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| **GJBH010016462026** | Filed on | :24.06.2026 |
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| | Decided on | :07.07.2026 |
| | Duration | **:0Y- 0M-13D** |

**IN THE COURT OF 6TH ADDITIONAL DISTRICT JUDGE, BHARUCH**

**COMMERCIAL CIVIL MISC. APPLICATION NO. 4 OF 2026 (OLD CIVIL MISC. APPLICATION DC NO. 80 OF 2021)**

**Exhibit :- _____**

**APPLICANTS :**

1. **Rekhaben Dilipsinh Yadav**
   R/o. Plot No.44, Bhrugupur Society,
   Nr. Kasak Circle, Bharuch – 392 001.

2. **Bhavesh Viththal Dharsabdia**
   R/o. A/902, Narayan Luxuira Appt.
   Gail Colony, Shravan Chowkdi, Bharuch.

Versus

**OPPONENT:**

1. **Shriram Transport Finance Company Ltd.**
   Office No: 1st Floor, Above Reliable Motors,
   (Yamaha Showroom) Opp. Govardhan Hospital,
   College Road, Bholav, Bharuch – 392 001.

**APPEARANCES** :-

Mr. F.A.Vora : Ld. Advocate for the applicants.
Mr. K.N.Chavda : Ld. Advocate for the opponent.

**SUBJECT :-**
Application U/s 34 of the Arbitration & Conciliation Act, 1996 against the Award passed by the Ld. Sole Arbitrator on dt. 25/10/2021 in Arbitration Case No. 447/2020.

**-: : J U D G M E N T : : -**

**[1]** The applicants had filed the application on dt. 10/12/2021 which was initially instituted as CMA DC No.80 of 2021. Considering the dispute between the parties and amount of award passed by the Ld. Sole Arbitrator. The order has been passed below Exh.1 on dated 24.06.2026 for converting the said CMA DC in to Commercial Civil Misc. Application and therefore, the said CMA DC No.80/2021 is renumbered as Commercial Civil Misc. Application No.4/2026.

**[2]** The present Application has been filed by applicants against the Award passed by the Learned Sole Arbitrator dated 25/10/2021 in Arbitration Case No.447/2020 wherein the Ld. Arbitrator had passed and award against the present applicants and ordered that, The respondents (present applicants) shall pay the sum of Rs.10,40,569/- to the claimant (present opponent) together with interest thereon at the rate of 12 % from the date of Claim petition i.e. 16/06/2020 till its realization. The Arbitration fee shall be paid by the claimant initially and paid by claimant is entitled to recover half of amount of arbitration fee from the respondents & Initially the Arbitration cost and the fees shall be paid by the claimant and the claimant may recover the same from the respondents jointly and

severally.

**[3]** Being aggrieved and dissatisfied with the award passed by the Ld. Sole Arbitrator, the applicants have filed the present Application U/s.34 of the Arbitration & Conciliation Act, 1996, wherein, the applicants have stated that the Applicant No. 1 entered into a Loan-cum-Hypothecation Agreement No. BHARU0709280001 dated 29.09.2017 with Shriram Transport Finance Company Ltd. And Bhavesh Vitthal Dharsabdia (applicant no.2) stood as a guarantor to the said transaction, but not involve in any kind of agreement in pursuance of the said agreement. Applicant No.1 had purchase ASHOK LEYLAND AL 4019 bearing Registration No. GJ16AU2869. The total loan amount was Rs.22,20,000/- + interest and payable in 48 monthly installment. The said agreement was executed by applicant no.1 and Shriram Transport Finance Company Ltd. It is further stated by the applicants that, in the award passed by Sole Arbitrator, the said documentary evidence in para 6 is not given to applicant including Ext 5 (Loan cum Hypothecation Agreement). Hence, the agreement is not seen by applicant though the proceeding nor copy of agreement was given to applicant and signature was obtained by fraudulently. Moreover, many facts can be revel when the agreement will be given to petitioner, thus the agreement is in the question and the legality of the agreement can be decided after seeing legal ingredients of the agreement. It is further stated by the applicants that the respondent (Shriram Transport Finance Company Ltd) has sold the vehicle on 08.04.2019 as per award and claim

