

For impleadment of a non-signatory under the group of companies doctrine, it is not sufficient merely to show common ownership, affiliation, or some involvement in negotiation or performance of the underlying contract

The **Bombay High Court** in the case of **Hind Offshore vs OCS Services [Commercial Arbitration Petition (L) No. 41270 of 2025]** dated May 19, 2026, has held that an order of the arbitral tribunal accepting an objection that it lacks jurisdiction over a party sought to be impleaded as a non-signatory veritable party is appealable under Section 37(2)(a) of the Arbitration and Conciliation Act, 1996. However, for impleadment of a non-signatory under the group of companies doctrine, it is not sufficient merely to show common ownership, affiliation, or some involvement in negotiation or performance of the underlying contract; the party seeking impleadment must show, on pleaded material facts, a discernible mutual intention or consent of the non-signatory to be bound by the arbitration agreement itself, along with the nature of the cause of action necessitating its presence. Since Hind Offshore failed to establish such privity or necessity, the petition, though maintainable, was dismissed on merits.

The Court first examined the statutory scheme of Sections 16 and 37 of the 1996 Act and held that where a plea is taken that the arbitral tribunal lacks jurisdiction over a party sought to be impleaded, and that plea is accepted, such acceptance is appealable under Section 37(2)(a). The Bench reasoned that an order refusing to proceed against a party sought to be added as a veritable party brings the matter to an end qua that party, and therefore falls within the statutory check contemplated under Sections 16 and 37 of the Act 1996.

On merits, the Court held that Hind Offshore's case was founded primarily on showing group-company affiliation and some involvement of Planet Support in the transaction through emails, but that this was insufficient to establish that Planet Support had consented to be bound by the arbitration agreement. The Court found that the email record showed Planet Support performing a support or vendor-management role, including coordination relating to invoicing, signatures, and execution-related activities, but did not show that Planet Support took key commercial decisions or was the real controller of the bargain between Hind Offshore and OCS Services.

The Court accepted that Planet Support and OCS Services were group companies with common ownership traceable to Raju Shete, but emphasized that common ownership or affiliation, by itself, cannot displace separate legal personality or justify lifting the corporate veil. It reiterated that the group of companies doctrine is fact-specific and concerns discernment of mutual intention to bind a non-signatory to the arbitration agreement; membership of the same group is only one factor and is not sufficient in itself.

The Court further noted that Hind Offshore had not even articulated the nature of the counterclaim or cause of action it intended to pursue against Planet Support, nor explained why Planet Support's participation as a party was necessary to adjudicate the dispute. In the Court's view, a party seeking to implead a non-signatory must plead the material facts showing discernible privity to the arbitration agreement and the necessity of such

impleadment; it is not enough to first seek to drag in a group company and leave the material particulars to some later evidentiary stage.

The Court also observed that although the impugned order incorrectly stated that Hind Offshore had not alleged the services agreement between OCS Services and Planet Support to be sham or surrogate, that error did not alter the outcome because Hind Offshore had shown no prima facie basis to substantiate the allegation. The invoices and GST compliance material relied on by OCS Services supported the existence of a genuine services arrangement between OCS Services and Planet Support.