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# **VIII GD GOENKA-CIARB (INDIA) INTERNATIONAL COMMERCIAL ARBITRATION MOOT COMPETITION**

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MOOT PROPOSITION

*Theme: Environmental, Social and Governance (ESG)*

**25th - 27th September 2026**

**GD Goenka University Campus, Sohna-Gurugram, Haryana, India**

Supported by

**Chartered Institute of Arbitrators (CIArb) - India**

**Society of Indian Law Firms (SILF)**

**International Centre for Dispute Resolution (ICDR) - Singapore**

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**Moot Court Society  
School of Law  
GD Goenka University**

**VIII GD Goenka – CIArb (India) International Commercial Arbitration Moot  
Competition – September 2026**

**MOOT PROPOSITION**

**A. FACTS**

1. **SouVolt AB (“SouVolt”)** is a publicly listed European manufacturer of lithium-ion battery cells, incorporated in Stockholm, Sweden. As a market leader, SouVolt is renowned for its cutting-edge, low-carbon manufacturing processes and its vocal commitment to Environmental, Social, and Governance (ESG) principles. Facing increasing pressure from its institutional investors to ensure its global supply chains are ethically and environmentally sound, SouVolt has made transparent and verifiable compliance a cornerstone of its brand identity. Its strategic five-year plan involves expanding into high-growth markets, with India identified as a top priority.
2. **BharGrid Powercells Private Limited (“BharGrid”)** is a well-regarded, family-owned Indian battery manufacturer based in Bengaluru, Karnataka. Since 2014, it has built a solid reputation supplying battery packs for industrial and non-EV automotive use. However, with the Indian government’s Production Linked Incentive (“PLI”) scheme supercharging the EV sector, BharGrid found itself at a competitive disadvantage. It lacked the sophisticated cell-manufacturing technology and the massive capital required to compete with larger domestic players who were securing major contracts. Venturing into the EV-cell segment was critical for BharGrid’s long-term survival and growth.
3. The two companies first crossed paths at the Global CleanTech Investment Summit in Dubai on 27 January 2025. During a panel discussion, BharGrid’s Chief Sustainability Officer, Ms. Ananya Rao, delivered a compelling presentation on India’s projected demand for EV batteries. She highlighted the immense opportunities for technologically advanced firms willing to partner with established local players. Her presentation caught the attention of SouVolt’s Co-Founder, Mr. Karl Edström, who was specifically scouting for a partner to navigate the Indian market. After the session, they had a brief, informal discussion where a potential collaboration was first mooted.
4. Over the following two months, a series of intensive virtual meetings took place between the senior management of both companies. SouVolt conducted preliminary due diligence, during which its legal team repeatedly emphasized the non-negotiable importance of a flawless compliance record. BharGrid’s executives provided extensive documentation and offered repeated assurances that its operations were fully compliant with all Indian environmental regulations, including the Battery Waste Management Rules. They presented their market access and regulatory know-how as the perfect complement to SouVolt’s technology.

5. Convinced by these assurances, the parties signed a non-binding Term Sheet on 14 May 2025. The Term Sheet was a significant milestone, outlining the core contributions of each party: BharGrid would contribute a specific, pre-cleared industrial site in Karnataka for the joint venture, while SouVolt would provide the proprietary machinery, technical expertise, and phased capital infusion. The shared goal was to create a market-leading, ESG-compliant battery manufacturing entity in India.
6. On 18 August 2025, the parties executed a Joint Venture Agreement (“JVA”) and incorporated a new company, BharVolt EV Solutions Private Limited (“BharVolt”). They designated one of BharGrid’s existing facilities in Karnataka to be upgraded for EV cell production. The total investment was projected at ₹2,500 crores.
7. Under India’s Battery Waste Management Rules, 2022 (“BWM Rules”), all battery producers have "Extended Producer Responsibility" (EPR). SouVolt was concerned that any failure by BharGrid to comply with these rules in its own business could create serious risks for the joint venture. Since SouVolt's brand is built on a strong public commitment to environmental standards, it feared that any compliance issue with its partner could harm the joint venture by: (i) damaging its reputation with investors and customers; (ii) attracting unwanted scrutiny from Indian regulators, which could delay the project; and (iii) creating a financial risk if penalties stopped BharGrid from meeting its funding obligations. To prevent these problems, SouVolt proposed that both BharGrid and BharVolt use a single, unified system to manage their environmental compliance.
8. To address this, the parties signed an Additional Technical Compliance Addendum (“ATCA”) on 3 October 2025. Under the ATCA, SouVolt licensed its proprietary AI-powered compliance software, PointTrace-AI, to both BharGrid and BharVolt for a one-time fee of ₹5 crores. The ATCA required BharGrid and BharVolt to use PointTrace-AI exclusively for all compliance activities.
9. The period between October and November 2025 was marked by productive collaboration. The initial integration of PointTrace-AI into BharVolt’s new systems went smoothly. As part of the setup, BharGrid began the process of migrating years of historical compliance data from its legacy spreadsheets and manual logs into the new AI platform. This data migration was a prerequisite for creating a seamless, end-to-end compliance history for the entire operation, as mandated by SouVolt.
10. By late November 2025, the joint venture was showing great promise. BharVolt produced its first pilot batch of EV cells, which received positive initial feedback from engineers at two major Indian automotive manufacturers. Buoyed by this success, SouVolt disbursed its first investment tranche of ₹200 crores, which BharGrid matched with its own capital contribution.

