominently displaying the registered "Vadilal" trademark in the form of a red oval device. According to him, this trademark is registered in the name of respondent No.17. Therefore, once the petitioners themselves are using a registered trademark belonging to respondent No.17, their right to do so can arise only from the contractual documents executed between the parties. According to him, the petitioners cannot claim any independent right outside those agreements.

69. Learned Senior Counsel submitted that the Registered User Agreement itself clearly recognises the registered "Vadilal" trademark separately from the other trademarks mentioned in its Schedule. According to him, a similar distinction is also found in the recitals of the Power of Attorney. He further submitted that Clause 5.1 of the Separation Agreement specifically provides that the Registered User Agreement together with the Power of Attorney are the documents through which rights relating to the existing as well as future trademarks and logos are to be granted. According to him, this clause does not refer to the Branding Agreement while dealing with trademark rights. He therefore submitted that the parties themselves intended that the actual right to use the "Vadilal" trademarks would arise only under the Registered User Agreement read with the Power of Attorney.

70. Learned Senior Counsel also relied upon Clauses 2.2 and 4.3(a) of the Separation Agreement. According to him, these clauses further show that the Registered User Agreement and the Power of Attorney were intended to be the operative documents through which rights relating to the trademark were actually exercised. He submitted that the Separation Agreement merely recorded the overall family understanding, whereas the detailed rights relating to the brand were deliberately left to be governed by the Registered User Agreement and the Power of Attorney. According to him, this contractual arrangement clearly indicates that the parties consciously separated the family settlement from the operational mechanism governing use of the trademarks.

71. Learned Senior Counsel then submitted that the Branding Agreement itself supports the same interpretation. According to him, Clause 7.8 of the Branding Agreement specifically provides that whenever any logo or trademark is subsequently registered in the name of respondent No.17, the right to use such registered mark can arise only through execution of another Registered User Agreement. He submitted that the trademark presently used by the petitioners is admittedly a registered trademark. Therefore, according to him, even under the Branding Agreement, use of that trademark necessarily remains governed by a Registered User Agreement and not by the Branding Agreement alone.

72. Proceeding further, learned Senior Counsel submitted that execution of a Registered User Agreement was always intended to be mandatory whenever any registered trademark belonging to respondent No.17 was to be used by another party. According to

him, this explains why both the Registered User Agreement and the Power of Attorney were drafted in considerable detail and contain elaborate provisions governing use of the trademark. He submitted that these documents were not mere formal papers but were intended to regulate the manner in which the trademark could be lawfully used.

73. Learned Senior Counsel also submitted that the petitioners are trying to create a distinction between the expressions “brand names” and “trademarks”, though the agreements themselves do not recognise such a difference. According to him, the Branding Agreement uses both expressions interchangeably. He submitted that the definition of “brand names” itself includes trademarks and that Annexure II, though described as brand names, actually contains the registered trademarks. According to him, the language employed by the parties shows that they never intended to maintain the distinction which the petitioners are now attempting to introduce during the present proceedings.

74. Learned Senior Counsel further submitted that the petitioners have themselves changed their stand during the course of hearing. According to him, in the petition they clearly pleaded that the Registered User Agreement was the operative document through which they obtained the right to use the "Vadilal" brand and trademarks. However, during the arguments they started contending that their rights arise only under the Branding Agreement. According to him, these two positions cannot stand together. He submitted that if the petitioners rely upon the Registered User Agreement, that agreement has already been

terminated. On the other hand, if they rely only upon the Branding Agreement, then admittedly no Registered User Agreement exists authorising use of the present registered trademark.

75. Learned Senior Counsel submitted that even if, for the sake of argument, it is assumed that the petitioners derive their rights only from the Branding Agreement, such an argument does not improve their case. According to him, the Branding Agreement admittedly contains no arbitration clause. He also pointed out that the petitioners themselves have accepted this position before the Ahmedabad Court. Therefore, according to him, whether the petitioners rely upon the Registered User Agreement or the Branding Agreement, neither course assists them in maintaining the present proceedings under Section 9 before this Court.

76. Learned Senior Counsel finally submitted that respondent No.17 was compelled to take action only because repeated laboratory testing disclosed serious quality defects in the products manufactured by the petitioners. According to him, several NABL accredited laboratories reported high microbiological contamination, including excessive Aerobic Plate Count, high Coliform count and presence of E. coli in different products. He submitted that beginning from September 2025 several notices were issued calling upon the petitioners to remove these defects and recall the affected products, but despite sufficient opportunity the petitioners failed to comply. According to him, the requirements of Clause 16 of the Registered User Agreement, therefore, stood fully satisfied, entitling respondent No.17 to terminate the agreement. He further submitted that the reports

subsequently relied upon by the petitioners do not displace or invalidate the findings recorded by the NABL accredited laboratories. On this basis, he submitted that the termination dated 26 May 2026 is valid and that the petitioners are not entitled to any interim protection.

77. Learned Senior Counsel further submitted that if the interpretation suggested by the petitioners is accepted, namely that the Registered User Agreement is only a formal document and that the petitioners possess permanent rights irrespective of its terms, then several important provisions contained in all the agreements would become meaningless. According to him, the clauses relating to quality control, inspection of manufacturing facilities, recall of defective products, termination in case of breach and other contractual safeguards would lose all practical effect. He submitted that the parties could never have intended to execute detailed agreements containing such conditions if the petitioners were free to ignore them while continuing to use the "Vadilal" brand.

78. Learned Senior Counsel then referred to the nature of the Separation Agreement. According to him, this agreement was entered into only for dividing the family business between the Ahmedabad Group and the Bombay Group. It distributed the business activities, manufacturing units and different territories between the two branches of the family. According to him, while the Bombay Group retained petitioner No.3 together with certain territories, the Ahmedabad Group retained Respondent Nos.17 and 18 along with the remaining territories. He submitted that the Separation Agreement was only an umbrella document recording

the overall family arrangement and did not itself confer any operative trademark rights.

79. Learned Senior Counsel submitted that the Separation Agreement itself recognises that the actual rights relating to the "Vadilal" brand, trademarks, and logos were to be governed by the Registered User Agreement and the Power of Attorney. According to him, the Branding Agreement is not referred to while conferring those rights. He, therefore, submitted that the parties consciously intended the Registered User Agreement and the Power of Attorney to be the operative documents regulating use of the trademark and not the Separation Agreement itself.

80. Learned Senior Counsel further submitted that the Branding Agreement also supports this understanding. According to him, the Branding Agreement was executed mainly between the two family groups, while respondent No.17 was only a confirming party. He submitted that its principal object was to define territorial rights and regulate other business activities relating to agro products and milk products. According to him, even this agreement proceeds on the basis that the right to use the "Vadilal" brand is only by way of licence and that such licence could be granted only through execution of a Registered User Agreement. He relied upon Clauses 6.1, 6.2 and 7.8 in support of this submission.

81. Learned Senior Counsel also pointed out that although the Branding Agreement contains a clause regarding jurisdiction, it does not contain any arbitration clause. According to him, this position is not disputed even by the petitioners. He further

submitted that the Branding Agreement itself uses the expressions “brand names” and “trademarks” interchangeably. Therefore, according to him, the distinction now sought to be made by the petitioners between those expressions is contrary to the language employed by the parties themselves in the agreement.

82. Learned Senior Counsel thereafter submitted that the Registered User Agreement is the principal and operative document governing the petitioners' right to use the "Vadilal" brand. According to him, even the petitioners have repeatedly described it in their pleadings as the operative agreement. He submitted that the agreement grants only limited and conditional rights. Those rights are subject to strict quality control measures, compliance with statutory requirements, inspection by respondent No.17 and termination in the event of continuing breach. According to him, the petitioners cannot claim the benefits of the agreement while refusing to comply with its conditions.

83. Learned Senior Counsel further submitted that under the Registered User Agreement no royalty was payable because the consideration consisted of reciprocal obligations undertaken by both parties. According to him, maintenance of quality standards, recall of defective products whenever required and permitting inspection of manufacturing facilities were essential obligations accepted by the petitioners in return for royalty free use of the "Vadilal" brand. Therefore, according to him, the petitioners cannot now ignore these obligations and yet insist upon continued use of the trademark.

84. Learned Senior Counsel also submitted that the Registered User Agreement specifically provides that upon termination the petitioners are required to stop using the "Vadilal" brand. According to him, every requirement prescribed under Clause 16 for termination was strictly complied with. Notices pointing out the alleged quality defects were issued, sufficient opportunity extending beyond the contractual cure period was granted and only thereafter was the agreement terminated. According to him, the termination was therefore fully in accordance with the contractual terms agreed by the parties.

85. Learned Senior Counsel denied the allegation that the laboratory reports were withheld from the petitioners. According to him, there was no contractual obligation requiring respondent No.17 to furnish those reports along with every notice. In any event, he submitted that copies of the reports were subsequently supplied. He further submitted that the petitioners never accepted the alleged breaches nor expressed any willingness to remove them. According to him, they consistently disputed every allegation and therefore their present complaint regarding supply of laboratory reports is only an afterthought.

86. Learned Senior Counsel finally submitted that Clause 21 of the Registered User Agreement specifically confers exclusive jurisdiction upon the Courts at Ahmedabad in respect of disputes arising under or connected with that agreement. According to him, the present controversy directly concerns termination of the Registered User Agreement and the petitioners' continued use of the "Vadilal" brand. Therefore, according to him, the disputes are

governed by the jurisdiction clause contained in that agreement and not by the arbitration clause found in the Separation Agreement.

87. Learned Senior Counsel further submitted that the communication dated 26 May 2026 was not issued suddenly or without following the agreed procedure. According to him, before issuing that communication, respondent No.17 had repeatedly informed the petitioners about the alleged breaches of the Registered User Agreement through several notices issued from September 2025 onwards. It is his case that those notices pointed out repeated failures relating to quality standards and called upon the petitioners to remove those defects within the contractual period. Since, according to the respondents, the breaches continued despite sufficient opportunity, respondent No.17 thereafter terminated the Registered User Agreement, revoked the Irrevocable Power of Attorney and informed the petitioners that their rights under the Branding Agreement also came to an end. Learned Senior Counsel submitted that these actions were taken only after following the contractual mechanism agreed between the parties and therefore cannot be described as arbitrary or illegal.

88. Learned Senior Counsel also disputed the petitioners' contention that the respondents acted in haste. According to him, the petitioners themselves invoked arbitration on 10 March 2026, even before expiry of the contractual cure period and well before the termination notice dated 26 May 2026 came to be issued. It is therefore submitted that the petitioners cannot now complain that

the respondents acted prematurely. According to him, if the petitioners had actually removed the alleged defects within the stipulated period, no occasion would have arisen either for termination or for the present dispute. Learned Senior Counsel therefore submits that the sequence of events itself shows that the respondents acted only after giving adequate opportunity under the agreement.

89. Learned Senior Counsel further submitted that after termination of the Registered User Agreement, respondent No.17 instituted a civil suit before the City Civil Court at Ahmedabad seeking an injunction restraining the petitioners from continuing to use the "Vadilal" trademarks. According to him, the petitioners have already entered appearance in those proceedings and have themselves filed an application under Section 8 of the Arbitration and Conciliation Act requesting reference of the disputes to arbitration. It is submitted that the Ahmedabad Court is already considering questions relating to arbitrability, applicability of the arbitration agreement and jurisdiction. According to him, when these very issues are pending before another competent Court, this Court should exercise caution before expressing any contrary opinion at the interlocutory stage.

90. Learned Senior Counsel thereafter submitted that the present dispute does not arise under the Separation Agreement and therefore cannot be brought within the arbitration clause contained in that agreement. According to him, the Separation Agreement, the Branding Agreement, the Registered User Agreement and the Irrevocable Power of Attorney are four separate

documents executed for different purposes, between different parties and containing different rights and obligations. He submits that every agreement was intended to operate independently and each one contains its own mechanism regarding enforcement and resolution of disputes. According to him, merely because all the agreements were executed on the same day does not mean that every dispute arising under one agreement automatically becomes a dispute under another agreement.

