

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION**

ARBITRATION PETITION (L) NO.1033 OF 2021

Narendra Singh Narang ..Petitioner
Vs.
Surjit Singh Narang ..Respondent

and
**ARBITRATION APPLICATION NO.311 OF 2021
(NOT ON BOARD TAKEN ON BOARD)**

Surjit Singh Narang ..Applicant
vs.
Narendra Singh Narang ...Respondent

Mr.Bipin Joshi with Mr.Vedanshi Shah with Bhavesh Joshi i/b.
Mr.Bipin Joshi, for the Petitioner.

Ms.Nikita Abhyankar with Mr.Bhavesh Parmar with Mr.Rahul
Gaikwad with Reshma Nair, Aman Jhavar i/b. Gravitas Legal, for
the Respondent.

**CORAM : G.S. KULKARNI, J.
DATE : JUNE 27, 2022.**

P.C.:

1. These are two proceedings. Arbitration Petition (L)No.1033 of 2021 has been filed under Section 9 of the Arbitration and Conciliation Act,1996 (for short '**the Act**') and Arbitration Application No.311 of 2021 has been filed under Section 11 of the Act. The disputes between the parties is a partnership dispute arising under the Partnership Deed dated 7 April 1998 read with the Amendment to Partnership Deed dated 6 July 2019. There is no dispute in regard to existence of the arbitration agreement which is contained in Clause 16 of the Deed of Partnership.

2. The petitioner and the respondent are real brothers. Learned Counsel for the parties submit that an amicable settlement of the dispute between the parties is not possible. Hence, learned Counsel for the parties, on instructions, submit that the disputes and differences, subject matter of the present proceedings, be referred to arbitration by appointing an arbitral tribunal.

3. In the Section 9 petition which prays for interim measures Mr.Joshi, learned Counsel for the petitioner has made a submission to the effect that a disclosure needs to be made by the respondent in regard to the accounts of the partnership firm. It is his contention on the Section 9 petition, that the respondent was conducting business at the relevant time, hence, the respondent was under an obligation under the Memorandum of Understanding as executed between the parties to pay the mutually agreed amount to the petitioner. The details of such amount payable to the petitioner by the respondent is set out in the petition the amount being Rs.8,10,000/- together with interest at the rate of 18% per annum from the date of default.

3. On the other hand, learned Counsel for the respondent in the Section 9 petition and for the applicant under Section 11 application would submit that the disputes are required to be referred to arbitration. However on instructions, Mr.Parmar would state that their clients would not have any objection for disclosure to be made as prayed for by the petitioner in the Section 9 petition. He states that the firm is not conducting any business from 16 January 2021 being the date on which the notice of dissolution of the partnership was issued. He also makes a statement in regard to the assets of the partnership firm, no third party rights whatsoever would be created by the applicant till the appropriate orders are passed by the arbitral tribunal.

4. In view of such consensus between the parties, the disputes and differences between the parties need to be referred to arbitration by appointing an arbitral tribunal. Also the Section 9 application can also be disposed of as per the submissions as made above. Hence, the following order:-

ORDER

(i) Mr.Sandeep Parekh, Advocate of this Court is appointed as arbitrator to adjudicate the disputes between the parties which have arisen under the Partnership Deed dated 7 April 1998 read with the Amendment to Partnership Deed dated 6 July 2019.

(ii) The learned sole arbitrator, before entering the arbitration reference, shall forward a statement of disclosure as per the requirement of Section 11(8) read with Section 12(1) of the Arbitration and Conciliation Act,1996, to the Prothonotary & Senior Master of this Court, to be placed on record of this application with a copy to be forwarded to both the parties;

(iii) Parties are at liberty to file Section 17 applications before the arbitral tribunal praying for interim reliefs. All contentions in that regard are expressly kept open.

(iv) Respondent-Surjit Singh Narang shall make a disclosure to the petitioner – Narendra Singh Narang in regard to the accounts and other relevant details within a period of two weeks from today and the same shall also be placed before the arbitral tribunal.

(v) In so far as the assets of the partnership firm are concerned, the parties shall maintain status quo in regard to the assets of the

partnership form till the appropriate orders are passed by the arbitral tribunal.

(vi) I have not examined the merits of the rival contentions. It is open to the arbitral tribunal to take an appropriate view of the matter in regard to the interim proceedings or final adjudication.

(vii) Both the proceedings are accordingly disposed of in terms of the above order.

(viii) Parties shall appear before the arbitral tribunal within a period of 10 days from today on a mutually convenient date.

5. The present order is passed without prejudice to the rights and contentions of the parties in the pending suits.

6. Office to forward a copy of this order to the learned Arbitrator on the following address:

“20/E, Examiner Press Building,
Dadal Street, Mumbai – 400023
Ph. 22675783, 24465043.”

[G.S. KULKARNI, J.]