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

+ **ARB.P. 804/2025, I.A. 13201/2025 and I.A. 13202/2025**

TANMAY VASHISTH

.....Petitioner

Through: Mr. Aditya Sharma, Mr. Manoj
Rajput and Ms. Mehak Khanna, Advocates.

versus

M/S BAJAJ FINANCE LTD

.....Respondent

Through: Mr. Karan Luthra and Mr. Yogesh
Malik, Advocates.

CORAM:

HON'BLE MS. JUSTICE JYOTI SINGH

ORDER

23.05.2025

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1. This petition is filed by the Petitioner under Section 11(6) of the Arbitration and Conciliation Act, 1996 ('1996 Act') for appointment of the Sole Arbitrator.

2. Learned counsel appearing on behalf of the Respondent, on advance copy of the petition, takes an objection to the territorial jurisdiction of this Court to entertain the present petition. It is urged that Clause 10 of the Loan Agreement dated 06.05.2021 is the Dispute Resolution Clause and provides that any claims and disputes arising out of or in connection with this Agreement or its performance thereof shall be referred to a Sole Arbitrator. It further provides that venue of arbitration shall be either at Pune or the State Capital, at the sole discretion of the Lender and that by clause 11, parties agreed that all matters arising out of the Loan Agreement shall be subject to the exclusive jurisdiction of the Courts or Tribunals, as the case



may be at Pune.

3. *Per contra*, learned counsel for the Petitioner contends that Respondent cannot be permitted to raise the objection of territorial jurisdiction of this Court since Respondent has itself initiated arbitration at Delhi after unilaterally appointing a Sole Arbitrator pertaining to this very Loan Agreement dated 06.05.2021.

4. After hearing the counsels for the parties and perusing the relevant clauses of the Loan Agreement dated 06.05.2021, Court finds merit in the preliminary objection raised by the Respondent. It is true that clause 10 of the Loan Agreement provides that the venue of the arbitration shall be either at Pune or State Capital, at the discretion of the Lender. The legal position with respect to an arbitration agreement specifying only the venue of arbitration was enunciated by the Supreme Court in **BGS SGS SOMA JV v. NHPC Limited, (2020) 4 SCC 234**, holding that in the absence of any other contrary indicia, the ‘venue’ mentioned in the arbitration clause would be akin to a juridical seat. Relevant paragraphs from the judgment are as follows:-

“61. It will thus be seen that wherever there is an express designation of a “venue”, and no designation of any alternative place as the “seat”, combined with a supranational body of rules governing the arbitration, and no other significant contrary indicia, the inexorable conclusion is that the stated venue is actually the juridical seat of the arbitral proceeding.

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82. On a conspectus of the aforesaid judgments, it may be concluded that whenever there is the designation of a place of arbitration in an arbitration clause as being the “venue” of the arbitration proceedings, the expression “arbitration proceedings” would make it clear that the “venue” is really the “seat” of the arbitral proceedings, as the aforesaid expression does not include just one or more individual or particular hearing, but the arbitration proceedings as a whole,



including the making of an award at that place. This language has to be contrasted with language such as “tribunals are to meet or have witnesses, experts or the parties” where only hearings are to take place in the “venue”, which may lead to the conclusion, other things being equal, that the venue so stated is not the “seat” of arbitral proceedings, but only a convenient place of meeting. Further, the fact that the arbitral proceedings “shall be held” at a particular venue would also indicate that the parties intended to anchor arbitral proceedings to a particular place, signifying thereby, that that place is the seat of the arbitral proceedings. This, coupled with there being no other significant contrary indicia that the stated venue is merely a “venue” and not the “seat” of the arbitral proceedings, would then conclusively show that such a clause designates a “seat” of the arbitral proceedings. In an international context, if a supranational body of rules is to govern the arbitration, this would further be an indicia that “the venue”, so stated, would be the seat of the arbitral proceedings. In a national context, this would be replaced by the Arbitration Act, 1996 as applying to the “stated venue”, which then becomes the “seat” for the purposes of arbitration.”

5. From a conjoint reading of clauses 10 and 11 of the Loan Agreement, it is luminously clear that parties agreed to subject all disputes arising out of the Agreement to the exclusive jurisdiction of the Courts at Pune and also agreed that the venue of the arbitration will be Pune or the State Capital at the sole discretion of the Lender. This, in my view, clearly evinces the intention of the parties that Pune was the place where the arbitration proceedings would be conducted in entirety. Applying the binding dictum of the Supreme Court in **BGS SGS Soma (supra)**, reference to venue in clause 10 in juxtaposition to the expression ‘arbitration proceedings’ was akin to a juridical seat, in the absence of any contrary indicia to suggest that the venue was intended to be merely a convenient place for meeting for arbitration proceedings.

6. In light of the aforesaid position of law, this Court lacks the territorial jurisdiction to entertain the present petition and the same is accordingly



dismissed along with pending applications making it clear that Court has not entered into the merits of the case. This order will however not preclude the Petitioner from approaching the competent Court having jurisdiction in the matter.

JYOTI SINGH, J

MAY 23, 2025/RW/Shivam