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* IN THE HIGH COURT OF DELHI AT NEW DELHI

*Date of Decision: 27th July, 2026**Uploaded on: 30th July, 2026*+ **FAO(OS) (COMM) 162/2026 & CM APPL. 42169/2026**

M/S VSERV INSURANCE SERVICES PVT LTD.....Appellant

Through: Mr. Vijay Sharma, Adv.

versus

M/S DLF LIMITED & ORS.

.....Respondents

Through: Mr. Rakesh Khanna, Sr. Adv., Ms. Nandini Gore, Mr. Akhil Abraham Roy, Mr. Rohan Khanna, Ms. Swati Bhardwaj and Mr. Vedant Choudhary, Advs. (Mob. 90197 25455).

CORAM:**JUSTICE PRATHIBA M. SINGH****JUSTICE VIKAS MAHAJAN****JUDGMENT****Prathiba M. Singh, J.**

1. This hearing has been done through hybrid mode.
2. The present appeal has been filed by the Appellant under Section 37(1)(c) of the Arbitration and Conciliation Act, 1996 (*hereinafter 'the Act'*) read with Section 13(1A) of the Commercial Courts Act, 2015, *inter alia*, assailing the impugned judgement dated 7th May, 2026 passed by the Id. Single Judge in ***O.M.P. (COMM) 231/2026*** titled '***M/s Vserv Insurance Services Pvt. Ltd. v. M/s DLF Limited and Ors.***' (*hereinafter 'the impugned judgement'*).
3. *Vide* the impugned judgement, the Id. Single Judge has dismissed the Appellant's petition under Section 34 of the Act.

Factual Background

4. The background of the present case is that, the Appellant and the



Respondent No.1 had entered into a '*Retail/Commercial Office Space Buyer's Agreement (hereinafter, 'the SB Agreement')*' dated 25th July, 2005. By the said agreement, the Appellant had booked one Shop/Office space bearing no. 317 located on the third floor, having super area measuring 153.272 square meters, of the '*Galleria DLF Jalandhar*' situated in *Khasra Nos. 3843 and 3844 at Nakodar Road, Jalandhar, Punjab (hereinafter, 'the subject shop')*.

5. Initially, the transaction was governed by the SB Agreement. The said agreement had an arbitration clause for resolving the disputes between the parties. The said clause is set out below:

"51. Arbitration

All or any disputes arising out of or touching upon or in relation to the terms of this Agreement including the interpretation and validity of the terms thereof and the respective rights and obligations of the parties shall be settled amicably by mutual discussion failing which the same shall be settled through arbitration. The arbitration proceedings shall be governed by the Arbitration and Conciliation Act, 1996 or any statutory amendments/modifications thereof for the time being in force. The arbitration proceedings shall be held at an appropriate location in Delhi or New Delhi by a Sole Arbitrator who shall be appointed by the Intending Seller and whose decision shall be final and binding upon the parties. The Intending Allottee hereby confirms that he/she shall have no objection to this appointment even if the person so appointed, as the arbitrator is an employee or advocate of the Intending Seller or otherwise connected with the Intending Seller and the Intending Allottee confirms that notwithstanding such relationship/connection, the Intending Allottee shall have no doubt as to the independence or impartiality of the said Arbitrator. The Courts at Jalandhar alone and the Punjab and Haryana High Court at Chandigarh alone shall have



the jurisdiction.”

6. Simultaneously, the parties also signed a ‘*Tripartite Maintenance Agreement*’ dated 25th July, 2005.
7. After the payment of the entire sale consideration by the Appellant, a Conveyance Deed dated 11th November, 2014 (*hereinafter, the conveyance deed*) was executed between the parties, and the same was duly registered before the Sub Registrar, Jalandhar.
8. Pursuant thereto, the possession of the subject shop was also handed over to the Appellant.
9. The Conveyance Deed had an arbitration clause being ‘*Clause 38*’, for settlement of disputes between the parties. The said arbitration clause is as under (*hereinafter, ‘the arbitration clause’*):

*“...All or any disputes arising out of or relating to or concerning or touching this Conveyance Deed including the interpretation and validity of the terms thereof, shall be referred by any party to a sole arbitrator who shall be appointed by the Vendor and whose decision shall be final and binding upon the parties. **The Arbitration proceedings shall be governed by the Arbitration & Conciliation Act, 1996 or any statutory amendments/modifications thereof for the time being in force. The arbitration proceedings shall be held at an appropriate location to be decided by the arbitrator. The Vendee shall have no objection to such appointment even if the person so appointed as the sole arbitrator, is an employee or advocate of Vendor or is otherwise connected to Vendor. The parties agree that no other person shall have the power to appoint the sole arbitrator. The Courts at Jalandhar alone and the Punjab & Haryana High Court at Chandigarh shall have the jurisdiction.**”*

10. Sometime in 2022, certain disputes had arisen between the parties,



which led to the invocation of the arbitration clause by the Appellant.

