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IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION
MANOJ MISRA; J., VIJAY BISHNOI; J.
SLP (C) No. 35915 of 2025; 12th October, 2026
ARCIS CLEAN ENERGY PVT. LTD. *versus* **PARSHVA INNOVATION**

Arbitration and Conciliation Act, 1996 – Section 11(6) – Juridical "Seat" vs. "Venue" of Arbitration – Harmonious Construction of Conflicting Place Clauses and Exclusive Jurisdiction Clause - Franchise Agreement containing Clause 32.4 specifying "precise location of the arbitration shall be within Delhi", Clause 32.5 stating "arbitration proceedings will be held in Goa", and Clause 38 (Governing Law and Jurisdiction) conferring exclusive jurisdiction upon competent courts in Goa – Delhi High Court entertained Section 11(6) petition and appointed an arbitrator treating Delhi as the seat – Reversed by Supreme Court – Held that under the three-condition test laid down in *BGS SGS SOMA JV* and affirmed in *Arif Azim Company Limited*, a place designated as "venue" can be construed as the juridical "seat" of arbitration only when: (i) the arbitration agreement designates or mentions only one place; (ii) such place anchors the arbitral proceedings without scope of change; and (iii) there is no significant contrary indicium - Where the arbitration clause itself specifies two different places for holding arbitration, Delhi under Clause 32.4 and Goa under Clause 32.5 - the location in Delhi does not automatically become the juridical seat - In such a scenario, the arbitration clause cannot be read in isolation from the rest of the contract; a holistic reading and harmonious construction of Clauses 32.4, 32.5, and the Governing Law & Exclusive Jurisdiction clause (Clause 38), which vests exclusive jurisdiction in the courts at Goa, establishes that the parties intended Goa to be the juridical seat of arbitration and Delhi merely as a convenient venue - the Delhi High Court lacked territorial jurisdiction to entertain an application under Section 11(6) of the Arbitration and Conciliation Act, 1996. *[Relied on Indus Mobile Distribution Private Limited v. Datawind Innovations Private Limited and Others, (2017) 7 SCC 678; Swastik Gases (P) Ltd. v. Indian Oil Corporation Ltd., (2013) 9 SCC 32; Brahmani River Pellets Ltd. v. Kamachi Industries Ltd., (2020) 5 SCC 462; Activitas Management Advisor Private Limited v. Mind Plus Healthcare Private Limited, 2025 SCC OnLine SC 3069; BGS SGS SOMA JV v. NHPC Limited, (2020) 4 SCC 234; Paras 20 - 24].*

For Petitioner(s): Mr. Salvador Santosh Rebello, AOR Mr. Raghav Sharma, Adv. Ms. Moulishree Pathak, Adv. Mr. Nishant Kumar, Adv. Mr. Devesh Khandelwal, Adv.

For Respondent(s): Mr. Varun Singh, Adv. Mr. Sidhant Dhingra, Adv. Ms. Alankriti Dwivedi, Adv. Ms. Somesa Gupta, Adv. Ms. Arushi Vig, Adv. Mr. Mudit Gupta, AOR

J U D G M E N T

MANOJ MISRA, J.

1. Leave granted.

2. This appeal impugns the order of the Delhi High Court[1] dated 11th November 2025, whereby, in exercise of its jurisdiction under Section 11(6) of the Arbitration and Conciliation Act, 1996[2], the High Court appointed an arbitrator to resolve disputes *inter se* parties arising out of a "Franchise Agreement"[3] dated 03rd August 2023.

3. Clause 32 of the Agreement carries the arbitration clause in the following terms:

"32. ARBITRATION AND DISPUTE RESOLUTION

32.1. Any dispute or difference between the Parties arising out of or in connection with this Agreement, including any question regarding its interpretation, existence, performance, validity, or termination, either during the term of the Agreement or at anytime thereafter, will be settled between the Parties through friendly consultations and negotiations.

32.2. If no settlement can be reached though friendly consultations and negotiations as discussed according to terms of this Agreement within thirty (30) days of one Party delivering a notice of the dispute or difference to the other Party, then such dispute will be finally settled by arbitration.

32.3. The arbitration proceedings will be conducted in accordance with the provisions of the Arbitration and Conciliation Act, 1996 ("Arbitration Act").

32.4. The dispute or difference shall be referred to a panel of sole arbitrator to be appointed mutually by Parties. In the event of the parties not being able to concur on the appointment of a sole arbitrator then such sole arbitrator to be appointed by mutual consent of both parties as per the provisions of the Arbitration and Conciliation Act, 1996 and as amended from time to time. The precise location of the arbitration shall be within Delhi and the appointment of the sole arbitrator shall be in accordance with the rules prescribed under Arbitration and Conciliation Act, 1996.

