2026:CHC-OS:80

IN THE HIGH COURT AT CALCUTTA
COMMERCIAL DIVISION
ORIGINAL SIDE

RESERVED ON: 24.02.2026
DELIVERED ON: 11.03.2026

PRESENT:

THE HON'BLE MR. JUSTICE GAURANG KANTH

AP-COM 735 OF 2024

M/S UGRO CAPITAL LIMITED
VS
VALLABH METAL INDUSTRIES AND ANR.

Appearance: -
Mr. Swatarup Banerjee, Adv.
Mr. Rohit Banerjee, Adv.
Mr. K.K. Pandey, Adv.
Ms. Sonia Nandy, Adv.
Ms. Mallika Bothra, Adv.

.....for the Petitioner

Mr. Aniruddha Bhattacharya, Adv.
Mr. Arnab Roy, Adv.

.....for the Respondent

JUDGMENT

Gaurang Kanth, J. :-

1. The present Petition has been filed under Section 29A of the Arbitration and Conciliation Act, 1996, seeking extension of the mandate of the arbitral tribunal for completion of the arbitral proceedings and for publication of the arbitral award.

2. The brief facts giving rise to the present Petition are set out hereunder:

3. Disputes having arisen between the parties, the Petitioner, by letter dated 22.03.2022, invoked Clause 13.2 of the arbitration agreement contained in the Facility Agreement dated 02.05.2019 executed between the parties. Upon failure of the Respondent to appoint an arbitrator in terms of the said clause, the Petitioner approached this Court by filing an application

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under Section 11 of the Arbitration and Conciliation Act, 1996, being Arbitration Petition No. 358 of 2022. By order dated 22.12.2022, this Court appointed Mr. Swarnendu Ghosh as the learned Sole Arbitrator to adjudicate the disputes between the parties.

4. The first sitting of the Arbitral Tribunal was held on 09.01.2023. Pleadings were completed on 08.02.2023. With the consent of the parties, the mandate of the learned Arbitrator was extended for a further period of six months, i.e., up to 08.08.2024.

5. During the course of the proceedings, the learned Arbitrator disposed of two applications filed under Section 17 of the Arbitration and Conciliation Act, 1996, and also adjudicated an application under Order I Rule 10 of the Code of Civil Procedure seeking impleadment of additional parties. Upon extensive hearings, the said application was disposed of. The matter thereafter proceeded to trial. The examination-in-chief of CW-1 has been concluded and cross-examination has commenced.

6. In the meantime, the Respondent filed an application under Sections 33 and 35 of the Indian Stamp Act, 1899, contending that the Facility Agreement dated 02.05.2019 was inadmissible in evidence for want of proper stamping. Upon hearing the parties at length, the learned Arbitrator, by order dated 17.06.2024, directed that the said Facility Agreement be forwarded to the Collector for his opinion on stamp duty.

7. The mandate of the learned Arbitrator expired on 08.08.2024. In the aforesaid circumstances, the Petitioner seeks extension of the mandate for a further period of six months to enable completion of the arbitral proceedings and publication of the award.

8. At the outset, learned Counsel for the Respondent raised a preliminary objection regarding the maintainability of the present Petition on the ground of lack of territorial jurisdiction. In view thereof, this Court proposes to decide the issue of maintainability at the threshold.

Submission on behalf of the Respondent

9. Learned Counsel appearing for the Respondent submits that this Court does not qualify as the "Court" within the meaning of Section 2(1)(e) of the Arbitration and Conciliation Act, 1996. It is contended that no part of the cause of action has arisen within the territorial jurisdiction of this Court. According to the Respondent, the Respondent is residing at New Delhi; the agreement between the parties was executed at New Delhi; and the registered/head office of the Petitioner is situated at Mumbai.

10. It is further submitted that, even as per the supplementary affidavit filed by the Petitioner, certain negotiations allegedly took place at Kolkata. However, mere negotiations at Kolkata, in the absence of any substantive or integral part of the cause of action arising within the jurisdiction of this Court, would not confer territorial jurisdiction upon this Court.

