



ARBITRATION APPLICATION NO: 35 of 2023

M/s. GR Constructions

...Applicant

Vs.

The State of Andhra Pradesh and others

...Respondents

Advocate for Applicant:

Mr. ChallaSrinivas appearing vice
Mr. K. B. Ramanna Dora

Advocate for Respondents:

GP for Arbitration

CORAM : THE CHIEF JUSTICE DHIRAJ SINGH THAKUR**DATE : 21st March, 2025.****P C :**

This is an application filed under Section 11(6) of the Arbitration and Conciliation Act, 1996, (for short, "the Act of 1996") seeking appointment of an arbitrator to adjudicate upon the disputes arising out of and in connection with Agreement, dated 24.03.2017.

2. It is stated that since disputes have arisen between the parties, the same have to be adjudicated in terms of GCC Clause 25.3, which reads as under:

"4. ARBITRATION (GCC Clause 25.3)*The procedure for arbitration will be as follows:*

25.3 (a) ...

(b) ...

(c) ...

(d) *Arbitration proceedings shall be held at Hyderabad, India, and the language of the arbitration proceedings and that of all documents and communications between the parties shall be English.*

(e) ...

(f) ...

(g) ...”

3. Although, no objection has been taken with regard to the jurisdiction of this Court to entertain the present application, yet, considering the language of Clause 25.3 (d), which specifically envisages the “arbitration proceedings” to be held at Hyderabad, I am of the opinion that this Court would have no jurisdiction, considering the view already taken in the case of **M/s. V.V.R. Associates vs. M/s. Larsen & Turbo Limited, Infrastructure IC¹**.

4. Reliance, in the aforementioned judgment, was placed on the Apex Court judgment in **Brahmani River Pellets Limited vs. Kamachi Industries Limited²** as also the judgment rendered by the Apex Court in the case of **BGS SGS Soma JV v. NHPC Limited³**.

In **Brahmani River Pellets Limited** (supra), the Apex Court 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 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

¹ARBAPPL No.11 of 2021, decided on 02.08.2024.

²(2020) 5 SCC 462

³(2020) 4 SCC 234

Bhubaneswar as the venue of arbitration, the intention of the parties is to exclude all other courts. As held in Swastik[(2013) 9 SCC 32], non-use of words like "exclusive jurisdiction", "only", "exclusive", "alone" is not decisive and does not make any material difference."

In **BGS SGS Soma JV**(supra), it was held:

"82. 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...."

5. In the backdrop of the aforementioned settled legal position, it can be seen that the parties had clearly agreed that the "arbitration proceedings" would be held at Hyderabad, which would make Hyderabad the "seat" of arbitral proceedings, more so, when there was nothing in the agreement which

would suggest, to the contrary, that Hyderabad was merely a venue and not the seat of arbitral proceedings.

6. Considering the view already taken by this Court in **M/s. V.V.R. Associates (supra)** and following the judgments of the Apex Court in the cases supra, the present application is held to be not maintainable on the ground of jurisdiction and is, accordingly, dismissed. The applicant is at liberty to approach the appropriate forum having jurisdiction.

No order as to costs. Pending miscellaneous applications, if any, in this petition, shall stand closed.

DHIRAJ SINGH THAKUR, CJ.

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