91. Learned Senior Counsel submitted that this distinction becomes clearer from the dispute resolution clauses contained in the agreements themselves. According to him, while the Separation Agreement contains an arbitration clause, the Branding Agreement contains only a jurisdiction clause and the Registered User Agreement specifically confers exclusive jurisdiction upon the Civil Courts at Ahmedabad. He submits that these different provisions were consciously agreed by the parties and clearly indicate that they intended different methods for resolving disputes arising under different agreements. According to him, if the petitioners' argument is accepted, these carefully drafted provisions would lose all meaning and the contractual arrangement itself would stand rewritten by the Court.

92. Learned Senior Counsel, therefore, argued that the grievance made by the petitioners has arisen only because the Registered User Agreement has been terminated. According to him, the right to use the "Vadilal" brand itself originates only from that agreement and not from the Separation Agreement. Consequently, he submits that the present controversy is governed entirely by the

Registered User Agreement together with its jurisdiction clause and cannot be referred to arbitration merely because the Separation Agreement contains an arbitration clause. According to him, the petition under Section 9 is therefore not maintainable.

93. Learned Senior Counsel further submitted that the Separation Agreement itself has already been fully implemented long ago. According to him, the business division contemplated under that agreement has already taken place and nothing further remains to be performed under its terms. He submits that the present controversy concerns only subsequent rights relating to use of the trademark under the Registered User Agreement. Therefore, according to him, the present dispute cannot be treated as one arising from the Separation Agreement or from the family settlement recorded therein.

94. Learned Senior Counsel also submitted that the petitioners themselves have admitted in several parts of the petition that ownership of the "Vadilal" brand and trademarks vests with respondent No.17. According to him, the petitioners have further admitted that the Registered User Agreement is the operative document through which they obtained permission to use the brand. He submits that these admissions completely support the respondents' stand that the present controversy is contractual in nature and is governed only by the Registered User Agreement. According to him, the petitioners cannot now adopt a different position merely because the agreement has been terminated.

95. Learned Senior Counsel lastly submitted that even if, for the sake of argument, the petitioners rely upon the Branding Agreement instead of the Registered User Agreement, that also does not improve their case. According to him, admittedly the Branding Agreement contains no arbitration clause. Therefore, according to him, whether the petitioners rely upon the Registered User Agreement or the Branding Agreement, the result remains the same. In either situation, according to the respondents, the present disputes cannot be referred to arbitration under the arbitration clause contained in the Separation Agreement. Hence, Learned Senior Counsel submitted that the petition under Section 9 deserves to be dismissed.

96. Learned Senior Counsel further submitted that the Registered User Agreement cannot be treated as a mere document executed only to satisfy the requirements of the Trade Marks law. According to him, the agreement contains several important commercial conditions which go much beyond any statutory formality. He pointed out that the agreement lays down territorial restrictions regarding use of the trademark, provides exemption from payment of royalty, prescribes detailed quality control obligations, gives respondent No.17 the right to inspect the manufacturing facilities, provides for recall of products whenever necessary, contains provisions for termination in case of continuing breach and also includes an exclusive jurisdiction clause in favour of the Courts at Ahmedabad. According to him, none of these provisions are required merely for registration of a registered user under the Trade Marks Act. He therefore submitted that the

Registered User Agreement is a complete commercial contract governing the rights and obligations of the parties and cannot be reduced to a mere procedural document.

97. Proceeding further, Learned Senior Counsel submitted that the parties consciously negotiated and executed the Registered User Agreement as the principal document regulating the petitioners' right to use the "Vadilal" brand. According to him, every important condition relating to use of the trademark has been incorporated in that agreement. During the course of hearing, according to Learned Senior Counsel, the petitioners themselves fairly accepted that they are not claiming ownership of the "Vadilal" brand but only a right to use it. He therefore submitted that once the petitioners themselves accept that they are only users of the trademark, their rights necessarily remain governed by the contractual terms contained in the Registered User Agreement. According to him, the present dispute is therefore nothing but a dispute arising out of that agreement.

98. Without prejudice to his earlier submissions, Learned Senior Counsel then raised an objection regarding the territorial jurisdiction of this Court. According to him, even if it is assumed that the disputes are capable of being referred to arbitration, this Court would still have no jurisdiction to entertain the present proceedings. He submitted that Clause 10.1 of the Separation Agreement provides that arbitration proceedings shall take place in the territory of the party other than the party which has necessitated or commenced the arbitration proceedings. According to him, the expression "necessitated arbitration" should not be

interpreted to mean the party whose conduct allegedly gave rise to the dispute because such an exercise would require the Court to first determine who was at fault. He submitted that such a question can be decided only after evidence is recorded and not while deciding an application under Section 9. According to him, the expression should simply mean the party who actually invoked or commenced arbitration. Learned Senior Counsel also submitted that this understanding finds support from the observations made by the United States Court while dealing with proceedings between the parties.

99. Learned Senior Counsel further submitted that in the present case it is an admitted position that the petitioners themselves invoked arbitration on 10 March 2026, whereas the termination notice came to be issued only on 26 May 2026. According to him, the contractual cure period was to expire on 13 March 2026, but before expiry of that period the petitioners themselves chose to invoke arbitration. It is, therefore, submitted that the petitioners themselves commenced and thereby necessitated the arbitration proceedings. Learned Senior Counsel argued that had the petitioners removed the alleged defects within the contractual period, the dispute itself might not have survived. According to him, even if Clause 10.1 is interpreted in the manner suggested by the petitioners, the consequence would still be that jurisdiction would lie before the Courts at Ahmedabad and not before this Court.

100. Learned Senior Counsel also submitted that all the four agreements were executed at Ahmedabad. According to him, at the

relevant time the parties were residing at Ahmedabad, the documents were executed and notarised there, and the Registered User Agreement itself confers exclusive jurisdiction upon the Courts at Ahmedabad. He therefore argued that Ahmedabad has the closest and most substantial connection with the entire transaction. According to him, having regard to these surrounding circumstances, Ahmedabad should also be treated as the appropriate seat of arbitration as well as the proper forum for adjudication of all disputes arising between the parties.

101. Learned Senior Counsel further pointed out that the petitioners have already invoked Section 8 of the Arbitration and Conciliation Act before the Civil Court at Ahmedabad. According to him, the questions whether the present disputes are arbitrable and whether the arbitration clause extends to the connected agreements are already directly under consideration before that Court. He therefore submitted that the Ahmedabad Court is the more appropriate forum to decide those issues. Learned Senior Counsel also argued that if the interpretation suggested by the petitioners is accepted, the Registered User Agreement would become practically meaningless because the petitioners would then claim an unrestricted and perpetual right to use the "Vadilal" brand without being bound by the contractual conditions relating to quality control, inspection, recall of defective products or termination. According to him, such an interpretation would defeat the very object for which the Registered User Agreement was executed and would render several of its provisions ineffective.

102. In support of his submissions, Learned Senior Counsel placed strong reliance upon the decision of the Supreme Court in *Duro Felguera S.A.*. According to him, the Supreme Court has held that where parties consciously divide one commercial arrangement into separate agreements, each agreement has to be treated independently and disputes arising under one agreement cannot automatically be governed by the arbitration clause contained in another agreement. He submitted that the same principle applies to the present case because the parties deliberately executed separate agreements containing separate rights, obligations, and dispute resolution mechanisms.

103. Learned Senior Counsel also relied upon the decision of the Delhi High Court in *Faith Constructions*. According to him, the principles laid down in that decision support the respondents' objection regarding territorial jurisdiction. He submitted that the Court having the closest connection with the dispute and where the substantial cause of action has arisen should ordinarily exercise jurisdiction. Since the agreements were executed at Ahmedabad, respondent No.17 carries on business there and the Registered User Agreement itself provides for jurisdiction of the Ahmedabad Courts, learned Senior Counsel submitted that the present petition ought not to be entertained by this Court and deserves to be rejected on the ground of lack of territorial jurisdiction.

104. Summarising his submissions, Learned Senior Counsel contended that the present dispute cannot be treated as one arising under the Parent or Separation Agreement merely because all the documents were executed on the same day. According to

him, each agreement was deliberately drafted for a different purpose and each created its own separate rights and obligations. He submitted that the Parent Agreement only recorded the broad understanding reached between the two branches of the family, whereas the actual and enforceable rights relating to the use of the "Vadilal" brand were intentionally placed under the Registered User Agreement and the Irrevocable Power of Attorney. Therefore, according to him, the petitioners are wrongly attempting to rely upon the arbitration clause contained in the Parent Agreement for resolving disputes which, in substance, arise only under the Registered User Agreement.

105. Learned Senior Counsel further submitted that the petitioners are attempting to avoid the legal consequences flowing from the termination of the Registered User Agreement by describing the four agreements as one composite family arrangement. According to him, such an approach is contrary to the contractual structure consciously adopted by the parties themselves. He argued that if every dispute relating to the use of the "Vadilal" brand is treated as a dispute under the Parent Agreement, the separate contractual provisions contained in the Registered User Agreement regarding quality control, inspection, termination and exclusive jurisdiction would become unnecessary and meaningless. According to him, the Court should interpret all the agreements in a manner which gives effect to every document instead of rendering one agreement ineffective by treating it as merely incidental. In support of his submission he relied on *Maharashtra State Road Development Corporation Ltd. v. Jai*

Laxmi Constructions Engineers and Contractors, 2026 SCC OnLine Bom 2578, J*alan Carbon and Chemicals Limited Versus Passport Brand Clothing Company Private,* 2013 SCC OnLine Cal 22686*, M.R. Engineers & Contractors (P) Ltd. v. Som Datt Builders Ltd.,* (2009) 7 SCC 696.

106. Learned Senior Counsel also submitted that the petitioners' interpretation would practically result in granting them a perpetual and unconditional right to use the "Vadilal" brand irrespective of whether they complied with the contractual obligations relating to quality standards or other conditions contained in the Registered User Agreement. According to him, such an interpretation was never intended by the parties while executing the family settlement documents. He submitted that the contractual framework clearly contemplated that the right to use the registered trademarks would remain subject to continuing supervision, compliance with quality standards and the possibility of termination in case of persistent breach. Therefore, according to him, the petitioners cannot avoid those contractual obligations by placing exclusive reliance upon the Parent Agreement or the Branding Agreement.

107. Learned Senior Counsel therefore submitted that the validity of the communication dated 26 May 2026 has to be examined only within the framework of the Registered User Agreement and not by treating the entire family settlement as one indivisible arrangement. According to him, once the Registered User Agreement has been validly terminated, the petitioners no longer possess any enforceable right to continue using the "Vadilal" brand.

He submitted that the present dispute is therefore governed by the dispute resolution mechanism and jurisdictional provisions contained in that agreement and not by the arbitration clause incorporated in the Parent Agreement.

108. On the above basis, Learned Senior Counsel submitted that the petitioners have failed to establish the existence of any arbitration agreement governing the present dispute. According to him, the objections regarding arbitrability, territorial jurisdiction and maintainability of the petition go to the very root of the matter. He, therefore, submitted that the petition under Section 9 of the Arbitration and Conciliation Act is not maintainable and deserves to be dismissed. Alternatively, he submitted that even if the Court ultimately forms a different prima facie view regarding arbitrability, no interim protection deserves to be granted because the petitioners are seeking, in substance, restoration of rights under a contract which, according to the respondents, already stands validly terminated in accordance with its express terms.

109. Mr. Andhyarujina, learned Senior Counsel appearing for respondent No.18 submits that respondent No.18, namely Vadilal Industries Limited (VIL), has been unnecessarily joined in the present proceedings. According to him, VIL has no connection with any of the agreements which are the subject matter of the present dispute. He submits that the Family Settlement, the Branding Agreement, the Registered User Agreement and the Power of Attorney were all executed between other parties, and VIL was neither a party to those agreements nor had any role in them. Therefore, according to him, no relief can be claimed against VIL

and its presence in these proceedings is without any legal basis.