11. Without prejudice to the aforesaid contention, learned Counsel for the Respondent submits that the Facility Agreement dated 02.05.2019 has been forwarded to the Collector for adjudication of proper stamp duty, pursuant to the order of the learned Arbitral Tribunal. Since the issue of stamp duty is yet to be adjudicated, the said document remains unstamped/insufficiently stamped and, therefore, cannot be acted upon at this stage. It is contended that until such adjudication is completed, this Court cannot look into the arbitration clause contained therein, and

consequently, no arbitral proceedings can validly continue on the basis of the said arbitration agreement.

12. In support of the aforesaid submissions, learned Counsel for the Respondent has placed reliance upon ***Harji Engineering works Pvt. Ltd. Vs BHEL*** reported as ***2023 SCC OnLine Cal 2734, Golden Edge Engineering Pvt. Ltd. Vs BHEL*** reported as ***2020 SCC OnLine Cal 996, Ravi Ranjan Developers Pvt. Ltd. Vs Aditya Kumar Chatterjee*** reported as ***2022 SCC OnLine SC 568, Alchamist Ltd. Vs State Bank of Sikkim*** reported as ***2007 (11) SCC 335,*** order dated 21.02.2017 in ***AP 966/2016*** titled as ***Sunil Hi Tech Engineers Ltd. Vs BHEL,*** order dated 29.01.2026 in ***SLP 10944-10945/2025 titled as Jagdeep Chowgule Vs Sheela Chowgule***.

13. In view of the above, the Respondent prays for dismissal of the present Petition on the ground that this Court lacks territorial jurisdiction to entertain and adjudicate the same.

Submission on behalf of the Petitioner

14. Learned Counsel for the Petitioner draws the attention of this Court to Clauses 13.1 and 13.2 of the Facility Agreement dated 02.05.2019 executed between the parties. Under Clause 13.2, the parties have expressly agreed that all disputes and differences arising out of or in connection with the said agreement shall be referred to arbitration, and that the seat of arbitration shall be at Kolkata. Further, under Clause 13.1, the parties have mutually agreed that the competent courts at Kolkata shall have exclusive jurisdiction to adjudicate disputes arising between them.

15. In view of the aforesaid clauses, it is submitted that the courts at Kolkata have exclusive jurisdiction over the subject matter of the dispute and, therefore, this Court qualifies as the "Court" within the meaning of Section 2(1)(e) of the Arbitration and Conciliation Act, 1996.

16. It is further submitted that, for appointment of the learned Arbitrator, the Petitioner had approached this Court by filing Arbitration Petition No. 358 of 2022. By order dated 22.12.2022, this Court appointed a learned Sole Arbitrator to adjudicate the disputes between the parties. The Respondent participated in the arbitral proceedings pursuant to the said order and did not raise any objection with regard to the territorial jurisdiction of this Court at the relevant stage.

17. Learned Counsel for the Petitioner further submits that negotiations between the parties took place at Kolkata, within the territorial jurisdiction of this Court. The Respondent executed the agreement from Delhi, whereas the authorised signatory of the Petitioner executed the same from Kolkata. According to the Petitioner, the concluded contract thus came into existence within the jurisdiction of this Court. Consequently, a part of the cause of action has arisen within the territorial jurisdiction of this Court.

18. It is also submitted that the claim pending before the learned Arbitral Tribunal is for a sum of Rs. 2,26,16,801/-. In view of the Notification dated 10.10.2013, this Court, being the Principal Civil Court of Ordinary Original Jurisdiction, has exclusive pecuniary jurisdiction to entertain and adjudicate disputes where the claim exceeds Rs. 1 crore. Additionally, under the provisions of the Commercial Courts Act, 2015, this Court is vested with exclusive pecuniary jurisdiction to deal with the present matter.

