

HIGH COURT FOR THE STATE OF TELANGANA : HYDERABAD

MAIN CASE NO: WP.NO.30363 OF 2025

PROCEEDINGS SHEET

SL. NO.	DATE	ORDER	OFFICE NOTE
01.	07.10.2025	<u>MB,J & GPK,J</u> Mr. Avinash Desai, learned Senior Counsel appearing for the petitioner. <u>I.A.NO.1 OF 2025</u> Dispensed with for the present. <u>I.A.NO.2 OF 2025]</u> 1. The petitioner seeks stay of Arbitration Proceedings pending before the Arbitral Tribunal in I.C.C.No.27426/HTG. The basis of the prayer is a Procedural Order No. 15 passed by the Arbitral Tribunal on 15.09.2025. 2. By the said order, the Arbitral Tribunal decided to move the venue of the 'Closing Hearing' from New Delhi to the IDRC in London. 3. The petitioner is the respondent in the said Arbitration. 4. The petitioner seeks quashing the procedural order on the ground of perversity and patent lack of inherent jurisdiction. 5. Learned Senior Counsel appearing for the petitioner also submits that Article 226 read with 227 of the Constitution of India are the only remedial routes available to the petitioner and that the Writ Court, in exceptional cases, can invoke its powers under the Constitution of India to set right the wrong	<i>Transferred to IO folder before corrections</i>

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		suffered by a party to an Arbitration. 6. First, the issue of maintainability. 7. The Supreme Court has dealt with several instances where parties approached the Court under Articles 226/227 of the Constitution of India from orders passed by the Arbitral Tribunal and allowed the prayer for intervention notwithstanding the remedies provided under The Arbitration and Conciliation Act, 1996 ('the 1996 Act'): <i>Deep Industries Ltd. v. ONGC</i> [(2020) 15 SCC 706]. <i>Deep Industries Ltd.</i> (supra) was reiterated in <i>Punjab State Power Corporation Ltd. v. Emta Coal Ltd.</i> [(2020) 17 SCC 93] with the qualification that the order must disclose a patent lack of inherent jurisdiction and obvious perversity. 8. The law settled on the subject would show that the Writ Court is not powerless to interfere in fit cases provided the impugned order violates a fundamental right of the party or the Court is confronted with an order which is perverse or lacks inherent jurisdiction. 9. In other words, the petitioner cannot be ousted from the Court only by reason of the chosen remedy but must wait at the gates for the Court to be satisfied as to whether the impugned order qualifies the twin benchmark for interference. 10. The sequence of reasons given by the Arbitral Tribunal in the impugned procedural order is as follows:	

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		(i) The Arbitral Tribunal refers to a case management conference (4th CMC) of 17.07.2025 where it was decided that Closing Hearing would be held on 10, 11, 12, 13, 15, 16 and 17 December, 2025 in New Delhi, India. (ii) The claimant informed the Arbitral Tribunal on 31.07.2025 that the parties had made a provisional booking at Taj Mansingh Hotel, New Delhi, for the Closing Hearing. (iii) The claimant submitted a request by an email dated 12.08.2025 for a change of venue of the Closing hearing to IDRC in London. (iv) On 23.08.2025, the respondent provided the costs in respect of the alternative venues in New Delhi, namely, Hyatt Regency and The Imperial. (v) During the course of the procedural hearing, the respondent submitted that The Imperial, New Delhi would be suitable for the purpose of Closing Hearing in terms of capacity and arrangements. (vi) The Arbitral Tribunal finds that The Imperial, New Delhi is not suitable by reason of the size of the breakout rooms. (vii) The Arbitral Tribunal finds that the costs of the three venues in New Delhi are significantly	

