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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ **ARB.P. 915/2024**

JANDHARA MEDIA HOUSE

.....Petitioner

Through: Mr. V.K. Sharma, Sr. Advocate, Mr.
Vipin Kumar and Mr. Jitendra
Kumar, Advocates.

versus

M S YASH SATELLITE INDUSTRIES PVT. LTD. & ANR.

.....Respondents

Through: Mr. Bharat Monga and Ms. Shrestha,
Advocates.

CORAM:

HON'BLE MR. JUSTICE SUBRAMONIUM PRASAD

ORDER

30.09.2024

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1. The present petition under Section 11(6) of the Arbitration and Conciliation Act, 1996 has been filed by the Petitioner/Firm for appointment of an Arbitrator for adjudication of disputes arose between the Petitioner and the Respondents under the Agreement dated 24.06.2022 by which the Petitioner was permitted by the Respondent for using the Television Channel for Marketing and Distributing its Television Programme. Clause 14(3) of the Agreement dated 24.06.2022 which is an arbitration clause reads as under:

“14(3). Arbitration. If II Party and “I Party” are unable to resolve any dispute amicably in accordance, then such dispute shall be resolved by arbitration in New Delhi, India in accordance with the provisions of the Arbitration and Conciliation Act, 1996 by a sole arbitrator who shall be a retired High Court Judge



appointed by “I Party” & II Party. The arbitration proceedings shall be conducted in the English language. The award of the Tribunal must be in writing and shall be a reasoned award. The decision of Tribunal shall be final and binding on all Parties.”

2. The Petitioner herein is a partnership firm consisting of three partners. It is stated by the learned Counsel for the Respondent that the partnership firm has been dissolved and a public notice to this effect was issued on 22.01.2024.

3. The short question which arises for consideration before this Court is that once a partnership firm stands dissolved can the dissolved partnership firm initiate proceedings for appointment of an Arbitrator or not.

4. After partnership firm stands dissolved, the business of the firm stands wound up. After the business of the firm is wound up, the firm loses its identity and cannot initiate proceedings for appointment of an Arbitrator. Section 46 of the Partnership Act reads as under:

“46. Right of partners to have business wound up after dissolution.—On the dissolution of a firm every partner or his representative is entitled, as against all the other partners or their representatives, to have the property of the firm applied in payment of the debts and liabilities of the firm, and to have the surplus distributed among the partners or their representatives according to their rights.”

5. There is nothing in the Partnership Act which permits a partnership firm to continue the business or to move to any Court for appointment of an Arbitrator. In fact, Section 19(2)(a) of the Partnership Act prohibits a partner in a running firm to submit a dispute relating to the business of the firm to arbitration and in the present case, the firm stands dissolved.



6. Learned Counsel appearing for the Petitioner/Firm has not been able to show any clause either in the Deed of Partnership or in the Dissolution Deed which would authorize the firm or any partner acting on behalf of the firm, which stands already dissolved, to take steps for initiating proceedings for appointment of an Arbitrator.
7. Since the Agreement dated 24.06.2022 was entered into between the Respondents and the Petitioner/Firm, which now stands dissolved, the present petition filed by the Petitioner under Section 11(6) of the Arbitration and Conciliation Act, 1996 is not maintainable.
8. The petition is dismissed, along with pending application(s), if any.

SUBRAMONIUM PRASAD, J

SEPTEMBER 30, 2024

S. Zakir