

HC upholds arbitrator's refusal of interim relief to Max Healthcare in Care Hospital deal

By Maulik Vyas, ET Bureau | Last Updated: Dec 19, 2023, 11:55:09 AM IST

Synopsis

The Bombay High Court upheld the arbitrator's decision to deny Max Healthcare Institute interim relief in its plea to halt the sale of Care Hospitals to Blackstone Group. Max Healthcare claimed exclusivity in deal negotiations with Care Hospitals but alleged a violation by the owners.



The Bombay High Court on Tuesday upheld the court-appointed arbitrator's refusal of interim relief to [Max Healthcare Institute](#) on its plea for stopping the sale of [Care Hospitals](#) to the [Blackstone Group](#).

Justice Manish Pitale in an oral order, upheld a July 19 order passed by the arbitrator by which he refused to grant urgent interim relief to the listed hospital chain and also refused to grant status quo as regards third-party rights.

The detailed order was not uploaded till the time of filing the story. [Max Healthcare](#) Institute has the option to challenge the ruling at the higher court.

In this case, originally Max Healthcare had approached the court claiming that the term sheet it signed with Touch Healthcare, which owns Care Hospitals along with TPG-backed Evercare Group, had granted it exclusivity in deal negotiations until April 12. However, the owners of Hyderabad-based Care Hospitals were already talking with other buyers on April 11, in violation of the agreement, it alleged.

It then approached the high court on April 27, to restrain Touch Healthcare and Evercare Group from selling Care Hospitals.

On May 3, the Bombay High Court appointed retired judge SJ Kathawala as the sole arbitrator in a dispute. Justice Milind Jadhav had asked the arbitrator to dispose of the Section 17 proceedings within two weeks.

Under Section 17, an arbitration tribunal can pass an interim order to protect the assets under dispute while the proceedings are going on.

Meanwhile, Blackstone signed a binding agreement to acquire about 70% stake in Care Hospitals, valuing the hospital chain at about \$800 million, ET reported on May 8, citing people with knowledge of the matter.

On July 20, Max Healthcare informed stock exchanges that the arbitrator declined to grant the interim relief sought by the company. Later it again approached the high court seeking to set aside the arbitrator's decision.

In the high court, senior counsel Janak Dwarkadas along with Vyapak Desai of law firm Nishith Desai Associates are representing Max Healthcare. Touch Healthcare and Evercare Group Management are represented by senior advocate Darius Khambata and Meghna Rajadhyaksha of Shardul Amarchand Mangaldas & Co.