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Arb O.P(COM.DIV.) No. 396
of 2025



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 22-09-2025

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THE HONOURABLE MR JUSTICE N. ANAND VENKATESH

Arb O.P(COM.DIV.) No. 396 of 2025

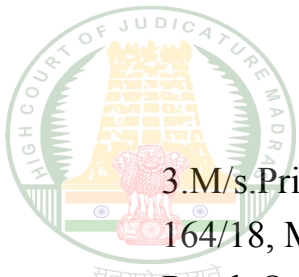
M/s.Prime Urban Development India Ltd.,
(Formerly known as
M/S.Prime Textiles Limited)
Having its registered office at
Door No.164/18,
Maruthachalapuram Main Road,
Opp. Ration Office, 60 feet Road, Tirupur,
Tamil Nadu-641602.
Also at No.110.Avanashi Road,Gandhi
Nagar P.O, Tirupur.

..Petitioner

.Vs.

1. Biodegradable Products India Ltd.,
(formerly known as Pudumjee Plant
Laboratories Limited)
Thergaon,Pune, Maharashtra-411033.

2.Indraneel Properties Ltd
324, Building No. F, Master Mind- IV,
3rd Floor, Royal Palms, Aarey Milk
Colony, Goregaon (E)., Mumbai,
Maharashtra-400065.



3.M/s.Prime Mall Developers
164/18, Maruthachalapuram Main
Road, Opp. Ration Office, 60 Feet
Road, Tirupur, Tamil Nadu,India-
641602.

..Respondent(s)

PRAYER

Petition filed under Section 11(6) of the Arbitration and Conciliation Act, 1996.

a.To Appoint a Sole arbitrator to adjudicate the disputes between the Petitioner and the Respondents in terms of the Arbitration Agreement dated 23.05.2007.

b. Directing 1st Respondent and 2nd Respondent to pay the costs to 3rd Respondents to the Petitioner.

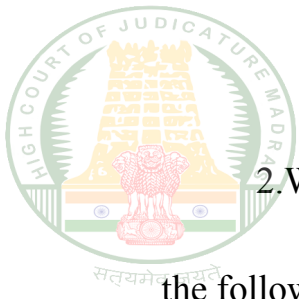
c. Directing 3rd Respondent to make payment received from 1st and 2nd Respondents to the Petitioner.

For Petitioner(s): Mr.G.Ashokapathy

For Respondent(s): M/s. Thriyambak J. Kannan,

ORDER

This petition has been filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 [hereinafter referred as 'the Act'] for appointment of sole arbitrator to adjudicate the disputes between the petitioner and the respondents in terms of the Partnership Deed dated 23.05.2007.



2. When the matter came up for hearing on 16.07.2025, this Court passed the following order:

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This petition has been filed under Section 11 of the Arbitration and Conciliation Act, 1996 seeking for appointment of an Arbitrator by this Court.

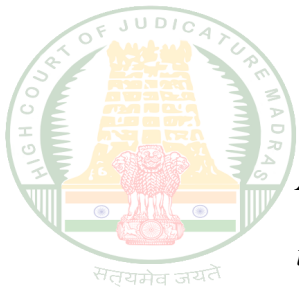
2. There seems to be a dispute between the petitioner and the respondents arising out of the following documents :-

i) Deed of Partnership, dated 23.05.2007 and

ii) Retirement cum Reconstitution Deed, dated 22.12.2017.

There exists an arbitration clause in the Deed of Partnership, dated 23.05.2007 and the same is reproduced hereunder :

22. SETTLEMENT OF DISPUTES : In the event of disputes or difference arising between the Partners either during the continuance of the Partnership or afterwards touching these presents or the construction or application thereof or as to debts or liabilities to be made hereunder or as to any act or omissions of any partner or as to any other matter or in any way relating to the Partnership Business or the affairs thereof or rights duties or liabilities of the Partners under these presents, the Partners shall use their best efforts to settle such disputes or difference of opinion by mutual negotiation. Should an Agreement not be reached, any dispute shall be referred to Arbitration of a sole Arbitrator chosen by the PARTNERS and failing consensus on the choice of the Arbitrator, in accordance with Indian Arbitration and Conciliation



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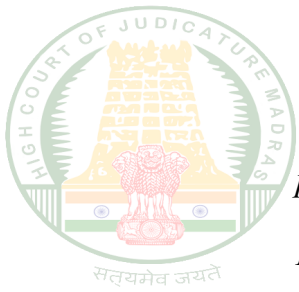
Act, 1996 and such Arbitration shall be held in accordance with the provisions of Indian Arbitration and Conciliation Act, 1996.

All such proceedings shall be subject to the exclusive jurisdiction of Courts having territorial jurisdiction over Coimbatore to the extent and as conferred under the Indian Arbitration and Conciliation Act, 1996.

3. Under the Retirement cum Reconstitution Deed, dated 22.12.2017, it has been made clear that the remaining provisions of the Deed of Partnership shall continue to apply as if they are the provisions of the Retirement cum Reconstitution Deed, dated 22.12.2017. The petitioner claims that since the Deed of Partnership, dated 23.05.2007 contains an arbitration clause, the said arbitration clause is also applicable to the Retirement cum Reconstitution Deed, dated 22.11.2017.

4. The petitioner has invoked arbitration in accordance with the arbitration clause by issuing notice to the respondents on 21.01.2025 to comply with the requirements of Section 21 of the Arbitration and Conciliation Act, 1996. A reply has also been sent by the 1st respondent to the petitioner on 19.02.2025 to the same. Since there is no consensus between the parties with regard to the name of the Arbitrator, this petition has been filed under Section 11 of the Arbitration and Conciliation Act, 1996 seeking for appointment of an Arbitrator.

