



**Deccan Education Society's
Brihan Maharashtra College of Commerce (Autonomous), Pune
Commerce Laboratory - Moot Court Society
(Law for Commerce)
Late. Shri. Vijay A. Chavan National Moot Court Competition
and Memorial Lecture**

Mr. Tony Stark
vs.
Asgard International

The Republic of Aryavart is a country situated in the Southeast Asian Continent. It is a sovereign, socialist, secular, democratic, and republic. Justice, liberty, equality, and fraternity form the basic structure of the Constitution of Aryavart. Aryavart is culturally rich and is a cradle of human civilization. In essence, it is also considered to be the birthplace of Hinduism; about 80% of the population of the country is Hindu.

The Vedas, Puranas, Upanishads, and other texts like Mahabharata and Ramayana form the foundation of Hinduism. Often, the judicial system of Aryavart has also emphasized upon these texts to be fundamental and foundational to its core culture.

In an event in 2023, the Prime Minister of Aryavart visited the country of Rivermore; a global economic powerhouse and a leading financial and commercial centre, often considered as the business capital of the world. Mr. Tony Stark is a second-generation businessman residing in Rivermore, who also happened to attend the event. In the event, the Prime Minister narrated a developmental road map of Aryavart in his speech in his zesty and applaud-worthy style.

Mr. Stark (whose family originally belonged to the State of Meghadweep in Aryavart) was extremely impressed with the opportunity his homeland was providing and decided to return to Aryavart and carry on his business as a Hotelier/ Restaurateur.

Mr. Stark was already running a successful restaurant in Rivermore by the name '*Spices by Stark*', famous for both vegetarian and non-vegetarian *Aryavartan fusion cuisines* curated by celebrated world chefs and endorsed by many celebrity chefs from Aryavart as well. Mr. Stark always had a dream of running a Michelin Star restaurant in his homeland. Accordingly, to pursue his big dream, Mr. Stark moved to Aryavart, resumed his citizenship of Aryavart and started landscaping his idea of a Michelin Star restaurant.

Being new to the Aryavartan market, Mr. Stark immediately felt the need for hand-holding and funding for his project, so he was constantly on a search for a suitable venture partner.

Mr. Sanjay Singhania, a Meghadweep-born businessman was a very famous businessman who also appeared on the television show, '*Whale Tank – Aryavart*' as a venture capitalist.

Through this show Mr. Sanjay Singhania's life and business journey became very popular as he started as a door-to-door salesman and was now a venture capitalist with a net worth of more than 1000 crores. He owned various businesses in hospitality and real estate. '*Asgard International*' (a company registered under the Companies Act) was a 5-star hotel chain owned by Mr. Sanjay Singhania. He also held a controlling stake in a media company '*Infinity News*.'

Mr. Stark, being aware that Mr. Sanjay Singhania is a venture capitalist decided to approach him with his proposal of opening a chain of restaurants in Aryavart. Accordingly, he approached Mr. Sanjay Singhania; who after applying his mind to the proposal decided to invest and participate in the venture.

Both parties negotiated the terms of the venture and mutually incorporated a new entity under the name '*Kamar Taj Foods Aryavart Private Limited (KFPL)*.' Both Mr. Stark and Mr. Sanjay Singhania were equal partners in the said venture. The Articles of Association accordingly were executed and incorporated. A grand launch event of the venture was planned and arranged by the parties where the Prime Minister was invited as a guest and the event was heavily covered and publicized by Infinity News through its wide and popular circulation.

The key roles and responsibilities attributed to the parties in the venture agreement were as follows (including Articles of Association):

- That it shall be the responsibility of Asgard International Group to identify and conduct a feasibility assessment for all the proposed locations of the upcoming restaurant Spices by Stark.
- That it shall be the sole responsibility of Asgard International Group to provide its expertise in contact and vendor sourcing for the raw material required for the day-to-day running of the restaurants.
- That Asgard International Group shall undertake the exercise of procuring all relevant licenses like Shop Act Licenses, Food Licenses, Liquor Licenses, etc. applicable under the central as well as concerned state / local laws.
- That Asgard International Group shall undertake the marketing and advertisement of the Spices by Stark through its media platforms.
- It shall be the responsibility of Mr. Stark to research and prepare a unique Aryavartan Fusion Menu of world-class appeal as crafted for his already successful restaurant Rivermore.

- That Mr Stark at all times shall be the owner of his registered mark Spices by Stark and also make necessary compliances under the laws of Aryavart to register the same in Aryavart.
- That Mr Stark shall extend his collaboration with all renowned global celebrity chefs to the Kamar Taj Foods Aryavart Pvt. Ltd. (KFPL)
- Mr Stark shall be the Sole Managing Director (MD) of Kamar Taj Foods Aryavart Pvt. Ltd. (KFPL) and shall continue to be elected as the MD during the subsistence of the venture agreement.

