



**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
BENCH AT AURANGABAD**

912 ARBITRATION APPLICATION NO. 8 OF 2024

M/s Manraj Motors Pvt. Ltd.
Through Its Director,
Mr. Ashok Kantilal Bedmutha
Age : 68 Years, Occu : business
Having his office at Survey No.557,
Meharoon Shivar, Ajanta Road
MIDC, Jalgaon

...Petitioner

VERSUS

1. M/s. Ashoka Builders And Developers
A registered Partnership Firm
Having its office at Ashoka Marg, Vadala, Nashik
Tal. & dist. Nashik
2. Mr. Ashok Motilal Katariya
Age : 73 years, Occu : Business,
R/o: M/s. Ashoka builders and Developers,
Ashoka House, Ashoka Marg,
Vadala, Nashik
3. Sau. Snehal Satish Parakh
@ Snehal Manjeet Khatri
Age : 41 Years, Occu : Business,
R/o. Ashoka House Ashoka Marge,
Vadala, Nashik
Second Address :
Aditya, IBP Colony, Savarkar Nagar,
Gangapur Road, Nashik, Tal & Dist. Nashik
4. Mr. Ashish Ashok Katariya
Age : 43 years, Occu: Business,
R/o. Ashoka House Ashoka Marg,
Vadala, Nashik
Second Address:
Aditya, IBP Colony, Savarkar Nagar,
Gangapur Road, Nashik, Tal & Dist. Nashik

5. Sau. Asha Ashok Katariya
Age : 66 Years, Occu: Business,
R/o Arpana Society, Takli Road
Nashik
6. Mr. Satish Dhondumal Parakh
Age “ 60 years, Occu “ Business,
R/o Garden Housing Society,
Gangapur Road, Nashik
7. Mrs. Shobha Satish Parakh
Age : 57 years, Occu : Business,
R/o : Garden Housing Soceity,
Gangapur Road, Nashik
8. Mr. Pradeep Bansilal Raisonl,
Age : 59 Years, Occu Business
R/o Puja, 28, Prem Nagar, Pune
9. Mr. Bansilal Bhalchandraji Raisonl,
Age : 79 Years, Occu. Business,
R/o Puja, 28, Prem Nagar, Pune
10. Miss Shweta Ashok Katariya
Age : 42 years, Occu: Business,
R/o. : Arpana Society, Takli Road
Nashik
11. Mr. Aditya Satish Parakh
Age : 37 Years, Occu. Business
R/o. Garden Housing Society,
Gangapur Road, Nashik
12. Mr. Kunal Pradip Raisonl
Age : 40 years, Occu. Business,
R/o Puja, 28, Premangar, Pune
13. Mr. Piyush Pradip Raisonl
Age : 40 years, Occu. Business,
R/o Puja, 28, Premangar, Pune
14. Mr. Sagar Sunil Raisonl
Age : 34 years, Occu. Business,
R/o Puja, 28, Premangar, Pune

15. M/s. Rajmal Lakhichand
A partnership firm having its office at
169, Joahari Bazar, Balaji Peth, Jalgaon
Through its Partnership Respondent No.16.

16. Mr. Ishwarlal Shankarlal Jain
Age : 74 years, Occu: Business,
R/o. Johari Bazar, Balaji Peth,
Jalgaon ...Respondents

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Mr. Anand P. Bhandari, Advocate for Applicant
Mr. P. P. Giri, Advocate for Respondent Nos.1 to 7,10 & 11 in
Arbitration Application No.8 of 2024 and for Respondent Nos.1 to 5
in Arbitration Application No.7 of 2024

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**WITH
ARBITRATION APPLICATION NO. 7 OF 2024**

M/s Manraj Motors Pvt. Ltd.
Through Its Director,
Mr. Ashok Kantilal Bedmutha
Age : 68 Years, Occu : business
Having his office at Survey No.557,
Meharoon Shivar, Ajanta Road
MIDC, Jalgaon ...Petitioner