11. The Appellant had approached the High Court of Punjab and Haryana under Section 11(6) of the Act, for appointment of an Arbitrator. *Vide* order dated 29th August, 2024 in ***Arb. Petition 417/2023***, the Court had appointed the Id. sole Arbitrator to adjudicate the disputes between the parties. The said order dated 29th August, 2024 is set out below:

“1. Through instant application under Section 11(6) of the Arbitration and Conciliation Act, 1996 (for short '1996 Act'), the applicant is seeking appointment of an Arbitrator.

2. The applicant entered into agreement dated 25.07.2005 (Annexure P-2) with the respondent. Thereafter, the parties executed conveyance deed dated 11.11.2014 (Annexure P-3). There is an arbitration clause in the conveyance deed. The execution of agreement & conveyance deed, arbitration clause in the conveyance deed and service of notice under Section 21 of 1996 Act is not disputed.

3. 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.

4. Mr. Justice Adarsh Kumar Goel, Retired Judge of Supreme Court, residing at C-2/24, Safdarjung Development Area, New Delhi- 110016, Mobile No.9910213040 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. Parties are directed to appear before the learned Arbitrator on date, time and place to be fixed by the Arbitrator at his convenience...

12. Consequent to the appointment of the sole arbitrator, the arbitral proceedings commenced, and the arbitral award was passed on 11th December, 2025 (*hereinafter, 'the arbitral award'*), whereby Claims No. 1,2,4 of the Appellant were not allowed and Claim No.3 was partly allowed, by the Id. sole arbitrator.

13. The said arbitral award was challenged by the Appellant before the learned Single Judge, by filing a petition under Section 34 of the Act.

14. *Vide* the impugned judgement, the Id. Single Judge has, held that the Id. sole arbitrator was appointed by the High Court of Punjab and Haryana and therefore, the Court at Jalandhar and the High Court of Punjab and Haryana would have the exclusive jurisdiction over the subject matter.

15. Further, the Court observed that the mere stipulation in Clause 51 of the SB Agreement, that the arbitration proceedings shall be held at an appropriate location in Delhi, does not, by itself, confer jurisdiction upon the High Court of Delhi.

16. Accordingly, the petition under Section 34 of the Act was rejected by the Id. Single Judge. The observations of the Id. Single Judge are as under:

“...7. Thus, it is clear that even the appointment of the sole arbitrator had been done by the Punjab and Haryana High Court. Further, perusal of the aforesaid clauses viz. Clause 38 of the Conveyance Deed and Clause 51 of the Space Buyer's Agreement, which govern the relationship between the parties, clearly shows that Courts at Jalandhar and the Punjab and Haryana High Court at Chandigarh, alone shall have jurisdiction.



8. Thus, it is clear that the Courts at Jalandhar and the Punjab and Haryana High Court at Chandigarh have exclusive jurisdiction over the subject matter of the present case.

9. The mere fact that Clause 51 of the Space Buyer's Agreement, as reproduced hereinabove, stipulates that arbitration proceedings shall be held at an appropriate location in Delhi or New Delhi, does not confer any jurisdiction on this Court. The purpose of the aforesaid Clause 51 is only to fix the venue of the arbitration proceedings.

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17. This Court also takes note of the submission made by learned counsel appearing for the respondent that the respondents have already approached the Courts at Jalandhar, and filed a petition under Section 34 of the Arbitration Act challenging the Arbitral Award in question in the present matter. He submits that the said petition before the Jalandhar Court was listed on 18th April, 2026, and notice has been issued for 22nd September, 2026.

18. Accordingly, the present petition is disposed of in the aforesaid terms, with liberty to the petitioner to approach the appropriate Court of jurisdiction."

17. It is this judgement of the Id. Single Judge which is under challenge in the present appeal.

18. On 9th July, 2026, this Court had briefly heard the submissions on behalf of the Id. Counsels for the parties. The Court had directed the Id. Counsels for the parties to file a physical compilation of judgements they wish to rely upon, by the next date.

19. Today, the Id. Counsels for the parties have placed on record their



respective compilations of judgements.

Submissions of behalf of the parties

20. The submissions on behalf of Mr. Vijay Sharma, Id. Counsel for the Appellant are as under:

(i) That the arbitration clause in the Conveyance Deed does not fix the seat of arbitration and the entire arbitral proceedings were, in fact, held in Delhi. Therefore, the Courts at Delhi would have jurisdiction to entertain the challenge to the arbitral award, as Delhi is the seat of the arbitration.

