2026:CGHC:12557

NAFR

HIGH COURT OF CHHATTISGARH AT BILASPUR

ARBR No. 55 of 2025

Vinay Jain, S/o Ramesh Chandra Jain, Aged About 42 Years, R/o B-302, Lal Ganga Regalia, Amrapali Society, Pachpedi Naka, Raipur, Chhattisgarh 492001

... Applicant

versus

1. M/s G M Sanman Associates Through Authorized Signatory, Registered Office- Maula Bux Building, 7 Gandhi Chowk Road, Lalta Chowk, District Satna, Madhya Pradesh, 485001, Mob. No. 8225971571, 9425172951., Other Address GMS City Center, Virat Nagar, Panna Road, Satna, Madhya Pradesh 485001.,
2. Vinay Kumar Goel S/o Shri Vinod Kumar Goel Aged About 37 Years R/o Mansarovar, Haryana Dal Mill Compound, Kamta Tola, Raghuraj Nagar, Distt. Satna, Madhya Pradesh.
3. Shrey Goel S/o Shri Subodh Goel Aged About 34 Years Mansarovar, Haryana Dal Mill Compound, Kamta Tola, Raghuraj Nagar, District Satna, Madhya Pradesh, 485001, Madhya Pradesh
4. Aruna Devi Goel W/o Shri Vinod Kumar Goel Aged About 60 Years Mansarovar, Haryana Dal Mill Compound, Kamta Tola, Raghuraj Nagar, District Satna, Madhya Pradesh, 485001, Madhya Pradesh,
5. Uma Goel W/o Shri Subodh Goel Aged About 57 Years Mansarovar, Haryana Dal Mill Compound, Kamta Tola, Raghuraj Nagar, District Satna, Madhya Pradesh, 485001,

6. Savita Goel W/o Shri Bajrang Lal Goel Aged About 52 Years Mansarovar, Haryana Dal Mill Compound, Kamta Tola, Raghuraj Nagar, District Satna, Madhya Pradesh, 485001,
7. Jitendra Jain S/o Shri Santosh Singh Jain Aged About 70 Years 18A, Shrinagar, Indore, Madhya Pradesh- 452001,
8. Sandeep Jain S/o Shri Jitendra Jain Aged About 52 Years 18A, Shrinagar, Indore, Madhya Pradesh- 452001,
9. Sachit Jain S/o Shri Jitendra Jain Aged About 50 Years 18A, Shrinagar, Indore, Madhya Pradesh- 452001, Other Add.- 5th Floor, 17 Empire House S.V. Road, Vile Parle (W), Irla, Mumbai, Maharashtra 400057,
10. Vikas Bohra S/o Shri Jethamal Bohra Aged About 40 Years M/s Sumit Bazaar, Jai Stambh Chowk, Rajnandgaown, C.G.- 491441, Chhattisgarh
11. Vinod Bohra S/o Shri Jethamal Bohra Aged About 46 Years M/s Sumit Bazaar, Jai Stambh Chowk, Rajnandgaown, C.G.- 491441, Chhattisgarh
12. Rahul Bohra S/o Shri Jethamal Bohra Aged About 36 Years M/s Sumit Bazaar, Jai Stambh Chowk, Rajnandgaown, C.G.- 491441, Chhattisgarh

... Respondents

For Applicant	**:** Mr. Vivek Chopda, Advocate.
For Respondents	**:** Mr. Siddharth Shukla, Advocate.

Hon'ble Mr. Ramesh Sinha, Chief Justice

Order on Board

16.03.2026

1. This is an application under Section 11(6) of the Arbitration and Conciliation Act, 1996 for appointment of an Arbitrator.

2. The facts, in brief, as projected by the applicant are that a Partnership firm in the name and style of M/s GM Sanman Associate was established as between the applicant and the respondents herein, inter se on 18.02.2014, by way of a registered deed of partnership for carrying out the Business of Entertainment business, to build and run Shopping Malls, Hypermarkets,

