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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Judgment Reserved on: 07.07.2025
Judgment Pronounced on: 09.09.2025

+ **ARB. P. 2130/2024**

SNS ENGINEERING PVT. LTD.

.....Petitioner

Through: Mr. Jittin Dua, Adv.

versus

M/S HARIOM PROJECTS PVT. LTD. AND ANR.

.....Respondents

Through: Ms. Ratna Vora, Ms. Nazi
Parveen, Mr. Miren
Priyadarshi, Advs.

CORAM:

HON'BLE MR. JUSTICE JASMEET SINGH

J U D G M E N T

: **JASMEET SINGH, J.**

1. This is a petition filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 ("**1996 Act**") seeking appointment of an Arbitrator for adjudication of disputes between the parties arising out of the Work Order/ Acceptance Letter dated 21.10.2021.

FACTUAL MATRIX

2. The petitioner is a Private Limited Company, duly incorporated and registered under the provisions of the Companies Act, 1956, having its office at Plot No. 48, 3rd Floor, Vishal Tower, Wazirabad, Sector-52, Gurugram-122003. The petitioner is a contractor and service provider operating in the field of mechanical, electrical, and air-conditioning industry and engaged in executing contracts, assignments, and projects related to air-conditioning, electrification,



construction, installation and supply of ancillary relevant materials thereto.

3. Respondent No. 1 is also a Private Limited Company, engaged in the business of construction and allied services, acting through its principal Director i.e. respondent No. 2.
4. In relation to an upcoming project of the respondents at Uttarakhand Bhawan, Chanakyapuri, New Delhi, ("**Project**") the respondents approached the petitioner for air-conditioning services. Accordingly, the petitioner gave its quotation to the respondents on 06.10.2021. After various communications between the parties, *vide* letter dated 21.10.2021, the respondents accepted the petitioner's quotation along with the proposed terms and conditions ("**Acceptance Letter**"). Accordingly, the respondents placed an order with the petitioner for the HVAC system for the Project for a total contract value of Rs. 2,85,93,782/- plus applicable GST.
5. The Acceptance Letter contains the arbitration clause being Clause No. 14 and the same reads as under:-

"14) Arbitration: This subcontract and all other matters, shall in all respect be construed and be operative in conformity with Indian laws and shall be subject to the jurisdiction of court in Ahmedabad only. For any decisions on any arbitration, HPL's Managing Director shall be the final authority."

6. It is stated that as per the terms and conditions agreed upon between the parties under the Acceptance Letter, the respondents had undertaken and assured the petitioner that payments would be made in a timely manner against the monthly Running Bills raised by the petitioner.



7. Since certain disputes arose between the parties, the respondent No. 1 invoked arbitration *via* letter dated 29.08.2024 titled as “Appointment of sole arbitrator to resolve the disputes that have arisen out of the work order dated 21.10.2021” and requested its own Managing Director i.e. respondent No. 2, to appoint a Sole Arbitrator. The petitioner replied to the said letter on 09.09.2024, stating that in view of the settled law pertaining to the appointment of an Arbitrator, either a consensual person or a neutral person is to be appointed independently by the Court and rejected the appointment of any Arbitrator by respondent No. 2. Petitioner further suggested three names for an Arbitrator. The said names as proposed by the petitioner were denied by the respondents *vide* letter dated 14.10.2024.
8. Hence, the present petition has been filed.
9. The respondents have also filed a petition under Section 11(6) of the 1996 Act being ARB. P. 46/2025, before the Hon’ble High Court of Gujarat and notice has been issued to the petitioner in the same.

SUBMISSIONS

On behalf of the Respondents

10. At the outset, the respondents have challenged the jurisdiction of this Court to entertain the present petition. It is submitted that considering the clear and unambiguous arbitration clause being Clause No. 14 of the Acceptance Letter (reproduced above), the arbitration and all other matters, in all respect, are subject to the jurisdiction of “*court in Ahmedabad only*”. Hence, this Hon’ble Court does not possess the territorial jurisdiction to adjudicate the present petition and therefore, the petition is liable to be dismissed for want of territorial jurisdiction.
11. In this regard, reliance is placed upon the following judgments: (1) ***Swastik Gases (P) Ltd. v. Indian Oil Corporation Ltd. (2013) 9 SCC***



32; (2) *B.E. Simoes Von Staraburg Niedenthal v. Chhattisgarh Investment Ltd.* (2015) 12 SCC 225; (3) *Indus Mobile Distribution (P) Ltd. v. Datawind Innovations (P) Ltd.* (2017) 7 SCC 678 and (4) *Brahmani River Pellets Ltd. v. Kamachi Industries Ltd.* (2020) 5 SCC 462.

