



O.A.Nos.76 & 77 of 2024

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WEB COPY KRISHNAN RAMASAMY, J.

This application has been filed under Section 9 of the Arbitration and Conciliation Act, 1996, seeking an interim measure granting relief to the applicant.

2. Despite service of notice on the respondents and their name being printed in the cause list, there is no representation on behalf of the respondents.

3. The learned counsel for the applicant submitted that the Applicant firm, namely Gurudev Trading Company was constituted for the purpose of trading and distribution of Orbit switches. It is stated that as per the Deed of Partnership, dated 17.12.2013, the person namely Mr.G.Nikhil, who is one of the partners of the aforesaid firm, is holding 34% share of the said firm and the first and second respondents are the other partners are holding 33% each, respectively. He would submit that, the first respondent as a promoter, third and fourth respondents Private Limited Companies have started the distribution of Orbit switches directly, against the interest of the applicant partnership firm, and also



O.A.Nos.76 & 77 of 2024

incorporating third and fourth respondents to distribute the products.

Further, he would contend that in terms of provisions of Partnership Deed, none of the partners will do business against the interest of the applicant firm including the diversion of the business and to carry on the competing business. However, in the present case, since the first respondent is doing competing business which is totally against the interest of the applicant.

4. The learned counsel further would submit that, if the interim injunction is not granted in favour of the applicant, the interest of the applicant would be prejudicially affected and cause irreparable loss to the applicant firm.

5. I have given due consideration to the submissions made by the learned counsel for the applicant and perused the materials available on record.

6. A perusal of the records shows that one of the main object of the partnership firm is only for the distribution of the Orbit switches. The person namely G.Nikhil and respondents 1 and 2 are the partners of the aforesaid firm. Under these circumstances, the first respondent while



O.A.Nos.76 & 77 of 2024

WEB COPY

incorporating respondents 3 and 4, has been doing with the similar object for the distribution of Orbit switches. No doubt, it is totally against the interest of the applicant partnership firm and also in violation of the terms and conditions of the Partnership Deed. Therefore, this Court is satisfied that the applicant has made out a *prima facie* case and balance of convenience is also in favour of the applicant and this Court is of the view, if the interim injunction is not granted in favour of the applicant, as rightly contended by the learned counsel for the applicant, the interest of the applicant would be prejudicially affected, and there is every likelihood of causing irreparable loss to the applicant.

7. The learned counsel for the applicant relied upon the Clause 15 available in the Partnership Deed, which reads as follows:

“In case of dispute or disputes among partners, it shall be settled by the arbitration. Each partner can appoint one Arbitrators and the Arbitrators can appoint one umpire and his decision will be final.”

8. By virtue of the above clause, the applicant is in process of



O.A.Nos.76 & 77 of 2024

WEB COPY

initiation of arbitration proceedings, and submitted that at any cost, it will commence within a period of three months of time.

9. Taking into consideration of the submission made by the applicant and on perusal of the documents, this Court is inclined to grant interim injunction until the initiation of Arbitral proceedings, where the parties can raise all the disputes and the learned Arbitrator can decide the same without being influenced by the order passed by this Court.

10. Accordingly, there shall be an order of interim injunction until the date of first hearing before the learned Arbitrator. Thereafter, the learned Arbitrator shall decide the issue with regard to the extension of interim injunction upon request made by the parties concerned.

11. With the above direction, these Original Applications are disposed of. No costs.

15.04.2024

Index: Yes/No

Web: Yes/No

Neutral Citation: Yes/No

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O.A.Nos.76 & 77 of 2024

KRISHNAN RAMASAMY.J

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O.A.Nos.76 & 77 of 2024

15.04.2024