

HON'BLE SRI JUSTICE A. RAJASHEKER REDDY

ARBITRATION APPLICATION No.138 of 2014

ORDER :

This Arbitration Application under Section 11 of the Arbitration and Conciliation Act, 1996 (for brevity "the Act") is filed by the applicant seeking appointment of an Arbitrator for resolution of the disputes between the applicant and the respondents arising out of the partnership deed dated 18-05-2007.

The case of the applicant is that the applicant and respondents 1 to 4 entered into partnership agreement dated 18-05-2007 and formed the 5th respondent-firm and the same was registered with Registrar of Firms on 29-08-2007. The firm entered into a development agreement with M/s.Pranava Avenues Pvt., Ltd., Himayatnagar, Hyderabad. As per agreement, when the applicant demanded the 1st respondent to show the accounts and pay the amount due to the applicant, he did not agree for the same. Since the applicant is entitled to receive back investment with 12% as per the agreement and 5% share in the profit and share in the unutilized land out of Ac.2-07 guntas of land purchased by the firm, the applicant issued a notice dated 16-12-2013 to the respondents to fulfill obligations, but the same was returned back. As such, the applicant again issued notice on 08-06-2014 to all the respondents. The 1st and 2nd

respondents, who are husband and wife, did not receive the notice and got returned the same and respondents 3 to 5 received the notices. But they did not give any reply. As such, the applicant filed the present application.

Though counter affidavit is filed by respondents 1 to 5 disputing the claims of the applicant, para No.9 of counter affidavit does not dispute about the existence of arbitration clause, but they only dispute about the claims of the applicant on merits.

Heard learned counsel for the respondents.

It is to be seen that the Clause No.15 of Partnership deed dated 18-05-2007 provides for arbitration clause, which reads as under:

“ That if any dispute shall arise between the partners in respect of the conduct of the business of the partnership or in respect and interpretation operation or enforcement of any other to and conditions of this agreement or in respect of any matter concerning the partnership, it shall be referred to an arbitrator and the decision of the arbitrators shall be conclusive and binding upon all the parties.”

A reading of the counter affidavit and pleadings goes to show that the disputes exist between the parties and also there is no dispute about the existence of arbitration clause in the agreement. In view of the same, the arbitration application needs to be allowed.

Accordingly, this Arbitration Application is allowed appointing Hon'ble Justice Sri A.Gopal Reddy, Former High

Court Judge, as the sole Arbitrator for resolution of dispute(s) between the applicant and the respondents, arising out of partnership deed dated 18-05-2007 in accordance with the provisions and mandate of the Act of 1996. The learned Arbitrator shall be entitled to fees as per the rates specified in the Fourth Schedule to the Act of 1996, inserted by Act 3 of 2016 with effect from 23-10-2015, which shall be borne by both parties in equal measure. No order as to costs.

As a sequel, miscellaneous applications pending, if any, shall stand closed.

A. RAJASHEKER REDDY, J

07-01-2020

Note:

Office to mark a copy to:

Hon'ble Sri Justice A.Gopal Reddy,
Plot No.511, Phase III, Road No.86,
Jubilee Hills, Hyderabad-33.

B/o

Nvl

HON'BLE SRI JUSTICE A. RAJASHEKER REDDY

ARBITRATION APPLICATION No.84 of 2019



02-01-2020

Nvl