petition before the Sole Arbitrator was present on 16/06/2020 at Ahmedabad, petition was presented to before Arbitrator after 14 months. Moreover, arbitrator was appointed by Shriram Transport Finance Company Ltd. without consent of applicants nor prior intimation of appointing arbitrator was given to the applicants. The matter was planned by the (Shriram Transport Finance Company Ltd.) with malafide intention during the period of 14 months.

> "Section – 34 (2)(A)(iii) Application for setting aside arbitral award __the party making the application was not given proper notice of the appointment of an arbitrator or of the arbitral proceedings or was otherwise unable to present this case".

It is further stated by the applicants that the determination of issues, in impugned award is one sided and only a single issue is framed, though applicant has mention certain issues regarding price manipulation of vehicle by Shriram Transport Finance Company Ltd. and sold at undervalued. Furthermore, valuation shown by Shriram Transport Finance Ltd. In insurance policy is Rs.22,98,775/- on 07/09/2018 and sold at Rs.13,40,000/- on 08/04/2019, the valuation of the vehicle in insurance was shown by respondent. The employee's of the respondent company has literally done fraud with applicant and made a false claim against applicant. It is further stated by the applicants that the respondent had forcibly taken possession of the said vehicle without any legal producer or prior notice, though there are many enactments which

had to be followed such as "Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002". Therefore, the award is conflict with public policy of India. Due to seizing of vehicle without prior intimation applicant no.1 had to face huge loss in business. It is further stated by the applicants that they ave also claimed that company has recovered more than loan amount and total calculation is shown by applicant in reply of claim petition, but not considered by the arbitrator. Furthermore, applicant no.2 (guarantor) is not involve in any kind of proceeding at sole Arbitration and the order has been passed exparty against applicant no.2. It is further stated by the applicants that the applicant had also made many objections regarding jurisdiction, on appointment of arbitrator and sold price of vehicle, even the copy of insurance policy was send with written reply as evidence but not included in exhibits. It is further stated by the applicants that certain evidence was present in the preceding but, neglecting all facts arbitrator had passed one sided award without considering issues of both sides. Therefore, the applicants have prayed for the following reliefs:

** Applicants prays to set aside the impugned Award dated 25th Oct 2021 passed by the Sole Arbitrator Raghuvir G Chaudhary in the Arbitration Case No. 447/2020 and conduct the fair preceding in favour of justice.

** This court may be further pleased to grant such relief as it may deem just and proper in the facts and circumstances of this case.

**[4]** The respondent has filed written reply **at Exh.18**, wherein it is submitted that the petition is misconceived, untenable in law and on facts, and is liable to be dismissed. It is further submitted that except those averments specifically admitted, all allegations contained in the petition are denied. It is further submitted by the respondent that petitioner nos. 1 & 2 have entered into loan cum hypothecation agreement with respondent company. It is submitted that petitioner no.1 is borrower and petitioner no.2 is guarantor of the above mentioned agreement. Petitioners in their application states that they have entered into the agreement with respondent & on the other side it is also stated by petitioner in their application that agreement is not seen by the petitioner, which shows that petitioner stated contradictory facts in their application so allegation of the petitioners regarding obtaining signature fraudulently is false and baseless. Moreover, petitioners admit the execution of the above mentioned agreement in their petition. It is further submitted that the respondent has sold the vehicle through auction according to the terms and condition of the agreement executed between the petitioners and respondent & provision of the law. It is further submitted that the respondent has served the notice to the petitioners for the appointment of arbitrator. Petitioners also appeared before the arbitrator in arbitral proceedings and submitted the written statement but petitioners have not raised any objections regarding the appointment of arbitrator in their written statement so this issue can not be raise at this stage and principal of estoppel