11. However, the positive momentum came to an abrupt halt in December 2025. Once the historical data migration was complete, PointTrace-AI conducted its first comprehensive analysis. The software's algorithms flagged major inconsistencies in BharGrid's EPR filings for the 2024–2025 financial year, suggesting a significant and statistically improbable gap between the volume of batteries sold and the recyclate reported as recovered.
12. BharGrid immediately rejected the findings, asserting that PointTrace-AI was generating “false positives.” It requested an independent third-party audit. SouVolt declined, stating the software's internal logic was proprietary and confidential under the ATCA.
13. On 22 December 2025, concerned by the potential severity of the flagged anomaly and BharGrid's refusal to investigate, SouVolt's compliance team initiated an informal inquiry with the CPCB. As a new entrant to the Indian market, SouVolt framed its questions around understanding the regulatory consequences of such data inconsistencies in EPR filings. During this discussion, a senior CPCB official, explaining the seriousness with which they view such matters, revealed that BharGrid had been previously penalised with a fine of approximately ₹10 crores for the 2023–2024 financial year for hiring an unregistered recycler. This was the first time SouVolt had learned of this prior regulatory action.
14. CPCB officials warned SouVolt that, in light of this past violation, BharGrid was now “under close scrutiny” and its operations could be temporarily suspended, jeopardising the joint venture.
15. Alarmed by this undisclosed liability, SouVolt, on 2 January 2026, formally suspended the second tranche of its capital investment, amounting to ₹400 crores. It sent a formal letter to BharGrid demanding an immediate explanation.

## **B. The Emergency Arbitration**

16. The funding freeze created an immediate financial crisis for the joint venture. BharVolt had critical payment deadlines looming for international equipment suppliers. Failure to meet these deadlines would not only halt the commissioning of the main production line but also trigger substantial contractual penalties and potentially lead to the cancellation of orders for essential machinery. This would indefinitely delay the start of commercial production, jeopardizing commitments made to prospective customers.
17. With the project on the brink of collapse, BharGrid, on 15 January 2026, filed an application for Emergency Measures with the International Centre for Dispute Resolution (ICDR), pursuant to the arbitration clause in the JVA. Mr. Alan Crane was appointed as the Emergency Arbitrator under ICDR Rules. In its application, BharGrid sought an urgent order compelling SouVolt to immediately release the

suspended second funding tranche of ₹400 crores, arguing that without it, the joint venture would suffer catastrophic and irreversible damage.

18. SouVolt raised a jurisdictional objection, arguing that the core of the dispute—the performance of PointTrace-AI arose from the ATCA, which mandated ad-hoc arbitration under the UNCITRAL Rules. SouVolt contended that the ICDR-appointed Emergency Arbitrator had no jurisdiction as the ad-hoc framework lacked any provision for such a procedure.
19. On 25 February 2026, the Emergency Arbitrator issued a procedural order addressing the two primary issues raised by the parties: (i) SouVolt’s jurisdictional objection that the dispute fell under the ATCA’s ad-hoc arbitration clause, and (ii) BharGrid’s application for emergency relief on the merits. To ensure that participants in the preliminary rounds can argue these issues fully and without prejudice, the final outcome of the Emergency Arbitrator’s decision on both jurisdiction and the merits is not disclosed in this proposition. The award clarified this decision was without prejudice to any final determination by the main tribunal.