Multiple food zones, Restaurants, and Hotels, etc., and also to purchase and sale land, development of residential and commercial properties, construction of flats and blocks of flats and all kinds of real estate development businesses. Said deed of partnership was registered by the partners with the Registrar of Firms and Societies Rewa on 15.05.2014 and a certificate towards such acceptance of registration was granted to the partnership for respondent No.1 on 15.05.2014 and the registration number granted to the said firm was 05/26/01/00021/14 year 2014-2015. The share of the partners has been decided under the partnership deed, under Clause 4, which clearly stipulates that the applicant was 10% shareholder of the partnership firm in the profit and loss of the business of the partnership firm. From a bare perusal of the clause 5 partnership deed, it is also specifically mentioned and agreed that the capital introduced by the partners, which is standing in their names in the Books of Accounts, shall carry interest at the rate of 12% per annum or at any other rate, as maybe mutually agreed upon subject to the provision of Section 40(b)(iv) of the Income Tax Act, 1961 and the interest shall be credited in the partner's account on the date of closing of accounts. Apart from the above, the parties to the partnership were also liable to receive or draw salary or remuneration in the proportion provided under clause 6 of the partnership deed, wherein the share of the applicant has been duly and clearly stated to be 10%. The duration of the partnership was at will and is also subject to one month's notice in writing from any partner to the others of his intention to retire. Apart from the above, there were other various clauses under the partnership deed dated 18.02.2014 based upon which the parties hereto have invested huge amount of money, by way of capital, in the partnership firm and has started business of the nature as specified under clause 2 of the partnership deed. In the initial years from 2014 to 2017, the partnership firm could only acquire properties over which such business could be carried out and in acquisition of such properties, the applicant herein has played an active and considerable role in the transactions for such purchase. The applicant herein has purchased the following properties for and on behalf of Respondent No.1 partnership firm M/s GM Sanman Associates, situated at Mouja, Amodha Kala Ward No.1, Tehsil- Raghurajnagar, Circle- Sohawal, District -Satna, Block-Sohawal, Madhya Pradesh.

S.No.	Description of property with address	Total Area	The amount in which it was purchased	Date of purchase
1.	627/1/ख, 628/2 ख, 628/3/ख Virat Nagar, Panna Road, Satna (M.P.)	0.113 Hectare	Rs.38,00,000/-	12.03.2014
2.	627/1/ग, 628/3/ Virat Nagar, Panna Road, Satna (M.P.)	0.224 Hectare	Rs.75,00,000/-	12.03.2014

3. Mr. Vivek Chopda, learned counsel for the applicant submits that for the smooth functioning of the business, the partners herein have also opened a bank account with the Allahabad bank Allahabad bank, SME Branch, Satna (M.P.) and has been granted the current account number as 50199021408, IFSC Code – ALLA0211958. Till the year of 2017, the respondents herein have been providing the applicant with the audited accounts of the partnership firm and has been kept completely informed, regarding the transactions, carried on by the partnership firm. However, thereafter suddenly, from the year 2017 onwards, have not provided the applicant with the account statement of the partnership firm. It is submitted that post 2017 only, the business of the partnership firm has started yielding profits and as the applicant is the resident of Raipur and therefore, after establishment of the assets of the partnership firm, the applicant could not look after each and every transaction of the partnership firm, due to his preoccupations with family and other matters. Yet, the applicant has been asking from the Respondent, (the remaining partners), the books of accounts and the audited balance sheets and his share of profits and remuneration etc in the partnership firm since the year 2017, however, the respondents have failed to reply to the applicant regarding such books of accounts. In the meanwhile, the applicant being suspicious of the acts of respondents has on 03.07.2019 through one of his associate has filed an application under RTI seeking the information regarding. For the smooth functioning of the business, the partners herein have also opened a bank account with the Allahabad bank Allahabad bank, SME Branch, Satna (M.P.) and has been granted the current account number as 50199021408, FSC Code ALLA0211958. Till the year of 2017, the respondents herein have been providing the applicant with the audited accounts of the partnership firm and has been kept completely informed, regarding the transactions, carried on by the partnership firm. However, thereafter suddenly, from the year 2017 onwards, have not provided the applicant with the account statement of the partnership firm. It is submitted that post 2017 only, the business of the partnership firm has started yielding profits and as the applicant is the resident of Raipur and therefore, after establishment of the assets of the partnership firm, the applicant could not look after each and every transaction of the partnership firm, due to his preoccupations with family and other matters. It is submitted that, yet the applicant has been asking from the Respondent, (the remaining partners), the books of accounts and the audited balance sheets and his share of profits and remuneration etc in the partnership firm since the year 2017, however, the respondents have failed to reply to the applicant regarding such books of accounts. In the meanwhile, the applicant being suspicious of the acts of respondents has on 03.07.2019 through one of his associate has filed an application under RTI seeking the information regarding for the smooth functioning of the business, the partners herein have also opened a bank account with the Allahabad bank Allahabad bank, SME Branch, Satna (M.P.) and has been granted the current account number as 50199021408, IFSC Code ALLA0211958. Till the year of 2017, the respondents herein have been providing the applicant with the audited accounts of the partnership firm and has been kept completely informed, regarding the transactions, carried on by the partnership firm. However, thereafter suddenly, from the year 2017 onwards, have not provided the applicant with the account statement of the partnership firm. It is submitted that post 2017 only, the business of the partnership firm has started yielding profits and as the applicant is the resident of Raipur and therefore, after establishment of the assets of the partnership firm, the applicant could not look after each and every transaction of the partnership firm, due to his preoccupations with family and other matters. Yet the applicant has been asking from the respondent, (the remaining partners), the books of accounts and the audited balance sheets and his share of profits and remuneration etc in the partnership firm since the year 2017, however, the respondents have failed to reply to the applicant regarding such books of accounts. In the meanwhile, the applicant being suspicious of the acts of respondents has on 03.07.2019 through one of his associate has filed an application under RTI seeking the information regarding the partnership firm and the partners therein. In reply to the said RTI of the applicant, on 03.07.2019 wherein the applicant has been provided with the same partnership deed dated 18.02.2014 wherein the name of the applicant finds place at Serial No.9. Thereafter, when no response was received from the respondents, the applicant herein has through his advocate, sent a notice dated 27.11.2019 to the respondents, demanding the accounts for the financial year 2016-17 to 2018-19, as also, the bank account for the said period along with the details of the capital of the applicant in the partnership firm and the profits earned by the business. Thereafter, on 05.12.2019 a reply was given by the respondent through their advocate, and the averments made in the legal notice sent by the applicant was denied in toto and surprisingly, an allegation, and to the utter surprise of the applicant, it has been informed by the counsel of the respondents that the applicant has retired from the partnership firm with effect from 20.03.2015 and as such, all the rights and liabilities of the applicant stood extinguished from the said date in respect of all the affairs of the partnership firm. From the bare perusal of the afore-stated notice sent by the applicant and the reply received by the counsel of the respondent, it is evident that, the respondents are clearly denying the applicant his lawful rights to obtaining the accounts of the partnership firm to receive the profit and loss of the partnership firm to the extent of his share illegally.