110. Learned Senior Counsel further submits that VIL is a public limited company incorporated under the Companies Act and a substantial part of its shareholding is held by public shareholders. According to him, VIL did not participate in the negotiations leading to the Family Settlement, did not sign any of the agreements and never acted upon those agreements. He also submits that the petitioners have wrongly assumed that several respondents act through Respondent Nos.17 and 18. According to him, some of those respondents are not even shareholders of either respondent No.17 or respondent No.18. He therefore submits that the petitioners have unnecessarily joined several parties without properly examining whether they have any connection with the present dispute. He further submits that after the decision of the Supreme Court in *Cox & Kings (2024) 4 SCC 1*, merely alleging that someone acts "through or under" another party is by itself no longer sufficient for joining such person in arbitration proceedings.

111. Learned Senior Counsel submits that the only relationship which VIL has with the "Vadilal" brand arises from a separate Registered User Agreement executed with respondent No.17 on 31 July 1996, which was later renewed in the year 2013. According to him, that agreement is completely different from the agreements involved in the present proceedings and has no connection with the Family Settlement of the year 1993. He submits that VIL has its own Board of Directors, its own management and carries on its business independently. Therefore, according to him, VIL cannot be treated as part of the present contractual arrangement merely

because it uses the "Vadilal" brand under another independent agreement.

112. Learned Senior Counsel further submits that the only reason why VIL has been joined in the present petition is because a Scheme of Merger between respondent No.17 and VIL has been proposed before the National Company Law Tribunal, Mumbai. According to him, that scheme is still pending and has not yet been approved. Therefore, until such approval is granted, no rights, liabilities or obligations of respondent No.17 stand transferred to VIL. He points out that even the petitioners themselves have stated that the merger is only under process and that the rights and liabilities would vest in VIL only in future. According to him, this itself shows that there is presently no cause of action against VIL and that the petition against it is based only upon a future possibility which may or may not ultimately happen.

113. Learned Senior Counsel also referred to Vadilal Industries USA Inc., which was originally joined as respondent No.19. According to him, that company is separately incorporated in the United States and has its own Board of Directors and independent management. He submits that the petitioners wrongly described it as a subsidiary of respondent No.17, whereas it is actually a subsidiary of VIL. He further submits that any proceedings commenced by that company before the Courts in the United States have no connection with VIL. Learned Senior Counsel also points out that during the hearing the petitioners themselves deleted respondent No.19 from the proceedings. According to him, this itself shows that the petitioners have no material to connect

the acts of respondent No.19 with VIL. He submits that there are no pleadings alleging fraud, sham transactions or misuse of the corporate structure so as to justify ignoring the separate legal identity of VIL.

114. Learned Senior Counsel finally submits that the judgments relied upon by the petitioners do not assist their case. According to him, the decision in *Girish Mulchand Mehta* was rendered on entirely different facts where the third party had a direct connection with the dispute. In the present case, VIL has no such connection, is not a party to any of the relevant agreements and no relief has been claimed against it. He further submits that the principle of persons claiming "through or under" another party, which was applied in that decision, has substantially lost its force after the decision of the Supreme Court in *Cox & Kings*.

115. Mr. Andhyarujina also submits that the reliance placed on *ASF Buildtech Pvt. Ltd.* is equally misplaced. According to him, that decision permits joining a non-signatory only where such party can be shown to be a "veritable party" having direct involvement in the negotiation, execution, or performance of the contract. He submits that VIL had absolutely no such involvement in any of the agreements in question. According to him, mere association within the same corporate group or the existence of a proposed merger pending before the NCLT cannot satisfy the legal requirements laid down by the Supreme Court for joining a non-signatory party.

REASONS AND ANALYSIS:

Nature of the Controversy and points for determination:

116. I have considered the submissions made by both the sides. I have gone through the Memorandum of Agreement, the Branding Agreement, the Irrevocable Power of Attorney and the Registered User Agreement. It is not in dispute that all documents came to be executed on 30 March 1993. I have considered the various judgments relied upon by the learned Senior Counsel appearing for both sides regarding family settlements, composite transactions and the effect where several agreements are executed as part of one arrangement. At this stage, however, this Court is not expected to finally decide what rights have been created under these agreements or which interpretation deserves acceptance. Such exercise can be undertaken only by the learned Arbitral Tribunal after considering the entire evidence and after interpreting all the agreements together. The inquiry before this Court is limited. Points for determination in the present petition are as under.

117. Whether the Memorandum of Agreement dated 30 March 1993 is the parent agreement governing the entire family settlement and whether the Branding Agreement, the Irrevocable Power of Attorney and the Registered User Agreement are merely implementing documents forming part of one composite family settlement?

118. Whether the arbitration agreement contained in Clause 10.1 of the Parent Agreement extends to disputes arising out of the Branding Agreement, the Irrevocable Power of Attorney and the

Registered User Agreement, or whether each of those agreements constitutes an independent contract governed by its own dispute resolution mechanism? Group of Companies doctrine, *Cox & Kings*, *ASF Buildtech*, status of Respondent Nos.17 and 18 and effect of proposed merger.

Whether the Memorandum of Agreement is the Parent Agreement Governing the Family Settlement:

119. At this stage, it becomes necessary to examine the Parent Agreement. Throughout the proceedings, both sides have referred to this document as the Memorandum of Agreement dated 30 March 1993. This agreement records the broad division of business between the Bombay Group and the Ahmedabad Group. Clause 2.2 provides for transfer of the Bombay Group's shareholding in favour of the Ahmedabad Group, while Clause 6.1 deals with division of the territories in which each group would carry on business. These provisions are not confined to one trademark or one licence. They deal with the overall restructuring of the family business. Therefore, at first sight, the Parent Agreement appears to record the principal understanding arrived at between the parties.

120. One more important provision is Clause 5.1 of the Parent Agreement. This clause contemplates execution of documents for giving effect to the arrangements recorded therein. It refers to the Branding Agreement, the Irrevocable Power of Attorney and the Registered User Agreement. The clause recognises that these documents were to be executed in furtherance of the Parent Agreement.

121. The petitioners have placed reliance upon this clause. According to them, the language indicates that the Parent Agreement is the umbrella document governing the family settlement. It is submitted that when the Parent Agreement requires execution of three agreements for implementing its terms, those agreements cannot be treated as independent source of rights divorced from the Parent Agreement.

122. The respondents submit that Clause 5.1 records that three separate agreements would be executed. According to them, once those agreements came into existence, each acquired independent identity. It is submitted that Clause 5.1 nowhere provides that the Parent Agreement would prevail over the provisions contained in those agreements.

123. At this stage, the language employed by the parties assumes importance. The Parent Agreement does not merely refer to future agreements. It provides for execution of documents as part of the same restructuring exercise. The sequence of events assumes significance. All the four agreements were admittedly executed on the same day. There is nothing available on record to indicate that after execution of the Parent Agreement the parties entered into fresh negotiations and executed the remaining agreements. On the contrary, the material available indicates that all the four documents formed part of comprehensive restructuring of the family business undertaken simultaneously. Therefore, on a reading of the documents placed before this Court, considerable force appears in the submission advanced on behalf of the petitioners that the Memorandum of Agreement dated 30 March

1993 cannot be viewed as an isolated contract. Prima facie, it appears to be the document recording the family settlement and restructuring between the two groups.

124. After going through the Parent Agreement, it appears that this document is wider than the remaining three agreements. It does not merely deal with permission to use a trademark or regulate one business activity. It appears to record the overall understanding reached between the two branches of the Gandhi family regarding separation of businesses, transfer of shares, surrender of management rights, future business arrangements and division of territories. Prima facie, therefore, this agreement appears to contain the broad arrangement by which the disputes within the family were intended to come to an end. The remaining agreements appear to deal with matters arising after this larger understanding had been reached. Therefore, the Parent Agreement appears to occupy a different place because it lays down the overall framework of the settlement while the remaining agreements appear to deal with parts necessary for implementing that framework.

125. This prima facie impression also appears to receive support from the language used in the Parent Agreement. The agreement does not stop after recording the division of businesses. It also contemplates execution of additional documents for giving effect to different parts of the settlement. Matters concerning the "Vadilal" brand, the manner in which those rights were to be exercised, execution of documents required under the trade mark Act and authorisation of representatives were intended to be

worked out through separate agreements. If the Parent Agreement contemplated further documents, then it becomes difficult to accept the respondents' submission that later documents were disconnected from the Parent Agreement. At the same time, this circumstance alone also does not establish that those agreements have no independent existence. It only shows that there appears to be connection between them which cannot be ignored and which would require examination during arbitration.

126. The respondents have argued that if the Parent Agreement alone was intended to govern the relationship, then there was no necessity for execution of three agreements containing rights and obligations. This submission certainly deserves consideration. At the same time, it is possible that where a large family settlement concerns several companies, businesses and legal formalities, one main document records the settlement while separate agreements are executed for implementing different portions of that settlement. Such drafting is not uncommon in commercial matters. Therefore, merely because additional agreements came to be executed, it cannot follow that the Parent Agreement lost its significance. The real intention of the parties has to be gathered after reading all the documents together, and that exercise cannot be finally undertaken at this stage.

Relationship Between the Parent Agreement and the Branding Agreement, the Irrevocable Power of Attorney and the Registered User Agreement:

127. The Branding Agreement also appears to fit within this arrangement. It does not appear to introduce a fresh relationship

between strangers. Instead, it proceeds on the basis that the businesses had been divided between the two family groups and thereafter regulates the future use of the "Vadilal" name, trade names and business territories by each group. The agreement proceeds on the footing that certain rights already existed and thereafter provides the manner in which those rights are to be exercised. It allocates territories, regulates future business activities and appears intended to avoid conflict between the two branches of the family. These circumstances indicate, at least prima facie, that the Branding Agreement was intended to implement one aspect of the family settlement rather than replace it.

128. The petitioners have contended that the Bombay Group surrendered shareholding and management rights in respondent No.17 in consideration of obtaining permanent territorial rights to use the "Vadilal" brand. Whether this submission proves correct is a matter requiring evidence. Nevertheless, if such is found to be the arrangement, then the right to use the brand may not merely be an commercial licence but may constitute an important part of the consideration flowing under the family settlement. This is issue which prevents this Court from treating the Branding Agreement as an independent commercial agreement.

129. The Irrevocable Power of Attorney appears to occupy a supporting position in the arrangement. By itself, it does not appear to create any commercial relationship. It authorises representatives to perform acts relating to registration and trademark rights. Such authority appears to have been granted because rights recognised elsewhere were required to be exercised.

Had there been no rights already existing under the family arrangement, the Power of Attorney would have little significance. Therefore, when it is read together with the Parent Agreement and the Branding Agreement, it appears, prima facie, to have been executed for implementing rights recognised under the settlement. This observation is only tentative, and the final interpretation must depend upon the evidence which may come before the Arbitral Tribunal.

130. The Registered User Agreement stands differently because it contains provisions regulating the use of the registered trademarks. It deals with quality control, inspection, maintenance of standards, statutory compliance, recall of products, duration of the arrangement, termination, and jurisdiction. These provisions are detailed. They cannot be ignored because the petitioners describe the agreement as a standard form. Learned Senior Counsel appearing for respondent No.17 is justified in submitting that these clauses impose obligations upon the petitioners and confer rights upon respondent No.17. Therefore, the Court cannot reduce these provisions to formalities.

131. However, the existence of these clauses does not conclude the controversy. There may be a difference between the document which creates the substantive right and the document which regulates the manner in which that right is to be exercised. According to the petitioners, the substantive right is created by the Parent Agreement and the family settlement while the Registered User Agreement regulates exercise of that right in accordance with the Trade Marks Act. According to the respondents, the Registered

User Agreement is the source from which the petitioners get any right to use the trademark. This Court cannot finally accept one and reject the other without detailed examination of all the agreements and evidence.