### **C. The Main Arbitration**

20. Following the emergency arbitration, BharGrid did not provide the requested explanation. Instead, it hired an external audit firm to verify its compliance data, after giving prior notice to SouVolt. SouVolt immediately objected, asserting this was a direct and multifaceted breach of the ATCA. It argued that this action violated: (i) Clause 5 (Confidentiality), by sharing proprietary data and outputs from PointTrace-AI with an unauthorized third party; and (ii) Clause 3 (Mandatory Use of Technology), by using an alternative ‘verification process’ instead of relying exclusively on the contractually mandated AI system. The third-party audit report, which BharGrid presented to SouVolt, concluded that there were no anomalies. SouVolt refused to consider the report, stating that the breaches of the ATCA rendered the report’s findings irrelevant and inadmissible under their agreements.
21. News of the dispute spread throughout the EV industry after a prominent financial daily, which published an article titled: ‘SouVolt’s India JV Hits ESG Hurdle; Funding Suspended for BharGrid Partnership.’ SouVoult claimed that story was syndicated globally, causing significant damage to SouVolt’s reputation as a leader in ESG compliance. In the week following the article’s publication, SouVolt’s stock price fell by nearly 5% on the Stockholm exchange, and its CEO had to address pointed questions from analysts and major institutional investors regarding the company’s partner-vetting process and the reliability of its much-touted ESG technology.
22. On 31 March 2026, citing BharGrid’s failure to explain the compliance issues and its breach of the ATCA, SouVolt issued a formal notice demanding that BharGrid remedy these breaches and warning of termination.

23. BharGrid responded on 10 April 2026, vehemently denying any breach. In its reply, BharGrid asserted that its own third-party audit report was conclusive proof of its compliance and that PointTrace-AI was demonstrably unreliable. It accused SouVolt of acting in bad faith by hiding behind the software's "proprietary" nature to avoid independent verification. Furthermore, BharGrid contended that SouVolt's suspension of funding was the first and primary material breach of the JVA, and demanded that SouVolt immediately release the funds and retract its notice.
24. SouVolt considered BharGrid's response to be an outright rejection of its obligations under both the JVA and the ATCA. It viewed the continued reliance on an external audit as a persistent breach of the ATCA's exclusivity clause and the counter-accusations as evidence of bad faith. Concluding that the breaches were not only uncured but actively denied, and that the trust essential to the joint venture was irretrievably broken, SouVolt issued a final termination notice on 20 April 2026, formally ending both agreements.
25. On 8 May 2026, BharGrid formally invoked arbitration under the JVA. BharGrid appointed Justice (Retd.) Shashank as its arbitrator. SouVolt appointed Dr. Anya Sharma, a renowned technology law professor. The two arbitrators subsequently appointed Mr. Klaus von Stauffenberg as the presiding arbitrator.
26. On 25 May 2026, BharGrid filed its Statement of Claim, seeking a total of ₹1,100 crores in damages. The claim alleged that SouVolt's suspension of funding and subsequent termination were unlawful, commercially motivated, and constituted a repudiatory breach of the JVA. The claimed amount was broken down as follows:
- ₹700 crores for loss of expected profits from the joint venture.
  - ₹200 crores as restitution for the capital BharGrid had already infused into BharVolt.
  - ₹150 crores for reputational damage to BharGrid in the Indian market.
  - ₹50 crores for wasted administrative and operational setup costs.
27. On 20 June 2026, SouVolt filed its Statement of Defence and a Counterclaim for ₹800 crores. In its filing, SouVolt raised a preliminary jurisdictional objection, arguing that the Tribunal's authority was limited to disputes arising strictly under the JVA. It contended that all claims and counterclaims related to the ATCA including the alleged breach of the exclusivity clause and its own counterclaim of ₹150 crores were governed by the ATCA's mandatory ad-hoc arbitration clause and must be referred to a separate tribunal. Without prejudice to this objection, SouVolt asserted on the merits that its termination was lawful and justified by BharGrid's fundamental breaches, including: (i) fraudulent misrepresentation by non-disclosure of the prior CPCB penalty, constituting a Material Adverse Effect; and (ii) a direct

breach of the ATCA's exclusivity clause. The counterclaim was broken down as follows:

- ₹250 crores for reputational injury to SouVolt's global ESG standing.
- ₹200 crores for breach of representations and warranties due to the non-disclosure.
- ₹150 crores for breach of the ATCA's exclusivity provisions and misuse of the context surrounding its proprietary technology.
- ₹200 crores as a refund of the capital SouVolt had infused into the failed venture.

28. On 5 July 2026, BharGrid's legal team filed an application to challenge the appointment of Dr. Anya Sharma. They had discovered that Dr. Sharma served on the advisory board of the 'European Centre for Sustainable Technology', a think-tank that had received a substantial research grant from SouVolt in 2023. This relationship was not mentioned in Dr. Sharma's statement of independence. BharGrid argued this created justifiable doubts as to her impartiality. SouVolt opposed the challenge, arguing the connection was academic, non-financial for Dr. Sharma, and too remote to constitute a conflict. The Tribunal has decided to hear this challenge along with the other issues.