is applicable this petition. It is further submitted that Arbitrator has framed all the necessary issues and decided it in the award with detailed reasons regarding the valuation of the vehicle and the outstanding amount. Hence, this issue is not with the conflict with the public policy so it can not be decided in this application. The respondent has taken the possession of the vehicle after following the due process of law. Petitioner have not paid outstanding loan amount along with interest and not fulfilled the arbitrator's award. It is further submitted that the this petition has been filed after a long delay without any explanation and petition is not filed within a limitation mentioned in the Section 34 of the Arbitration and Conciliation Act. Therefore, the petition of the petitioners is barred by the limitation mentioned in section 34 of the Arbitration and Conciliation Act. Moreover, respondents submits that according to the Arbitral clause of the agreement, only the court of Ahmedabad as a jurisdiction to entertain this petition, therefore, this court haven't jurisdiction to entertain this petition. It is further submitted by the respondent that the petitioners submit that the award of the arbitrator is just, fair and reasonable and it is not against the public policy of India. Petitioners have given opportunity to be heard according to natural justice during arbitral proceedings therefore arbitral award is not required of any interference. It is further submitted by the respondent that the petition of the petitioners is not maintainable according to the provision of the Section 34 of Arbitration and Conciliation Act and liable to be

dismissed with cost.

**[5]** The Ld. Advocate of the applicant has filed written argument at Exh.22 along with the list of citations at Exh.23. I have gone through the citations produced by the applicant which are not on the subject of territorial jurisdiction but only on the merits & therefore, which are not helpful to the applicant at this juncture.

The Ld. Advocate of the respondent has filed written argument at Exh.25. The Ld. Advocate has mainly submitted that this court is not having territorial jurisdiction to decide this application and has placed reliance upon the citation of Milkfood Pvt. Ltd. V/s. Gmc Ice Cream (P) Limited, reported in 2011(0) AIJEL – SC 50220 SC.

**[6]** Heard Ld. Advocates for the parties and perused the proceedings of this application. It is well settled that if the court is not having territorial jurisdiction, then the court can not go into the merits of the case. Therefore, the issue regarding the territorial jurisdiction of the court is required to be decide first and for that I relied upon the judgment of ***Chaudhary Sarwan Kumar V/s. Himachal Pradesh Farmer's Forum 2024 Live Law (HP) 82.*** Wherein, the Hon'ble Himachal Pradesh High Court has held that "once the court comes to the conclusion that it didn't have jurisdiction to entertain the application U/s.34 of the

Arbitration & Conciliation Act, 1996, it can not go into the merits of the case".

**[7]** To decide the present application, following points arise for my determination.

(1) Whether this court is having territorial jurisdiction to supervise over the arbitral proceedings was held at Ahmedabad ?

(2) What order ?

**[8]** My findings towards the above points are as under.

(1) In negative.
(2) As per final order.

## -:: REASONS ::-

**Point Nos.1 & 2 ::-**

**[9]** Ld. Advocate of the applicants has submitted that the Hypothecation cum Loan Agreement of the applicants was executed at Bharuch, and all subsequent transactions were also conducted at the Bharuch branch. Therefore, this court has territorial jurisdiction to entertain the application U/s.34 of the Act.

**[10]** Ld. Advocate of the respondent has submitted that as per the Clause -22(b) of Hypothecation cum Loan Agreement, both the parties were agreed that the venue of arbitration proceedings shall be at Ahmedabad & as per that clause the arbitration proceedings were commenced and award

