

2025 LiveLaw (SC) 795

**IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION**

PAMIDIGHANTAM SRI NARASIMHA; J., ATUL S. CHANDURKAR; J.
CIVIL APPEAL NO(S). OF 2025 [@ SLP (C) NO. 27714 OF 2024] AUGUST 05, 2025
**M/S ACTIVITAS MANAGEMENT ADVISOR PRIVATE LIMITED *versus* MIND PLUS
HEALTHCARE PRIVATE LIMITED**

Arbitration and Conciliation Act, 1996 - Section 11 & 21 - Appointment of arbitrator - Exclusive Jurisdiction Clause - Seat of Arbitration – Held, when an agreement contains an arbitration clause and also clause specifying exclusive jurisdiction of a particular High Court, this exclusive jurisdiction clause, even without explicitly using the terms ‘seat’ or ‘venue’ must be understood in the context of arbitration for dispute resolution, thereby establishing the specified location as the seat of arbitration – Then an application for the appointment of an arbitrator under Section 11 of the Act must be filed before High Court having jurisdiction over the designated seat of arbitration. Set aside High Court’s order - Appeal allowed. [Relied on *Brahmani River Pellets Ltd. v. Kamachi Industries Ltd.* (2020) 5 SCC 462; *Paras 7-10*]

[Arising out of impugned final judgment and order dated 27-09-2024 in ARB No. 130/2024 passed by the High Court of Punjab & Haryana at Chandigarh] *For Petitioner(s): Mr. Dhawal Deshpande, Adv. Mr. Amir Arsiwala, AOR; For Respondent(s): Mr. Rohan Ganpathy, AOR*

ORDER

1. Leave granted.
2. This appeal arises out of the judgment and order dated 27.09.2024 passed by the High Court of Punjab and Haryana at Chandigarh in ARB-130-2024, whereby the High Court allowed the application filed by the respondent under Section 11 of the Arbitration and Conciliation Act, 1996 (for short, ‘the Act’).
3. Appellant, a management consultancy firm was engaged by the respondent. The agreement that the appellant and the respondent have entered into on 09.07.2023 has an arbitration clause and it also provides that “*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 thereby*”. Clause 10 of the Agreement is as under:

"10. Governing Law-This Letter shall be governed by and construed in accordance with Indian Law. Client hereby submits 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 above-mentioned agreement. Parties hereby agree to appoint sole Arbitrator by consent of either parties as per section 11 of Arbitration and Conciliation Act 1996, and can amicably resolve their dispute as per the procedure laid down in Arbitration and Conciliation Act 1996 before approaching appropriate court for the same."
4. For resolution of disputes, the appellant invoked Section 21 and sought reference of the dispute to an Arbitral Tribunal. The respondent initially replied stating that they have already appointed a person as a sole arbitrator and this was objected to by the appellant. Thereafter the appellant came to know that the respondent proceeded to file an application under Section 11 of the Act before the Punjab and Haryana High Court. Appellant appeared and opposed the said application on the ground that the arbitration clause specifically reserves the exclusive jurisdiction of Mumbai High Court. However, the Punjab

and Haryana High Court proceeded to appoint an arbitrator. The relevant portion of the order passed by the High Court is as follows:

"5. In view of judgment dated 06.08.2024 passed by this Court in ARB No.49 of 2023, *M/s I Care Consultancy v. M/s Mahindra and Mahindra Financial Services Limited and others*, the objection of the respondent qua territorial jurisdiction is not sustainable.

6. Conditions to invoke power conferred by Section 11(6) of 1996 Act stand satisfied, thus, I hereby appoint a sole Arbitrator to adjudicate the dispute between the parties.

7. Mr. V.K. Gupta, District & Sessions Judge(Retired), residing at House No. 70, Punjab Judges Enclave, Sector 77, Mohali -140308, Mobile No. 7696572387 is hereby appointed as a Sole Arbitrator to adjudicate the dispute between the parties, subject to compliance of statutory requirements. The learned Arbitrator is requested to comply with mandate of Section 12 of 1996 Act before proceeding further."

5. Mr. Dhawal Deshpande, learned counsel appearing on behalf of the appellant, made his solitary argument that the arbitration between the parties must be as per clause 10 of the contract, agreeing to submit to the exclusive jurisdiction of the Mumbai High Court.

6. Mr. Rohan Ganpathy on the other hand sought to sustain the order passed by the High Court on the grounds that courts, as defined under Section 11 of the Act enables his client to invoke jurisdiction of Punjab and Haryana High Court.

7. In **Brahmani River Pellets Ltd. v. Kamachi Industries Ltd.**¹, this Court observed that:

"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 and parties intended to exclude all other courts...

19... Since only the Orissa High Court will have the jurisdiction to entertain the petition filed under Section 11 (6) of the Act, the impugned order is liable to be set aside. "

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.

9. We are informed that the appellant has already filed an application under Section 11 before the Mumbai High Court the same is pending consideration.

10. In view of the above, we allow the appeal, set aside the judgment and order passed by the High Court in ARB-130-2024 dated 27.09.2024. The appellant will be entitled to pursue his application under Section 11 of the Arbitration and Conciliation Act and the respondent is equally entitled to contest the said application on such grounds as may be available to it in law.

11. With these directions, the appeal stands allowed and disposed of accordingly.

¹(2020) 5 SCC 462