



Amulya M. Bhat
Associate

COURT'S JURISDICTION ON DECIDING SEAT OF ARBITRATION

The Delhi High Court (HC), in the *Nitin Kwatra* case,¹ held that even if an agreement specifies exclusive jurisdiction of a different court, courts having jurisdiction over the seat of arbitration and retain supervisory authority over the arbitral process. The presence of a generic exclusive jurisdiction clause does not diminish HC's jurisdiction as to determining the seat of arbitration.

Brief Facts

Nitin Kwatra, the Petitioner (**Kwatra**) and Stadhawk Services Pvt. Ltd., the Respondent No. 1 (**Stadhawk**) had executed a business associate agreement in 2020. Several other parties to the Agreement were the other respondents (**Respondents**). Certain disputes arose between the parties revolving around monetary entitlements outlined in the Agreement.

The agreement contained arbitration clause stating: (a) disputes subject to the exclusive jurisdiction of Gurugram courts; (b) disputes to be resolved through arbitration; (c) arbitration to be conducted by a sole arbitrator appointed by Stadhawk; and (d) place of arbitration to be New Delhi.² Invoking the arbitration clause, Kwatra issued notice to the Respondents. None of the Respondents replied to the notice. Kwatra, then filed an application to the HC for appointment of sole arbitrator to settle the dispute and notice was served on the Respondents. However, the Respondents did not also respond to HC's notice.

HC's Judgement & Analysis

The HC:

- Relied on the *Reliance Infrastructure* judgement,³ wherein the Supreme Court held that the venue of the arbitration also constitutes the seat of arbitration.
- Observed that the arbitration clause designated Delhi as the venue and place of arbitration and that the venue is to be treated as the seat of arbitration unless otherwise specified.⁴
- Held: “*The fact that the agreement contains a generic clause stating that ‘all disputes arising in connection with the concerned agreement shall be subject to the jurisdiction of the Courts of Gurugram’ shall not affect the jurisdiction of this Court.*”⁵
- Observed that there was no hindrance to the HC in appointing independent sole arbitrator to adjudicate the dispute between the parties.⁶

¹ *Nitin Kwatra vs Stadhawk Services Pvt. Ltd. & Ors.*, 2024 LiveLaw (Del) 163. A copy of the judgement can be found [here](#).

² Clauses C and D of the Agreement (replicated in the Judgement).

³ *Reliance Infrastructure Ltd. v. Madhyanchal Vidyut Vitran Nigam Ltd.*, 2023 SCC OnLine Del 4894.

⁴ Paragraph 6 of the Judgement.

⁵ Paragraph 6 of the Judgement.

⁶ Paragraph 8 of the Judgement.

- Opined that the Respondents other than Stadhawk, being directors and not having signed or entered into the Agreement on an individual capacity, need not be parties to the arbitration.⁷

Accordingly, the HC disposed of the petition after appointing an independent sole arbitrator.

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⁷ Paragraph 9 of the Judgement.
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