

IN THE SUPREME COURT OF INDIA
CIVIL ORIGINAL JURISDICTION

ARBITRATION PETITION NO. 13 OF 2026

M/S UCON PT STRUCTURAL SYSTEM
PRIVATE LIMITED & ANR.

PETITIONER(S)

VERSUS

UTRACON CORPORATION PTE LTD. &
ORS.

RESPONDENT(S)

O R D E R

1. The instant petition filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 (Act), seeks the appointment of a sole arbitrator in accordance with Clause 18.2 of the Sale of Shares Agreement dated 22.03.2012 (Agreement), executed amongst the Petitioners and Respondent Nos. 1 and 2.

2. To briefly iterate the facts, Petitioner No. 1, M/s Ucon PT Structural System Pvt. Ltd. (formerly Utracon Structural Systems Pvt. Ltd.), is an Indian company based in Chennai, primarily engaged in pre-stressing and post-tensioning works. Petitioner No.2, M. Kamalakannan, is its Managing Director and majority shareholder. Respondent Nos. 1 and 2, M/s Utracon Corporation PTE Ltd. and M/s Utracon Management PTE Ltd., respectively, are Singapore-based companies that were the original majority shareholders of Petitioner No. 1 and the sellers of shares under the Agreement. Respondent No. 3, M/s Utracon Engineering Services Pvt. Ltd., is an Indian company based in Chennai, incorporated by Respondent Nos. 1 and 2 in March 2019 during the currency of the ten-year non-compete period under the Agreement, and is alleged to

have been set up as a vehicle to carry on competing business in India under the very name and logo that Petitioner No. 1 was exclusively licensed to use.

3. The Sale of Shares Agreement records the divestment by Respondent Nos. 1 and 2 of their majority shareholding in Petitioner No. 1 in favour of Petitioner No. 2, who acquired 14,00,000 shares for a total consideration of Rs. 7 crores. Under Clause 10.2 of the Agreement, Respondent Nos. 1 and 2 undertook a ten-year non-compete and non-solicitation covenant, restraining them from soliciting employees of Petitioner No. 1, from carrying on business under an identical or similar name within India, and from competing with Petitioner No. 1 in pre-stressing works within India. A License Agreement was simultaneously executed on the same date, granting Petitioner No. 1 an exclusive ten-year right to use the "Utracon" trade name and corporate logo of Respondent No. 1.

4. It appears that disputes arose between the parties after Respondent No. 1 allegedly incorporated Respondent No. 3 in March 2019 and thereafter appointed a former employee of Petitioner No. 1 as a Director of Respondent No. 3. The Petitioners initially initiated action under the license agreement, but subsequently withdrew the same. Thereafter, the Petitioners approached the Madras High Court in O.A. Nos. 546-547/2024 and Arb. Application No. 486/2024, seeking certain interim reliefs under Section 9 of the Act on the strength of the Sale of Shares Agreement. The said applications were dismissed by the High Court vide order dated

30.10.2024. The Petitioners' Review Applications (Rev. Application Nos. 4-6/2025) were also dismissed vide order dated 02.04.2025; however, the High Court noted that the observations therein would not affect the Petitioners' right to approach an arbitrator.

5. In the interregnum, the Respondents instituted C.S. (Comm) No. 661/2024 before the Delhi High Court, seeking an injunction and damages, and have obtained an *ex parte* ad interim injunction restraining the Petitioners from using the name and logo "Utracon". The Petitioners have contested the maintainability of the said suit by filing applications under Order VII Rule 10/11 of the CPC and Section 8 of the Act, which are stated to be pending adjudication.

6. Thereafter, raising claims under the Sale of Shares Agreement, the Petitioners issued a Notice dated 27.09.2024, invoking arbitration and proposing the name of Hon'ble Mr. Justice S. Vaidyanathan (Retd.) as Sole Arbitrator. By reply dated 25.10.2024, the Respondents objected to the appointment and to the very initiation of arbitration proceedings on multiple grounds, including the contentions that the claims are time-barred and that the disputes fall outside the ambit of the arbitration clause.

7. The parties' subsequent failure to reach a consensus on appointing the arbitrator has prompted the Petitioners to approach this Court.