VERSUS

1. M/s. Ashoka Builders And Developers
A registered Partnership Firm
Having its office at
Ashoka House, through its Partner
Mr. Ashok Motilal Katariya
Age : 73 years, Occu : Business,
R/o. Ashoka House, Ashoka Marge,
Vadala, Nashik
2. Mr. Ashok Motilal Katariya
Age : 73 years, Occu : Business,
R/o: Ashoka House, Ashoka Marg,

Vadala, Nashik

3. Mr. Satish Dhondilal Parakh
Age Major, Occu : Business,
R/o : Garden Housing Society,
Gangapur Road, Nashik
4. Mr. Ashish Ashok Katariya
Age : 43 years, Occu: Business,
R/o. Ashoka House Ashoka Marg,
Vadala, Nashik
5. Mr. Rajendra Chindulal Burad
Age : 53 years, Occu: Business,
R/o Ashoka House, Ashoka Marg,
Vadala, Nashik
6. Rajmal Lakhichand
A Partnership Firm
Having its Registered Office at
169, Johri Bazar, Balaji Peth, Jalgaon
Through Respondent No.7.
8. Mr. Ishwarlal Shankarlalji Lalwani (Jain)
Age : 76 years, Occu: Business,
R/o. 169, Balaji Peth, Jalgaon
District Jalgaon

...Respondents

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CORAM : ROHIT W. JOSHI, J.
RESERVED ON : 17th JULY 2025
PRONOUNCED ON : 31st JULY 2025

JUDGMENT :-

1. Both these matters are applications filed under Section 11 of the Arbitration and Conciliation act, 1996 (hereinafter referred to as “the Arbitration Act”) seeking appointment of Arbitrator. Initially on

23.09.2015 a Joint Venture Agreement for development of properties was executed by and between Rajendra Chindhulal Bura as land owner, Rajmal Lakhichand a partnership firm as the developer and M/s. Ashoka Engineering Company, a partnership firm as an intending purchaser. This Joint Venture agreement dated 23.09.2015 pertains to development of a residential project on the subject lands which are situated in a village, Adgaon, Tahsil and District Nashik and Village Vihigaon, Tahsil Shahpur, District Thane. The Joint Venture Agreement is executed at Nashik. Subsequently, vide Deed of Assignment dated 03.03.2017, the rights vested with Rajmal Lakhichand as developer are assigned in favour of the applicant/M/s. Manraj Motors Pvt. Ltd. which is a company registered under the Companies Act.

2. There is confusion as regards place at which this Deed of Assignment was executed. In the opening sentence of the document it is mentioned that the same is executed at Nashik whereas in the concluding sentence, before the signatures of parties, it is stated that the document is executed at Jalgaon. Clause-2 of the deed of assignment provides that all the terms and conditions mentioned in the Joint Venture Agreement dated 23.09.2015 shall form a part and

parcel of the Deed of Assignment and shall be binding on all the parties to the Deed of Assignment.

3. Clause-20 of the Joint Venture Agreement provides that in the event of any dispute between the parties the same shall be adjudicated by way of arbitration. It is stated that the arbitral tribunal shall conduct the arbitration proceedings at Nashik.

4. It appears that certain disputes arose between the present Applicant (M/s Manraj Motors Pvt. Ltd.) and other parties to the Deed of Assignment as a consequence of which the applicant filed a suit being Commercial Civil Suit No.5 of 2020. In the said Suit the defendants who are respondents herein, filed application under Section 8 of the Arbitration and Conciliation Act *inter alia* praying that the matter be referred to arbitration in view of the arbitration clause contained in the Joint Venture Agreement. The applicant filed reply to this application and agreed for resolution of the dispute through arbitration.

5. In view of the aforesaid, the present applications are filed under Section 11(6) of the Arbitration Act for appointment of

Arbitrator.