(ii) Reliance is placed upon the following decisions:

- ***J & K Economic Reconstruction Agency v. Rash Builders India Private Limited 2026 SCC Online SC 596***
- ***Arbitration Petition No. 444/2017 titled 'Mr. Raman Deep Singh Taneja v. Crown Realtech Pvt. Ltd.'***

21. On the other hand, Mr. Rakesh Khanna, Id. Sr. Counsel for the Respondents has refuted the aforesaid contentions and has made the following submissions:

(i) That a plain reading of the arbitration clause itself shows that flexibility was provided in respect of the venue, for holding the arbitral proceedings. However, the seat continued to be Jalandhar, with the Punjab and Haryana High Court having jurisdiction.

(ii) Reliance is placed upon the following decisions:

- ***Arif Azim Company Limited v. Micromax Informatics FZE. (2025)9 SCC 750***
- ***J & K Economic Reconstruction Agency (Supra)***

(iii) That the petition under Section 11(6) of the Act was also filed



before the Punjab and Haryana High Court and the property is also situated at Jalandhar. Thus, the seat would be Jalandhar.

22. The Court is also informed that the Respondent has also challenged the arbitral award by way of a petition under Section 34 of the Act. The same is pending before the Jalandhar Court.

23. In addition, after dismissal of the petition under Section 34 of the Act, the Appellant has also filed a petition under Section 34 before the Jalandhar Court, keeping in view the period of limitation, by way of abundant caution.

Analysis

24. Heard the Id. Counsel for the parties. The continuously vexed issue of 'seat' and 'venue' in arbitration proceedings also plagues the present case.

25. The Court has perused the arbitral clause in the Conveyance deed, which have been extracted hereinabove. The said clause has the following three components –

- (a) That the arbitration proceedings are to be held at an appropriate locations as may be decided by the Ld. Arbitrator;
- (b) Courts at Jalandhar have been conferred with exclusive jurisdiction by use of the term '*Only*';
- (c) The High Court of Punjab & Haryana shall have jurisdiction.

26. The first and foremost feature of the arbitration clause is that the parties agreed that the arbitral proceedings can be held wherever the Id. Arbitrator finds it convenient. Thus, the location for holding the arbitral proceedings was not fixed in the arbitration clause and flexibility was left to the parties and the Id. Arbitrator.

27. This would, however, not mean that the Seat was not fixed, as the last sentence of the arbitral clause clearly states that the Courts at Jalandhar alone



would have jurisdiction and that the Punjab and Haryana High Court at Chandigarh would have jurisdiction.

28. The said term of the arbitral clause leaves no manner of doubt that the parties agreed that the fulcrum of the dispute, and the Courts vested with exclusive jurisdiction, would be governed by the seat at Jalandhar and the supervisory jurisdiction of the Punjab and Haryana High Court, and not by the venue, in respect of which flexibility was provided.

29. In fact, in the order dated 29th August, 2024 passed by the Punjab and Haryana High Court, by which the learned sole Arbitrator was appointed, the Court itself granted flexibility to the Id. Arbitrator to hold the arbitral proceedings at an appropriate venue.

30. **In this age of online hearings and arbitral proceedings, where the Id. Arbitrator and the parties may participate in the proceedings from different geographical locations, the venue of the arbitration cannot determine the seat of the arbitration. To hold otherwise would render the concept of the 'Seat of arbitration' uncertain and susceptible to continuous change based on the convenience of the parties or the Id. Arbitrator. The concept of Seat is not a dynamic one but one which stands on a firm foundation rooted in the contract – especially the arbitration clause.**

31. This is also clear from the recent decision of the Supreme Court in ***J & K Economic Reconstruction Agency (Supra)*** wherein *vide* judgement dated 15th April, 2026, the Court has summarised the distinction between 'seat' and 'venue' in arbitration proceedings. The relevant observations are set out below:

“CASE LAW AND THE LEGAL PRINCIPLES:—



12. The distinction between the seat and venue of arbitration though, firmly embedded in arbitral jurisprudence, continues to give rise to jurisdictional errors. The present appeal exemplifies one such instance, necessitating judicial correction. **The core issue is whether, despite an express designation of Srinagar as seat of arbitration, the conduct of proceedings and rendering of the award at New Delhi would confer jurisdiction upon courts at New Delhi. In order to answer this question, it becomes necessary to revisit the well-settled principles governing the concept of juridical seat of arbitration.**