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		higher compared to the price quoted by the IDRC in London. (viii) The Arbitral Tribunal finds that the Closing Hearing requires access to a hotel of adequate size and arrangements and decides to move the venue of the Closing Hearing from New Delhi, India to IDRC in London. 11. The impugned procedural order does not reflect the respondent's email dated 23.08.2025 proposing Hyderabad as a venue. The impugned procedural order is also contrary to the Arbitration Agreement between the parties which clearly states that the venue of the arbitral proceedings shall be at Hyderabad, India (Clause 9.3.5). Clause 41 of the Agreement also delineates the place and the venue of arbitration to be Hyderabad, India. 12. Article 18 of the ICC Arbitration Rules deals with 'Place of the Arbitration'. Article 18(1) and (2) reiterate that the place of arbitration shall be fixed by the Court and that the Arbitral Tribunal shall conduct hearings and meetings at a location it considers fit, subject to the agreement of the parties. 13. The intention evinced by the parties with regard to the place and venue of the arbitration, which was agreed to be in Hyderabad, India should be read with the ICC Arbitration Rules.	

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		14. Further, section 20 of the 1996 Act reinforces the consent of the parties with regard to the 'Place' of Arbitration. Section 20(3) of the 1996 Act permits the Arbitral Tribunal to meet at any convenient/ appropriate place subject to the parties agreeing thereto. 15. The 1996 Act does not contemplate the convenience of the Arbitral Tribunal at the cost of convenience of the parties. The convenience of parties is reiterated in section 23(2) of the 1996 Act. Convenience of the parties is the overarching mandate for fixing the place/venue of arbitration. In the present case, the convenience of the Arbitral Tribunal including considerations of costs cannot override the convenience of one of the parties before it (the petitioner in the present case). The procedural order belies such consent. 16. It is also relevant to state that the consent given by the party must be clean consent in terms of the party being willing to a change of venue as well as the choice of venue. An alternative location cannot be thrust upon an unwilling party particularly where the order does not disclose a rational basis for reversing the agreed venue of New Delhi. Even if IDRC, London appears to be cost-effective in terms of accommodation, the Arbitral Tribunal could not have overlooked the attending costs and logistics of travel, accommodation and visa requirements of the list of attendees. It is worth mentioning that only one of the	

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		claimants is based in Italy while the other two claimants are based in Kolkata, India and Mumbai. The petitioner/respondent is based in Hyderabad and Chattisgarh, India. 17. The reason given by the Arbitral Tribunal in the penultimate paragraph of the impugned procedural order that the representatives of the respondents can use the hybrid facility for the Hearing is out of sync with the reasons given for rejecting the Hotels in New Delhi. The logic would be better served for the Italian Party in respect of the proceedings in New Delhi. It is inconceivable in an arbitration where four of the five parties are based in India, none of the Hotels in New Delhi or Hyderabad were found to be suitable for the Closing Hearing. 18. The forced shift from New Delhi to London would hence not only amount to perversity in terms of the questionable reasoning but also a patent lack of inherent jurisdiction being contrary to the Arbitration Agreement, the ICC Rules of Arbitration as well as The Arbitration and Conciliation Act, 1996. 19. The petitioner has thus established a case, <i>prima facie</i>, for interference since the facts are exceptional and warrants interference of the Court under Article 226/227 of the Constitution of India. We add that the petitioner may be left without a remedy if the Court refuses to intervene.	

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		20. The email dated 05.10.2025 sent by the Arbitral Tribunal to petitioner's Counsel instructing the petitioner/ respondent to confirm the bookings at IDRC, London by 6:00 P.M. today forms the ground of urgency. We hence deem it fit to pass a limited direction on the Arbitral Tribunal not to proceed further in terms of the email dated 05.10.2025 with regard to the bookings/reservations in London for the purpose of the Closing Hearing. 21. We have not granted the prayer for stay of arbitration proceedings. The interim order will subsist for a limited period until respondents present their case or until further orders, whichever is later. The parties shall be at liberty to explore Hyderabad or New Delhi as alternative venues for the Closing Hearing. 22. The issue of maintainability is kept open. <u>WP.NO.30363 OF 2025</u> 1. Issue notice, including personal notice to the respondents. Proof of service to be filed before the returnable date. 2. List this matter on 23.10.2025. 3. Liberty to mention. MB,J GPK,J NDS/BMS/VSV	

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