passed by Ld. Sole Arbitrator at Ahmedabad. Therefore, this court has no territorial jurisdiction to entertain the application U/s.34 of the Act. The Ld. Advocate of the respondent has relied upon the judgment of **Milkfood Pvt. Ltd. V/s. GMC Ice Cream (P) Limited, reported in 2011(0) AIJEL SC 50220,** wherein, the Hon'ble Supreme Court has categorically held that where the agreement between the parties specifically provides a particular place as the venue of arbitration and also confers jurisdiction upon courts of that place, only those courts would have jurisdiction to entertain applications arising out of the arbitration proceedings. The Ld. Advocate of the respondent has further submitted that once jurisdiction is contractually vested in a particular court, other courts are excluded from entertaining proceedings relating to arbitration. Ld. Advocate has further submitted that in the present case also, the Loan-cum-Hypothecation Agreement executed between the parties specifically provides that the venue/place of arbitration proceedings shall be at Ahmedabad, so disputes arising from the agreement shall be subject to jurisdiction of competent courts at Ahmedabad only. Therefore, by virtue of the arbitration agreement itself, the courts at Ahmedabad alone possess territorial jurisdiction to entertain proceedings arising out of the arbitral award including a petition under Section 34 of the Arbitration and Conciliation Act, 1996. It is further submitted by the Ld. Advocate of the respondent that the petitioners have filed the present proceedings before the Hon'ble Court at Bharuch contrary to the express

jurisdiction clause agreed between the parties. Once parties have consciously agreed to confer exclusive jurisdiction upon courts at Ahmedabad, the petitioners cannot circumvent the contractual terms and invoke jurisdiction of another court. It is further submitted by the Ld. Advocate of the respondent that the present petition being devoid of merits, barred by limitation and beyond the scope of Section 34 of the Arbitration and Conciliation Act, therefore it is deserves to be dismissed with costs and the arbitral award passed by the arbitrator, deserved to be upheld.

**[11]** Now, it is well settled position of law that whereever there is an express designation of a "venue" and no designation of any alternative place as the "seat" combined with a supranational body of rules governing the arbitration and no other significant criteria, the inexorable conclusion is that the stated venue is actually the juridical seat of arbitration.

It is also well settled principle that the designation of a “seat” is akin to an exclusive jurisdiction clause, once the seat is fixed, only the courts governing that seat have the jurisdiction to entertain challenges under Section – 34 of the Arbitration & Conciliation Act,1996.

**[12]** In the case of **Brahmani River Pellets Limited V/s. Kamachi Industries Limited, reported in 2019(0)**

**AIJEL SC 64493**, wherein the Hon'ble Supreme Court has observed in Para-4 :

> **“4. Clause 18** of the agreement between the parties contains an arbitration clause which reads as under:
>
> > **"18.** Arbitration shall be under Indian Arbitration and Conciliation Law 1996 and the Venue of Arbitration shall be Bhubaneswar.".
>
> **15.** The inter-play between "Seat" and "place of arbitration" came up for consideration in the case of Indus Mobile Distribution (P) Ltd. v. Datawind Innovations (P) Ltd. and others (2017) 7 SCC 678. After referring to BALCO, Enercon (India) Limited and others v. Enercon GMBH and another (2014) 5 SCC 1 and Reliance Industries Limited and another v. Union of India (2014) 7 SCC 603 and also amendment to the Act pursuant to the Law Commission Report, speaking for the Bench Justice Nariman held as under:
>
> > **"18.** The amended Act, does not, however, contain the aforesaid amendments, presumably because the BALCO (2012) 9 SCC 552 judgment in no uncertain terms has referred to "place" as "juridical seat" for the purpose of Section 2(2) of the Act. It further made it clear that Sections 20(1) and 20(2) where the word "place" is used, refers to "juridical seat", whereas in Section 20(3), the word "place" is equivalent to "venue". This being the settled law, it was found unnecessary to expressly incorporate what the Constitution Bench of the Supreme Court has already done by way of construction of the Act.
> >
> > **19.** A conspectus of all the aforesaid provisions shows that the moment the seat is designated, it is akin to an exclusive jurisdiction clause. On the facts of the present case, it is clear that the seat of arbitration is Mumbai and Clause 19 further makes it clear that jurisdiction exclusively vests in the Mumbai courts. Under the Law of Arbitration, unlike the

