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

\# **CNR No. DLHC010505612026**

Date of decision: 28th October, 2026
Uploaded on: 31st October, 2026

\+ **FAO(OS) (COMM) 285/2026, CM APPL. 72766/2026, CM APPL. 72767/2026, CM APPL. 72768/2026, CM APPL. 72769/2026 & CM APPL. 72770/2026**

MBOOK TECHNOLOGY PRIVATE LIMITED .....Appellant

Through: Mr. Sandeep Sethi, Sr. Adv. with Mr. Aditya Mukherjee, Mr. Krishna Tangirala, Ms. Shreya Sethi, Mr. Ritwik Sharma, Mr. Aditya Kumar Singh and Ms. Anshula Singa, Advocates

versus

MR PULKIT BALDEV AND ORS .....Respondents

Through: Mr. Rajshekhar Rao, Sr. Adv. with Mr. Roshan Santhalia, Mr. Abhay Vohra, Mr. Shivansh Sinha, Ms. Kavya Arora, Advocates

CORAM:
JUSTICE PRATHIBA M. SINGH
JUSTICE DINESH BHATT

Prathiba M. Singh, J. (Oral)

1. This hearing has been done through hybrid mode.

2. The present appeal has been filed by the Appellant-Company under Section 37(1)(b) of the Arbitration and Conciliation Act, 1996 *(hereinafter, 'the Act')* assailing the impugned order dated 14th October, 2026 passed by the ld. Single Judge of this Court in ***O.M.P. (I) (COMM) No. 474/2026*** titled

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16:42:56

'Pulkit Baldev v. MBook Technology Private Limited & ors.' *(hereinafter, 'the impugned order')*.

3. The brief background of the case is that Respondent Nos. 1, 2 and 3 had together promoted the Appellant-company *i.e.,* MBook Technology Private Limited. The Appellant-company is presently engaged in the trading of metal supplies.

4. Respondent No. 1 – Mr. Pulkit Baldev is stated to own approximately 14% shares in the Appellant-company and is a promoter shareholder. The other two shareholders and Promoters are Mr. Raghavendra Pratap Singh and Mr. Aman Tibrewal**.**

5. Certain disputes had arisen, which led to the termination of Respondent No. 1 – Mr. Pulkit Baldav *vide* termination letter dated 25th September, 2026.

6. The termination letter dated 25th September, 2026 was challenged by the Respondent No. 1 before the ld. Single Judge in ***O.M.P. (I) (COMM) No. 474/2026*** in a petition under Section 9 of the Act on the following grounds:

(i) That Respondent No.1 could not have been treated as an employee as he was a promoter-shareholder.

(ii) The *Employment Agreement* dated 11th March, 2022 *(hereinafter, 'the Employment Agreement')* and the *Shareholders' Agreement* dated 10th February, 2025 *(hereinafter, 'the Shareholders' Agreement)* are required to be read harmoniously and in conjunction with each other, as a composite whole. Neither of the said agreements can be construed or interpreted in isolation.

(iii) Further, the ground raised was that the notice of the board meeting on 21st September, 2026 was given 20-25 minutes prior, and hence, the entire termination is *mala fide*.

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7. The said petition was heard by the learned Single Judge on 14th October, 2026 and after considering the matter at the *ad-interim* stage, the learned Single Judge has observed as under:-

> *"xxxx xxxx xxxx*
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> *10. I have considered the rival submissions. What strikes, at the outset, is the manner and the speed with which notice of meeting of Board of Directors, was served upon the petitioner at 7.02 p.m. and the meeting was held at 7.30 p.m. At this meeting, the Board terminated the employment of the petitioner with immediate effect. It is necessary to mention that it is not termination of an employee simpliciter. It is also a termination of one of the founding promoters, who has alleged a violation of Shareholders Agreement and Articles of Association. The act of the respondent has serious effect on his shares as per the Shareholders Agreement. In* ***Dr. Sharad Sahai (supra)****, the Single Judge of this Court, Hon'ble Mr. Justice C. Hari Shankar, has dealt with the issue as to whether an interlocutory injunction can be granted in such matters. It was held that when the termination of employment of petitioner is in flagrant violation of the Promoter Employment Agreement, an interlocutory injunction can be granted. The case law cited by learned Counsel for the respondent will be dealt with after receiving the detailed reply.* ***Presently, I find no hindrance in grant of an interlocutory order in view of the stark facts of this case. Accordingly, as an ad interim measure, the implementation and effect of resolution passed under Agenda Item 4 at the meeting of the Board of Directors of respondent no.1 held on 21.09.2026 and of termination letter dated 21.09.2026 are hereby stayed till final disposal of application under Section 9 of the Act****.*
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> *11.* ***It is made clear that this is purely an interim order and nothing shall prevent this court from taking a different view, if required, while disposing of the application under Section 9 of the Act in light of facts and***

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16:42:56

applicable law.

