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Nagaraj V. Mylandla v. *PI Opportunities Fund-I*: The Supreme Court Tightens India's Foreign-Award Enforcement Framework

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INTRODUCTION

The Supreme Court's decision in *Nagaraj V. Mylandla* v. *PI Opportunities Fund-I*[1], (**"Nagaraj V. Mylandla"),** is likely to assume significance well beyond the immediate dispute between the parties. On one level, the judgment reaffirms a principle already familiar to Indian arbitration law: a foreign arbitral award cannot be resisted in India by inviting the enforcement court to undertake a disguised merits review. More importantly, however, the Court expressly engages with, and in substance endorses, the doctrine of transnational issue estoppel in the context of enforcement under Section 48 of the Arbitration and Conciliation Act, 1996 ("**Section 48"**). In doing so, it strengthens India's pro-enforcement jurisprudence.

BACKGROUND

The case arose from an attempt to resist enforcement in India of a Singapore-seated foreign award that had already survived challenge before the Singapore High Court. The award-debtors sought to oppose enforcement by invoking Indian public policy, company law, election of remedies, and the law of specific relief. The Supreme Court rejected the challenge, held that the objections lacked substance, and affirmed the enforcement order. In the process, it explained why issues already decided on facts and contractual construction by the seat court cannot ordinarily be reopened before the Indian enforcement court, even when recast as public-policy objections.

THE LEGAL SETTING: SECTION 48 OF THE ARBITRATION AND CONCILIATION ACT, 1996

The legal context for *Nagaraj V. Mylandla* lies in the development of Indian jurisprudence on the enforcement of foreign arbitral awards. In *Renusagar Power Company Limited* v. *General Electric Company*[2], **("Renusagar")**, the Supreme Court confined "public policy" in the foreign-award context to a narrow set of concerns, rather than treating it as an invitation to reassess the correctness of the award. That approach was reaffirmed in *Shri Lal Mahal Limited* v. *Progetto Grano Spa*[3], **("Shri Lal Mahal")**, where the Court firmly rejected any attempt to import the wider standards applicable to review of domestic awards and held that the ground of "patent illegality" has no place in resisting enforcement of a foreign award under Section 48. More recently, in *Vijay Karia* v. *Prysmian Cavi E Sistemi SRL*[4], **("Vijay Karia")**, the Court reinforced the same approach, describing the grounds under Section 48 as limited and resistant to merits-based reopening. *Nagaraj V. Mylandla* places itself squarely within that line of authority.

This background matters because the practical temptation in foreign-award enforcement is always the same: a losing party seeks to convert the enforcement stage into a second appeal. Section 48 is structured to prevent precisely that result. The provision does not ask whether the enforcement court would have interpreted the contract differently, whether the award is commercially persuasive, or whether another view is possible. It asks only whether one of the limited New York Convention grounds has genuinely been established. The Supreme Court in *Nagaraj V. Mylandla* does not depart from that design.

THE DISPUTE BEFORE THE COURT: ENFORCEMENT AFTER FAILURE AT THE SEAT

The award in question had already been tested before the Singapore High Court, which was the court of the seat. The Indian proceedings were therefore not the first judicial scrutiny of the award, but an attempt to resist enforcement after the challenge at the seat had failed.

[1] Special Leave Petition (Civil) Nos. 31866-68 of 2025
[2] 1994 SCC Supl. (1) 644
[3] Civil Appeal No. 5085 of 2013
[4] Civil Appeal No. 1544 of 2020

The objections raised by the award-debtors were framed as questions of Indian public policy. In substance, it was argued that the award amounted to an impermissible buy-back, implicated an unlawful reduction of capital, reflected an impermissible election of inconsistent remedies, and entered terrain barred by the Specific Relief Act, 1963. The Court did not reject these objections at the threshold. Instead, it first considered which of them truly raised public-policy concerns and which were attempts to reopen issues of fact and contractual construction that had already been addressed by the tribunal and the seat court.

TRANSNATIONAL ISSUE ESTOPPEL: A SIGNIFICANT DEVELOPMENT

The most important aspect of the judgment lies in its treatment of transnational issue estoppel. The Court noted that the Supreme Court had not previously considered the doctrine directly and accordingly examined English and Singapore authorities on the point. It recognised that courts dealing with international arbitration have increasingly developed principles that prevent parties from re-litigating issues already decided elsewhere in relation to an award. Proceeding from that premise, the Court accepted that where the seat court has already determined a factual or legal issue not uniquely tied to the enforcement forum's own law or policy, there is little justification for permitting the same issue to be reopened merely because the parties are now before another court in another jurisdiction.

Transnational issue estoppel may be understood as a principle restraining cross-border re-litigation of issues that have already been finally decided. In the international arbitral context, it applies where a court in one jurisdiction, most notably the court of the seat, has conclusively determined an issue concerning the validity, scope, or effect of an arbitral award, such that the same party may be precluded from re-agitating that issue before an enforcement court in another jurisdiction.

Singapore has, in recent years, assumed a prominent role in shaping this principle. In *Republic of India* v. *Deutsche Telekom AG*[5], the Singapore Court of Appeal recognised that where issues raised in enforcement proceedings have already been decided by the seat court, transnational issue estoppel may operate to bar their reconsideration. A similar comparative tendency may also be discerned in English jurisprudence, which has acknowledged, at least in principle, that estoppel may arise from the determination of a foreign court in enforcement-related proceedings, including within the framework of the New York Convention.

