



O.A.No.1118 of 2023

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WEB CO **C.SARAVANAN, J.**

The parties hereto are partners under a Partnership Deed dated 01.04.2009. They appear to be siblings and children of one Mr.Shahul Hameed. It appears that under the partnership deed, the first respondent was appointed as an Managing Partner. It appears that dispute have surfaced and therefore the applicants herein who are the other partners in the partnership deed have passed a resolution on 03.08.2023, whereby, they have removed the respondent from the position of a Managing Partner contrary to the deed of Partnership Deed dated 01.04.2009.

2. Admittedly, the said resolution has been passed without notice to the sole respondent. The contention of the applicant is that the respondent was mismanaging the business of the partnership firm and that the applicants are not given access to records and therefore they were compelled to remove the sole respondent from his position as the Managing Partners of the firm. It is noticed that the dispute between the



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applicants and the sole respondent is arbitrable in terms of Clause 21 of the Partnership Deed dated 01.04.2009 which reads as under:-

“21.That in the event of disputes which may arise between the partners or their representative regarding the interpretation of these presents or regarding the rights and liabilities of the partners arising herein under or any other matter or thing concerning the firm or the affairs thereof shall be referred to the arbitrators to be appointed by the parties herein and the decision of the arbitrators shall be final and binding.”

3. Having considered the submissions of the learned counsel for the applicants and the learned counsel for the respondent. *Prima facie*, I am of the view, the removal of the respondent as the Managing Partner of the firm was without notice and therefore unjustified in absence of a specific Clause in the said Partnership Deed.

4. Therefore, I do not find any merits in the above Original Application in so far as it seeks to restrain the respondent from acting as the Managing Partner. At the same time the applicants are partners and have equal rights under the aforesaid Partnership Deed. The respondent



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cannot deny access to them either to the partnership business or the accounts of the partnership business.

5. Therefore, to balance the interest of the parties, Court is inclined to appoint **Hon'ble Mr.K.Ravichandra Baabu, Retired Judge of this Court, (Mobile No.9498033336)** residing at **No.1D, Crescent Castle, 13/6, II Crescent, Park Road, Gandhi Nagar, Adyar, Chennai – 20**, as an Arbitrator to adjudicate and resolve the *inter se* dispute between the parties.

6. The learned Arbitrator appointed herein, shall after issuing notice to the parties and upon hearing them, endeavour to complete the arbitral proceedings and pass an award strictly in accordance with the provisions of the Arbitration and Conciliation Act, 1996, as expeditiously as possible, preferably within a period of twelve months after the date of completion of pleadings under Sub-Section 4 to Section 23 as is contemplated in Section 29-A of the Arbitration and



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Conciliation Act, 1996, without getting influenced by any of the observations made by this Court in this order.

7. The learned Arbitrator appointed herein shall be paid fees and other incidental charges as may be fixed with the consent of parties or in accordance with the provisions of the Arbitration and Conciliation Act, 1996, and the same shall be borne by the parties equally. In case, the respondents remain *ex parte*, the petitioner shall pay the entire fee and other incidental charges to the Arbitrator and later recover the same from the respondents.

8. The Original Application is disposed of with the above observations, leaving the parties to bear their own costs.

9. Since the Court has appointed an Arbitrator, it is open to the petitioner as well as the respondents to seek other reliefs under Section 17 of the Arbitration and Conciliation Act, 1996, before the learned



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Arbitrator.

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10. While disposing this Original Application, liberty is given to the parties to move suitable application under Section 17 of the Arbitration and Conciliation Act, 1996 before the learned Arbitrator.

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C.SARAVANAN, J.



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