

News

Nayara Energy withdraws case against Microsoft after services restored.



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Nayara Energy Limited has withdrawn its petition before the Delhi High Court against Microsoft Corporation (India) Pvt Ltd after the tech major restored services that had been abruptly suspended, leading to the resolution of the dispute between the parties.

The matter was heard by Justice Purushendra Kumar Kaurav, who had earlier on July 28 issued notice to Microsoft after Nayara complained that the unilateral suspension of services under the Microsoft Business and Services Agreement (MBSA) had caused substantial operational interruption. Appearing for Nayara, Senior Advocates Rajiv Nayar and Dayan Krishnan contended that the suspension violated the contractual provisions and needed

urgent interim remedies under Section 9 of the Arbitration and Conciliation Act, 1996.

Justice Purushendra Kumar Kaurav

When the matter was taken up on July 30, the Court was informed that Microsoft had since restored the services.

In view of this development, Nayara, represented by Senior Advocates Rajiv Nayar and Dayan Krishnan announced that they were not pressing for interim orders. However, they encouraged the Court to consider providing notice in the main arbitration application.

Justice Kaurav recorded that, as the services had already been restored, it would not be proper to keep the Section 9 petition pending. The Court, accordingly, permitted the action to be withdrawn, although noting that the petitioner would be at free to approach the Court again if any dispute arose in the future

Senior Advocate Rajiv Nayar

The disagreement erupted after Microsoft Corporation (India) Pvt Ltd abruptly discontinued its services to Nayara Energy Limited, a private Indian oil refiner partially owned by Russia's Rosneft. The suspension, which affected crucial tools such as email and cloud access, followed European Union restrictions placed on Nayara's Vadinar refinery on July 18, 2025, as part of broader actions targeting Russian-linked firms. Microsoft apparently acted to comply with these EU measures, while Nayara maintained that the disruption had no legal foundation under Indian law or the contractual terms of the Microsoft Business and Services Agreement (MBSA).

Caught off guard, Nayara claimed that company was denied access to its own data despite owning fully paid licenses, and that Microsoft's unilateral action created severe operational hardship. In response, Nayara quickly moved the Delhi High Court under Section 9 of the Arbitration and Conciliation Act, seeking temporary relief and restoration of services.