## **PROCEDURAL ORDER**

*Following the constitution of the Arbitral Tribunal and a review of the parties' initial submissions, including the Statement of Claim, the Statement of Defence and Counterclaim, and the Application challenging the appointment of Dr. Anya Sharma, the Tribunal hereby issues the following procedural order:*

I. The Parties have agreed that the matter will be decided based on the documents and written submissions on record, and no oral evidence shall be led.

II. The Arbitral Tribunal shall hear and determine the following issues on:

### **1. Preliminary Issue: Challenge to Arbitrator**

1. Should Dr. Anya Sharma be disqualified as an arbitrator due to an alleged conflict of interest arising from her connection to a SouVolt funded think-tank?

### **2. Jurisdictional Issues**

1. Does this Arbitral Tribunal have jurisdiction over the entire dispute, including claims arising under the Additional Technical Compliance Addendum (ATCA)?
2. Or, must the claims arising from the ATCA be referred to a separate ad-hoc arbitration as per Clause 8 of the ATCA?

### **3. Issues on Merits: Termination of Agreements**

1. Was SouVolt's termination of the Joint Venture Agreement (JVA) and the ATCA lawful and justified?
2. Did BharGrid commit a fundamental breach of the JVA and/or ATCA by:
  1. Failing to disclose the prior CPCB penalty, thereby causing a Material Adverse Effect or breaching its representations and warranties?
  2. Hiring an external audit firm in alleged violation of the exclusivity and confidentiality clauses of the ATCA?

### **4. Issues on Relief and Damages**

1. Based on the finding on the merits, is BharGrid entitled to the damages claimed in its Statement of Claim, and if so, in what quantum?
2. Based on the finding on the merits, is SouVolt entitled to the damages claimed in its Statement of Defence and Counterclaim, and if so, in what quantum?

## **ANNEXURE – I**

### **Extracts from the Joint Venture Agreement (JVA)**

#### **Clause 1 (m): Material Adverse Effect**

“Material Adverse Effect” refers to any event or circumstance that materially affects the ability of either Party or the Joint Venture to perform its obligations or has a significant adverse impact on their compliance, business, assets, operations, or financial condition. It includes undisclosed violations of law, breaches of any representation, warranty or obligation, material regulatory or ESG non-compliance, or any fact that, if disclosed earlier, would have influenced the other Party’s decision to enter into this Agreement.

#### **Clause 2: Capital Contribution and Funding**

SouVolt shall contribute capital to the Joint Venture in four tranches over two years from the Effective Date. SouVolt may suspend or defer further funding only in the event of a material breach, breach of any representation or warranty, occurrence of a Material Adverse Effect, or if continued funding becomes unlawful. Before suspending any tranche, SouVolt shall provide reasonable written notice and a cure period. SouVolt shall be entitled to seek information, reports, or audits to verify fund utilisation and compliance of the Joint Venture.

#### **Clause 5: Representations and Warranties**

Each Party represents that it has full authority to enter into this Agreement and that its execution does not violate any law, approval requirement, licence, or contract. Each Party further represents that there are no pending or threatened proceedings that may impair performance and that all information and documents shared under this Agreement are true, complete, and not misleading. Each Party confirms compliance with all applicable regulatory, environmental, labour, ESG, and statutory requirements relating to its operations and undertakes to promptly disclose any breach, notice, inquiry, or violation that may arise during the Term. In addition, BharGrid expressly undertakes that it shall ensure full and continuous compliance with all regulatory, statutory, environmental, and ESG requirements applicable not only to its stand-alone operations but also to the Joint Venture and all activities undertaken pursuant to this Agreement.

#### **Clause 8: Termination**

Either Party may terminate this Agreement by written notice if the other Party breaches any obligation and fails to cure such breach within the prescribed cure period. Immediate termination may be effected in cases involving fraud, wilful misconduct, gross negligence, or a Material Adverse Effect that cannot be reasonably cured. The Parties may also terminate this Agreement by mutual consent. If termination occurs due to a Material Adverse Effect caused by one Party, the Responsible Party shall pay compensation of ₹100 crores within 90 days. All rights and liabilities accrued until termination shall survive, including confidentiality, indemnity, governing law, and dispute-resolution obligations.

**Clause 9: Arbitration**

Any dispute arising out of or in connection with this Agreement, including its validity, performance, breach, or termination, shall be resolved by arbitration administered by the **International Centre for Dispute Resolution (ICDR)** in accordance with its rules including emergency arbitration proceedings. The Tribunal shall consist of three arbitrators, one appointed by each Party and the presiding arbitrator appointed to be appointed by the Co-Arbitrator. The seat of arbitration shall be New Delhi, India, and the language shall be English.