4. Mr. Chopda further submits that on receipt of such an information from the counsel of respondent, the counsel for the respondent No. 1,2,3 and 4 only however, the rest of the partners of the partnership firm chose not to respond to the same. On receipt of such a shocking information, regarding the applicant's resignation, which apparently the applicant has never made, the applicant has sought for information from the Registrar of partnership firm under the Right to Information Act by filing an application dated 03.06.2020 in as much as prior to that, the COVID 19 has struck the entire country and the world. Based upon the application made by the applicant through his associate, the information was provided by the Registrar of firms, on 10.07.2020, wherein the applicant could have been provided another deed partnership dated 01.12.2017. A bare perusal of the said partnership deed would reveal to this Court that, while removing the name of the applicant from the list of partners, it has been mentioned in the said partnership deed that the applicant and one Mr. Vikas Bohra have expressed their desire to retire from the partnership firm with effect from 01.12.2017 which has been accepted by the continuing partners, and accordingly, the retiring partners have retired from the firm with effect from 01.12.2017, and remaining eight partners have decided to continue the business of the partnership firm under the name and style of M/s GM Sanman associates with introduction of two new partners 1. Shri Vinod Kumar Bohra and 2. Rahul Bohra, who are none other than real brothers of Mr. Vikas Bohra. Here it would be just and proper to submit that in the earlier notice issued to the applicant, it has been informed by the counsel for the respondents that the applicant stood retired with effect from 20.03.2015. However, to the contrary from the other deed which has been made on 01.12.2017, it is evident that the applicant is said to have retired with effect from 01.12.2017 which in itself clearly establishes the fraud committed by the respondent. It is submitted that, till date, the applicant has never given any information to any of the partners of the partnership firm with respect to his intention to retire from the partnership firm. It is submitted that an illegal and arbitrary action has been initiated and taken by the respondents herein for illegally retiring the applicant from the partnership firm while using the capital of the applicant, which has been submitted by him at the time of entering of the partnership firm on the partnership deed dated 18.02.2014. It is submitted that, the fraudulent act of the respondents herein is also deducible from the email which has been sent by the respondent till the year 2017, not only for opening of the account of the partnership firm, but also the sharing of the accounts of the partnership firm till the year 2017, one such email being the 29.11.2017 where in the CA of the applicant sought for the information, viz the documents relating to the financial year 2015-16, 2016-17 for filing of income tax return that is the copy of IT act, computation of total income balance sheet of partners' capital account and the partnership deed. It is submitted that in reply to the said email, the CA of the partnership firm has duly sent the said document, confirming the accounts of the applicant and his capital statement till the year 2017. Thereafter, the applicant herein has made fervent request to the respondents for giving him the total details of the audited account from the respondents, time and again. Thereafter, the applicant has also made a complaint to the registrar of firms, vide complaint dated 15.07.2020 and, to the police authorities on 24.02.2020. Thereafter, the applicant has also made request to one of the partners that is the Respondent No.2 i.e., Vinay Kumar Goel for giving him the complete audit report of the partnership from the year 2016-17 to 2017-18 and the status report of the ongoing project that is GMS City Centre Mall Satna. Thereafter, the applicant herein has time and again made request to the respondents for providing the details of the accounts of the partnership firm and regarding the properties of the partnership firm, however, no response was received from the respondents to the applicant, and therefore, the applicant has yet again made a complaint to the police authorities on 17.08.2020. Thereafter, yet again on 01.03.2024, the applicant herein has made a police complaint, however, the same has also fetched no results. From a bare perusal of the afore-stated facts relating to the partnership firm, it is more than evident that firstly, the applicant has not retired from the partnership firm and secondly, that the applicant has not been provided with the accounts of the partnership firm since the year 2017-18, till date. Thirdly, the applicant still is a partner in the partnership firm in as much as there is no final settlement of the accounts, even if for the sake of argument only though not admitting the applicant is treated as an outgoing partner since the year 2017 as no payments whatsoever has been made by the respondents to the applicant in such final settlement of the accounts. At this stage, the applicant provides the audited accounts of the partnership from the year 2014-15 to year 2016-17. From the bare perusal of the audited accounts, as has been disclosed by the partnership firm to the applicant in the year 2016 the capital account of the applicant clearly shows that an amount of Rs. 14,40,404/-has been duly invested by the applicant, which has not been returned by the respondents to the applicant till date, neither any of the covenants as prescribed under the partnership deed of the year 2014 has been followed by the respondents. A bare perusal of the income tax return, as has been filed of the partnership firm in the year 2016-2017, it is evident that till the year 2016-17, there was no business which was carried out and only investments which were made and as such, zero income tax return has been filed. From the above factual narration, it is evidently clear that the applicant has still not retired from the partnership firm, and as such, is entitled for the entire account of the partnership firm in as much as the cause of action for the applicant is a continuing one as the capital of the applicant has been kept by the respondents and is being utilized by them for the business of the partnership firm, for the day to day business of the partnership firm and therefore, in terms of the partnership Act 1932, the applicant is entitled to all the reliefs as a partner.