132. The respondents have also placed reliance upon the termination clause contained in the Registered User Agreement. According to them, if the agreement itself permits termination upon breaches, it follows that the petitioners' rights are capable of coming to an end. There is some force in this submission because ordinarily parties provide termination clauses where they intend rights to remain conditional. At the same time, the petitioners submit that this clause cannot be read separately from the family settlement and that termination of one document cannot extinguish rights created under the family arrangement. This shows that the controversy between the parties is larger than mere interpretation of a clause in the Registered User Agreement.

133. The respondents have further pointed out that agreements have been signed by different parties. According to them, the Parent Agreement is between members of the family whereas the Registered User Agreement is executed between petitioner No.3 and respondent No.17. Likewise, the Branding Agreement and the Irrevocable Power of Attorney are signed by different parties. Different parties signing separate agreements may indicate different relationships. However, this circumstance by itself is not conclusive. In a family settlement involving several companies and family members, it may become necessary that different persons execute different documents depending upon the subject matter

involved. Therefore, though identity of parties is relevant factor, it cannot alone determine the nature of the overall arrangement.

134. The conduct of the parties after execution of the agreements assumes importance. It is not disputed that for more than thirty-three years both groups continued their respective businesses under the "Vadilal" name within their territories. During this period, no material has been shown indicating that respondent No.17 asserted that the petitioners were merely licensees whose rights depended only upon the Registered User Agreement. No material shows that the petitioners openly claimed complete ownership over the trademarks. The conduct of both sides appears to indicate that they continued acting upon the arrangement made in 1993 without interference for decades. Long conduct cannot rewrite contractual terms, but it certainly becomes important circumstance while understanding how the parties understood their relationship.

135. The principles governing family settlements become relevant while appreciating these documents. The Supreme Court in *Kale* has observed that family settlements deserve liberal construction because such arrangements bring peace within the family, avoid litigation and preserve harmony. It has also observed that technical objections should not be allowed to defeat the substance of a family settlement. These principles do not mean that every agreement executed between family members becomes composite settlement. At the same time, they do indicate that while construing documents executed simultaneously for implementing family arrangement, the Court should attempt to understand the

substance of the transaction instead of reading every agreement in isolation.

Effect of Separate Agreements on the Arbitration Clause. Applicability of M.R. Engineers, Duro Felguera and Other Authorities:

136. The objection raised by the respondents is regarding the arbitration clause itself. According to the respondents, even if it is accepted that four agreements were executed on the same day and all of them came into existence while giving effect to one understanding between the members of the Gandhi family, that fact is not sufficient for applying the arbitration clause contained in the Parent Agreement to the other three agreements. Learned Senior Counsel submits that arbitration is based upon the agreement between the parties. According to him, the Court cannot make the arbitration clause wider because such interpretation may appear convenient. It is submitted that unless the Branding Agreement, the Irrevocable Power of Attorney and the Registered User Agreement contain an arbitration clause or show that they have adopted Clause 10.1 of the Parent Agreement, disputes arising under those documents cannot be referred to arbitration merely because the agreements were executed on the same date or because they have connection with each other. According to the respondents, the Court has to look at what the parties have actually agreed and not what may appear to be convenient after disputes have arisen.

137. This submission proceeds upon the principles contained in Section 7 of the Arbitration and Conciliation Act. The Act

recognises arbitration where the parties have agreed that their disputes shall be decided by an Arbitral Tribunal. Where incorporation by reference is relied upon under Section 7(5), the intention to bring the arbitration clause from one agreement into another agreement must appear from the agreement. Such intention cannot be presumed because two agreements relate to the same business transaction or because one agreement refers to another for some purpose. According to the respondents, unless the conditions contemplated by Section 7(5) are satisfied, the arbitration clause contained in one agreement cannot travel into another agreement by implication. The language must indicate that the parties intended such incorporation. If that intention is not visible from the documents, the Court cannot supply it.

138. Learned Senior Counsel appearing for respondent No.17 has placed reliance upon the judgment of the Supreme Court in *M.R. Engineers & Contractors (P) Ltd.* According to him, the legal position stands settled that a mere reference to another agreement is not enough for importing the arbitration clause. The Supreme Court has explained that where parties refer to another document for the purpose of execution or carrying out contract, only those provisions relating to performance become applicable. The arbitration clause contained in that document does not become part of the later agreement unless there is an indication showing that the parties also intended to adopt the arbitration clause. Learned Senior Counsel therefore submits that this principle applies in the present case because neither the Branding Agreement nor the Registered User Agreement provides that

disputes arising under those agreements shall be governed by Clause 10.1 of the Parent Agreement. According to him, when the agreements are silent, the Court cannot import the arbitration clause merely because the documents are connected.

139. There can not be dispute about the legal principles explained in *M.R. Engineers*. The Supreme Court has explained the circumstances in which an arbitration clause contained in one document may be treated as becoming part of another agreement. It has been held that there must first be a reference to the document containing the arbitration clause. Secondly, such reference must disclose an intention that the arbitration clause should become applicable to the subsequent contract. The Supreme Court has observed that where one agreement states that performance shall take place according to another agreement, those provisions relating to performance become applicable and not the arbitration clause. These principles have become well settled. Therefore, the petitioners cannot succeed merely by showing that one agreement refers to another agreement or because all the four agreements were executed simultaneously.

140. The respondents have relied upon the judgment of the Supreme Court in *Duro Felguera*. Learned Senior Counsel submits that in that case several agreements had been executed as part of one project. Even then, the Supreme Court held that every agreement retained its separate identity because the parties had chosen to execute different contracts and provide different arbitration clauses for each of them. The Supreme Court observed that merely because several agreements were connected with one

object, it did not mean that they merged into one contract. Learned Senior Counsel submits that the same principle applies here. According to him, the parties executed four different agreements. They created different rights and obligations. They omitted arbitration clauses from some agreements. Therefore, according to the respondents, the Court cannot ignore that arrangement and substitute an intention which the parties never chose.

141. The judgment in *Duro Felguera* lays down an important principle. The Supreme Court observed that where parties execute separate agreements dealing with separate subjects and provide different methods for resolution of disputes, the Court should respect that arrangement. The Supreme Court observed that a mere reference to another agreement for execution purposes does not result in the agreements becoming one contract or losing their separate identity. The intention of the parties remains the important consideration. These observations deserve due weight while examining the present dispute.

142. However, while appreciating the applicability of *M.R. Engineers* and *Duro Felguera*, it is necessary to keep in mind the background in which those principles were laid down. Both those judgments arose out of commercial contracts entered into between parties dealing with each other for business purposes. Prima facie, the present matter appears to arise in a different background. Here, all the documents were executed while giving effect to a family arrangement intended to divide the businesses of the family between two branches. The Parent Agreement appears to record

the larger family settlement and contemplates execution of documents for carrying out parts of that settlement. Therefore, the question before this Court is not confined only to incorporation by reference under Section 7(5). In my prima facie view, issue requires examination and cannot be answered by applying the principles governing commercial contracts.

143. The respondents have argued that this distinction makes no difference. According to them, Section 7 of the Arbitration and Conciliation Act does not draw any distinction between commercial contracts and family settlements. Learned Senior Counsel submits that if the parties intended arbitration in respect of every agreement, nothing prevented them from inserting arbitration clauses in all the agreements. According to him, the absence of arbitration clauses in the Branding Agreement and the Registered User Agreement indicates that the parties intended that disputes arising under those documents should not be governed by Clause 10.1 of the Parent Agreement. Therefore, the Court should respect the language and should not presume something which the parties have not stated.

144. This submission also deserves consideration. The absence of an arbitration clause in an agreement is an important circumstance. Equally important is the fact that the Registered User Agreement contains its own jurisdiction clause conferring jurisdiction upon the Courts at Ahmedabad. Prima facie, these provisions indicate that the subsequent agreements possess some independent character and cannot be treated as documents having no existence apart from the Parent Agreement. The Court cannot

ignore these clauses because the petitioners describe all the four documents as one family arrangement. Every clause agreed between the parties has to be given importance while understanding their intention. At the same time, these circumstances do not conclude the controversy. The Court is required to examine the true nature of the dispute. If the controversy had been confined to interpretation of one clause contained in the Registered User Agreement, the submission advanced by the respondents would carry force. However, the petitioners do not merely challenge termination of the Registered User Agreement. Their case proceeds on a broader basis. According to them, by issuing the communication dated 26 May 2026, respondent No.17 has not only terminated the Registered User Agreement but has also revoked the Irrevocable Power of Attorney and has denied the permanent rights which were created under the Parent Agreement and implemented through the Branding Agreement. According to the petitioners the present dispute is not confined to one agreement but concerns the family settlement and the rights flowing therefrom.

145. After considering the principles relating to incorporation of an arbitration agreement, it becomes necessary to examine what is the true nature of the four agreements executed on 30 March 1993. This exercise becomes necessary because the petitioners do not rest their entire case only upon Section 7(5) of the Act. According to them, all the four documents cannot be read in isolation because they together record one family settlement. It is their case that the arbitration clause contained in the Parent

Agreement governs the whole arrangement and not merely one document in isolation. The respondents have seriously disputed this position. According to them, every agreement has its own separate existence and every document must be understood according to its own language without borrowing terms from another agreement. Therefore, the real dispute before this Court is not only whether one arbitration clause has been incorporated into another agreement. The larger controversy appears to be regarding the true character of the entire transaction and whether all the four documents together form one integrated family arrangement or whether they create four separate legal relationships having independent existence.

Prima Facie Nature of the Four Agreements as One Composite Family Settlement:

146. Upon an overall consideration of the Parent Agreement, the Branding Agreement, the Irrevocable Power of Attorney, the Registered User Agreement, the surrounding circumstances, the admitted conduct of the parties extending over more than thirty-three years and the nature of the family settlement pleaded by the petitioners, I am prima facie satisfied that the petitioners have raised a substantial case that all the four agreements constitute interconnected parts of one larger family arrangement. Whether this contention ultimately succeeds is entirely a matter for the learned Arbitral Tribunal after complete appreciation of the evidence. At this interlocutory stage, however, the petitioners' case cannot be rejected merely by treating every agreement as wholly independent and completely disconnected from the others. The

true relationship between these four agreements itself appears to be one of the principal disputes requiring determination in the arbitral proceedings.

147. Prima facie, while considering the present petition, I am of the view that the petitioners have been able to show a prima facie case that the Memorandum of Agreement dated 30 March 1993 appears to be the main document recording the Family Settlement between the parties. It also appears that the Branding Agreement, the Irrevocable Power of Attorney and the Registered User Agreement did not come into existence independently but appear to have been executed for giving effect to different parts of that larger family arrangement. If this prima facie view is kept in mind, it may not be proper to proceed as if all the four agreements are unconnected contracts for applying the principles explained in M.R. Engineers and Duro Felguera. The material placed before this Court indicates bona fide case that these documents may have been intended to work together as different instruments forming part of one Family Settlement. It is true that the respondents have raised serious objections relying upon the absence of arbitration clauses in some of the agreements and upon the independent provisions contained therein. This conclusion is sufficient for deciding the present petition under Section 9. It cannot be treated as a final declaration of the rights of the parties.

148. Accordingly, Issue No.1 is answered, only for the limited purpose of the present proceedings under Section 9 of the Arbitration and Conciliation Act. These findings shall not bind the Arbitral Tribunal while deciding the disputes upon appreciation of

the evidence.

