IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION

ARBITRATION PETITION NO.116 OF 2026

SATISH RAMCHANDRA SANGAR
Digitally signed by SATISH RAMCHANDRA SANGAR
Date: 2026.10.07 19:11:00 +0530

Mr.Kiran Khanderao Aradhye,]
Age : 45 Years, Occupation : Business,]
Partner of Shree Gajanan S.K.Developers]
LLP registered under the Limited Liability]
Partnership Act,2008,Residing at:Flat No.804,]
Artemis Co. Operative Hsg. Soc. Ltd.,]
Near Suncity, Anandnagar, Sinhagad Road,]
Pune.] ...**Petitioner**

Versus

Mr.Suhas Ramkumar Deshpande,]
Age : Adult, Occupation : Business,]
Residing at : Plot No.99/B, Nath Prangan,]
Opp. Janaki Hotel, Shivajinagar Road,]
Garkheda, Chhatrapati Sambhajinagar,]
431 001.] ...**Respondent**

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Mr.Purushottam G. Chavan a/w Ms.Anshu Gupta:-	Advocates for Petitioner.
Mr.Amit S. Deshpande:-	Advocate for Respondent.

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CORAM : S. M. MODAK, J.

DATE : 6th OCTOBER 2026

P. C. :-

1. Heard learned Advocate for Petitioner and learned Advocate for Respondent.

2. In the Petition filed under Section 11 of the Arbitration and

Conciliation Act, 1996, the issue involved is *"whether the dispute can be referred to Arbitration"*. This issue has arisen because the Respondent has taken an objection that the Petitioner by act of entering into the Development Agreement with the Society on 5th February 2025 has committed a criminal breach of trust and hence, the dispute cannot be referred to Arbitration. He placed reliance on the observations in case of ***Rajia Begum V/s. Barnali Mukherjee***.[1]

3. Whereas, according to learned Advocate for Petitioner, there is no criminal breach of trust and the Agreement dated 5th February 2025 is separate and different from the LLP Agreement dated 25th July 2022. It is his contention that there is **Arbitration clause No.38** in the said Agreement and as such, the dispute can be referred to the Arbitration.

4. **About execution of LLP Agreement dated 25th July 2022, there is no dispute**. The Petitioner and the Respondent are the partners and they have agreed to carry on business on construction in the name and style as *"Shree GajananSK Developers LLP"*. It is the case of the Petitioner that as per the said Agreement, a plot is purchased whereas the Respondent has not cooperated further and that is why, a dispute arose and he sent a notice dated 16th January 2026 to the Respondent.

1 2026 SCC OnLine 135

Paragraph No.38 of the said notice calls upon the Respondent to appoint a suitable Arbitrator for winding up of the LLP. There are two replies given by the Respondent. They are on Page Nos.33 and 35. They have raised dispute that the records of *Shree Gajanan SK Developers LLP* are in the custody of the Petitioner and the Respondent has demanded the copies. Admittedly, he has not raised any dispute about the Arbitration clause.

5. I have gone through the observations in ***Rajia Begum*** (cited supra). In that case, in one matter, Arbitrator was appointed, whereas in another matter in between the same parties, it was not appointed and that is how the matter reached the Supreme Court. The Supreme Court observed that:-

> *"12. ……mere allegation of fraud simpliciter may not be a ground to nullify the arbitration agreement between the parties, but where the court finds that there are serious allegations of fraud which make a case of criminal offence or where the allegations of fraud are so complicated, which need to be decided on the basis of voluminous evidence, the court can sidetrack the arbitration agreement and proceed with the suit…..".*

Finally, the dispute was not referred to Arbitration because there are serious allegations which goes to the root of the Arbitration Agreement.

6. These observations are not applicable to the present matter. The

reason is the Respondent is having a grievance about execution of separate Agreement dated 5th February 2025. It relates to the adjoining plot and both of them have decided to take that plot for development and the grievance is the Petitioner behind back of Respondent has entered into a separate Agreement to the prejudice of the Respondent. **Whether it is a criminal breach of trust cannot be decided in such a Petition**. In fact, the grievance of Respondent in that behalf can be raised before the Arbitrator also. There is no grievance that the Arbitration clause in LLP Agreement dated 25th July 2022 was incorporated by playing a fraud.

7. Hence, a case is made out for referring the dispute to Arbitrator. Consequently, following order:-

-: **O R D E R** :-

(I) Shri.R.V.Deshmukh (Retired District & Sessions Judge) is hereby appointed as a sole Arbitrator to adjudicate upon the disputes and differences between the parties arising out and in connection with the matter referred above.
Office address :- Flat No.59-1302, Future Towers, Amanora Part Town, Hadapsar, Pune – 411 028.
Contact No. :- 9423892389

(II) The place of arbitration shall be at Pune.

(III) A copy of this order will be communicated to the learned sole Arbitrator by the Advocates for the Petitioner within a

period of one week from the date of upload of this order. The Petitioner shall provide the contact and communication particulars of the parties to the Arbitral Tribunal along with copy of this order.

(IV) The learned sole Arbitrator is requested to forward the statutory Statement of Disclosure under Section 11(8) read with Section 12(1) of the Arbitration and Conciliation Act, 1996 to the parties within a period of two weeks from receipt of copy of this order.

(V) The parties shall appear before the learned sole Arbitrator on such date and at such place as indicated, to obtain appropriate directions with regard to conduct of the arbitration including fixing a schedule for pleadings, examination of witnesses, if any, schedule of hearings etc. At such meeting, the parties shall provide a valid and functional email address along with mobile and landline numbers of the respective Advocates of the parties to the Arbitral Tribunal. Communications to such email addresses shall constitute valid service of correspondence in connection with the arbitration.

(VI) All the charges to be borne equally subject to final Award and fees as per the Schedule.

8. **The Petition stands disposed of.**

[S. M. MODAK, J.]