5. Mr. Chopda further submits that the applicant herein has deprived of his share which as on date would be around 6.5 crores in as much as the value of the property purchased by the applicant for the partnership firm has increased multi fold and out of the said land the partnership firm has constructed a shopping mall which is named and styled as G.M.S City Centre in which various shops have been given on rent by the partnership firm to various brands and individuals and companies etc. from which rental income to the tune of approximately of Rs. 60,00,000/- per month is being derived at by the partnership firm and as such the applicant's share over the said amount being 10% would come to Rs. 6,00,000/- per month and therefore, for the period from 2018 till 2025, is the profit generated out of the business of the partnership firm as if the said value was taken from the year 2020 onwards then an amount of Rs. 3,60,00,000/- comes as the profit share of the applicant in the partnership firm and apart from the profit share the applicant is also entitled to receive his capital share which in terms of the lands purchased and the malls constructed over the same has now come to Rs. 50-60 Cr. (Government value) and as such the applicant's share being 10% of the same comes to Rs.6,00,00,000/- and therefore, at present in absence of the audited accounts of the partnership firm the applicant values his claim for an amount of Rs. 8,60,00,000 exclusive of interest and further the applicant claims an amount of Rs.1,00,00,000/- towards damages of depriving the applicant from the works of the partnership firm since the year 2020 onwards and therefore at present the total amount claimed by the applicant is of Rs. 9,60,00,000/- exclusive of interest. 30. It is submitted that owing to the Respondents' continued refusal to render accounts, disclose financial records, or comply with the obligations under the Partnership Deed dated 18.02.2014, the applicant was constrained to invoke the arbitration clause contained in Clause 18 of the said partnership deed. In furtherance thereof, the Applicant issued a notice dated 14.07.2025, invoking arbitration under Section 21 of the Arbitration and Conciliation Act, 1996. However, the Respondents have categorically denied the applicant's right to invoke arbitration or to unilaterally appoint an arbitrator. The respondents have also failed to provide audited balance sheets or financial documents of the partnership firm for any financial year, thereby frustrating the Applicant's ability to enforce his legal rights.