Effect of Non Signatories. Respondent Nos.17 and 18. Group of Companies Doctrine and Proposed Merger:

149. One more important objection has been raised by the respondents. According to them, even if the Parent Agreement contains an arbitration clause, Respondent Nos.17 and 18 have not signed that agreement. Therefore, they cannot be forced to go before the Arbitral Tribunal. According to petitioners, the respondents are trying to divide overall arrangement into separate parts. They submit that respondent No.17 cannot be treated as a stranger who has no concern with the family settlement. It is pointed out that respondent No.17 is admittedly a confirming party to the Branding Agreement. It has itself executed the Registered User Agreement. It has also executed the Irrevocable Power of Attorney and for more than thirty-three years it has acted upon the arrangement which came into existence because of the family settlement. The petitioners submit that it is respondent No.17 has issued the communication dated 26 May 2026 by which it has purported to terminate the Registered User Agreement, revoke the Irrevocable Power of Attorney and deny the petitioners the right to continue using the "Vadilal" brand. According to them, after acting upon the arrangement for a long period, respondent No.17 cannot say that it has nothing to do with the Parent Agreement or the arbitration clause.

150. So far as respondent No.18 is concerned, the petitioners submit that it cannot be treated as a outsider. According to them, the respondents are seeking to transfer rights relating to the

"Vadilal" brand in favour of respondent No.18 under the proposed scheme pending before the National Company Law Tribunal. It is also alleged that respondent No.18 participated in obtaining laboratory reports and also took part in different steps which resulted in issuance of the communication dated 26 May 2026. According to the petitioners, therefore, respondent No.18 has actively participated in the acts from which the present dispute has arisen. The respondents have disputed each of these allegations. Whether those allegations are proved or not will depend upon the evidence which may be led before the Arbitral Tribunal. However, at this stage the Court cannot proceed on the footing that respondent No.18 has no connection with the controversy.

151. While examining these rival submissions, it also becomes necessary to notice the development of law relating to non signatories. It is true that arbitration is based upon consent between parties. At the same time, commercial transactions are often carried out through several companies belonging to business group. Family settlements may involve separate companies and family members, though every one of them may not sign each document. Because of such situations, the law has recognised that in certain cases even a person or company who has not signed the agreement may still be referred to arbitration. At the same time, this principle cannot be applied in every case. Merely because different companies belong to one group or are connected does not make every company a party to the arbitration agreement.

152. The Constitution Bench of the Supreme Court in *Cox & Kings* has examined this question in detail. The Supreme Court has made

it clear that the Group of Companies doctrine does not create arbitration merely by imagination. A company does not become bound only because it belongs to the same group. The real enquiry is whether from the agreements, the conduct of parties, surrounding circumstances, subject matter, participation in negotiation, implementation, and termination of the transaction and the overall arrangement, it can be gathered that even the non-signatory intended to be bound by the arbitration agreement. Therefore, while applying this doctrine, consent continues to remain the foundation. The only difference is that such consent may sometimes be gathered from the conduct of the parties and the overall transaction and not only from the signatures on the agreement.

153. The respondents have submitted that the petitioners are trying to invoke the Group of Companies doctrine because Respondent Nos.17 and 18 belong to the same group. At this stage, I am unable to accept this submission. The petitioners have not relied only upon the relationship between parties. They have pointed out surrounding circumstances. According to them, respondent No.17 has executed some of the agreements forming part of the overall arrangement. It has acted upon those agreements for more than three decades. It has issued the impugned communication terminating the Registered User Agreement and revoking the Irrevocable Power of Attorney. According to the petitioners respondent No.17 is not merely connected with the transaction but has played a main role in implementing the family settlement and while taking the steps

which have taken away their rights. These circumstances cannot be ignored while examining the objection regarding non signatories.

154. Prima facie, therefore, I am unable to hold respondent No.17 is a stranger to the overall transaction. The petitioners have prima facie succeeded in establishing that respondent No.17 accepted and acted upon the entire arrangement including the arbitration clause. The material available before this Court raises prima facie case in favour of petitioners, which may require final consideration by the learned Arbitral Tribunal after appreciation of the evidence.

155. So far as respondent No.18 is concerned, the position appears to stand on a different footing. The petitioners rely upon the proposed merger, the participation in obtaining laboratory reports and the role said to have been played by respondent No.18 before issuance of the communication dated 26 May 2026. All these allegations have been disputed by the respondents. Whether respondent No.18 has actually undertaken obligations arising under the family settlement or whether its role is incidental will have to be decided after appreciation of evidence. Nevertheless, considering the material placed before the Court, it cannot be said that respondent No.18 is unconnected with the dispute. The exact nature and extent of its involvement will necessarily require detailed examination before the learned Arbitral Tribunal.

156. The petitioners have relied upon the judgment in *ASF Buildtech*. According to them, that decision recognises that where several agreements together form one transaction and separate adjudication may result in inconsistent findings, the Court may

refer disputes arising under all such agreements to arbitration even though every agreement may not contain an arbitration clause. According to the petitioners, the basic principle behind that judgment is that the Court should ascertain the intention of the parties after looking at the transaction as a whole instead of breaking it into different pieces. Learned Senior Counsel submits that this principle supports the petitioners because the present dispute cannot be decided by treating each agreement as separate without examining the family settlement.

157. The respondents have argued that the judgment in *ASF Buildtech* cannot override the principles explained in *M.R. Engineers* and *Duro Felguera*. There can be no disagreement with this submission. In my opinion, all these judgments operate in their respective fields. *M.R. Engineers* explains the law regarding incorporation by reference. *Duro Felguera* lays emphasis on the independent existence of contracts. *Cox & Kings* explains the circumstances in which non signatories may be referred to arbitration. *ASF Buildtech* deals with transactions involving several agreements. Their application depends upon the nature of arrangement and surrounding circumstances of each case.

158. The proposed merger requires consideration because submissions have been made on this aspect. According to the petitioners, if rights relating to the "Vadilal" brand are transferred in favour of respondent No.18 under the proposed scheme, the rights claimed by the petitioners under the family settlement may suffer unless respondent No.18 remains bound by the obligations arising from that settlement. The respondents, however, submit

that a merger approved under law cannot enlarge the scope of an arbitration agreement.

159. Prima facie, I find substance in the respondents' submission that a scheme of merger neither creates rights nor destroys existing obligations. Ordinarily, the successor company steps into the position of its predecessor subject to the terms of the sanctioned scheme. Therefore, if respondent No.17 is found bound by obligations arising from the family settlement, those obligations may not disappear only because there has been restructuring. On the other hand, if respondent No.17 is found not to be bound by the arbitration agreement, the proposed merger cannot create such obligation. Therefore, the proposed merger does not answer the question of arbitrability. It explains why the petitioners have considered it necessary to implead respondent No.18.

160. I am, prima facie, satisfied that interim protection under Section 9 can also be granted against respondent No.18 because the prima facie material placed before this Court indicates that respondent No.18 claims rights through respondent No.17 under the proposed merger and that the rights sought to be transferred are themselves the subject matter of the present dispute. If, during pendency of the arbitral proceedings, respondent No.18 is permitted to deal with, transfer, exercise or assert those disputed rights without any restraint, there is a reasonable possibility that the subject matter of the arbitration may undergo change. Such a situation may prejudice the rights claimed by the petitioners. Therefore, for preserving the existing position until the learned Arbitral Tribunal examines the disputes, respondent No.18 also

deserves to be restrained by an interim order.

161. The respondents have also pointed out that proceedings are pending before the Ahmedabad Court where an application under Section 8 of the Arbitration and Conciliation Act has been filed. According to them, the issue regarding arbitrability is under consideration before that Court. This circumstance deserves notice. However, mere pendency of proceedings before another Court does not prevent this Court, while exercising jurisdiction under Section 9, from forming a prima facie opinion regarding existence of an arbitration agreement for the limited purpose of deciding whether interim protection deserves to be granted. Therefore, whatever observations are recorded herein are confined to the present proceedings and shall not prejudice the decision which may be taken by any other competent Court or by the Arbitral Tribunal.

162. Upon an overall consideration of Clause 10.1 of the Parent Agreement, the four agreements executed on 30 March 1993, the nature of the family settlement, the conduct of the parties extending over more than three decades, the principles explained in *Cox & Kings* regarding non signatories, the observations contained in *ASF Buildtech* relating to transactions, the objections based upon *M.R. Engineers* and *Duro Felguera* and the role attributed to Respondent Nos.17 and 18, I am prima facie satisfied that the petitioners have made out a prima facie case that the arbitration agreement contained in the Parent Agreement is capable of extending to the present disputes. The objections raised by the respondents cannot be accepted as concluding the

controversy.

163. Accordingly, for the limited purpose of deciding the present petition under Section 9 of the Arbitration and Conciliation Act, I hold, prima facie, that the petitioners have established an arguable case that the arbitration agreement contained in Clause 10.1 of the Parent Agreement is capable of governing disputes arising out of the Branding Agreement, the Irrevocable Power of Attorney and the Registered User Agreement, these documents being capable of constituting different parts of one composite family settlement. I am also prima facie of the opinion that the objections regarding Respondent Nos.17 and 18, applicability of the Group of Companies doctrine and the effect of the proposed merger raise substantial questions which require detailed adjudication before the learned Arbitral Tribunal and cannot be finally determined in proceedings under Section 9. These findings are only tentative, recorded for deciding the present petition, and they shall not bind the learned Arbitral Tribunal while independently deciding all questions relating to jurisdiction, arbitrability, interpretation of the agreements and the ultimate rights of the parties.

164. Prima facie, I am satisfied that Respondent Nos.1 to 16 cannot be treated as persons having no concern at all with the present dispute. The petitioners have taken a case that Respondent Nos.1 to 16 represent the Ahmedabad Group and that the rights claimed by that group under the Family Settlement are being exercised through respondent No.17. Whether this case is found correct or not can be decided only after detailed examination of the agreements and the evidence which may come before the

Arbitral Tribunal. However, on the material placed before this Court, it cannot be said that the petitioners' contention is without foundation. Prima facie, they have been able to show a prima facie case that respondent No.17 has been acting in relation to the disputed rights on behalf of the Ahmedabad Group. Therefore, at this stage, it may not be proper to separate Respondent Nos.1 to 16 from the controversy as if they have no connection with the rights which are under dispute.

165. If interim protection is granted against respondent No.17 and Respondent Nos.1 to 16 are left free to deal with, transfer, create third party rights or otherwise assert the same disputed rights through different arrangement, the protection granted by this Court may not remain effective. The purpose of granting relief under Section 9 is to keep the existing position protected until the disputes are decided in arbitration. That purpose may not be achieved if the persons who are alleged to represent one branch of the Family Settlement remain outside the operation of the interim order. In such a situation, there may remain a possibility that the subject matter of the arbitration may undergo change before the learned Arbitral Tribunal gets an opportunity to examine the entire dispute. Accordingly, for the limited purpose of deciding the present petition under Section 9, I am prima facie of the opinion that the interim injunction should also operate against respondent Nos.1 to 16. The interim order is being passed for preserving the present position and to ensure that the disputed rights are not changed, transferred or otherwise affected before the Arbitral Tribunal examines the entire controversy.

166. At the same time, this Court is conscious that respondent Nos.1, 2, 10, 11, 14 and 16 are no longer alive. Naturally, no operative relief can either be granted against or enforced against deceased persons.

Interpretation of Clause 10.1 of the Memorandum of Agreement and Territorial Jurisdiction:

167. Learned Senior Counsel appearing for respondent No.17 has also raised an objection regarding the territorial jurisdiction of this Court. According to him, even if, for the present, it is assumed that the disputes can go to arbitration, this Court still has no jurisdiction to entertain the present petition. He submits that Clause 10.1 of the Memorandum of Agreement says that the arbitration proceedings shall be subject to the jurisdiction of the territory of the party other than the party "who has necessitated the arbitration proceedings". According to the respondents, these words should not be understood to mean the party whose acts are alleged to have given rise to the dispute. It is submitted that the expression only means the party who actually starts or invokes the arbitration proceedings. On this basis, it is argued that this Court has no territorial jurisdiction to entertain the present proceedings.