> Code of Civil Procedure which applies to suits led in courts, a reference to "seat" is a concept by which a neutral venue can be chosen by the parties to an arbitration clause. 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. In arbitration law however, as has been held above, the moment "seat" is determined, the fact that the seat is at Mumbai would vest Mumbai courts with exclusive jurisdiction for purposes of regulating arbitral proceedings arising out of the agreement between the parties. 20. It is well settled that where more than one court has jurisdiction, it is open for the parties to exclude all other courts. For an exhaustive analysis of the case law, see Swastik Gases (P) Ltd. v. Indian Oil Corpn. Ltd. (2013) 9 SCC 32 This was followed in a recent judgment in B.E. Simoese Von Staraburg Niedenthal v. Chhattisgarh Investment Ltd. (2015) 12 SCC 225 Having regard to the above, it is clear that Mumbai courts alone have jurisdiction to the exclusion of all other courts in the country, as the juridical seat of arbitration is at Mumbai. This being the case, the impugned judgment is set aside. ...." [underlining added].

**16.** 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. 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.

**17.** When the parties have agreed to have the "venue" of arbitration at Bhubaneswar, the Madras High Court erred in assuming the jurisdiction under Section 11(6) of the Act.

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

**18.** In the result, the impugned order of the Madras High Court in OP No.398 of 2018 dated 02.11.2018 is set aside and this appeal is allowed. The parties are at liberty to approach the Orissa High Court seeking for appointment of the arbitrator".

**[13]** In the case of **Bgs Sgs Soma Jv Versus Nhpc Ltd., reported in 2019 (0) AIJEL-SC 65480 SUPREME COURT OF INDIA.** Wherein, the Hon'ble Supreme Court has observed in Para-84

**" 84.** On a conspectus of the aforesaid judgments, it may be concluded that whenever there is the designation of a place of arbitration in an arbitration clause as being the venue of the arbitration proceedings,the expression arbitration proceedings would make it clear that the venue is really the seat of the arbitral proceedings, as the aforesaid expression does not include just one or more individual or particular hearing, but the arbitration proceedings as a whole, including the making of an award at that place. This language has to be contrasted with language such as tribunals are to meet or have witnesses, experts or the parties where only hearings are to take place in the venue, which may lead to the conclusion, other things being equal, that the venue so stated is not the seat of arbitral proceedings, but only a convenient place of meeting. Further, the fact that the arbitral proceedings shall be held at a particular venue would also indicate that the parties intended to anchor arbitral proceedings to a particular place, signifying thereby, that that place is the seat of the arbitral proceedings. This, coupled with there being no other significant contrary indicia that the stated venue is merely a

venue and not the seat of the arbitral proceedings, would then conclusively show that such a clause designates a seat of the arbitral proceedings. In an International context, if a supranational body of rules is to govern the arbitration, this would further be an indicia that the venue, so stated, would be the seat of the arbitral proceedings. In a national context, this would be replaced by the Arbitration Act, 1996 as applying to the stated venue, which then becomes the seat for the purposes of arbitration.".

**[14] In the case of J&K Economic Reconstruction Agency V/s. Rash Builders India Private Limited, reported in 2026 Live Law (SC) 377.**

Wherein the Hon'ble Supreme Court has observed in Para-18 :

> **18.** Thus, the principles governing the distinction between the seat and venue of the arbitration, and the jurisdictional consequences that follow, may be summarised as under:-
> **(i)** The seat of arbitration constitutes the juridical home or legal place of arbitration. It determines the curial law governing the arbitral process and identifies the Court having supervisory control over the arbitration.
> **(ii)** Once the seat is designated by agreement of the parties, the courts of that place alone have exclusive jurisdiction to entertain all proceedings arising out of the arbitration, including challenges to the award. The designation of the seat operates akin to an exclusive jurisdiction clause, excluding all other courts – even those where the cause of action may have arisen.
> **(iii)** The venue is merely a geographical location chosen for convenience for holding hearings, examination of witnesses, or meetings of the arbitral tribunal. It does not confer jurisdiction and does not, by itself, alter or determine the seat. The arbitral tribunal is free to conduct proceedings at locations different from the seat without affecting the juridical seat.
> **(iv)** The mere fact that arbitral proceedings are conducted or the award is rendered at a particular place does not confer jurisdiction on courts of that place if it is different from the designated seat. The seat remains fixed unless expressly altered by agreement of the parties.
> **(v)** Where the seat is not expressly designated, courts