32.5. The arbitration proceedings will be held in Goa and the language to be used in the arbitral proceedings will be English.

32.6. The prevailing Party in the arbitration proceedings will be awarded reasonable attorney's fees, if any, and all other costs and expenses in relation to the arbitration proceedings unless the arbitrators for good cause determine otherwise."

4. Invoking the aforesaid clause, the respondent proposed name of a sole arbitrator *vide* notice dated 25th March 2025. The said proposal was rejected by the appellant *vide* response letter dated 19th April, 2025. Consequently, the respondent applied to the High Court for appointing an arbitrator under Section 11(6) of the 1996 Act.

5. By the impugned order, the High Court appointed the arbitrator and left it open for him to select venue for the hearings in consultation with the parties.

Submissions on behalf of the appellant

6. The appellant has questioned the impugned order on the ground that the Delhi High Court lacked jurisdiction as the juridical seat of arbitration is in Goa. It is submitted that the agreement between the parties clearly discloses that the parties shall submit to the exclusive jurisdiction of the competent court in Goa, therefore the juridical seat would be

[1] The High Court
[2] 1996 Act
[3] The Agreement

Goa. In support of his submission, besides the arbitration clause, our attention was invited to Clause 38 of the Agreement, which reads as under:-

"38. GOVERNING LAW AND JURISDICTION

"This Agreement shall be interpreted and construed exclusively in accordance with the laws of India and parties shall agree to submit to the exclusive jurisdiction of competent courts in Goa, India."

7. By relying on Clauses 32 and 38 of the Agreement, the learned counsel for the appellant submits that Clause 32.4, which provides for location of the arbitration within Delhi, is about the venue whereas Clauses 32.5 and 38 of the Agreement determine the juridical seat. It is urged that the High Court mistook venue as the juridical seat; therefore, the impugned order is liable to be set aside. In support of his submissions, the learned counsel for the appellant has placed reliance on the following decisions:

(i) *Arif Azim Company Limited v. Micromax Informatics FZE*[4];

(ii) *Indus Mobile Distribution Private Limited v. Datawind Innovations Private Limited and others*[5];

(iii) *Swastik Gases (P) Ltd. v. Indian Oil Corporation Ltd.*[6];

(iv) *BGS SGS SOMA JV v. NHPC LIMITED*[7]; and

(v) *Activitas Management Advisor Private Limited v. Mind Plus Healthcare Private Limited*[8].

8. *Per contra*, the learned counsel for the respondent supported the impugned order by submitting that the arbitration agreement clause is considered independent of other parts of the contract; therefore, Clause 38 of the Agreement would not determine the juridical seat for the purposes of arbitration. More so, when Clause 32 of the Agreement specifically states that location of the arbitration shall be in Delhi. Thus, for the purposes of arbitration, the juridical seat would be Delhi and not Goa. He further contends that Clause 32.5 would not override Clause 32.4 because Clause 32.4 comes first and would prevail over any subsequent clause in the Agreement. He, therefore, prays that the appeal be dismissed.

9. In support of his submissions, the learned counsel for the respondent relied on the following decisions:

(i) *Sasan Power Ltd. v. North American Coal Corporation (India) Pvt. Ltd.*[9];

(ii) *M/s. Cable Corporation of India Ltd. v. M/s. Jay Pee Sports International Ltd. and Another*[10];

(iii) *Sunil Kumar Chandra v. Spire Techpark (P) Ltd.*[11];

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[4] (2025) 9 SCC 750
[5] (2017) 7 SCC 678
[6] (2013) 9 SCC 32
[7] (2020) 4 SCC 234
[8] 2025 SCC Online SC 3069
[9] (2016) 10 SCC 813, paragraphs 48 and 52
[10] 2018 SCC OnLine Del 10340, paragraphs 14, 15 and 19
[11] 2023 SCC OnLine Del 286, paragraph 17

(iv) ***Ramkishorelal and Another v. Kamal Narayan***[12]**;**

(v) ***Shree Bhowani Cotton Mills v. Union Textile Traders***[13]**;**

(vi) ***M/s Lyrus Life Sciences Pvt. Ltd. v. M/s Acme Generics LLP***[14]

10. We have accorded due consideration to the rival submissions and have perused the materials placed on record.

Analysis

11. Before we proceed to interpret the Agreement in question for the purposes of determining whether the Delhi High Court had the jurisdiction to appoint the arbitrator, it would be useful to consider a few decisions wherein a distinction between the "seat" of arbitration and the "venue" for arbitral proceedings has been carved out.