168. For consideration above submission it is necessary to set out Clause 10.1 which reads as under:

> “Clause10.1- This MOU and the other Understandings and the agreements that may be executed on the basis of these understandings are subject to arbitration as per the Indian Arbitration Act, 1940. In the event of any dispute arising between the parties or in relation to the construction or interpretation of the agreement or such other Memorandum

> of Understandings, the same shall be referred to a sole arbitrator, if parties agree upon such sole Arbitrator, failing which each party may depute/ nominate their arbitrator who in turn will appoint an Umpire. The arbitration proceedings are subject to the jurisdiction of the Territory of the party other than who has necessitated the Arbitration Proceedings."

169. Prima facie, I am not inclined to accept this submission. In my opinion, the words used in Clause 10.1 cannot, at this stage, be read in a manner which makes the clause difficult to work. If the interpretation suggested by the respondents is accepted, the words "who has necessitated the arbitration proceedings" would become the same as saying the party who files or starts the arbitration proceedings. However, the parties have not used expressions such as "the party commencing arbitration" or "the party invoking arbitration". They have used different words, namely, "the party who has necessitated the arbitration proceedings". Prima facie, these words appear to have been used with some purpose and cannot be treated as unnecessary. They seem to indicate the party whose acts or conduct are alleged to have made it necessary for the other side to approach arbitration. At this stage, it may not be proper to ignore the language chosen by the parties and substitute different words which do not find place in the agreement.

170. It is true that whether the allegations made by the petitioners are proved or not can only be decided after detailed appreciation of the evidence by the Arbitral Tribunal. However, that circumstance does not prevent this Court from forming a prima facie opinion while considering its jurisdiction under Section

9. Such a prima facie exercise is undertaken only for deciding whether interim protection deserves consideration and does not amount to finally deciding the rights or liabilities of either side.

171. If the interpretation suggested by the respondents is accepted, another difficulty also appears to arise. The question of territorial jurisdiction may remain uncertain until the arbitral proceedings are completed, and the disputes are decided. In that event, the Court may first have to wait for a final adjudication before deciding whether it had jurisdiction to entertain the petition at all. Prima facie, such an interpretation would make the jurisdiction clause difficult to implement, particularly in proceedings under Section 9 where urgent interim protection is sought before commencement of arbitration. It does not appear that the parties intended to adopt a clause which would become workable only after the entire dispute is finally concluded.

172. In the present case, the petitioners have asserted that the communication dated 26 May 2026 issued by respondent No.17, by which the Registered User Agreement was terminated, the Irrevocable Power of Attorney was revoked and the petitioners' continued right to use the "Vadilal" brand was denied, has given rise to the present disputes and has made it necessary for them to invoke arbitration. Whether these allegations are established or not is a matter which will be examined by the Arbitral Tribunal. However, for the limited purpose of deciding the present petition, these pleadings furnish sufficient prima facie material for considering the question of territorial jurisdiction.

173. Proceeding on this limited prima facie basis, and accepting the petitioners' case only for deciding the present application, respondent No.17 would, prima facie, be the party whose acts are alleged to have necessitated the arbitration proceedings. Consequently, under Clause 10.1, the arbitration proceedings would, prima facie, be subject to the jurisdiction of the territory of the other party, namely the petitioners, who admittedly carry on business from Mumbai. Prima facie, therefore, this Court possesses territorial jurisdiction to entertain and decide the present petition under Section 9. These observations are only tentative and are confined to the present proceedings. They shall not prevent the learned Arbitral Tribunal from independently interpreting Clause 10.1 or deciding any issue relating to territorial jurisdiction after examination of the documents, the circumstances, and the evidence which may be led by the parties.

Effect of Termination of the Registered User Agreement During Pendency of the Disputes:

174. Learned Senior Counsel appearing for respondent No.17 has submitted that after issuance of the termination notice dated 26 May 2026, the Registered User Agreement has come to an end. According to him, once the agreement stands terminated, there is no relationship between the parties. It is therefore submitted that any order permitting the petitioners to continue using the "Vadilal" trademark would amount to restoring a relationship which has been extinguished. Learned Senior Counsel submits that such an order amounts to granting a mandatory injunction. According to him, a mandatory injunction at an interlocutory stage is granted

only where an exceptionally strong prima facie case is made out. He therefore submits that the petitioners must satisfy a much higher standard than that ordinarily applicable under Section 9. It is submitted that if the Court grants the relief sought, the Court would in substance compel respondent No.17 to continue recognising rights which already stand extinguished. Learned Senior Counsel therefore submits that the petition deserves to be rejected on this ground alone.

175. The answer to the respondents' objection depends upon the true nature of the rights asserted by the petitioners. The Court cannot determine the character of the relief merely by looking at the form of the termination notice. The Court must also examine the source from which the petitioners claim their rights. If the petitioners' case is that their rights arise solely under the Registered User Agreement, then termination of that agreement would assume importance. On the other hand, if the petitioners assert that their rights originate independently under family settlement and that the Registered User Agreement gives effect to those pre-existing rights, then the consequences become different. Therefore, before characterising the present relief as restoration of a terminated contract, it becomes necessary to identify the foundation upon which the petitioners base their claim.

176. If the petitioners claimed continuation of the Registered User Agreement as licence, the respondents' submission would carry force. In such a situation, once the licence stood terminated in accordance with its contractual terms, the Court would be slow in directing restoration of the contractual relationship. Such an order

would revive a contract which the parties had agreed could be terminated upon occurrence of specified events. Courts have held that where a party seeks continuation of a contractual licence after termination, the relief partakes the character of a mandatory injunction and therefore requires a stronger prima facie case than that applicable to an prohibitory injunction. In those circumstances, the Court would hesitate to compel one contracting party to continue recognising rights which have come to an end. Thus, if the present case were confined only to the Registered User Agreement, the respondents' contention would deserve acceptance.

177. The present proceedings, however, do not proceed upon such a foundation. The petitioners do not merely contend that the Registered User Agreement should continue notwithstanding its termination. Their submission has been that the Registered User Agreement is only one amongst four documents executed on 30 March 1993 for implementing one family settlement. According to them, the Parent Agreement, the Branding Agreement, the Irrevocable Power of Attorney and the Registered User Agreement together constitute one composite arrangement. It is their case that the Parent Agreement contemplated execution of the remaining three documents in order to implement the family settlement. They further submit that ownership rights, shareholding, and management control in respondent No.17 were surrendered by the Bombay Group in consideration of obtaining exclusive territorial rights. According to them, those rights were created by the family settlement and not by the Registered User Agreement. The Registered User Agreement provided the mechanism through

which those existing rights could be exercised in accordance with the requirements of the Trade Marks Act. Thus the source of their rights lies beyond the Registered User Agreement.

178. Proceeding on that basis, the petitioners contend that the termination is ineffective because the Registered User Agreement cannot be isolated from the Parent Agreement, the Branding Agreement and the Irrevocable Power of Attorney. According to them, all four documents were executed simultaneously. They refer to one another. They implement different parts of the same family arrangement. They further submit that if the Registered User Agreement alone is treated as the source of rights, the consideration flowing under the Parent Agreement would fail because the Bombay Group would have surrendered ownership and management rights while remaining exposed to extinction of the benefit received under the settlement. According to them, such an interpretation would destroy the balance created between the two branches of the family in 1993. The petitioners therefore submit that termination of one document cannot extinguish rights which are claimed to have been created under the family settlement.

179. Thus, the Court is not asked to revive a terminated licence. The Court is called upon to preserve disputed rights which arise under the family settlement and which merely came to be operationalised through the Registered User Agreement and the Irrevocable Power of Attorney. The distinction is significant. If the petitioners establish that their rights do not originate solely under the Registered User Agreement, then continuation of those rights

cannot be equated with revival of a terminated licence. In such a situation, the interim order would not create fresh rights. It would preserve an existing state of affairs. Therefore, the real question before this Court is not whether the Registered User Agreement has been terminated. The more fundamental question is whether termination of that document alone determines the existence of the rights asserted under the family settlement.

180. At this stage prima facie the existence of this controversy distinguishes the present proceedings from cases involving an commercial licence. In normal licence dispute, the source of rights is undisputed and the controversy concerns the validity of termination. In the present case, prima facie it appears that origin of the petitioners' rights flow from a composite family settlement implemented through four interconnected documents. Until controversy is finally resolved, it would be inappropriate to proceed upon the assumption that termination of the Registered User Agreement alone concludes every right asserted by the petitioners. It is because of this dispute regarding the source of the rights claimed that the Court considers it appropriate to preserve the existing position, subject to appropriate safeguards, until the learned Arbitral Tribunal finally determines the effect of the 1993 Family Settlement Agreements. This conclusion is purely prima facie and shall not be construed as expressing any final opinion on the legality of the termination.

Whether the petitioners have made out a case for interim protection under Section 9:

181. I have already considered the rival submissions while dealing

with the nature of the family settlement, the question whether all the agreements form one composite transaction, the effect of incorporation of the arbitration clause and the objection raised regarding the parties to the arbitration. After having considered those issues, the question which requires examination is whether the petitioners have made out a case for grant of interim protection under Section 9 of the Arbitration and Conciliation Act, 1996. In other words, even if the petitioners are able to show that there exists an arbitration agreement and that disputes have arisen between the parties, it still remains necessary to examine whether the settled requirements for grant of interim relief are satisfied. The Court is also required to see whether the nature of the dispute, the surrounding circumstances and the material placed on record justify exercise of the discretionary powers under Section 9. Therefore, before considering the reliefs sought by the petitioners, it becomes necessary to examine whether the petitioners have established a prima facie case, whether refusal of protection would result in prejudice incapable of being compensated and whether, on an overall assessment of the claims, the balance of convenience lies in favour of granting interim protection till the disputes are decided in arbitration.

Prima facie case:

182. While considering Issue Nos.1 and 2, this Court has discussed the nature of the documents executed on 30 March 1993 and the rival submissions. The material placed on record clearly discloses questions regarding the character of these four documents. The Parent Agreement contemplates execution of the

Branding Agreement, the Irrevocable Power of Attorney and the Registered User Agreement for implementation of the family settlement. Prima facie, therefore, these documents do not appear to have come into existence independently of each other. Whether they merely supplement each other or whether each of them creates separate rights is one of the principal controversies between the parties. The petitioners contend that the Registered User Agreement only operationalises rights which had already crystallised under the Parent Agreement. The respondents contend that it independently creates those rights and therefore independently governs their continuation and termination. The answer to this controversy necessarily depends upon detailed examination of the contractual language, surrounding circumstances, conduct of the parties over the last three decades and evidence regarding the commercial intention underlying the family settlement. Such an exercise cannot appropriately be undertaken in proceedings under Section 9. At the present stage it is sufficient to observe that these questions are substantial and cannot be brushed aside. They require detailed adjudication before the learned Arbitral Tribunal.

183. At this stage, this Court is not required to finally pronounce upon the correctness of either interpretation. The Court is required to examine whether the petitioners have shown a sufficiently strong case deserving protection till the disputes are finally adjudicated. In my view, the petitioners have crossed that threshold. Their claim cannot be described as devoid of substance. Prima facie support for their case is available from the language

employed in the Parent Agreement, the fact that all four agreements were executed contemporaneously on the same day, the conduct of the parties for more than three decades and the principles governing of family settlements discussed while deciding the earlier issues. The petitioners have also relied upon the surrounding circumstances showing that the restructuring of the family business was intended to be complete and permanent. Whether those circumstances establish the petitioners' case is a matter for final adjudication. Nevertheless, they certainly disclose prima facie case which deserve examination in arbitration.

