

Jurisdictional Challenge Defeated in US\$20m Ship Finance Dispute

James Watthey successfully represented the Bank of Baroda and Bank of India in a jurisdictional battle in a US\$20m ship finance dispute concerning an important point of principle for the international finance community. The bank had executed against various secured assets in India under the Indian “SARFAESI Act” and also sued in the Commercial Court pursuant to a unilaterally exclusive jurisdiction clause.

Sara Cockerill QC sitting as a Judge of the High Court held as follows:

- Such action did not constitute “parallel proceedings”, since the Indian procedures were a form of self-help which took place without judicial intervention, even though a creditor’s actions could be challenged by a debtor by application to the Debt Recovery Tribunal.
- On a proper reading of the jurisdiction clause, parallel proceedings were permitted in any event, at least in the absence of an election that was clear enough to waive the benefit of the parallel proceedings clause. The action will therefore continue in the Commercial Court.

Read the full judgment [here](#).