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

+ **ARB.P. 1604/2024**

DULAL MAJUMDAR (PARTNER OF JAWAHAR BOOK CENTRE)

.....Petitioner

Through: Mr. Sachin Kumar Lohia, Adv.

versus

**JAWAHAR BOOK CENTRE AND ORS. (THROUGH ITS
PARTNERS)**

.....Respondent

Through: Mr. Singh, Adv. (Appearance not
given)

CORAM:

HON'BLE MR. JUSTICE JASMEET SINGH

ORDER

09.09.2025

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1. This is a petition filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 seeking appointment of an Arbitrator to adjudicate the disputes between the parties arising out of the Partnership Deed dated 01.04.1998.

2. The facts are that the petitioner, respondent No. 2 and respondent No. 3 were partners in a partnership firm namely, "Jawahar Book Centre" i.e. respondent No. 1 *vide* a Partnership Deed dated 01.04.1998.

3. The said Partnership Deed contains an arbitration clause being Clause No. 15, which reads as under:

"That in case of any dispute between the partners, with regards to any clause of this deed or books of accounts then Arbitrator(s) shall be appointed, the decision of the Arbitrators shall be final, conclusive and binding upon all the partners."



4. As per the petitioner, the petitioner was getting an amount of Rs. 30,000/- as his share of profit/ income from the said partnership firm, which the respondents stopped paying from April 2024.
5. Since, disputes arose between the parties, the petitioner invoked arbitration *vide* legal notice dated 20.08.2024 and thereafter, filed the present petition.
6. Mr. Singh, learned counsel for the respondent has handed over a reply in the Court today, which is taken on record.
7. He states that there is no clause in the said Partnership Deed which mandates that the petitioner will get Rs. 30,000/- per month as his share of profit/ income. Additionally, as per audited accounts of respondent No. 1, the firm is running into losses and hence, the petitioner is not entitled to any share of profit.
8. Furthermore, it is submitted that the petitioner has not raised any dispute which needs the Court to refer the parties to arbitration. It is further stated that it is the petitioner who has siphoned off funds from respondent No. 1 firm and is running a parallel shop under the name and style of “Sai Book Shop”.
9. I have heard learned counsel for the parties.
10. In the present case, the submissions made by Mr. Singh, learned counsel for the respondent are on the merits of the dispute. The fact whether the petitioner is entitled get Rs. 30,000/- per month, whether respondent No. 1 is incurring losses, whether it is the petitioner or respondent No. 2/ respondent No. 3 who have siphoned off funds of respondent No. 1 firm are all disputes on the merits which is beyond the purview of this Court and are disputes to be decided in the arbitration.
11. *Prima facie*, I am satisfied that there is a valid arbitration clause and there are disputes between the parties which need to be settled through



arbitration mechanism.

12. For the said reasons, the petition is allowed, with the following directions:

- i) Delhi International Arbitration Centre (DIAC) Delhi High Court, Sher Shah Road, New Delhi (hereinafter, referred to as the 'DIAC') will appoint an Arbitrator out of the Panel of the Advocates maintained by the DIAC.
- ii) The arbitration will be held under the aegis and rules of the Delhi International Arbitration Centre, Delhi High Court, Sher Shah Road, New Delhi (hereinafter, referred to as the 'DIAC').
- iii) The remuneration of the learned Arbitrator shall be in terms of DIAC (Administrative Cost and Arbitrators' Fees) Rules, 2018.
- iv) The learned Arbitrator is requested to furnish a declaration in terms of Section 12 of the Act prior to entering into the reference.
- v) It is made clear that all the rights and contentions of the parties, including as to the arbitrability of any of the claim, any other preliminary objection, as well as claims/counter-claims and merits of the dispute of either of the parties, are left open for adjudication by the learned Arbitrator.
- vi) The parties shall approach the learned Arbitrator within two weeks from today.

13. The present petition is disposed of accordingly.

JASMEET SINGH, J

SEPTEMBER 9, 2025/D