> determine it by applying:
> (a) the closest and most intimate connection test, identifying the place most closely connected with the arbitration (based on the Naviera Amazonica principle); and
> (b) in appropriate cases, construing the venue as the seat where the agreement and surrounding circumstances indicate such intention (as reflected in the Shashoua principle) and
> **(vi)** The intention of the parties, as discerned from the arbitration agreement and surrounding circumstances, is the paramount factor in determining the seat. Once such intention is expressed-either expressly or by necessary implication-it must be given full effect by Courts.

**[15]** Considering the principle laid down by the Hon'ble Supreme Court as discussed above, now looking to the facts & circumstances of the case on hand, it emerges from Clause - 22(b) of Hypothecation cum Loan agreement which is produced at **Mark-19/1**, wherein, parties were determines the venue shall be at Ahmedabad.

Moreover, looking to the Arbitral Award which has been produced at **Mark-3/8.** On perusal of the Arbitral Award, on page no.6, wherein Ld. Arbitrator has observed that **" I do not agree with the contention regarding place of jurisdiction, because there is a clear cut clause in the arbitration agreement. If the clause 21B of the agreement is read, the place of arbitration is stated at Ahmedabad. Therefore, this contention is not tenable in eye of law".**

**[16]** As discussed above, in the present case, as per the Clause-22(b) of the Loan Agreement, parties determines the venue of arbitration shall be at Ahmedabad. The arbitral

proceeding held at Ahmedabad and Award passed by Ld. Sole Arbitrator at Ahmedabad dated 25/10/2021. Therefore, in the present case, the parties have agreed that the venue of arbitration shall be at Ahmedabad and therefore the intention of the parties is to exclude the territorial jurisdiction of all other courts. Considering the ratio laid down by the Hon'ble Supreme Court, as discussed above, it is clear that whereever there is an express designation of a "venue" and no designation of any alternative place as the "seat" combined with a supranational body of rules governing the arbitration and no other significant criteria, the inexorable conclusion is that the stated venue is actually the jurisdical seat of arbitration. Therefore, in my view, in the present case venue becomes the seat of arbitration.

**[17]** As discussed above, it is well settled principle of law that once the seat is fixed, only the court governing that seat has jurisdiction to entertain challenges U/s.34 of the Arbitration & Conciliation Act,1996. In the present case, venue of arbitration is fixed at Ahmedabad and the venue becomes the seat of arbitration, and therefore, this court is not having territorial jurisdiction to supervise the arbitral proceedings which was held at Ahmedabad. Hence, I answer the Point no.1 is in negative as this court lacks the territorial jurisdiction to entertain the application U/s.34 of the Arbitration & Conciliation Act, 1996, hence, I answer the point no.1 in “negative” & pass the following final

order towards the point no.2.

**-: FINAL ORDER :-**

**1.** It is held that this court is not having territorial jurisdiction to entertain the application U/s.34 of the Arbitration & Conciliation Act,1996.

**2.** The applicants are granted liberty to file the application before the competent court of jurisdiction at Ahmedabad.

**3.** The Registry is directed to return the present Commercial Civil Misc. Application along with original documents if any submitted.

**4.** Considering the facts of this matter, the parties are directed to bear their own costs.

Pronounced and signed in the open Court on this 7th day of July, 2026.

Place: Bharuch
Date :07-07-2026

**(P. M. Soni)**
6th Additional District Judge
Bharuch.
**(Code No.: GJ00747)**