12. In ***Indus Mobile (supra)***, this Court held that **seat** is akin to an exclusive jurisdiction clause. It was held that under the Law of Arbitration, unlike the Code of Civil Procedure, which applies to suits filed in courts, a reference to "**seat**" is a concept by which a neutral venue can be chosen by the parties to an arbitration agreement. The neutral venue may not, in the classical sense, have jurisdiction, that is, no part of the cause of action may have arisen at the neutral venue, and neither would any of the provisions of Sections 16 to 21 of CPC be attracted. However, the moment the "**seat**" is determined, the courts wherein the seat is located would have exclusive jurisdiction for purposes of regulating arbitral proceedings arising out of the agreement between the parties[15].

13. In ***Swastik Gases (supra)***, the arbitration clause in question was clause 17 of the agreement. It was in the following terms:

"17. Arbitration

If any dispute or difference(s) of any kind whatsoever shall arise between the parties hereto in connection with or arising out of this Agreement, the parties hereto shall in good faith negotiate with a view to arriving at an amicable resolution and settlement. In the event no settlement is reached within a period of 30 days from the date of arising of the dispute(s)/difference(s), such dispute(s)/difference(s) shall be referred to 2 (two) Arbitrators, appointed one each by the parties and the Arbitrators, so appointed shall be entitled to appoint a third Arbitrator who shall act as a presiding Arbitrator and the proceedings thereof shall be in accordance with the Arbitration and Conciliation Act, 1996 or any statutory modification or re-enactment thereof in force. The existence of any dispute(s)/difference(s) or initiation/continuation of arbitration proceedings shall not permit the parties to postpone or delay the performance of or to abstain from performing their obligations pursuant to this Agreement."

Clause 18 of the agreement conferring jurisdiction was in the following terms:

"18. Jurisdiction

The agreement shall be subject to jurisdiction of the courts at Kolkata."

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[12] 1962 SCC OnLine SC 113, paragraph 12

[13] 1965 SCC OnLine Cal 83, paragraphs 2 and 4

[14] Civil Misc. Petition No.192/2020, decided by High Court of Karnataka at Bengaluru on 23.06.2021, paragraph 7

[15] Paragraph 19 of the judgment in Indus Mobile (supra)

After considering various decisions, this Court held as under:

"31. In the instant case, the appellant does not dispute that part of cause of action has arisen in Kolkata. What appellant says is that part of cause of action has also arisen in Jaipur and, therefore, Chief Justice of the Rajasthan High Court or the designate Judge has jurisdiction to consider the application made by the appellant for the appointment of an arbitrator under Section 11. Having regard to Section 11(12)(b) and Section 2(e) of the 1996 Act read with Section 20(c) of the Code, there remains no doubt that the Chief Justice or the designate Judge of the Rajasthan High Court has jurisdiction in the matter. The question is, whether parties by virtue of clause 18 of the agreement have agreed to exclude the jurisdiction of the courts at Jaipur or, in other words, whether in view of clause 18 of the agreement, the jurisdiction of Chief Justice of the Rajasthan High Court has been excluded?

32. For answer to the above question, we have to see the effect of the jurisdiction clause in the agreement which provides that the agreement shall be subject to jurisdiction of the courts at Kolkata. It is a fact that whilst providing for jurisdiction clause in the agreement the words like 'alone', 'only', 'exclusive' or "exclusive jurisdiction" have not been used but this, in our view, is not decisive and does not make any material difference. The intention of the parties - by having Clause 18 in the agreement – is clear and unambiguous that the courts at Kolkata shall have jurisdiction which means that the courts at Kolkata alone shall have jurisdiction. It is so because for construction of jurisdiction clause, like Clause 18 in the agreement, the maxim *expressio unius est exclusio alterius* comes into play as there is nothing to indicate to the contrary. This legal maxim means that expression of one is the exclusion of another. By making a provision that the agreement is subject to the jurisdiction of the courts at Kolkata, the parties have impliedly excluded the jurisdiction of other courts. Where the contract specifies the jurisdiction of the courts at a particular place and such courts have jurisdiction to deal with the matter, we think that an inference may be drawn that parties intended to exclude all other courts. A clause like this is not hit by Section 23 of the Contract Act at all. Such clause is neither forbidden by law nor it is against the public policy. It does not offend Section 28 of the Contract Act in any manner."