19. In order to substantiate the above arguments, the learned counsel for the petitioner relies upon ***Bharat Aluminium Company Vs Kaiser Aluminium technical Services*** reported as ***2012 (9) SCC 552, Srei Equipment Finance Ltd. Vs Seirra Infraventure Pvt. Ltd.*** reported as ***2020 SCC Online Cal 1790, State of West Bengal Vs Associated Contractors*** reported as ***2015 (1) SCC 32, BGS SGS Soma JV v. NHPC Ltd.*** reported as ***(2020) 4 SCC 234 and Indus Mobile Distribution Pvt. Ltd. v. Datawind Innovations Pvt. Ltd.*** reported as ***(2017) 7 SCC 678***.

20. In view of the above submissions, learned Counsel for the Petitioner contends that this Court is the "Court" within the meaning of Section 2(1)(e) of the Arbitration and Conciliation Act, 1996, and consequently has exclusive jurisdiction to entertain the present Petition and to extend the mandate of the learned Arbitral Tribunal under Section 29A of the said Act.

Legal Analysis on maintainability qua jurisdiction

21. This Court has given its anxious consideration to the rival submissions advanced on behalf of the parties. The principal issue that arises for determination is whether this Court possesses territorial jurisdiction to entertain the present Petition under Section 29A of the Arbitration and Conciliation Act, 1996.

22. The question of territorial jurisdiction in arbitral matters is no longer *res integra*. In ***BGS SGS Soma JV*** *(supra)*, the Hon'ble Supreme Court authoritatively held that once a seat of arbitration is designated, the courts of the seat alone would have exclusive jurisdiction over the arbitral proceedings. The Supreme Court clarified that the "seat" constitutes the juridical centre of arbitration and determines the court exercising

supervisory jurisdiction in respect of applications under Sections 9, 11, 34 and 37 of the Act. The Court further held that even if part of the cause of action arises elsewhere, such fact would not dilute the exclusive jurisdiction of the courts at the seat.

23. The aforesaid principle had earlier been enunciated in ***Indus Mobile*** *(supra)*, wherein the Hon'ble Supreme Court held that the designation of a seat of arbitration operates akin to an exclusive jurisdiction clause. It was categorically observed that once the seat is determined, the courts at the seat would alone have jurisdiction, even if no part of the cause of action has arisen within such territorial limits.

24. Applying the aforesaid settled legal position to the facts of the present case, Clauses 13.1 and 13.2 of the Facility Agreement dated 02.05.2019 assume significance. Clause 13.2 expressly stipulates that the seat of arbitration shall be Kolkata. Clause 13.1 further provides that the competent courts at Kolkata shall have exclusive jurisdiction to adjudicate disputes arising between the parties. Thus, not only have the parties designated Kolkata as the seat of arbitration, but they have also incorporated an exclusive jurisdiction clause in favour of the courts at Kolkata.

25. In view of the law laid down in **BGS SGS Soma JV (supra)** and **Indus Mobile** *(supra)*, the designation of Kolkata as the seat of arbitration by itself confers exclusive supervisory jurisdiction upon the courts at Kolkata. The additional existence of an exclusive jurisdiction clause fortifies this conclusion.

26. The Respondent's reliance on judgments in ***Harji Engineering Works Pvt. Ltd.*** *(supra)*, ***Golden Edge Engineering Pvt. Ltd.*** *(supra)*, ***Ravi Ranjan Developers Pvt. Ltd.*** *(supra)*, and ***Alchemist Ltd.*** *(supra)*, does not

advance its case. Those decisions turned on their own peculiar facts where either no seat was designated, or the issue pertained to cause-of-action jurisdiction in the absence of a clear and exclusive seat clause, or the courts were examining jurisdiction under different factual matrices. None of the said decisions dilute or depart from the ratio laid down in ***BGS SGS Soma JV*** *(supra)* and ***Indus Mobile*** *(Supra)* regarding the primacy of the juridical seat. In fact, the later judgments of the Hon'ble Supreme Court have crystallized the principle that the seat is determinative of exclusive jurisdiction.

