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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% ***Date of Decision: 11th November, 2025***

+ ARB.P. 1179/2025

PARSHVA INNOVATIONPetitioner

Through: Ms. Varsha Singh, Advocate.

versus

ARCIS CLEAN ENERGY PVT LTDRespondent

Through: Counsel (*appearance not given*)

**CORAM:
HON'BLE MR. JUSTICE AMIT BANSAL**

AMIT BANSAL, J. (ORAL)

1. The present petition has been filed under Section 11(5) of the Arbitration and Conciliation Act, 1996 (hereinafter 'Act') seeking appointment of a Sole Arbitrator for the adjudication of the disputes between the parties arising out of a Franchise Agreement dated 3rd August, 2023 entered into between the petitioner and the respondent. In terms of the said agreement, the petitioner was appointed as an authorized franchisee for marketing, sale and distribution of the products/ services of the respondent.

2. Disputes between the parties arose when the respondent committed multiple breaches in the delivery of electric vehicles ordered by the petitioner, compelling the petitioner to secure unsecured loans from the open



market to sustain its business operations.

3. Counsel for the petitioner submits that the Franchise Agreement contains an arbitration clause, i.e., Clause 32.4, which provides for adjudication of any dispute arising between the parties by way of arbitration.

4. He further submits that since the respondent *inter alia* failed to supply the promised vehicles to the petitioner, the petitioner sent notice to the respondent on 25th March, 2025 through email and registered post invoking the aforesaid arbitration clause under Section 21 of the Act.

5. The respondent replied to the aforesaid notice on 19th April, 2025 refusing to concur with the name of the Sole Arbitrator proposed by the petitioner.

6. Notice in the present petition was issued on 8th August, 2025.

7. Reply has been filed on behalf of the respondent, wherein it is stated that this Court does not have the jurisdiction to entertain the present petition.

8. In this regard, attention of this Court has been drawn to the arbitration clause in the Franchise Agreement, entered into between the parties. The relevant clause relating to arbitration and dispute resolution being Clause no. 32 is set out below:



32. ARBITRATION AND DISPUTE RESOLUTION

- 32.1. Any dispute or difference between the Parties arising out of or in connection with this Agreement, including any question regarding its interpretation, existence, performance, validity, or termination, either during the term of the Agreement or at anytime thereafter, will be settled between the Parties through friendly consultations and negotiations.
- 32.2. If no settlement can be reached through friendly consultations and negotiations as discussed according to terms this Agreement within thirty (30) days of one Party delivering a notice of the dispute or difference to the other Party, then such dispute will be finally settled by arbitration.
- 32.3. The arbitration proceedings will be conducted in accordance with the provisions of the Arbitration and Conciliation Act, 1996 ("Arbitration Act").
- 32.4. The dispute or difference shall be referred to a panel of sole arbitrator to be appointed mutually by Parties. In the event of the parties not being able to concur on the appointment of a sole arbitrator then such sole arbitrator to be appointed by mutual consent of both parties as per the provisions of the Arbitration and Conciliation Act, 1996 and as amended from time to time. The precise location of the arbitration shall be within Delhi and the appointment of the sole arbitrator shall be in accordance with the rules prescribed under Arbitration and Conciliation Act, 1996.
- 32.5. The arbitration proceedings will be held in Goa and the language to be used in the arbitral proceedings will be English.
- 32.6. The prevailing Party in the arbitration proceedings will be awarded reasonable attorney's fees, if any, and all other costs and expenses in relation to the arbitration proceedings unless the arbitrators for good cause determine otherwise.

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9. A reading of the aforesaid clause shows that there is some ambiguity in various sub-clauses of clause 32 with regard to jurisdiction.

9.1. On one hand, Clause 32.4 provides that the location of the arbitration would be in Delhi, Clause 32.5 provides that arbitration proceedings would be held in Goa.

10. In my view, the only way the aforesaid clauses can be harmonized is by holding that the seat of the arbitration would be in Delhi, however, the arbitration proceedings can be held in Goa.



11. Counsel for the respondent has also drawn attention of this Court to the Letter of Intent (LOI) dated 10th December, 2023, which also contains an arbitration clause in the following terms:

11. ARBITRATION:

Any dispute, controversy or claim, arising out of this letter of intent, or the breach, withdrawal /termination or validity thereof shall be settled by arbitration under the Arbitration and Conciliation Act, 1996, subject to any statutory modification thereto by a Sole Arbitrate.

12. JURISDICTION: The Arbitral Award shall be final and binding upon the parties and the Award shall include allocation of the cost of the arbitration proceedings. The seat of arbitration shall Be Goa, India For all purposes concerning this letter of intent, the courts at Goa, India alone shall have exclusive jurisdiction. No other Courts shall have jurisdiction to deal with any dispute or matter between the parties arising out of this Agreement.

12. In terms of the notice dated 25th March, 2025, issued by the petitioner under Section 21 of the Act, the petitioner is seeking to invoke arbitration in terms of the Franchise Agreement. Hence, the aforesaid clauses would have no relevance for the purposes of the present petition.

13. Therefore, in my view, this Court would have the jurisdiction to appoint an Arbitrator under Section 11(5) and Section 11(6) of the Act.

14. Accordingly, the dispute between the parties under the aforesaid Franchise Agreement is referred to the Arbitral Tribunal comprising a Sole Arbitrator. The following directions are issued in this regard:

- i. Ms. Kumud Singh, Advocate (Mob. No. +91-9810396060) is appointed as a Sole Arbitrator to adjudicate the disputes between the parties.
- ii. The venue for holding the Arbitration hearings is left open to be decided by the Sole Arbitrator in consultation with the counsel for the parties.
- iii. The remuneration of the Arbitrator shall be in terms of Schedule IV of the Act.



- iv. The Arbitrator is requested to furnish a declaration in terms of Section 12 of the Act prior to entering into the reference. In the event there is any impediment to the Arbitrator's appointment on that count, the parties are given liberty to file an appropriate application before this Court.
- v. The parties shall approach the Arbitrator within two (2) weeks from today.

15. It is made clear that all the rights and contentions of the parties, including the arbitrability of any of the claims and/or counter claims, any other preliminary objection, as well as claims on merits of the dispute of either of the parties, are left open for adjudication by the Arbitrator.

16. The petition stands disposed of in the aforesaid terms.

17. Needless to state, nothing in this order shall be construed as an expression of this Court on the merits of the case.

AMIT BANSAL, J

NOVEMBER 11, 2025

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