IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD

FRIDAY, THE FOURTEENTH DAY OF AUGUST
TWO THOUSAND AND TWENTY SIX

PRESENT

THE HONOURABLE THE CHIEF JUSTICE APARESH KUMAR SINGH

ARBITRATION APPLICATION NO: 259 OF 2025

Between:

1. A.M.Emanuel, S/o. Late L.W.Emanuel, Aged about 67 Years, Occ: Business, R/o. 212 Villa BomJesu, Mud Fort, Secundrabad - 500003
2. Ashish L W Emanuel, S/o. A.M.Emanuel Aged about 36 Years, Occ: Business, R/o. 212 Villa BomJesu, Mud Fort, Secundrabad - 500003
3. Building Solutions & Co., A partnership firm registered under the provisions of the Indian Partnership Act, 1932, Having its Principal Place of Business at 222B, San Marina House, West Maredpally, Secundrabad - 500026 Represented by its Partner A.M.Emanuel, S/o. Late L.W.Emanuel, Aged about 67 Years, Occ: Business , R/o. 212 Villa BomJesu, Mud Fort, Seclindrabad - 500003

...Applicants

AND

Vinay Palaparthy, S/o. Sanjeev Rao Vijay Kumar Palaparthy, Aged about 52 Years, R/o. No.36, Srirama Rathna Nilaya, Pattandur Agrahara, Bangalore North Taluk, Karnataka - 560 066
Also at. Flat No. 203, 2nd and 3rd Floor, North Block, Jayabheri Whistling Court, Jayabheri Pine Valley, Gachibowli, Serilingampaly, K.V. Rangareddy - 500032
Also At. Flat No. 202, 3rd Floor, Megasri Shoba Apartments, No. 74, Kavuri hills, Phase - 2, CBI Colony, Madhapur, Hyderabad, Telangana - 500033

...Respondent

Arbitration Application filed Under Section 11(6) of the Arbitration and Conciliation Act, 1996 R/w Scheme for appointment of Arbitrators, 2000 praying that in the circumstances stated in accompanying affidavit the High Court may be pleased to appoint an independent and impartial Arbitrator under Section 11(6) of the Arbitration and Conciliation Act, 1996 to adjudicate all the disputes between the

Applicants and the Respondent herein arising out of the Reconstitution of Partnership Deed dated 18-06-2018.

Counsel for the Petitioners: Sri M Naga Deepak

Counsel for the Respondent : Sri Vikram Pooserla, Senior Counsel representing Ms Manasvi Reddy Jakka

The Court made the following: ORDER

IN THE HIGH COURT FOR THE STATE OF TELANGANA AT HYDERABAD

HONOURABLE THE CHIEF JUSTICE SRI APARESH KUMAR SINGH

ARBITRATION APPLICATION No.259 of 2025

DATED: 14.08.2026

Between:

A.M. Emanuel and two others.

... Applicants

AND

Vinay Palaparthy

... Respondent

ORDER:

Mr. M. Naga Deepak, learned counsel for the applicants.

Mr. Vikram Pooserla, learned Senior Counsel represents Ms. Manasvi Reddy Jakka, learned counsel for the respondent.

2. Applicants invoked the jurisdiction of this Court under Section 11(6) of the Arbitration and Conciliation Act, 1996 (for short, "the Act") with the prayer for appointment of an independent arbitrator for adjudication of the dispute arising in connection with the Reconstituted Partnership Deed, dated 18.06.2018 which provides for an arbitration clause.

3. Learned counsel for the applicants contends that the Reconstitution of the Partnership Deed executed on 18.06.2018 provides for an arbitration clause

16. Because of the reconstitution, the original Partnership Deed dated 06.03.2007 has been novated. The Partnership Deed has been entered into in the State of Telangana and registered before Registrar of Firms. The present application is in relation to dispute arising under the reconstituted Partnership Deed. It is informed that earlier, applicants have filed an application under Section 9 of the Act before the competent civil Court at Secunderabad and on that account, the application filed by the respondent under Section 9 of the Act before the competent Court at Bengaluru was held to be *prima facie* not maintainable by the learned Division Bench of the Karnataka High Court *vide* order dated 13.08.2025 passed in COMAP No.164 of 2025. Applicants have served notice for invocation of the arbitration clause upon the respondent on 22.09.2025. It has been replied by the respondent on 09.10.2025 taking a stand that the arbitration proceedings have been invoked prior to the invocation of the arbitration clause by the applicants herein before the Karnataka High Court. It is submitted that the cause of action, the place of business and the execution of the reconstituted Partnership Deed, all are within the territory of the State of Telangana. Learned counsel for the applicants submits that the dispute raised by the applicants under the reconstituted partnership deed are separate and segregable from the dispute raised by the respondent under the partnership deed dated 06.03.2007.