On behalf of the Petitioner

12. In response to the respondents' objection regarding this Court's jurisdiction to entertain the present petition, the petitioner submits that this Court has the jurisdiction to entertain the present petition as the cause of action has arisen in New Delhi. It is stated that the Acceptance Letter was issued from and accepted at the respondents' New Delhi office. The respondents also possess a valid GST registration in Delhi. It is further submitted that all the pre-contract negotiations, discussions, meetings, and finalization of terms between the parties took place at the respondents' New Delhi office. The petitioner's quotation was also accepted by the respondents at New Delhi. The entire scope of work under the Acceptance Letter was executed by the petitioner at the respondents' premises at Uttarakhand Niwas, Chanakyapuri, New Delhi. Moreover, all Running Bills were submitted by the petitioner to the respondents' New Delhi office.
13. Hence, it is submitted that since the entire cause of action in respect of the balance claim of the petitioner have accrued at New Delhi, therefore this Court is fully competent to entertain the present petition, as per Section 20 of the Code of Civil Procedure, 1908 ("CPC").

ANALYSIS AND FINDINGS

14. I have heard learned counsels for the parties.



15. The law is well settled that even in absence of the express term ‘seat’ in the arbitration clause/ agreement, the Court which is granted the exclusive jurisdiction will be deemed to have supervisory jurisdiction over the arbitral proceedings¹ i.e., will be the seat of the arbitration. Most recently, the Hon’ble Supreme Court in ***M/S Activitas Management Advisor Private Limited v. Mind Plus Healthcare Private Limited, SLP (C) No. 27714/2024, vide order dated 05.08.2025***, while relying on ***Brahmani River Pellets (supra)***, held that since the arbitration clause being Clause No. 10 therein, conferred exclusive jurisdiction on Mumbai High Court, the seat of arbitration would be Mumbai. The operative portion of the said order is extracted below:-

“8. Though clause 10 does not use the expression ‘seat’ or ‘venue’, we are of the opinion that the ‘jurisdiction’ is mentioned in the context of resolution of the disputes through arbitration and as such the agreement between the parties that, “client hereby submits to the exclusive jurisdiction of the Mumbai High Courts located in Mumbai” must be understood in the context of arbitration and therefore the seat of the arbitration must be taken to be Mumbai.”

16. The view taken by the Hon’ble Supreme Court squarely covers the issue before this Court in the present petition. In the present case, Clause No. 14 of the Acceptance Letter i.e. the arbitration clause, expressly holds that any differences arising out of or in connection with the Acceptance Letter will be subject to the ‘jurisdiction’ of Court at Ahmedabad only. Although Clause No. 14 does not explicitly

¹ *Swastik Gases (supra)*, paragraph No. 32; *B.E. Simoesse Von Staraburg Niedenthal (supra)*, paragraph No. 12.



use the term ‘seat’, the use of the word ‘jurisdiction’ in the arbitration clause clearly stipulates the parties’ intention to submit to the exclusive jurisdiction of Court at Ahmedabad only. Therefore, in view of the clear wording of Clause No. 14, Ahmedabad stands constituted as the seat of arbitration. Only the Court at Ahmedabad have the exclusive jurisdiction to regulate the arbitral proceedings in the present case and consequently also the jurisdiction to appoint an Arbitrator under Section 11(6) of the 1996 Act.

