

Seat is akin to exclusive jurisdiction (Delhi High Court)

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Dipankar Singh and others v. Union of India through National Highway Authority of India

Court: Delhi High Court | **Case number:** O.M.P.(I)-7/2019 | **Citation:** 2019 SCC OnLine Del 11121 | **Bench:** V. Kameswar Rao J | **Date:** 15 November 2019

The petitioners' land was notified for acquisition under the National Highway Act, 1956 ("NHA"). The competent authority under NHA determined the compensation payable to the petitioners. Not satisfied with the quantum of compensation, they invoked arbitration under Section 3G (5) of the NHA.¹

The District Magistrate of Saharanpur was appointed as the arbitrator, who conducted the arbitral proceedings at Saharanpur. An award was passed on 13 June 2019 dismissing the claims for enhanced compensation.

The Petitioners approached the High Court of Delhi by filing petitions under Section 9 and Section 34 of the Arbitration and Conciliation Act, 1996 ("ACA"), respectively, for grant of interim relief and setting aside of the award. They argued that Delhi court had jurisdiction because the acquired lands were vested in the Central Government, National Highways Authority of India ("NHAI") had taken possession, and both NHAI and the government were in New Delhi.

NHAI argued that the High Court of Delhi did not have jurisdiction because the seat of arbitration was at Saharanpur²; the lands were in Saharanpur; the petitioners were residing in Saharanpur. The question was, whether Delhi High Court was the competent "court" under Section 2(1)(e) of the ACA.

The court relying on *Indus Mobile Distribution Pvt. Ltd. v. Datawind Innovations Pvt. Ltd. And Ors.*, (2017) 7 SCC 678 and *Bharat Aluminum Co. v. Kaiser Aluminum Technical Services Inc.*, (2012) 9 SCC 552 held that the Delhi High Court did not have jurisdiction.

The court emphasized on the fact that the competent authority under the NHA Act was an officer of the district administration of Saharanpur, the arbitrator was the District Magistrate of Saharanpur, and proceedings were held in Saharanpur. The court deduced on these facts that Saharanpur was the seat of arbitration, and then reiterated that designation of seat is akin to exclusive jurisdiction clause.

¹ Section 3G(5) of the NHA states that if the amount determined by the competent authority is not acceptable to either of the parties, the amount shall, on an application by either of the parties, be determined by the arbitrator to be appointed by the Central Government.

² Section 3G(5) does not provide for a seat of the arbitration. However, Section 3G(6) stated that subject to the provisions of the NHA, the provisions of the ACA shall apply to every arbitration under the NHA.