6. The respondents have raised a preliminary objection contending that the application ought to have been filed before the principal seat of this Court, since the agreement provides that arbitration proceedings will be conducted at Nashik which falls under the jurisdiction of the principal seat of this Court. It is contended that the bench at Aurangabad will not have the territorial jurisdiction for entertaining the application filed under Section 11(6) of the Arbitration Act. The respondents have placed reliance on judgement of the Hon'ble Supreme court in the matter of ***BGS SGS Soma JV Vs. NHPC Limited*** reported in ***2020(4) SCC 234***.

7. The said judgment states that when an arbitration agreement designates a particular place as venue for arbitration without specifically naming any other place as seat of arbitration, the venue is actually at the juridical seat of arbitration. It is held that the Courts having territorial jurisdiction over the place of juridical seat will have the jurisdiction to entertain proceedings with respect to arbitration between the parties. The learned Advocate for the respondents therefore submits that the application should be rejected for want of

territorial jurisdiction.

8. Per contra, the learned Advocate for the applicant places reliance on judgment of the Hon'ble Supreme Court in the matter of ***Ravi Ranjan Developers Pvt. Ltd. Vs. Aditya Kumar Chaterjee*** reported in ***2022 (5) Scale 372*** to contend that the venue of arbitration is relevant as seat of arbitration only in cases of international arbitrations and in case of domestic arbitration the said principle will not apply. He further contends that the venue or seat of arbitration is within Maharashtra; all the parties are residents or have place of business within the State of Maharashtra; the subject properties are also located within the state of Maharashtra; and the agreements are also executed within Maharashtra and further that jurisdiction of High Court extends through out the State of Maharashtra and therefore the application filed before this Bench cannot be rejected for want of territorial jurisdiction. It is his contention that because the subsequent agreement i.e. the Deed of Assignment is executed at Jalgaon, part of cause of action has arisen at Jalgaon and which falls under territorial jurisdiction of Bench at Aurangabad and accordingly application is before this Bench. It is his contention that since the arbitration is a domestic arbitration the territorial jurisdiction should

be determined on the basis of cause of action and the concept of seat or venue of arbitration deciding the territorial jurisdiction of Courts will not be applicable.

9. In the case at hand it is undisputed that the venue of arbitration is at Nashik. Having regard to the judgment in the matter of ***BGS SGS Soma JV (supra)***, Nashik will also be the seat of arbitration for the purpose of determining territorial jurisdiction of Courts. Therefore in view of the judgment of the Hon'ble Supreme Court in the aforesaid matter of ***BGS SGS Soma JV (supra)*** the application ought to have been filed before the principal seat since Nashik falls under territorial jurisdiction of the principal seat of this Court.

10. As regards the judgment in the matter of ***Ravi Ranjan Developers Pvt. Ltd. (supra)*** relied upon by the learned Advocate for the applicant, in the said matter application for appointment of arbitrator was made at Kolkata which was the venue fixed for arbitration. The property was located at Mujaffarnagar in the State of Bihar. Application for appointment of Arbitrator under Section 11(6) was filed before the Calcutta High Court. The Hon'ble Supreme Court has held that the Calcutta High Court will not have territorial

jurisdiction to entertain the application since the property was situated at Mujaffarnagar and the cause of action also arose there. Consequently, the order appointing Arbitrator passed by Calcutta High Court was quashed. The Hon'ble Supreme Court has held that although in case of domestic arbitration the High Court exercising jurisdiction under Section 11 cannot be termed to be a Court under Section 2(1)(e) and consequently although Section 42 of the Arbitration Act will not be applicable to an application under Section 11, it does not mean that an application under Section 11 can be filed before any High Court. It is held that application under Section 11 must be filed before the High Court of the State within whose jurisdiction the Court as defined under Section 2(1)(e) of the Act is located. In that view of the matter, the order passed by the learned Calcutta High Court appointing arbitrator was quashed by the Hon'ble Supreme Court.