17. Additionally, while dealing with a similar jurisdictional issue, this Court in ***Sanjay Kumar Verma v. Planning and Infrastructural Development Consultants Pvt. Ltd., 2024:DHC:99***, observed as under:-

“6. In the case at hand, the arbitration clause specifies that “...dispute will be referred to a recognized Arbitrator of company’s choice whose decision shall be binding on the parties, the same are subject to Patna jurisdiction”. The language of the clause points to a mutual agreement, placing the arbitration proceedings squarely within the jurisdiction of Patna. The wording unambiguously indicates the parties’ intent to establish Patna as the place or seat of arbitration. Consequently, the Court finds itself at odds with the Petitioner’s interpretation suggesting that the seat of arbitration has not been definitively determined. The absence of the explicit term ‘seat’ in Clause 13 does not diminish the clarity of the agreement that Patna is the designated place of arbitration. Interpreting this clause otherwise would undermine the principle of party autonomy, as embodied in Section 20 of the Arbitration Act, negating



the parties' evident consensus on this matter. The parties have mutually and explicitly agreed to place the arbitration under the exclusive jurisdiction of the courts in Patna. This agreement effectively establishes Patna as the seat of arbitration. Consequently, it is the court in Patna that holds the jurisdiction to appoint an Arbitrator under Section 11(6) of the Arbitration Act.”

(Emphasis supplied)

18. Similarly, the language used in Clause No. 14 is categorical and exclusionary, leaving no scope for doubt regarding the parties' intention to confer exclusive jurisdiction upon the Court at Ahmedabad with regards to disputes arising from the Acceptance Letter and thereby, demonstrating their intention to choose Ahmedabad as the seat of arbitration. While interpreting such exclusive jurisdictional clauses it must be borne in mind, that when parties agree in the arbitration clause/ agreement to vest exclusive jurisdiction in a particular Court for adjudication of any disputes thereof, it is to be presumed that they intended that Court only to have supervisory control.
19. As regards the contention raised by the petitioner that since the cause of action has arisen in New Delhi, this Court has the jurisdiction to entertain the present petition by relying on Section 20 of CPC, the same is meritless. The law is clear on the aspect that parties have right to select a neutral seat of arbitration, irrespective of the place of cause of action or fulfillment of contractual obligations, as observed by the Hon'ble Supreme Court in ***Indus Mobile Distribution (supra)***. The relevant paragraph of the said judgment is extracted below: -



“19. A conspectus of all the aforesaid provisions shows that the moment the seat is designated, it is akin to an exclusive jurisdiction clause. On the facts of the present case, it is clear that the seat of arbitration is Mumbai and Clause 19 further makes it clear that jurisdiction exclusively vests in the Mumbai courts. Under the Law of Arbitration, unlike the Code of Civil Procedure which applies to suits filed in courts, a reference to “seat” is a concept by which a neutral venue can be chosen by the parties to an arbitration clause. The neutral venue may not in the classical sense have jurisdiction – that is, no part of the cause of action may have arisen at the neutral venue and neither would any of the provisions of Section 16 to 21 of the CPC be attracted. In arbitration law however, as has been held above, the moment “seat” is determined, the fact that the seat is at Mumbai would vest Mumbai courts with exclusive jurisdiction for purposes of regulating arbitral proceedings arising out of the agreement between the parties.”

(Emphasis supplied)

20. Additionally, when arbitration clause provides exclusive jurisdiction, the concept of cause of action becomes irrelevant, as observed by a Coordinate Bench of this Court in ***G R Builders Through Its Prop Sanjeev Kumar v. M/S Metro Speciality Hospitals Pvt. Ltd. & Ors, 2023:DHC:7050***. The relevant paragraph of the said judgment is extracted below: -

“13. In view of the settled law discussed above, the accrual of cause of action at a place for pursuing a substantive legal action is not a consideration for determining jurisdiction for



the purposes of Section 11. Location of seat of arbitration is what will be a relevant consideration. In the present case, as per clause 31.16, the place of arbitration is Faridabad (Haryana), which would be the chosen as the seat, since seat has not been separately named and there is no other contrary indicia to show that the place of arbitration was not intended to be the seat of arbitration.”

21. In view of the settled law as observed above, irrespective of the fact where the cause of action has arisen, since the seat of arbitration is Ahmedabad, as mutually agreed by the parties via Clause No. 14, such agreement overrides the place of cause of action and thereby, only Court at Ahmedabad will have the supervisory jurisdiction over the arbitral proceedings.

CONCLUSION

22. In view of the above discussion, this Court does not have the territorial jurisdiction to entertain the present petition. The petition is dismissed on the ground of lack of territorial jurisdiction, along with pending applications, if any.

JASMEET SINGH, J

SEPTEMBER 09, 2025/ (HG)