The parties also entered into a separate Arbitration Agreement. The arbitration agreement stated that the parties shall attempt to resolve all disputes by mutual discussions and through amicable settlements. However, if the same does not materialize, all disputes under the venture agreement shall be referred to arbitration to Dubai International Arbitration Centre and the language of arbitration shall be English. The laws as applicable in the Republic of Aryavart shall apply to the disputes between the parties.

The parties put their heart and soul into this venture and made untiring efforts towards the success of the business. Spices by Stark was heavily marketed by the Infinity News and media platforms and in a short period it became the talk of the town. The Restaurant was featured on almost all dining review platforms like Domato and Qwiggy as well. The diners most often commented on the quality of food, the unique taste of non-vegetarian dishes, and the overall fine dining experience.

Many other media platforms associated with reviews and ratings of restaurants invited Mr. Stark for interviews and insights on his successful journey from Rivermore to Aryavart. On one such occasion, Mr. Stark was quoted stating that; 'he himself as a culinary artist doesn't have any such religious bias towards any kind of meat being cooked. As an international cuisine curator, he had seen and operated various cuisines for citizens of different nationalities with different tastes and preferences like in pork, ham, ribs, etc. as per international standards. This led to a rumour of the use of beef (cow meat) at Spices by Stark. (In Aryavartian culture beef meat is forbidden as for ages Aryavartians worship cow as Goddess.)

As the restaurant had gained popularity in a short period, the rumour too spread like wildfire. Social media and news platforms started covering the said story and running a campaign against the restaurant and Mr Stark. To add to the misery of Mr. Stark, the vigilante body staged various protests against the restaurant and soon the rumour, with no specific evidence, turned into a full-fledged movement against the business.

Some sections of society and media also sympathized with Mr. Stark stating that it appeared to be a gimmick by the opposition party targeting the closeness of Prime Minister of Aryavart and Mr. Sanjay Singhania.

However, to the utter shock of Mr. Stark, even Infinity News ran a story with an undertone of contempt against Spices Stark. Some sections believed it to be appeasement attempts by Mr. Sanjay Singhania due to his association with the Prime Minister and that Mr. Stark merely was a victim of local politics.

As a matter of direct consequence of public sentiment and even Infinity News not backing Mr. Stark, the business suffered heavily and did not meet financial expectations with the profits running below the break-even point. Soon all the expansion ideas were put to halt and all international collaborations/chefs of Mr. Stark withdrew owing to safety issues and negative publicity.

To add to Mr. Stark's misery, Asgard International terminated the venture agreement without consulting or attempting to amicably resolve and settle the persisting issues. Mr. Stark maintained a public stand that this was motivated and mala fide on the part of Asgard International.

Asgard International invoked the arbitration clause and referred the dispute to arbitration. Notices were issued to Mr. Stark to file his Statement of Defense.

Mr. Stark was advised to approach the National Company Law Tribunal, alleging oppression and mismanagement where the Tribunal allowed the petition which was later overturned by the National Company Law Appellate Tribunal, the Apex Body in Aryavart. The NCLAT termed the dispute as performance-related issues relating to the Venture Agreement. Mr. Stark thereafter approached the Hon'ble Supreme Court of Aryavart challenging the Judgment of the NCLAT.

The Dubai International Arbitration Centre passed an ex-parte award against Mr. Stark. The findings of the Arbitral Tribunal were that Mr. Stark had breached the contract causing losses to Asgard International and that Asgard International was well within its power to terminate the contract as per the provisions of the Contract Act, of 1872.

Consequently, Mr. Stark approached the High Court, challenging the award on various grounds and Asgard International countered by seeking execution of the award as per the provisions of the Arbitration & Conciliation Act, 1996.

The High Court found merit in the submissions of Mr. Stark that the arbitration agreement was against the public policy of Aryavart as both the contracting parties were Aryavartan citizens/companies. As such choice of seat of arbitration at the Dubai International

Arbitration Centre was unconscionable. Aggrieved by this finding, Asgard International approached the Supreme Court of Aryavart.

To restore his image and to restrain the running of a digital campaign against him, Mr Stark was advised to file a Criminal Defamation Proceedings in respect of the reporting by Infinity News. The said reporting by his venture partner had led to serious damage to the reputation of Mr. Stark. Asgard International, the company contested the said proceeding by filing a quashing petition before the High Court. The High Court adjudged that the defamation case against Asgard International was maintainable in law and rejected the petition. As a result, Asgard International filed a petition before the Supreme Court of Aryavart, challenging the said Judgment.

All the petitions before the Supreme Court of Aryavart were tagged together as the points of dispute arose from common facts in the case. All the petitions were admitted by the Supreme Court and are now posted for final arguments.

Issues before the Supreme Court:

1. Whether the Judgement of the NCLAT is maintainable in law to hold that the disputes between the parties are purely contractual in nature?
2. Whether the High Court was justified in rejecting the Arbitration Award?
3. Whether the High Court was justified in rejecting the quashing petition filed by Asgard International?
4. Whether the criminal defamation proceedings as initiated by Mr. Stark is maintainable?

(Participants shall be at liberty to frame additional issues / sub-issues.)

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