Properly understood, it operates as a pro-enforcement principle while preserving the enforcing state's power to intervene where its own fundamental and non-derogable legal concerns are genuinely implicated.

TRANSNATIONAL ISSUE ESTOPPEL AND PUBLIC POLICY

A striking feature of the judgment is that it does not diminish the importance of Indian public policy. The Court accepts that a foreign award may still be tested on the touchstone of the public policy of India. That is entirely consistent with Renusagar, Shri Lal Mahal, and Vijay Karia. At the same time, however, the Court insists that the inquiry must remain a genuine public-policy inquiry, and not a merits-based reconsideration of factual findings under a different label. The distinction may appear fine in theory, but it is decisive in practice.

This may be particularly visible in the Court's treatment of the company-law objections. For instance, the award-debtors argued that the relief structure effectively amounted to a buy-back by the company and implicated an unlawful reduction of capital. The Court rejected that characterisation and treated the objection as resting on a misdescription of what the award had in fact done. Once the seat court

[5] [2023] SGCA(I) 10

had already rejected the same factual characterisation, the issue could not be reopened in India through a Section 48(2)(b) argument.

The same analytical method appears in relation to the objection based on election of remedies. The Court held that the complaint was, at bottom, a challenge to the tribunal's contractual interpretation, particularly its understanding of the shareholders' agreement. Such a challenge does not become a public-policy violation merely because the resisting party redescribes it as inconsistency. The Court likewise rejected the invocation of the Specific Relief Act, 1963, noting that the issue had already been addressed in the arbitral process and could not be revived at the enforcement stage without first establishing an actual violation of Indian public policy.

The judgment therefore makes clear that the enforcement court must consider the award as it stands, and not as reframed by the resisting party. Once that exercise is properly undertaken, many objections presented as public-policy concerns reduce to ordinary disagreement with the tribunal's reading of the contract.

WHY THE JUDGMENT MATTERS BEYOND ITS FACTS

The practical significance of *Nagaraj V. Mylandla* lies in what it says about India's place in the global enforcement architecture. International arbitration rests on a division of authority recognised by the New York Convention: the seat court exercises primary supervisory authority over the award, while enforcement courts play a narrower and secondary role. By recognising transnational issue estoppel in this setting, the Supreme Court has moved Indian law closer to that cooperative structure.

For parties drafting dispute resolution clauses, the case also underscores the importance of seat selection. A sophisticated arbitral seat does not merely provide procedural infrastructure; it supplies the court whose determinations may later shape enforcement elsewhere. For award-debtors, the judgment is a warning that unsuccessful challenges at the seat cannot be casually replayed in India under reformulated legal labels. For award holders, the decision strengthens the argument that India is increasingly committed to finality and fidelity to the Convention framework.

CONCLUSION

Nagaraj V. Mylandla v. PI Opportunities Fund-I is significant not because it invents a new pro-enforcement philosophy, but because it sharpens and consolidates one already visible in Indian arbitration law. It confirms that while the Indian enforcement court may examine a foreign award through the lens of Indian public policy, it cannot become a forum for re-litigation of factual or merits issues that have already failed before the seat court.

The decision assumes significance for three reasons. First, it consolidates the narrow approach to Section 48 that had already emerged through decisions such as Renusagar, Shri Lal Mahal, and Vijay Karia. Second, it makes clear that although the Indian enforcement court remains competent to examine a foreign award against the public policy of India, it cannot revisit factual findings and contractual interpretations merely because those issues are assigned fresh legal labels. Third, it signals India's increasing alignment with the structural logic of international arbitration, under which the seat court has primacy and the enforcement court performs a limited supervisory role.

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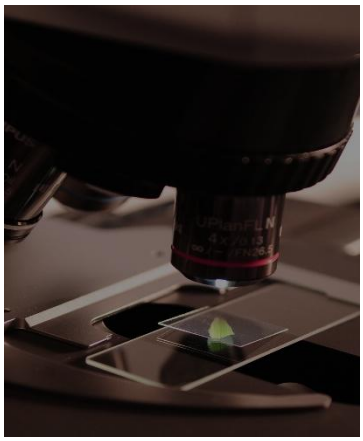

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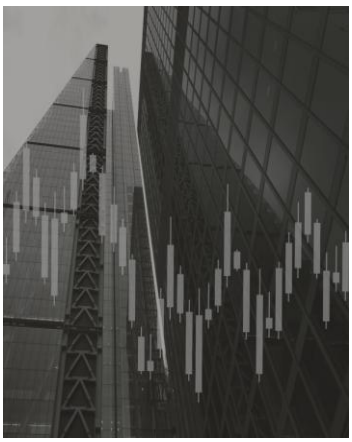

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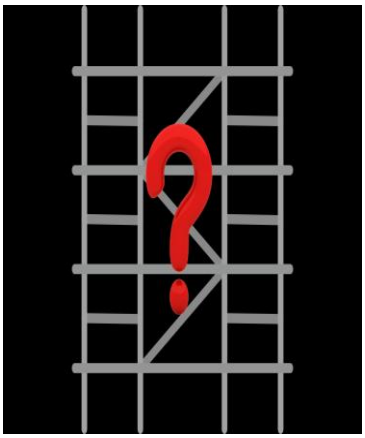

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