6. The continued and willful breach of the terms and conditions of the Partnership Deed by the respondents has given rise to a clear and subsisting dispute between the parties, falling squarely within the ambit of the Arbitration Agreement contained in Clause 18 of the Partnership Deed dated

18.02.2014. Hence, for the kind consideration of this Hon'ble Court, the relevant arbitration clause is stated hereinbelow:

> "Clause 18- That, if any dispute shall arise between the parties in respect of interpretation, enforcement or operation of any of the terms and condition of this deed in respect of anything, cause or a matter connected with this deed, but not herein otherwise provided for the same shall be referred for adjudication to the arbitration of one person mutually appointed whose decision shall be final and binding on all the parties."

7. Despite the applicant's issuance of notice dated 14.07.2025, calling upon the respondents to take necessary steps for the nomination and appointment of an Arbitrator in terms of Clause 18 of the Partnership Deed dated 18.02.2014, the respondents, through their reply dated 24.07.2025, have categorically refused to comply with the said request. Consequently, the applicant has been left with no efficacious remedy but to invoke the jurisdiction of this Court under Section 11(6) of the Arbitration and Conciliation Act, 1996, for appointment of an Arbitrator to adjudicate the disputes arising between the parties. In view of the subsisting disputes and the respondents' failure to act upon the Applicant's earnest requests made vide legal notices dated 01.05.2024 and 14.07.2025, the applicant hereby nominates Hon'ble Justice (Retd.) Shri G. Minhajuddin as the Sole Arbitrator to adjudicate upon the said disputes. Accordingly, the applicant respectfully files the instant application seeking appropriate reliefs. The applicant has come to know that the respondents are not only indulged into buying and selling off the properties in the name and style of the partnership firm that is, respondent No.1 without there being any concession or agreement made by the applicant and as such all the acts which are being done by the partnership and the respondents herein thus an application under section 9 has been preferred by the applicant on 10.09.2025 before the Commercial Court at Naya Raipur registered as Arbitration MJC No. 41 of 2025 which is pending consideration before the said Court and notices have been issued to the respondents. The cause of action for filling of the instant application is a continuous one and for the first time the same arose when the first notice demanding the accounts of the partnership firm has been raised by the applicant on 27.11.2019 thereafter, on 10.07.2020 when the information were provided to the applicant by the registrar of firms and thereafter, on 15.07.2020 when the applicant made complaint to the registrar and the police authorities on 24.02.2020 yet again the cause of action arose in favour of the applicant on 17.08.2020 when no steps were taken by the police authorities. The applicant has yet again made the complaint further on 01.03.2024 and yet again the thirdly, police complaint has been made by the applicant and thereafter, the cause of action further arose when the applicant herein has given a notice by himself to the respondent on 14.07.2025 and on the subsequent denial of the same by the respondent on 24.07.2025. 36. It is submitted that the applicant is a resident of Raipur, Chhattisgarh and the Partnership Deed dated 18.02.2014 does not specify any exclusive jurisdiction or seat of arbitration in its arbitration clause. In the absence of any such stipulation, and considering that the cause of action has arisen in part at Raipur and the applicant resides and carries on business within the jurisdiction of this Court, it is respectfully submitted that this Court has the exclusive jurisdiction to entertain and adjudicate the present application under Section 11(6) of the Arbitration and Conciliation Act, 1996.

8. Mr. Siddharth Shukla, learned counsel appearing for the respondents, opposes this arbitration request application, however, he submits that the respondents will have no objection if any Arbitrator is appointed by this Hon’ble Court for resolving the dispute that has arisen between the parties.

9. I have heard learned counsel appearing for the parties, perused the pleadings and documents appended thereto.

10. A query was put to learned counsel appearing for the parties as to whether they are agreeable for a common name who can be appointed as Arbitrator, learned counsel for the parties submitted that they would have no objection if any retired Judge of this High Court is appointed as the Sole Arbitrator. They further submit that Hon'ble Mr. Justice Deepak KumarTiwari, who is a retired Judge of this High Court may be appointed as the Sole Arbitrator.

11. In view of the above consensus between the learned counsel for the parties, **Hon'ble Mr. Deepak Kumar Tiwari** a retired Judge of this High Court is appointed to act as the Sole Arbitrator to resolve the dispute involved in this arbitration request between the parties.

12. The Registry is directed to communicate this order to Hon'ble Mr. Justice Deepak Kumar Tiwari in the proper address.

13. The remuneration of the Arbitrator shall be settled with the mutual consent of the parties.

14. The arbitration request petition, accordingly, stands **allowed**.

Sd/-
(Ramesh Sinha)
Chief Justice

Preeti