

HON'BLE SRI JUSTICE A.RAJASHEKER REDDY

WRIT PETITION No.9348 OF 2018

ORDER :

This Writ Petition is filed assailing the action of the 2nd respondent in freezing the current account No.32076350574 of the 1st petitioner firm without any reason and consequently to direct the respondents 1 and 2 to unfreeze the said account.

Heard learned counsel for the petitioner and Sri M.Srikanth Reddy, learned Standing Counsel for the respondents 1 & 2 and Sri K.L.B.Kumar, learned counsel appearing for the 3rd respondent.

Learned counsel for the petitioner, basing on the averments in the affidavit filed in support of the Writ Petition submits that the 2nd petitioner and 3rd respondent constituted a partnership firm, which is the 1st petitioner herein. By virtue of the partnership deed dated 20.11.2011, the 2nd petitioner is the Managing Partner of the 1st petitioner firm and he is authorized to oversee the bank affairs apart from other functions and not the 3rd respondent. He submits that the 1st petitioner firm is undertaking repair works of current transformers and renders services to TSSPDCL and it is maintaining current account No.32076350574 with the 2nd respondent Bank. He submits that when disputes arose between the 2nd petitioner and the 3rd respondent, the 3rd respondent addressed a letter to the 2nd respondent in the month of August, 2017 to freeze the accounts of the 1st petitioner firm on the allegation that there were disputes between them. He submits

that freezing of current account of the 1st petitioner by the 2nd respondent basing on the letter of the 3rd respondent is illegal. He submits that when once the current account is opened basing on the partnership firm, with the consent of both parties, same cannot be withdrawn on the letter given by one of the parties to the partnership firm and that the action of the 2nd respondent in freezing the account of the 1st petitioner is illegal, arbitrary and without jurisdiction.

On the other hand, learned Standing Counsel for the 2nd respondent appearing for the 2nd respondent submits that though the current account is opened in the name of 1st petitioner firm basing on the partnership deed dated 20.11.2011 between the 2nd petitioner and the 3rd respondent, but subsequently, 3rd respondent addressed a letter dated 16.08.2017 stating that there were disputes between the 2nd petitioner and the 3rd respondent and requested to stop the operation of the said account. He submits that since there are only two partners in the 1st petitioner partnership firm i.e., 2nd petitioner and 3rd respondent, one of the partner i.e., 3rd respondent objected to for the operation of the current account of the 1st petitioner firm, which is purely contractual in nature, as such, they stopped the operation of the said account and same cannot be faulted.

In this case, it is to be seen that admittedly formation of 1st petitioner firm by virtue of partnership deed dated 20.11.2011 between the 2nd petitioner and 3rd respondent, opening of current account No.32076350574 with the 2nd respondent Bank and that

authorization of 2nd petitioner for operating the said account is not in dispute. When the 3rd respondent has withdrawn his authorization given by way of partnership deed in favour of 2nd petitioner as there were disputes between 2nd petitioner and 3rd respondent, it is purely of contractual dispute, which cannot be resolved by the 1st and 2nd respondents nor by this Court by exercising the power of extraordinary jurisdiction under Article 226 of the Constitution of India.

Since it is stated by the learned counsel for the petitioners that in the partnership deed there is an arbitration clause, as such, it is for the petitioner to avail the said remedy or any other appropriate remedy.

With the above observation, this Writ Petition is disposed of. No order as to costs. As a sequel thereto, miscellaneous petitions, if any, pending shall stand closed.

A.RAJASHEKER REDDY, J

23.08.2018

kvs

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WRIT PETITION No.9348 OF 2018



Date: 23.08.2018

kvs