8. We have heard learned counsel for the parties and minutely perused the record.

9. Learned counsel for both parties have fairly acknowledged the existence of the arbitration agreement contained in Clause 18.2 of the Sale of Shares Agreement, which provides that disputes, failing settlement by amicable negotiation, shall be resolved through arbitration in accordance with the Arbitration and Conciliation Act, 1996. The agreement, further, provides that the seat of arbitration shall be Chennai, India, and that the substantive contract is governed by Indian law.

10. At the stage of an application under Section 11(6) of the Act, the scope of inquiry by this Court is confined to the *prima facie* examination of the existence of the arbitration agreement. Accordingly, the objections raised by the Respondents with respect to limitation, arbitrability and the scope of the arbitration clause are matters that fall within the exclusive domain of the Arbitral Tribunal, and may be agitated and decided in accordance with law before the learned Arbitrator. We may also note that the Madras High Court, while dismissing the Petitioners' applications under Section 9 of the Act, has expressly clarified that its observations would not preclude the Petitioners from approaching an arbitrator.

11. Keeping in view the above facts and circumstances and the relevant provisions under the subject agreement, especially the fact that the arbitration is to take place in Chennai, India and that it would be procedurally governed by the Arbitration and Conciliation Act, 1996, we deem it just and proper to appoint an

arbitrator of Indian origin. Hence, the instant Arbitration Petition is allowed, and Justice K. Kannan, former Judge of the Punjab and Haryana High Court, is appointed as the sole arbitrator to resolve the disputes between the parties.

12. In accordance with the agreement between the parties, the proceedings shall be held in Chennai, Tamil Nadu, India.

13. It is, however, made clear that the scope of the arbitration shall be strictly confined to the disputes arising out of the Sale of Shares Agreement dated 22.03.2012 between the parties. Similarly, the present order and the arbitration proceedings to be conducted pursuant hereto shall have no impact whatsoever on the IP Suit being C.S. (Comm) No. 661/2024, pending before the Delhi High Court. The parties shall be at liberty to take their respective pleas in the said civil suit, which shall be decided by the Delhi High Court on its own merits and in accordance with law, uninfluenced by the present order or by any observations made therein.

14. All contentions of the parties on the merits of their respective claims and defences, including all objections raised by the Respondents, are left open to be urged before and decided by the learned sole arbitrator in accordance with law.

15. The Arbitrator shall have the liberty to fix his own remuneration/fees. Initially, the arbitrator's remuneration and fees shall be borne by the Petitioners. Ordered accordingly.

16. Pending interlocutory applications, if any, shall stand closed.

.....CJI
(SURYA KANT)

.....J.
(JOYMALYA BAGCHI)

NEW DELHI;
APRIL 30, 2026.

S U P R E M E C O U R T O F I N D I A
R E C O R D O F P R O C E E D I N G S

Petition(s) for Arbitration No(s). 13/2026

M/S UCON PT STRUCTURAL SYSTEM PRIVATE LIMITED & ANR. Petitioner(s)

VERSUS

UTRACON CORPORATION PTE LTD. & ORS.

Respondent(s)

Date : 30-04-2026 This petition was called on for hearing today.

CORAM : HON'BLE THE CHIEF JUSTICE
HON'BLE MR. JUSTICE JOYMALYA BAGCHI

For Petitioner(s) :Mr. Naveen Kumar Murthy, Adv.
Mr. Siddhartha Iyer, AOR
Mr. Vishnu Priyan, Adv.
Mr. Aman Gupta, Adv.
Ms. Srishti Ghoshal, Adv.

For Respondent(s) :Mr. Gopal Sankarnarayanan, Sr. Adv.
Mr. Sukrit Kapoor, Adv.
Mr. Himanshu Deora, Adv.
Ms. Garima Singh, Adv.
Mr. Samarth Kapoor, Adv.
Ms. Tanya Kumari, Adv.
Ms. Aditi Gupta, Adv.
Ms. Smruthi Gangadhar, Adv.
Mr. Shivam Nagpal, Adv.
Ms. Rasika Nagpal, Adv.
Mr. Divyanshu Kumar Srivastava, AOR

UPON hearing the counsel the Court made the following

O R D E R

The petition is allowed in terms of the signed order.

Pending interlocutory applications, if any, shall stand closed.

(NITIN TALREJA)
ASTT. REGISTRAR-cum-PS

(PREETHI DILEEP KUMAR)
ASSISTANT REGISTRAR

(Signed order is placed on the file)