184. Another circumstance which, in my view, assumes importance at this stage is the admitted conduct of the parties over the last more than thirty-three years. It is not disputed that throughout this period the petitioners have manufactured and marketed products under the "Vadilal" brand within their territories. There is no material before this Court to show that during this long period any attempt was made by respondent No.17 to dispute the petitioners' entitlement to use the brand. Certainly, long user by itself cannot convert a contractual licence into an irrevocable right. Equally, mere lapse of time cannot extinguish contractual provisions relating to quality control or termination. However, such uninterrupted conduct cannot be treated as an irrelevant circumstance. It constitutes an important piece of evidence while examining the understanding upon which both sides acted for several decades. Whether such conduct amounts to recognition of permanent rights flowing from the family settlement, or merely reflects performance of the Registered

User Agreement, is a matter requiring appreciation of evidence. At the present stage the uninterrupted course of conduct extending over more than three decades strengthens the petitioners' contention that their claim cannot be rejected at the threshold.

185. Learned Senior Counsel appearing for respondent No.17 has laid emphasis upon the termination clause as well as the quality control provisions incorporated in the Registered User Agreement. There can be no dispute that these provisions form part of the contract between the parties. The agreement imposes obligations regarding maintenance of quality standards, compliance with statutory requirements, inspection of manufacturing facilities and recall of product. These clauses cannot be ignored while interpreting the contract. At the same time, the petitioners have not accepted either the allegations or the consequences sought to be drawn by the respondents. They have questioned the manner in which samples were collected, the methodology adopted by the laboratories, the authenticity and evidentiary value of the reports, the alleged non supply of relevant material along with the notices, compliance with the procedural requirements contemplated under the agreement and the legality of the process leading to termination. According to the petitioners, even assuming deficiencies existed, the contractual mechanism was not followed in the manner required by the agreement. Thus, the controversy does not merely concern interpretation of contract but also extends to disputed questions of fact. Such disputes cannot be decided merely on affidavits.

186. The respondents have produced repeated laboratory reports prepared by NABL accredited laboratories which disclose serious microbiological contamination in products manufactured by the petitioners. If these reports are proved in accordance with law and if their findings are accepted, they may have consequences while considering the validity of the termination and the rights of the parties. However, the petitioners have placed on record reports of other laboratories, third party audit reports and additional material disputing not only the conclusions recorded in the respondents' reports, but also the entire methodology adopted for collection and testing of samples. They have questioned the chain of custody, the representative nature of the samples, the testing procedures followed and the conclusions drawn from such reports. Thus, the Court is confronted with competing material placed by both sides. Proceedings under Section 9 are not intended to convert the Court into an expert forum required to determine the correctness of laboratory reports. Such an exercise would necessarily require expert evidence and detailed examination which can be undertaken during arbitral proceedings. Consequently, this Court cannot conclusively pronounce upon the correctness of either set of reports.

187. Therefore, although the respondents have raised allegations relating to compliance with quality standards, those allegations remain matters of dispute. The existence of such disputes does not demolish the petitioners' prima facie case. The respondents have raised issues requiring adjudication. Equally, the petitioners have placed material questioning the factual basis as well as effect of

those allegations. Until those disputed questions are determined after appreciation of evidence, the Court cannot proceed on the assumption that the respondents' allegations stand established. At this stage, those allegations constitute part of the controversy. Consequently, the prima facie case otherwise demonstrated by the petitioners arising from the family settlement and the surrounding contractual framework cannot be regarded as having been displaced merely because the respondents have asserted breaches under the Registered User Agreement.

188. Having considered the pleadings, documents, rival submissions and the material available on record, I am satisfied that, for the purpose of deciding the present petition under Section 9, the petitioners have succeeded in establishing a strong prima facie case. This conclusion is not intended to determine the validity of the family settlement, the scope of the Registered User Agreement, the legality of the termination notice or the correctness of the laboratory reports. All those issues shall remain open for adjudication before the Arbitral Tribunal.

Balance of convenience:

189. The next aspect which requires consideration is the question of balance of convenience. Merely because a party succeeds in showing a prima facie case does not entitle that party to an order under Section 9 of the Arbitration and Conciliation Act. The Court is further required to examine which course would cause lesser hardship. While undertaking this exercise, the Court is required to compare the consequences that may follow if interim protection is

either granted or refused. Such comparison has to be made not by examining only the inconvenience likely to be suffered by one side, but by weighing the probable prejudice to both sides. The Court is required to keep in mind that the purpose of interim protection is to preserve the subject-matter of the arbitration. Therefore, the Court has to consider the surrounding circumstances, the nature of the rights claimed, the long course of conduct between the parties and the consequences likely to follow during the pendency of the arbitral proceedings.

190. According to the petitioners, the entire goodwill developed by them over more than thirty-three years has become connected with the "Vadilal" brand. It is their case that during this period they have invested financial resources, planning, and efforts in establishing manufacturing units, developing customer confidence and expanding their business throughout their territories. According to them, every carton, wrapper, advertisement, and marketing campaign has been built around the "Vadilal" name. They submit that consumers identify their products because of that brand and not merely because of the name of petitioner No.3. It is submitted that if they are compelled to discontinue use of the "Vadilal" brand, the consequences would extend beyond changing the name on the packaging. According to them, the entire business would require reorganisation. Fresh trademarks would have to be adopted. New packaging material would have to be manufactured. Licences, advertisements, promotional material, distribution agreements, dealer arrangements and consumer communication would all require modification. The petitioners submit that

rebuilding market recognition after losing a brand which has existed for more than three decades is not an exercise capable of being completed within a short period. Even if they succeed before the learned Arbitral Tribunal, the goodwill, consumer confidence and market identity lost during the intervening period may never return. According to them, therefore, refusal of interim protection would defeat the entire purpose of the arbitration because restoration of the earlier position may become impossible.

191. The respondents have advanced submission from the opposite perspective. According to respondent No.17, continuation of the petitioners' use of the "Vadilal" brand after termination of the Registered User Agreement would expose consumers to products which have failed microbiological testing. Learned Senior Counsel submits that respondent No.17 is the proprietor of the trademark and bears the responsibility of protecting not only its goodwill but also the confidence which consumers associate with the brand. According to the respondents, once repeated laboratory reports indicated the presence of contamination, respondent No.17 could not remain inactive. It is submitted that every defective product sold under the "Vadilal" trademark has the potential to damage the reputation of the brand throughout the country irrespective of the territory in which products are sold. According to the respondents, goodwill built over decades may be affected if consumers begin associating the brand with unsafe products. It is submitted that no Court should compel the proprietor of a registered trademark to continue permitting another person to use that trademark after the licence has been terminated, particularly

where allegations concerning product quality have been raised. According to the respondents, the greater hardship would fall upon them if interim protection is granted because damage to reputation and public confidence cannot be repaired.

192. In my view, both these submissions deserve consideration. Neither of them can be brushed aside. The petitioners have demonstrated that discontinuance of the "Vadilal" brand after more than three decades is capable of causing extensive disruption. Equally, the respondents have raised concerns regarding protection of the goodwill associated with a registered trademark and the impact of alleged quality deficiencies upon public confidence. Thus, the Court is not confronted with a case where one side alone appears likely to suffer prejudice. Both sides have placed before the Court circumstances which deserve attention. The task of the Court, therefore, is not to determine which party has a better commercial claim, but to ascertain which course is likely to preserve the subject-matter with the least risk of irreversible prejudice. That exercise has to be undertaken in the limited jurisdiction under Section 9.

193. If interim protection is refused and the petitioners are held entitled by the Arbitral Tribunal to continue using the "Vadilal" brand under the family settlement, restoration of the earlier position may become extremely difficult. By that stage the petitioners may have been compelled to withdraw products available in the market, replace packaging, discontinue advertising material, modify dealership arrangements, change distribution systems and educate consumers regarding a new identity. Dealers

may shift to competing products. Consumers may lose familiarity with the petitioners' products. Shelf space in the market may be occupied by competitors. Business relationships developed over decades may come to an end. Even if the petitioners obtain an arbitral award, such an award may not be capable of restoring the position which existed prior to the termination. Loss of consumer confidence, market recognition, distribution channels and commercial identity over several decades cannot be reconstructed by directing payment of compensation. Money may compensate financial loss, but it may not restore goodwill which has developed through market presence over a long period. Therefore, refusal of interim protection carries with it the possibility of consequences which may become irreversible.

194. On the other hand, if interim protection is granted and the respondents succeed before the Arbitral Tribunal, respondent No.17 would have been required to tolerate use of the "Vadilal" brand by the petitioners during the period necessary for adjudication of the disputes. It may affect the respondents' position and control over the trademark during the pendency of the arbitration. However, such prejudice is capable of being reduced by interim safeguards. This Court is not powerless while granting protection. Conditions can be imposed requiring the petitioners to maintain compliance with all applicable statutory provisions, preserve records, permit inspection, cooperate in quality testing, and comply with such safeguards as may become necessary for protection of consumer interest. Such conditions would reduce the possibility of prejudice to the respondents during the pendency of

the arbitral proceedings. Thus, the prejudice likely to be suffered by the respondents is capable of being controlled through interim directions.

195. Learned Senior Counsel for respondent No.17 has emphasised that the controversy concerns public health and consumer safety. This submission deserves the highest attention. Protection of consumers occupies a position of paramount importance. This Court is conscious that no interim order passed under Section 9 can dilute the obligations imposed by the Food Safety and Standards Act, the Regulations framed thereunder or other applicable statutory provisions. Every manufacturer continues to remain bound by those statutory obligations. However, the present proceedings do not determine whether the products manufactured by the petitioners are in fact unsafe. Those issues remain disputed. Competing laboratory reports have been placed before the Court. Such disputes cannot be resolved in proceedings under Section 9 on the basis of affidavits. Consequently, while consumer safety must remain protected, the Court cannot proceed upon the assumption that allegation made by the respondents stands finally proved. Equally, the Court cannot proceed upon the assumption that the petitioners have disproved those allegations. The controversy still awaits adjudication upon evidence.

196. In these circumstances, it appears to me that the concerns expressed by the respondents can be addressed by imposing interim safeguards while preserving the petitioners' existing position. Viewed from this perspective, the comparative hardship

likely to arise by refusing interim protection appears greater than the hardship likely to arise by permitting temporary continuation of the existing arrangement. Immediate discontinuance of a business carried on for more than three decades is capable of producing consequences which may extend beyond financial loss. Such disruption may permanently alter the petitioners' position even before the Arbitral Tribunal determines whether the termination was valid. On the contrary, if the respondents succeed, the continuation during the pendency of the arbitration would remain only temporary and would operate under safeguards designed to protect quality standards. Therefore, after balancing the prejudice likely to be suffered by both sides, the scale appears to tilt in favour of maintaining the existing arrangement rather than permitting disruption.

197. Consequently, upon an overall consideration of the rival submissions, the contract, the long course of conduct between the parties and the nature of the prejudice likely to arise in either event, I am of the opinion that the balance of convenience leans in favour of preserving the existing state of affairs.

Irreparable injury:

198. The next requirement is whether the petitioners have established that refusal of interim protection would result in irreparable injury. Mere existence of a prima facie case and balance of convenience are not sufficient for grant of relief under Section 9. The Court must examine whether the prejudice likely to be suffered is of such nature that it cannot be adequately remedied.

The expression “irreparable injury” does not mean that the loss is incapable of any compensation. What it means is that the injury is of such character that no subsequent order, whether by way of damages or otherwise, can restore the party to the position in which it stood. The Court is therefore required to consider whether the consequences likely to follow are capable of being repaired after the award. If restoration itself becomes impossible, the requirement of irreparable injury stands satisfied.

199. The petitioners contend that the rights asserted are not confined to licence granted for consideration. According to them, their claim does not arise because they paid licence fees to respondent No.17. Their case proceeds under the 1993 Family Settlement, the Bombay Group surrendered proprietary rights by transferring its shareholding, management, and control in respondent No.17 and other family companies. According to them, this surrender constituted a sacrifice made as part of the family settlement with the object of permanently resolving disputes within the family. In consideration of that sacrifice, the Bombay Group was granted permanent rights to use the "Vadilal" brand within specified territories. According to the petitioners, this right constituted one of the benefits flowing from the family settlement. Therefore, they submit that the dispute cannot be viewed as termination of commercial arrangement. They contend that what is sought to be taken away is the consideration which induced the Bombay Group to relinquish ownership and management rights more than three decades ago. If this assertion is found to be correct, temporary deprivation of those rights would defeat the

object of the family settlement. Such prejudice, travels much beyond contractual loss.