27. Moreover, in the present case, the Petitioner had earlier approached this Court under Section 11 of the Act for appointment of an arbitrator. By order dated 22.12.2022, this Court appointed the learned Sole Arbitrator. The Respondent participated in the proceedings pursuant thereto and did not raise any objection as to territorial jurisdiction at that stage. While jurisdiction cannot be conferred by consent, the Respondent's conduct reinforces the conclusion that the parties understood and acted upon the contractual stipulation designating Kolkata as the seat of arbitration.

28. The contention regarding absence of cause of action within the territorial limits of this Court is therefore of no consequence once the seat has been unequivocally fixed at Kolkata. The juridical seat, and not the situs of negotiations or execution, is the determinative factor for supervisory jurisdiction under Part I of the Act.

29. Insofar as pecuniary jurisdiction is concerned, the claim pending before the learned Arbitral Tribunal is for a sum of Rs. 2,26,16,801/-, which exceeds the statutory threshold of Rs. 1 crore. In view of the Notification dated 10.10.2013 issued by this Court, read with the provisions of the

Commercial Courts Act, 2015, this Court, being the Principal Civil Court of Ordinary Original Jurisdiction exercising commercial jurisdiction, is vested with exclusive pecuniary jurisdiction to entertain and adjudicate the present matter.

30. The further objection of the Respondent that the arbitration agreement has been forwarded to the Collector for adjudication of stamp duty and, therefore, this Court cannot act upon the same at this stage, is misconceived. The learned Arbitral Tribunal has not conclusively determined the issue of stamp duty but has merely directed adjudication in accordance with law. In any event, while exercising jurisdiction under Section 29A of the Arbitration and Conciliation Act, 1996, this Court is concerned only with the question whether extension of the mandate is warranted and not with the merits of issues pending before the Tribunal. Questions relating to stamping and admissibility of documents lie within the domain of the Arbitral Tribunal and do not preclude this Court from considering the present prayer for extension.

31. Having regard to (i) the designation of Kolkata as the seat of arbitration; (ii) the existence of an exclusive jurisdiction clause in favour of courts at Kolkata; (iii) the authoritative pronouncements of the Hon'ble Supreme Court in ***BGS SGS Soma JV*** *(supra)* and ***Indus Mobile*** *(supra)*; and (iv) the pecuniary value of the dispute attracting the commercial jurisdiction of this Court, this Court has no hesitation in holding that it is the "Court" within the meaning of Section 2(1)(e) of the Arbitration and Conciliation Act, 1996.

32. Consequently, this Court is vested with exclusive jurisdiction to entertain the present Petition and to consider the prayer for extension of the

mandate of the learned Arbitral Tribunal under Section 29A of the Act. The preliminary objection raised by the Respondent as to territorial jurisdiction is, accordingly, rejected.

Decision on Section 29

33. This court vide order dated 22.12.2022 appointed the Sole Arbitrator to adjudicate the dispute between the parties. The Pleadings were completed on 08.02.2023. With the consent of the parties, the mandate of the Arbitral Tribunal was extended by 6 months till 08.08.2024. The matter is presently at the evidence stage and the cross examination of the Claimant's witness was going on.

34. Upon consideration of the record, this Court is satisfied that there has been no undue or unwarranted delay attributable to the learned Sole Arbitrator in conducting the proceedings. Having regard to the advance stage of the arbitration proceedings and in the interest of justice, the mandate of the Sole Arbitrator is extended for a further period of 6 months from today.

35. The learned Sole Arbitrator is requested to make all reasonable endeavours to ensure that the arbitral proceedings are concluded and the award is published within the extended period.

36. With the above observations, the present petition stands disposed of.

(Gaurang Kanth, J.)

SAKIL AMED (P.A)