12. Notice to respondent No.1 has already been accepted by Mr. Aditya Mukherjee, learned Counsel for respondent No. 1.

13. Respondents shall file their replies within four weeks of their service. Rejoinder, if any, shall be filed by the petitioner after two weeks thereafter.

14. Re-notify for arguments on application under Section 9 of the Act, on 08.12.2026."

8. Aggrieved by the said order, the Appellant company has preferred the present petition.

9. Mr. Sandeep Sethi, ld. Senior Counsel appearing for the Appellant-Company has made the following submissions:

(i) That in terms of Clause 10.2 and 10.3 of the *Employment Agreement* as also the Clauses 8.13 and 8.15 of the *Shareholders' agreement*, the Respondent No. 1 had been terminated with 'cause'.

(ii) It is stated that the Respondent No. 1 is guilty of not attending the office and of absenteeism, and the same has been stated as one of the causes for termination.

(iii) Further, it is stated that the *Employment Agreement* being a contract for personal service, interim orders staying the termination could not have been granted as the same is contrary to various Supreme Courts judgments including the following:

- ***Percept D'Mark (India) (P) Ltd. Vs. Zaheer Khan (2006) 4 SCC 227***;
- ***Chem Academy Pvt. Ltd. Vs. Sumit Mehta, 2021 SCC OnLine Del 4985***;

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16:42:56

- ***Krishna Kumar Singh vs. TUI India Pvt. Ltd., 2021 SCC OnLine Del 4902***.

(iv) After the passing of the ad-interim order by the Ld. Single Judge, Respondent No. 1 has now started attending office of the Appellant-Company, and is also disrupting the smooth functioning and the operation of the company.

10. On behalf of Respondent No. 1, Mr. Rajshekhar Rao, ld. Senior Counsel has made the following submissions:

(i) Respondent No. 1 cannot be treated as a mere employee. He is a promoter-shareholder and is vested with various rights under the *Shareholders' Agreement*.

(ii) It is stated that the shareholding of the Respondent No. 1 is, as on date, valued at approximately Rs. 200 crores at fair market value.

(iii) That disputes had arisen *inter-se* the parties, which led to the Respondent No. 1 addressing an e-mail dated 20th August, 2026 to the other promoters. It was in the context of the said e-mail that the other two promoters, with a dishonest intention, sought to terminate the services of the Respondent No. 1 altogether.

(iv) That the allegation that any disruption has been caused by the Respondent No. 1 is denied.

11. The Court has considered the matter, the rival submissions as also the clauses in both the agreements.

12. In view of the fact that the Respondent No. 1 is not an employee of the Appellant-Company, in a strict sense of the term, the judgments which are relied on by the Appellant-Company would not be applicable.

13. The validity of the termination of Respondent No.1 would require a

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16:42:56

proper appreciation of the clauses which are contained in the two agreements, *i.e., Shareholder Agreement* dated 10th February, 2025 and *Employment Agreement* dated 11th March, 2022.

14. Ld. Single Judge has, at the *ad-interim* stage, stayed the termination of Respondent No.1, which was issued by the Appellant-company on 21st September, 2026.

15. In effect, therefore, the Respondent No. 1 is now back in his position as a promoter-shareholder and employee of the Appellant-company.

16. One clear fact that cannot be disputed is that 86% of the shares are owned by the other two promoters, investors and third parties. Respondent No. 1 is not a majority shareholder. However, the fact that he owns 14% shareholding in the Appellant-Company cannot also be completely ignored.

17. Under these circumstances, in order to ensure that there is no further disruption in the business and operations of the Appellant-Company, and that the Company can continue smooth operations, while the dispute is being adjudicated in a petition under Section 9 of the Act before the ld. Single Judge, and after having heard the learned Senior Counsels, this Court directs that the termination letter dated 21st September, 2026 shall remain stayed, subject to the following conditions:-

i) Respondent No. 1 shall not participate in any Board Meetings or in the decision making process of the Appellant-Company;

ii) The shareholding of Respondent No. 1 shall not be diluted in any manner, either in terms of percentage or in terms of value. This shall be an obligation of the Appellants and all third parties, with whom they may have dealings;

iii) If the Respondent No. 1 chooses to attend the office of the

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16:42:56

Appellant-Company physically, he shall not cause any disruption in the working of the company.

18. The above arrangement shall continue to subsist till a final decision is taken in the petition under Section 9 of the Act in ***O.M.P. (I) (COMM) No. 474/2026***.

19. With the consent of the parties, the following schedule is fixed for hearing in the Section 9 petition:

- The Appellant-Company shall file the reply to the petition by 2nd November, 2026.
- Rejoinder, if any, shall be filed on or before 17th November, 2026.
- The matter be listed on 18th November, 2026 for hearing before the learned Single Judge.

20. The appeal is disposed of in the above terms. Pending applications, if any, are also disposed of.

21. It is made clear that this Court has not expressed any opinion on the merits of the case.

PRATHIBA M. SINGH
JUDGE

DINESH BHATT
JUDGE

OCTOBER 28, 2026
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