(Emphasis supplied)

14. In ***Brahmani River Pellets Ltd. v. Kamachi Industries Ltd***[16], this Court, after considering various decisions including ***Swastik Gases (supra)*** and ***Indus Mobile (supra)***, held:

"18. Where the contract specifies the jurisdiction of the court at a particular place, only such court will have the jurisdiction to deal with the matter as parties intended to exclude all other courts. In the present case, the parties have agreed that the "**venue**" of arbitration shall be at Bhubaneswar. Considering the agreement of the parties having Bhubaneswar as the venue of arbitration, the intention of the parties is to exclude all other courts. As held in *Swastik*, non-use of words like "exclusive jurisdiction", "only", "exclusive", "alone" is not decisive and does not make any material difference."

15. Following the decision of this Court in ***Brahmani River Pellets (supra)***, in ***Activitas Management (supra)***, this Court set aside the order of the High Court of Punjab and Haryana appointing an arbitrator in exercise of its power under Section 11 of the 1996 Act upon finding that clause 10 of the agreement relating to the Governing Law had vested exclusive jurisdiction to the courts located in Mumbai.

[16] (2020) 5 SCC 462

16. Clause 10 which was interpreted in ***Activitas Management (supra)*** provided as under:

"10. Governing Law - This letter shall be governed by and construed in accordance with the Indian Law. Client hereby submits to the exclusive jurisdiction of the Mumbai High Courts located in Mumbai in connection with any dispute related to this letter or any of the matters contemplated hereby. In case any dispute arises between the parties with respect to the above-mentioned agreement, parties hereby agree to appoint sole arbitrator by consent of either party as per section 11 of Arbitration and Conciliation Act, 1996, and can amicably resolve the dispute as per the procedure laid down in Arbitration and Conciliation Act, 1996 before approaching appropriate court for the same."

17. Interpreting the aforesaid clause, in ***Activitas Management (supra)*** it was held:

"8. Though clause 10 does not use the expression 'seat' or 'venue', we are of the opinion that the 'jurisdiction' is mentioned in the context of resolution of the disputes through arbitration and as such the agreement between the parties that, "client hereby submits to the exclusive jurisdiction of the Mumbai High Courts located in Mumbai" must be understood in the context of arbitration and therefore the seat of the arbitration must be taken to be Mumbai."

18. The aforesaid decisions make it clear that parties, by agreement, can choose their own place for arbitration and may confer exclusive jurisdiction upon court(s) located at a particular place for the purpose of regulating the arbitral proceedings arising out of the agreement between the parties regardless of any part of cause of action arising within its territorial jurisdiction.

19. However, when an agreement specifies the place of arbitration and simultaneously confers exclusive jurisdiction on courts located at a place other than the one specified for arbitration, a question would arise whether the place of arbitration is just a "venue" or the "juridical seat".

20. In ***Arif Azim Company Limited (supra)***, following an earlier three-Judge Bench judgment of this Court in ***BGS SGS SOMA (supra)***, a three-Judge Bench of this Court delineated the tests as to when "venue" can be construed as "seat" of arbitration. The relevant paragraphs of the judgment are extracted below:

"58. Thus, this court in BGS SJS SOMA laid down a three-condition test as to when "venue" can be construed as "seat" of arbitration. The conditions that are required to be fulfilled are as under:

(i) The arbitration agreement or clause in question should designate or mention only one place;

(ii) Such place must have anchored the arbitral proceedings i.e. the arbitral proceedings must have been fixed to that place alone without any scope of change; and

(iii) There must be no other significant contrary indicium to show that the place designated is merely the venue and not the seat.

59. Where the aforesaid conditions are fulfilled, then the place that has been designated as "venue" can be construed as the "seat" of arbitration. It is clarified that, while applying the aforesaid test, it must be borne in mind that where a supranational body of rules has been stipulated in an arbitration agreement or clause, such stipulation is not to be regarded as a contrary indicium, such stipulation does not mean that no seat has been designated rather such stipulation is a positive indicia that the place so designated is actually the "seat"."

21. In the present case, a plain reading of the arbitration clause would indicate that Delhi is not the only place specified for arbitration. Both Delhi and Goa are mentioned as places for holding arbitration. Thus, when we apply the tests laid down in ***BGS SGS SOMA (supra)***, which have been affirmed in ***Arif Azim (supra)***, the place specified i.e. venue for arbitral proceeding would not automatically be the seat of arbitration. In such a situation, the Governing Law clause i.e., Clause 38 of the Agreement would be helpful in determining the juridical seat. Since Clause 38 of the Agreement confers exclusive jurisdiction to the courts at Goa and Clause 32.5 provides that arbitration proceedings will be held in Goa, it is clear that the parties have agreed that Goa shall be the juridical seat, Delhi is just a venue.