13. A Constitution Bench of this Court, recognised that **arbitration is anchored to the seat or place chosen by the parties, and that the law of that seat governs the arbitration.** It was observed that Section 20 of the Arbitration and Conciliation Act, 1996 embodies party autonomy in the choice of seat, while also permitting, under sub-section (3), the holding of hearings at a place convenient to the parties. **The distinction is both deliberate and doctrinal: while the seat determines jurisdiction and applicable law, the venue is merely a matter of convenience for conducting proceedings.**

14. **A two-Judge Bench of this Court while placing reliance on the “closest and most intimate connection” test involved in English jurisprudence, held that seat of arbitration is juridical home of arbitration and where the agreement of the parties is clear, such designation must be given full effect. Even in cases of ambiguity, the seat is to be determined by identifying the place with the closest and most intimate connection to the arbitration.**

15. Another two-Judge Bench of **this Court authoritatively expounded the concept of the “juridical seat” and held that the designation of a seat of**



arbitration is akin to an exclusive jurisdiction clause. It was observed that the expression “subject-matter of arbitration” in Section 2(1)(e) of the Act is not to be confused with the subject-matter of the suit, but rather refers to the process of dispute resolution, thereby identifying the court which exercises supervisory jurisdiction over the arbitral proceedings. **It was further held that once a seat is designated, it operates as the centre of gravity of the arbitration and vests exclusive jurisdiction in the courts of that place for all matters arising out of the arbitration, including challenges to the arbitral award. The designation of a seat, therefore, is not a matter of mere form, but carries with it significant legal consequences.**

16. **The aforesaid principle has been affirmed by a three-Judge Bench of this Court and it has been held that the moment the seat is designated, it operates as an exclusive jurisdiction clause, irrespective of whether any part of the cause of action has arisen there.** Arbitration law, in this respect, departs from the Code of Civil Procedure, permitting parties to choose a neutral seat which may have no connection with the underlying dispute, yet vests exclusive jurisdiction in the Courts of that place.

17. A three-Judge Bench of this Court held that once the seat of arbitration is designated, such clause becomes the exclusive jurisdiction clause as a result of which only the courts where the seat is located would have jurisdiction to the exclusion of all other courts. Recently, another three-Judge Bench of this Court reaffirmed the principle that seat remains the judicial anchor, determining both the applicable law and the supervisory jurisdiction.

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).

(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.”

32. As can be seen from the above judgment, the Supreme Court has reiterated that the distinction between the ‘seat’ and the ‘venue’ of arbitration is well settled. While the seat constitutes the juridical home of the arbitration and determines the Court having exclusive jurisdiction, the venue is merely the geographical location where the arbitral proceedings are conducted for reasons of convenience. The mere conduct of hearings or the rendering of the award at a particular place does not confer jurisdiction upon the Courts of that place, nor does it alter the juridical seat of the arbitration.

33. Coming to the facts, the Court has also examined the matter from the point of view of the other tests that are usually applied in such cases, such as the *closest connection test* and the *forum non conveniens* test. Even upon applying these two tests, this Court is convinced that the seat of the arbitration would be Jalandhar. The reasons for the same are not far to seek and are set out below:

- (i) ***Location of the Project:*** The project is located at Jalandhar.
- (ii) ***Jurisdiction Clause in the Agreements:*** Both the SB Agreement



and Conveyance Deed stipulate that only the Courts at Jalandhar and the Punjab and Haryana High Court would have jurisdiction.

(iii) ***Intention of the Parties:*** In fact, the SB Agreement, which preceded the Conveyance Deed, also stipulates that the Courts at Jalandhar alone shall have jurisdiction. Clause 51 of the SB Agreement, however, clarifies that the arbitral proceedings could be held at an appropriate location in Delhi.

(iv) ***Closest Connection with Jalandhar:*** The petition under Section 11 of the Act was filed before the Punjab and Haryana High Court. The Respondent has also filed the petition under Section 34 of the Act at Jalandhar. Thus, the Courts at Jalandhar are most closely connected with the entire dispute. Delhi was merely a venue of convenience for the parties and the ld. Arbitrator.

34. Accordingly, in the facts of the present case, there can be no manner of doubt that the **seat of arbitration is Jalandhar and that the Punjab and Haryana High Court would have jurisdiction** in respect of the arbitral proceedings.

35. Under these circumstances, the impugned judgment of the ld. Single Judge cannot be faulted with and does not warrant any interference.

36. The present appeal is dismissed.

**PRATHIBA M. SINGH
JUDGE**

**VIKAS MAHAJAN
JUDGE**

JULY 27, 2026/dss/sm