11. It needs to be mentioned that while holding that the Courts at Kolkata will not have the jurisdiction, the Hon'ble Supreme Court has repeatedly stated that Kolkata was only the venue for sittings of the Arbitral Tribunal and not the decided seat of arbitration. The Hon'ble Supreme Court has referred to earlier judgments distinguishing a seat

of arbitration from venue of seatings of arbitration Tribunal. The ratio of the judgment is that since Kolkata was merely a venue at which sittings of arbitral tribunal were to be held and not the seat of arbitration, the High Court of Calcutta did not have the jurisdiction to appoint arbitrator under Section 11(6) of the Act.

12. While holding that Section 11(6) is required to be read harmoniously with Section 2(1)(e) of the Act, the Hon'ble Supreme Court has also dealt with the term, 'subject matter or arbitration' as it appears in Section 2(1)(e) of the Act. It has also considered earlier judgments which hold that subject matter of arbitration cannot be confused with subject matter of suit. Thus the ratio of the judgment in the matter of *Ravi Ranjan Developers Pvt. Ltd. (supra)* appears to be that in case of domestic arbitration Section 11(6) application can be filed either before the High Court within whose territorial jurisdiction factors relevant for determination of jurisdiction of a Civil Court for filing of Civil Suit are to be found or before High Court within whose jurisdiction the seat of arbitration is located. It needs to be emphasized that seat should not be confused with venue as per the said judgement.

13. It needs to be mentioned that the *Ravi Ranjan Developers Pvt. Ltd. (supra)* distinguishes *BGS SGS Soma JV (supra)* and others judgments of the Hon'ble Supreme Court dealing with territorial jurisdiction in cases arising out of international arbitration.

14. In this context, it will be appropriate to refer to judgement of the Hon'ble Supreme Court in the matter of *Brahmani River Pellets Limited Vs. Kamachi Industries Limited* reported in *2020 5 SCC 462* which also deals with a domestic arbitration. The venue of arbitration is considered to be seat recognizing Shashoua principles. In the said case Bhubaneswar was decided as venue for arbitration between the parties. Application under Section 11(6) of the Act for seeking appointment of arbitrator was filed before the Madras High Court. The Madras High Court appointed arbitrator rejecting objection to territorial jurisdiction observing that designation of a place as seat of arbitration by the parties does not oust jurisdiction of others Courts other than the ones having territorial jurisdiction over the seat of arbitration. Following Shashoua principle the Hon'ble Supreme Court has treated Bhubaneswar which was referred to as venue of arbitration as the seat of arbitration and accordingly it is held that the intention of parties was to exclude the jurisdiction of all other Courts.

The appointment of Arbitrator by the Madras High Court was accordingly set aside. This judgment in the matter of ***Brahmani River Pellets Limited (supra)*** which is prior in point of time is not brought to the notice of the Hon'ble Supreme Court in the matter of ***Raviranjam Developers***. In the judgment in the case of ***Brahmani River Pellets Limited (supra)*** which is prior in point of time, the venue of arbitration is treated as seat of arbitration and it is held that the Courts having territorial jurisdiction over the venue will be Courts of exclusive jurisdiction. In the subsequent judgment of ***Ravi Ranjan Developers Pvt. Ltd. (supra)***, it is held that venue cannot be relevant to determine jurisdiction under Section 11(6) of the Act. Two views cannot be reconciled. Having regard to the law laid down in the matter of ***Sundeep Kumar Bafna Vs. State of Maharashtra and Anr.*** reported in ***2014 16 SCC 623*** the judgment prior in point of time will have to be followed.

15. As regards the contention of the learned Advocate for the applicants that the application can be entertained at Aurangabad Bench since the jurisdiction of Bombay High Court extends all though out the State of Maharashtra, the said contention is liable to be rejected in view of Chapter 31 Rule 2 of the Bombay High Court

Bombay side Rules. In that view of the matter, the preliminary objection raised by the respondents needs to be upheld.

16. The applications are rejected for want of territorial jurisdiction with liberty to the applicant to file appropriate application before the principal seat at Bombay.

[ROHIT W. JOSHI, J.]