A.Nos.1518 and 1519 of 2021

SENTHILKUMAR RAMAMOORTHY, J,

This application is filed to direct the 1st respondent to furnish security for a sum of Rs.22,18,109/- along with interest @18% per annum. In addition, the applicant sought for the furnishing of accounts and financial statements for the period subsequent to 01.04.2019 from the 1st respondent partnership firm. Pursuant to discussions, the applicant, 2nd and 3rd respondents constituted the 1st respondent, Limited Liability Partnership. It appears that disputes arose between the applicant, on the one hand, and the 2nd and 3rd respondents, on the other, in relation to the affairs of the 1st respondent. According to the applicant, a sum of Rs.22,18,109/- is due and payable to the applicant along with interest thereon.

2.In response to such claim, the 1st respondent stated that a sum of Rs.15,37,000/ is due and payable. However, it is stated that the applicant committed breach of the non compete clause. While the 1st respondent is ready and willing to pay the sum of Rs.15,37,500/- in full and final settlement, in case the applicant intends to claim the entire sum of Rs.22,18,109/-, it is submitted that the parties may be relegated to arbitration.

3.From the above contentions, it is evident that the present application is filed to secure a monetary claim. As against the claim of Rs.22,18,109/-, the 1st respondent admits that a sum of Rs.15,37,000/- is due and payable. Therefore, the 1st respondent may be directed to deposit the said amount in an interest bearing deposit account to the credit of this application. In this regard, it should be noticed that a sum of Rs.7,68,500/- was deposited pursuant to the order dated 27.08.2021.

4.In the above facts and circumstances, these applications are disposed of by issuing the following directions:

(1)The 1st respondent shall deposit a sum of Rs.7,68,500/- into a fixed deposit account in the name of the Registrar General, Madras High Court, to the credit of A.Nos.1518 and 1519 of 2021. Such deposit shall be made within one week from the date of receipt of a copy of this order. Upon making such deposit, the original fixed deposit receipt shall be in the custody of the Registrar General and a copy thereof shall be forwarded to the applicant. Such fixed deposit shall be for an initial period of one year subject to renewal thereof until conclusion of the arbitration proceedings. Such fixed deposit shall abide by the outcome of the arbitration proceedings.

2.The 1st respondent is permitted to convert the sum of Rs.7,68,500/- already deposited in Court into a fixed deposit in the same manner and subject to the same terms and conditions as indicated above.

3.If the Registrar General of this Court is approached for such purpose, he is directed to provide necessary assistance to convert the earlier deposit into a fixed deposit so as to enable interest accruals thereon for the benefit of the successful party in the arbitration proceedings.

31.01.2022

mps

SENTHILKUMAR RAMAMOORTHY,J,

mps

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