

**IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD**

**FRIDAY, THE EIGHTH DAY OF NOVEMBER
TWO THOUSAND AND TWENTY FOUR**

PRESENT

THE HONOURABLE THE CHIEF JUSTICE ALOK ARADHE

ARBITRATION APPLICATION NO: 242 OF 2024

Between:

1. Mr. Vijay Kumar Shah, S/o. Shri Damji Shah, Age. About 66 years, Occ. Business, R/o. 3-6-305/46-47, New Avanti Nagar Colony, Basheerbagh, Hyderabad-500029
2. Mr. Rachit Shah, S/o. Mr. Vijay Kumar Shah, Age. About 41 years, Occ. Business, R/o. 3-6-305/46-47, New Avanti Nagar Colony, Basheerbagh, Hyderabad-500029
3. Mr. Vishanji Shah, S/o. Shri Bhavanji Shah, Age. About 80 years, Occ. Business, R/o. Flat No.405, Kanchanjunga complex, King Koti, Hyderabad-500029 Present R/o. 8-2-684/2 G-4, Rock Levelz, Gulmohar Avenue, Road No. 12, Banjara Hills, Hyderabad-500 034.

...Applicants

AND

Mr. Milind Shah, S/o. Shri Shashikant Shah, Age. About 44 years, Occ. Business, R/o. Flat No.2G, Subhodaya Apartment, Boggulakunta, Hyderabad Present R/o. H.No. 3-6-305/85 New Avanti Nagar Colony, Basheerbagh, Hyderabad-500029

...Respondent

Arbitration Application filed under Section 11(6) of the Arbitration and Conciliation Act, praying that his Hon'ble Court may be pleased to

- a. Appoint any retired High Court Judge or any other person as this Honourable Court may deem fit as Sole Arbitrator under Section 11 of the Arbitration and Conciliation Act, 1996 to adjudicate upon the disputes that have arisen between the Applicants and the Respondents under the said partnership deed dated 31/12/2001.
- b. Award the costs of the present application in favour of the Applicants.

**Counsel for Applicants : Sri Srinivas Chakravarthy representing
Ms. Bethamacharla Sai Haritha**

**Counsel for the Respondent : Sri K. Raghava Ramana, representing
Ms. L. Soumya**

The Court made the following: ORDER

THE HON'BLE THE CHIEF JUSTICE ALOK ARADHE

ARBITRATION APPLICATION No.242 of 2024

ORDER:

Mr. Srinivas Chakravarthy, learned counsel representing Ms. Bethamacharla Sai Haritha, learned counsel for the applicants.

Mr. K.Raghava Ramana, learned counsel representing Ms. L.Soumya, learned counsel for the respondent.

2. This application is filed under Section 11(6) of the Arbitration and Conciliation Act, 1996 (hereinafter referred to as "the Act"). The applicants seek appointment of an arbitrator to resolve the dispute between the parties.

3. The parties have entered into Partnership Deed dated 31.12.2001. Clause 16 thereof contains an arbitration clause and the same is extracted below for the facility of reference:

"16. All questions, doubts, or disputes between the partners in respect of the partnership or regarding the

interpretation or enforcement of this deed shall be referred to the arbitration of a person agreed to by the disputing parties and on failure of such agreement to a panel of arbitrators upon which each disputing party nominates one arbitrator. The decision of the arbitrators shall be final and binding on all parties.”

4. In a proceeding under Section 11(6) of the Arbitration Act, this Court has to satisfy itself whether underlying contract contains an arbitration agreement which provides for arbitration pertaining to disputes which have arisen between the parties. It is pertinent to note that the respondent has not disputed the execution of the Partnership Deed dated 31.12.2001 which contains an arbitration clause. It is trite law that an arbitration clause which forms part of the contract shall be treated as an agreement independent of other terms of contract and the arbitration clause survives notwithstanding expiry of the agreement (see **Reva Electric Car Company Private Limited vs. Freen Mobil**¹, **A.Ayyasamy vs. A.Paramasivam**² and **Vidya Drolia vs. Durga Trading Corporation**³).

¹ (2012) 2 SCC 93

² (2016) 10 SCC 386

³ (2021) 2 SCC 1

5. In the instant case, the applicants invoked the arbitration clause and sent a notice under Section 21 of the Act dated 24.06.2024 to the respondent and the respondent filed a reply on 22.07.2024.

6. The dispute that has arisen between the parties needs to be resolved in the manner agreed to by the parties under Partnership Deed dated 31.12.2001.

7. Learned counsel for the parties jointly submit that any Former Judge of this Court be appointed as sole Arbitrator to adjudicate the dispute between the parties.

8. In view of aforesaid submission and taking into account the fact that admittedly an agreement namely Partnership Deed dated 31.12.2001 exists between the parties, which has an arbitration clause, Mr. Justice A.Venkateswara Reddy, a former Judge of this Court (resident of Nitish Castel, Flat No.502, Narasimhapuri Colony, besides Sai Sanjeevani Hospital, Kothapet, Hyderabad; Mobile No.8143517740) is appointed as sole

arbitrator to adjudicate the dispute between the parties. The parties shall appear before the Arbitrator along with a copy of this order. Thereupon, the sole arbitrator shall proceed with the arbitral proceedings in accordance with law.

9. Accordingly, the Arbitration Application is allowed.

Miscellaneous applications pending, if any, shall stand closed. However, there shall be no order as to costs.

Sd/- M. VIJAYA BHASKER
JOINT REGISTRAR

//TRUE COPY//


SECTION OFFICER

To,

1. Mr. Justice A. Venkateswara Reddy, former Judge of Telangana High Court, (resident of Nitish Castel, Flat No. 502, Narasimhapuri Colony, besides Sai Sanjeevani Hospital, Kothapet, Hyderabad; Mobile No. 814351770) (By Special messenger) (along with a copy of affidavit and material papers)
2. One CC to Ms. Bethamacharla Sai Haritha Advocate [OPUC]
3. One CC to Ms. L. Soumya, Advocate [OPUC]
4. Two CD Copies

Njb/gh



HIGH COURT

DATED:08/11/2024



ORDER

ARBAPPL.No.242 of 2024

ALLOWING THE ARBITRATION APPLICATION

⑥
14/11/24
law