200. As already discussed while examining the nature of the four agreements, the petitioners have placed emphasis upon the Parent Agreement, the Branding Agreement, the Irrevocable Power of Attorney and the Registered User Agreement being parts of one composite family arrangement. They contend that all four documents have to be read together. According to them, the Registered User Agreement merely provides the mechanism through which the rights created under the family settlement are implemented. The respondents dispute this interpretation and submit that the Registered User Agreement constitutes the sole source of the petitioners' right to use the trademark. That controversy survives for final adjudication before the Arbitral Tribunal. However, if the petitioners' interpretation is accepted, the consequence of refusing interim protection would be that a party claiming rights flowing from a family settlement extending over more than three decades would stand deprived of the principal benefit even before the arbitral proceedings conclude. Such deprivation may not be capable of restoration by any subsequent award. Therefore, the Court cannot ignore the nature of the rights asserted by the petitioners.

201. Loss of goodwill, reputation, customer confidence, territorial rights developed over several decades cannot be measured with mathematical precision. Goodwill is not created in a single transaction. It develops through quality and commercial dealings over long periods. The value of such goodwill does not merely

depend upon annual sales or financial statements. It consists of consumer confidence, reputation built in the market and the identity which a particular product acquires amongst the public. If the petitioners are compelled to discontinue use of the "Vadilal" brand, many of these commercial advantages may disappear. Dealers may choose alternative suppliers. Consumers may shift to competing products. Distribution arrangements may undergo permanent changes. The association between the petitioners and the "Vadilal" brand, built over more than three decades, may disappear. Even if an arbitral award recognises the petitioners' rights, revival of such goodwill may not follow as a consequence. For this reason also, the likely prejudice cannot be regarded as purely financial.

202. It is true that in commercial disputes Courts proceed on the basis that loss can be compensated by damages. However, that principle cannot be applied irrespective of the nature of the rights involved. The present controversy is not confined to compensation arising from breach of an commercial agreement. The dispute concerns the existence of a right claimed to have under a family settlement which has regulated the relationship between the parties for more than thirty-three years. Whether that claim succeeds or fails is a matter for the Arbitral Tribunal. Nevertheless, if the petitioners are found entitled to permanent use of the "Vadilal" brand, no award may compensate the disruption of goodwill suffered during the intervening period. The injury complained of possesses features which cannot be reduced to a monetary calculation.

203. The respondents have contended that any loss which the petitioners may suffer is capable of monetary computation. According to learned Senior Counsel for respondent No.17, the petitioners are carrying on a business. Their profits and losses can be determined from books of account. If they succeed before the Arbitral Tribunal, damages can be awarded in their favour. It is therefore submitted that the essential requirement of irreparable injury is absent. Learned Senior Counsel further submits that Courts should not grant interim protection merely because one party alleges commercial inconvenience. According to him, where the dispute concerns a licence which has been terminated, monetary compensation constitutes an adequate remedy.

204. This submission deserves consideration. If the present dispute were confined only to licence granted for consideration under a agreement, there would be force in the respondents' contention that damages may be an adequate remedy. In many commercial disputes arising from termination of distributorships or licences, compensation may sufficiently protect the aggrieved party. However, the present proceedings stand upon a different footing. As noticed earlier, the petitioners assert that their right flows from a family settlement under which valuable ownership and management rights were permanently surrendered in exchange for territorial rights over the "Vadilal" brand. They further contend that the Registered User Agreement merely implements those rights. These assertions remain established. Yet, the existence of such issues itself distinguishes the present case from an ordinary dispute. Where the controversy concerns the

existence of permanent rights allegedly arising under a family settlement for more than three decades, it would be difficult to hold that monetary damages necessarily constitute a substitute. Consequently, the respondents' submission cannot be accepted to deny interim protection.

205. The Court must also examine the prejudice likely to be suffered by the respondents if interim protection is granted. Learned Senior Counsel for respondent No.17 has submitted that continuation of the petitioners' use of the "Vadilal" brand despite alleged breaches may adversely affect the goodwill associated with the trademark. It is further submitted that if products not conforming to the quality standards continue to reach consumers under the "Vadilal" name, the reputation of the brand may suffer. If those allegations are established, the respondents may have legitimate grounds for complaint. The Court therefore accepts that the apprehension expressed by the respondents cannot be ignored merely because the petitioners dispute the allegations.

206. At the same time, the existence of such apprehension does not require refusal of interim protection. The Court is required to consider whether the respondents' concerns can be safeguarded during the pendency of the arbitral proceedings without permitting alteration of the parties' relationship. In my opinion, such protection is possible. The petitioners can be directed to continue compliance with applicable statutory requirement under the Food Safety and Standards Act and the Rules and Regulations framed thereunder. They can also be required to preserve manufacturing records, cooperate with reasonable inspection in accordance with

the contract, preserve samples wherever required, permit independent laboratory testing whenever circumstances justify such testing and continue to comply with all applicable regulatory obligations. Such directions would not determine the correctness of either party's case. They would merely ensure that consumer protection remain safeguarded while the contractual disputes are adjudicated by the Arbitral Tribunal.

207. It also deserves notice that the respondents' grievance regarding quality standards constitutes one of the disputes requiring adjudication in arbitration. The petitioners have disputed the laboratory reports relied upon by the respondents. They have questioned the sampling process, testing methodology, chain of custody, communication of reports and the procedure allegedly adopted before termination. They have also relied upon other reports and audit material in support of their defence. At this stage the Court cannot undertake a detailed evaluation of these materials. Consequently, the respondents' apprehension cannot be treated as established. Pending such adjudication, preservation of the existing position subject to safeguards appears to constitute a balanced course.

208. Another circumstance is that the petitioners have admittedly carried on business under the "Vadilal" brand since 1993. The present controversy has arisen only after issuance of notices during the year 2025 and the subsequent termination dated 26 May 2026. Whether the respondents were justified in taking those steps remains a matter for arbitration. However, the existence of an uninterrupted relationship extending over more than three

decades strengthens the petitioners' submission that discontinuance may produce consequences incapable of reversal. Disruption of commercial relationships results in consequences which cannot be quantified in monetary terms. This aspect also lends support to the petitioners' contention regarding irreparable injury.

209. Accordingly, after considering the rival submissions, the long duration of the parties' relationship, the nature of the rights asserted under the family settlement and the prejudice likely to be suffered by both sides, I am satisfied that the requirement of irreparable injury also stands established in favour of the petitioners. Preservation of the existing arrangement during the pendency of the arbitral proceedings appears more conducive to protecting the subject-matter of the arbitration than permitting alteration of the parties' relationship.

Conclusions and Prima Facie Findings:

210. Having considered the pleadings, the documents executed on 30 March 1993, the submissions advanced on behalf of all the parties and the authorities relied upon by them, this Court is, prima facie, of the opinion that the disputes raised by the petitioners cannot be treated as arising only out of the Registered User Agreement. The material placed on record discloses substantial case that the Memorandum of Agreement, the Branding Agreement, the Registered User Agreement and the Irrevocable Power of Attorney have been intended to operate together as parts of one Family Settlement. Therefore, for the

limited purpose of considering interim protection, this Court is satisfied that the petitioners have established a prima facie case requiring preservation of the subject matter of the dispute until the learned Arbitral Tribunal adjudicates upon the rights and liabilities of the parties.

211. In view of the foregoing discussion and for the reasons recorded hereinabove, the following order is passed:

(i) The present petition is partly allowed;

(ii) Pending commencement, continuance, and conclusion of the arbitral proceedings and for a period of ninety days after publication of the arbitral award or until further orders of the learned Arbitral Tribunal, whichever is earlier, respondent No.17, respondent No.18 and the surviving respondent Nos.3 to 9, 12, 13 and 15, their servants, agents, directors, officers, employees, assigns or any person claiming through or under them are restrained from acting upon or giving effect to the communication dated 26 May 2026 in so far as it seeks to interfere with, obstruct or prevent the petitioners from continuing to exercise the disputed rights claimed under the Family Settlement dated 30 March 1993;

(iii) Respondent No.17, respondent No.18 and the surviving respondent Nos.3 to 9, 12, 13 and 15 are further restrained from interfering with the petitioners' continued use of the "Vadilal" brand within the territories claimed by the petitioners under the Family Settlement, subject to the conditions contained in this order;

(iv) Respondent No.17, respondent No.18 and the surviving respondent Nos.3 to 9, 12, 13 and 15 are restrained from transferring, assigning, licensing, encumbering, creating any third party rights or otherwise dealing with the disputed rights forming the subject matter of the present proceedings in any manner;

(v) The above protection shall not be construed as recognition of any final right in favour of the petitioners or as invalidating the termination dated 26 May 2026. All questions relating to validity of the termination, interpretation of the agreements and the respective rights of the parties are kept open;

(vi) Since the respondents have raised serious allegations regarding quality, standards, and possible prejudice to consumers, the petitioners shall continue to manufacture and store all products strictly in accordance with the provisions of the Food Safety and Standards Act, 2006, the Rules and Regulations framed thereunder and other applicable statutory requirement;

(vii) The petitioners shall continue to maintain all licences, statutory approvals and quality certifications required under law throughout the pendency of the arbitral proceedings;

(viii) The petitioners shall maintain complete manufacturing records, batch records, laboratory reports, quality control reports and inspection reports relating to all products sold under the "Vadilal" brand. Such records shall be preserved

and shall be produced before the learned Arbitral Tribunal whenever directed;

(ix) Respondent No.17 shall be entitled, after giving not less than twenty-four hours' prior written notice, to have reasonable inspection of the manufacturing facilities and quality control records of the petitioners through authorised representatives, provided that such inspection shall not obstruct the petitioners' business operations;

(x) If any dispute arises regarding quality of any product, samples shall be drawn in the presence of representatives of both sides, properly sealed and forwarded to an NABL accredited laboratory or as may be directed by the Arbitral Tribunal. Copies of all reports shall be simultaneously furnished to both sides;

(xi) The petitioners shall immediately comply with every statutory direction issued by any competent food safety or regulatory authority. Nothing contained in this order shall prevent any statutory authority from exercising its powers under the applicable law in the interest of public health;

(xii) Neither party shall issue any public communication or representation stating that this Court has finally recognised or rejected the rights of either side. The present order shall not be projected as a final adjudication;

(xiii) Neither party shall create any irreversible third party rights in relation to the disputed trademark rights or the rights claimed under the Family Settlement without

obtaining appropriate orders from the Arbitral Tribunal or the competent Court;

(xiv) In the event the proposed scheme of amalgamation involving respondent Nos.17 and 18 is sanctioned during the pendency of the arbitral proceedings, such amalgamation shall remain subject to the outcome of the arbitration and shall not by itself extinguish, enlarge or otherwise affect the disputed rights claimed by either side;

(xv) It is clarified that no operative relief is granted against respondent Nos.1, 2, 10, 11, 14 and 16, as they are stated to have expired. Liberty is reserved to the parties to take appropriate steps in accordance with law, if required;

(xvi) Liberty is granted to either party to approach the learned Arbitral Tribunal immediately upon its constitution for modification, variation, or vacation of the interim measures granted by this Court. The learned Arbitral Tribunal shall decide such application independently and in accordance with law without being influenced by any prima facie observations contained in this order.

(xvii) The observations contained in this judgment are purely prima facie and have been recorded only for deciding the present petition under Section 9 of the Arbitration and Conciliation Act. They shall not bind the learned Arbitral Tribunal while deciding all issues relating to jurisdiction, arbitrability, validity of the termination, interpretation of the agreements or the rights and liabilities of the parties.

(xviii) There shall be no order as to costs.

(AMIT BORKAR, J.)