5. Since there exists an arbitration clause in the Deed of Partnership, dated 23.05.2007 and since according to the



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petitioner, the arbitration clause has been incorporated in the Retirement cum Reconstitution Deed, dated 22.12.2017 and since the petitioner has complied with the requirements of Section 21 of the Arbitration and Conciliation Act, 1996 by issuing notice to the respondent on 21.01.2025, this Court is issuing notice to the respondents, through Court as well as privately returnable by 13.07.2025.

6. Post the matter on 13.08.2025.

3. Heard the learned counsel for the petitioner and the learned counsel appearing on behalf of the respondents.

4. The learned counsel for the petitioner submitted that he is not pressing this petition insofar as 3rd respondent is concerned the actual dispute is only against the 1st and 2nd respondents.

5. The learned counsel for the 1st and 2nd respondents by placing reliance upon the counter affidavit submitted that the very claim made by the petitioner is baseless and already the entire amount has been settled by the 1st and 2nd respondents. In short, the learned counsel for the 1st and 2nd respondents



submitted that there was accord and satisfaction as early as in the year 2024

itself and inspite of the same, the present petition has been filed before this

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Court. It is therefore contended that the claim made by the petitioner is a

deadwood claim and no useful purpose will be served by referring the dispute to

the Arbitrator.

6.The learned counsel for the petitioner vehemently opposed the above stand taken by the 1st and 2nd respondents.

7.In the considered view of this Court, the law on this issue was dealt with in a recent Order passed by me in Arb.OP(Com.Div).No.319 of 2025, dated 16.9.2025. The relevant portions are extracted hereunder:

*28. The result of the discussions is that the wheel has now come a full circle. The test formulated by the Hon'ble Supreme Court in the decision in **Duro Felgu***

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S.A.,

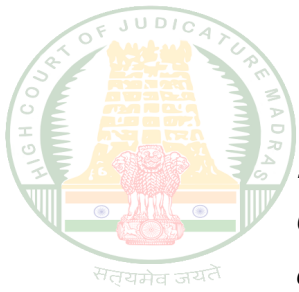
departed from the decision of the Hon'ble Supreme Court in

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has now

been reinstated in the decision of the Hon'ble Supreme Court

*in **Re: Int***



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1899. Consequently, it must follow that the jurisdiction of the Court under Section 11(6A) is confined to examining the existence of an arbitration agreement. Nothing more and nothing less.

29. As the Hon'ble Supreme Court pointed out in the decision in

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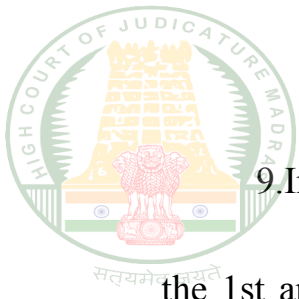
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it is just as necessary to follow a precedent as it is to make one. The objections of the respondent on grounds of limitation and accord and satisfaction must, therefore, necessarily await adjudication before the Arbitral Tribunal.

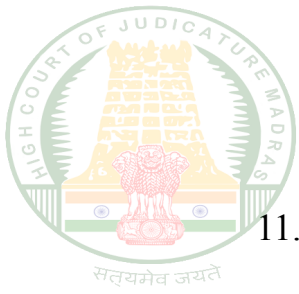
8. In the considered view of this Court, the issues regarding limitation or accord and satisfaction or the claim that is said to have become deadwood, are all issues which cannot be gone into in a petition filed under Section 11 of the Act. These issues can only be raised before the learned Arbitrator, even as preliminary issues.



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9. In view of the above, the objections raised by the learned counsel for the 1st and 2nd respondents cannot be gone into and liberty is granted to the 1st and 2nd respondents to raise those objections before the learned Arbitrator and the same shall be considered on its own merits and in accordance with law.

10. In the light of the above discussion, this Court is inclined to appoint a sole Arbitrator. Accordingly, Hon'ble Mr. Justice R. Subramanian (Retd), a former Hon'ble Judge, Madras High Court, with address for service at [(Residence No.6/29, Flat No.1B, Vishwanath Apartments, 5th Main Road, RA.Puram, Chennai-600028 Mobile No.9840299941, (E-mail; subramanian @rsmoffice.com)] is appointed as sole Arbitrator and the Arbitrator is requested to enter upon reference in terms of the Partnership Deed dated 23.05.2007, adjudicate the arbitral dispute that were arising between the parties by holding the sittings in any venue in Chennai to the convenience of all concerned and render an award. Fees of the sole Arbitrator shall be in accordance with the Madras High Court Arbitration Centre (MHCAC) (Administrative Cost and Arbitrator's Fees) Rules 2017.



11.This Arb. OP is disposed of in the above terms. There shall be no order as to costs.

22-09-2025

Index:Yes/No

Speaking/Non-speaking order

Neutral Citation:Yes/No

KP

Note: Registry is directed to communicate a copy of this order forthwith to

To

1.Hon'ble Mr. Justice R. Subramanian (Retd),
Former Hon'ble Judge
Madras High Court,
Office No.1, Thiruvengadam Street
Mandaveli, Chennai 600 004,

2. The Director
Tamil Nadu Mediation and Conciliation
Centre-cum-Ex-Officio Member
Madras High Court Arbitration Centre
Chennai - 104.



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10

Arb O.P(COM.DIV.) No. 39
of 2025



N.ANAND VENKATESH J.

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**Arb O.P(COM.DIV.) No. 396
of 2025**

22-09-2025