

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION**

COMMERCIAL ARBITRATION APPLICATION NO. 223 OF 2025

Tata Capital Ltd.

.....APPLICANT

: VERSUS :

Single Cycle and Motor Company
Pvt. Ltd. & Ors.

....RESPONDENTS

Mr. Rohan Savant with Ms. Kalyani Deshmukh i/b. FZB & Associates, for the Applicant.

Mr. Ashwin Shete i/b. Jayakar and Partners, for Respondent Nos.6 and 7.

CORAM : SANDEEP V. MARNE, J.

DATED : 5 FEBRUARY, 2026.

P.C. :

1) This is an application filed under Section 11 of the Arbitration and Conciliation Act, 1996 (**Arbitration Act**) for appointment of arbitrator for adjudication of disputes and differences between the parties arising out of Channel Finance Agreement and Letter of Guarantee dated 11 June 2018.

2) I have heard Mr. Savant, the learned counsel appearing for the Applicant and Mr. Shete, the learned counsel appearing for

Respondent Nos.6 and 7. Respondent Nos.1 to 5 have been duly served in pursuance of order dated 24 March 2025. Affidavits of service are taken on record. However, none appears on behalf of Respondent Nos.1 to 5.

3) While there is no dispute about existence of arbitration agreement in Channel Finance Agreement, as well as, in the Letter of Guarantee dated 11 June 2018, Mr. Shete, raises objection to constitution of Arbitral Tribunal qua Respondent Nos.6 and 7. He submits that Respondent Nos.6 and 7 are daughters of late Palinder Singh Bedi who was the partner of Respondent No.2-Firm. He relies on judgment of the Apex Court in **Annapurna B. Uppin & Ors. Versus. Malsiddappa and Anr.**¹ in support of his contention that legal heirs of deceased partner do not become liable in respect of the liability of the firm upon death of a partner. As of now, this Court is not deciding the issue of liability of Respondent Nos.6 and 7 to repay the loans granted to the company through Channel Finance Agreement and Letter of Guarantee dated 11 June 2018. As of now, the limited issue that needs to be decided is with regard to existence of arbitration agreement between the parties.

4) Mr. Savant, the learned counsel appearing for the Applicant relies on judgment of the Apex Court in **Rahul Verma and Ors. Versus. Rampat Lal Verma and Ors.**² in support of his contention that arbitration agreement does not cease to exist on the death of any party and that arbitration agreement can be enforced by or against the legal representative of the deceased. Ordinarily, when a partner of the firm

1 (2024) 8 SCC 700

2 2025 SCC OnLine SC 578

dies, his/her legal heirs are not precluded from instituting legal action to claim share in the assets of the firm even after death of the partner. If there is arbitration agreement in the Partnership Deed, mere death of a partner does not prevent his legal heirs from seeking relief of rendition of accounts and recovery of share of the deceased partner by invoking arbitration. Thus, the rights of deceased partner do not come to an end merely upon his death. Conversely, the liabilities of the deceased partner towards the firm can be adjudicated against the legal heirs upon his death through arbitration. So far as arbitration agreement is concerned, there is no dispute to the position that in his capacity as partner of Respondent No.2, Mr. Palinder Singh Bedi was party to the arbitration agreement. As held by the Apex Court in *Rahul Verma* and in *Ravi Prakash Goel V. Chandra Prakash Goel and Anr.*³ the arbitration agreement would not cease to exist on death of late Mr. Palinder Singh Bedi and the same can be enforced against Respondent Nos.6 and 7. I am therefore satisfied that there exists arbitration agreement between the Petitioners and Respondent Nos.6 and 7. The objection raised by Mr. Shah is accordingly repelled.

5) So far as Respondent Nos.1 to 5 are concerned, Respondent No.1-Company is the borrower. The loans advanced to Respondent No.1-Company is guaranteed by Respondent No.2-Firm and by Respondent No.3. Respondent Nos.2 to 5 are partners of Second Respondent-firm in addition to late Mr. Palinder Singh Bedi. There is arbitration clause both in Channel Finance Agreement, as well as in the Letter of Guarantee dated 11 June 2018.

³ (2008) 13 SCC 667

6) I am therefore satisfied that there exists arbitration agreement between the Applicant and all the Respondents. In that view of the matter, Arbitral Tribunal can be constituted for adjudication of disputes and differences between the parties. Accordingly, I proceed to pass the following order :

(A) **Ms. Gulnar A. Mistry**, an Advocate of this Court is appointed as sole Arbitrator to adjudicate upon the disputes and differences between the parties. The contact details of the Arbitrator are as under :

Office Address :- 101,1st Floor, 1 Infinity (formerly known as Ramnimi Fort), Cawasji Patel Street, Mumbai-400 001.

Email ID :- gm@mistrychambers.com

Mobile No.:- 98207 76272

(B) A copy of this order be communicated to the learned sole Arbitrator by the Advocate for the Applicant within a period of one week from the date of uploading of this order. The Applicant shall provide the contact and communication particulars of the parties to the Arbitral Tribunal alongwith a copy of this order.

(C) The learned sole Arbitrator is requested to forward the statutory Statement of Disclosure under Section 11(8) read with Section 12(1) of the Act to the parties within a period of 2 weeks from receipt of a copy of this order.

(D) The parties shall appear before the learned sole Arbitrator on such date and at such place as indicated by her, to obtain appropriate direction with regard to conduct of the arbitration including fixing a schedule for pleadings, examination of witnesses, if any, schedule of hearings etc.

(E) The fees of the sole Arbitrator shall be as prescribed under the Bombay High Court (Fee Payable to Arbitrators) Rules, 2018 and the arbitral costs and fees of the Arbitrator shall be borne by the parties in equal portion and shall be subject to the final Award that may be passed by the Tribunal.

7) All rights and contentions of the parties are expressly kept open to be raised before the Arbitral Tribunal. With the above directions, the Commercial Arbitration Application is **disposed of**.

[SANDEEP V. MARNE, J.]

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signed by
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SHAILESH
SAWANT
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