22. The submission on behalf of the appellant that the arbitration agreement is independent of the main contract and, therefore, the arbitration clause would alone determine the juridical seat, and not the Governing Law clause, cannot be countenanced for the simple reason that the arbitration clause itself mentions two places, namely, Delhi and Goa. Besides, in ***Mankastu Impex (P) Ltd. v. Airvisual Ltd.***[17], this Court held *"that mere expression "place of arbitration" cannot be the basis to determine the intention of the parties that they have intended that place as the "seat" of arbitration. The intention of the parties as to the "seat" should be determined from other clauses in the agreement, including the conduct of the parties."* Importantly, both Clauses 32.4 and 32.5 are part of Clause 32 of the Agreement which deals with arbitration and dispute resolution. According to Clause 32.4, location of the arbitration shall be within Delhi; whereas Clause 32.5 states that arbitration proceedings will be held in Goa. This creates an impression of conflict between the two clauses. However, when we construe them harmoniously, to ensure that none becomes redundant, and read them in conjunction with clause 38 of the Agreement, which vests exclusive jurisdiction on courts at Goa, it is clear that the juridical seat is at Goa, Delhi is just a venue.

23. Now we shall consider the decisions cited by the learned counsel for the respondent. In ***Sasan Power (supra)***, this Court held that arbitration agreement is an independent agreement, and the arbitration clause is not the one that governs rights and obligations arising out of the substantive contract rather it only governs the way of settling disputes between the parties. It was also held that parties can agree upon the governing law but may not have any agreement for settlement of dispute through arbitration. There can be no quarrel with the aforesaid proposition. Here, the arbitration clause itself mentions two places. One of those two has been chosen by the parties for the courts located therein to have exclusive jurisdiction. In such a situation, to determine the juridical seat, the Governing law clause 38 cannot be ignored. Similarly, in the Delhi High Court decision in ***M/s. Cable Corporation of India (supra)***, the arbitration clause specifies only a single place and not two places as is there in the present case. The said decision is therefore distinguishable. In the other decision of the Delhi High Court rendered in ***Sunil Kumar Chandra (supra)***, which has been cited on behalf of the respondent, the arbitration clause has not been extracted in the judgment. However, from the judgment, it appears that one of the clauses of the agreement made it clear that Delhi was chosen as the seat of arbitration, but it was not clear whether the other place specified therein was for arbitration. This

[17] (2020) 5 SCC 399, paragraph 20

decision too is, therefore, distinguishable. Besides, here the arbitration clause itself specifies two places for arbitration. The Constitution Bench decision of this Court in ***Ramkishorelal (supra)*** is on the general principle that to construe an instrument, an effort must be there to ascertain the intention of the parties after considering all words. We fail to understand as to how this decision would be of any help to the respondent. In ***Shree Bhowani Cotton Mills (supra)***, another decision cited on behalf of the respondent, it was held that mere conferment of exclusive jurisdiction on courts at Calcutta to entertain and try suits in respect of any claims or disputes would not nullify the arbitration agreement. In the present case, there is no issue about the existence of an arbitration agreement and, further, there is no dispute that the arbitration agreement itself specifies two places, namely, Delhi and Goa; in such circumstances, in our view, the juridical seat would have to be ascertained by reading the Agreement in its entirety so as to decipher the true intention of the parties. The last judgment relied on behalf of the respondent is one rendered by the Karnataka High Court in ***M/s Lyrus Life Sciences (supra)***. The said decision holds that where precise location of arbitration is specified as Bengaluru, the argument that the cause of action had arisen in the State of Himachal Pradesh would not be relevant for the purposes of arbitration. This decision is of no relevance to the present case because the arbitration clause itself specifies both Delhi and Goa for arbitration. Therefore, whether the juridical seat is Delhi or Goa would have to be ascertained on the basis of intention of the parties as could be evinced from a holistic reading of various clauses of the Agreement.

24. Upon reading the Agreement in its entirety, we find that the juridical seat of arbitration was at Goa, therefore, we are of the view that the Delhi High Court lacked jurisdiction to entertain the application under sub-section (6) of Section 11 of the 1996 Act. Consequently, the appeal is allowed. The order passed by the High Court is set aside. The parties would be at liberty to take recourse to appropriate proceedings before the jurisdictional High Court.

25. Pending application(s), if any, shall stand disposed of.

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