**Clause 10: Governing Law**

The governing law of this Agreement shall be the laws of India, and the rights and obligations of the Parties shall be interpreted accordingly.

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## ANNEXURE – II

### Extracts from the Additional Technical Compliance Addendum (ATCA)

#### Clause 1: Technology Transfer and Licence Fee

SouVolt agrees to transfer and license its proprietary environmental-compliance and traceability system, PointTrace-AI, to BharGrid and the Joint Venture for use in connection with all activities undertaken under the JVA. BharGrid shall pay SouVolt a one-time licence fee of INR 5 crores for such transfer.

#### Clause 3: Mandatory Use of Technology

BharGrid and the Joint Venture shall use PointTrace-AI exclusively for all environmental-compliance, traceability, reporting, EPR and documentation requirements applicable to their operations. No other software, tool, platform, verification process or alternative system shall be used for any compliance-related purpose without SouVolt's prior written consent.

#### Clause 5: Confidentiality

All information, data, outputs, system logs, reports and materials generated through or uploaded into PointTrace-AI shall be treated as confidential and shall not be shared with auditors, consultants, recyclers, statutory intermediaries or any third party without SouVolt's prior written consent. The internal functioning, architecture and logic of PointTrace-AI shall not be accessed, tested, disclosed or reverse-engineered.

#### Clause 6: Exclusivity

For the duration of this Addendum and the JVA, BharGrid and the Joint Venture shall not procure, develop, adopt or use any competing compliance-management or traceability technology. Exclusivity is a material obligation, and any violation shall constitute a breach, entitling SouVolt to suspend PointTrace-AI and claim compensation for all consequential losses.

#### Clause 8: Arbitration

Any dispute, controversy or claim arising out of or relating to this Addendum, including its breach, termination or invalidity, shall be settled by **ad-hoc arbitration**. The seat of the arbitration shall be Singapore. The proceedings shall be conducted in accordance with the **UNCITRAL Arbitration Rules** as at present in force. The language of the arbitration shall be English.

## **Instructions on Memorial Structure and Oral Rounds**

This document outlines the core requirements for the written memorial and the structure of the oral arguments for the different stages of the competition.

### **1. Single Memorial Requirement**

All teams will prepare and submit one consolidated memorial per side (Applicant/Claimant & Respondent). This memorial must contain the arguments for both the Emergency Arbitration and the Main Arbitration proceedings.

The memorial must be divided into two distinct parts:

- Part A: Emergency Arbitration Pleadings
- Part B: Main Arbitration Pleadings

### **2. Part A: Emergency Arbitration (For Preliminary Rounds)**

This part of your memorial addresses the urgent application for interim relief before the Emergency Arbitrator.

- Scope: Arguments in this section must be based only on the facts up to Paragraph 19 of the Moot Proposition.
- Issues that can be Argued:
  1. Jurisdiction: Does the ICDR-appointed Emergency Arbitrator have jurisdiction to hear the application?
  2. Merits: Has BharGrid met the legal standard for the granting of emergency interim relief?
- Word Limit: The written pleadings for Part A must not exceed 3,000 words in total. This includes the arguments for both the Applicant and the Respondent.

### **3. Part B: Main Arbitration (For Advanced Rounds (from Quarters))**

This part of your memorial addresses the final dispute on the merits before the fully constituted Arbitral Tribunal.

- Scope: Arguments in this section should be based on the entire Moot Proposition.
- Issues that can be Argued:

1. Arbitrator Challenge: Should Dr. Anya Sharma be disqualified?
  2. Jurisdiction: Does the Tribunal have jurisdiction over the entire dispute, including claims under the ATCA?
  3. Merits & Termination: Was SouVolt's termination of the agreements lawful and justified?
  4. Relief & Damages: Is either party entitled to damages, and if so, in what amount?
- Word Limit: The written pleadings for Part B must not exceed 7,000 words in total. This includes the arguments for both the Claimant and the Respondent.

#### **4. Structure of Oral Rounds**

The oral rounds are divided to simulate the two distinct arbitration proceedings.

- Preliminary Rounds: In the preliminary rounds, teams will only argue the issues from Part A (Emergency Arbitration). You will be appearing before the Emergency Arbitrator(s).
  - Advanced Rounds (Quarter-Finals Onwards): In the advanced rounds, teams who advance to quarter finals and further will only argue the issues from Part B (Main Arbitration). You will be appearing before the main Arbitral Tribunal.
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