4. Respondent has appeared and filed counter affidavit. His stand is that he has invoked the jurisdiction of the Karnataka High Court on 02.06.2025 pursuant to the notice dated 19.03.2025 issued by him to the applicants invoking arbitration clause. The respondent has invoked clause 12 of the Partnership Deed, dated 06.03.2007. Clauses 28 and 27.1 of the Joint Development Agreements, dated 17.04.2018 were prior to the alleged reconstitution of partnership deed by the applicants herein on 18.06.2018. Therefore, as per sub-section (11) of Section 11 of the Act, the arbitration application preferred by the respondent prior in point of time in connection with the dispute arising under the original partnership deed, dated 06.03.2007 and the Joint Development Agreements, dated 17.04.2018 all of which are being executed in the State of Karnataka are maintainable before the Karnataka High Court.

5. The present arbitration application was instituted on 25.11.2025. On the part of the applicants, it is contended that the entire cause of action for invoking the jurisdiction of this Court falls within the territory of the State of Telangana, as the original Partnership Deed and the Reconstituted Partnership Deed have been executed in Hyderabad. The present application is limited to the dispute raised in relation to the Reconstituted Partnership Deed, dated 18.06.2018, as the respondent has thereafter falsely representing himself as partner in the firm

and that he is holding 50% of the share of the firm. Reconstitution has been done pursuant to the resignation tendered by the respondent from the original partnership deed.

6. Though learned counsel for the parties have referred to some application under Section 9 of the Act preferred by the applicants and the respondent before the competent Courts in Hyderabad and in Karnataka, they do not dispute that so far as the entertainability of any such arbitration application under Section 11 of the Act is concerned, the date of institution of proceedings under Section 9 of the Act would not be decisive of the issue of entertainability of the arbitration application.

7. Heard learned counsel for the parties at some length and taken note of the documents relied upon by them, such as, Partnership Deed, dated 06.03.2007, notice invoking arbitration clause, dated 22.09.2025 by the applicants raising the dispute relating to the respondent falsely representing himself as a partner of the firm and holding 50% of the share of the firm even after reconstitution of the partnership deed on 18.06.2018 pursuant to his alleged resignation. I have also taken note of the reconstituted partnership deed which is at page 26 where the respondent has been shown as outgoing partner and applicant No.2 is shown as incoming partner. It is not in dispute that the Original Partnership Deed, dated 06.03.2007, Reconstituted Partnership Deed,

dated 18.06.2018 and the Joint Development Agreements, dated 17.04.2018 all contain arbitration clause. It is also not in dispute that execution of the Joint Development Agreements is being carried out within the territory of the State of Karnataka. I have also taken note of the status of the parties as indicated in the notice invoking arbitration clause dated 22.09.2025 by the applicants, wherein the respondent has been asked to agree to the name of a proposed arbitrator. The notice invoking arbitration of the respondent is at page 277 where the applicants herein, the respondent partnership firm and the Provident Housing Limited and others against whom the dispute relating to the Joint Development Agreements has been raised have been served notices. The notice dated 19.03.2025 issued by the respondent alleges dispute relating to reconstitution of the firm on 18.06.2018. The respondent alleged that he was equal partner of the partnership firm and was entitled to half of the lands in respect of the two Joint Development Agreements and half of the profits which arise thereunder with the developer. It also states that the respondent decided to temporarily retire from the partnership firm on 18.06.2018 and in his place his cousin brother i.e., applicant No.2 was inducted temporarily. The other disputes relate to the claim raised by the respondent in the matter of execution of two Joint Development Agreements. Therefore, the respondent raised a dispute arising out of the partnership dated 06.03.2007 and Joint Development Agreements, dated 17.04.2018.

8. In the aforesaid set of facts, the documents referred to hereinabove and upon hearing the learned counsel for the parties, the question which falls for consideration before this Court is to whether the present arbitration application would be entertainable in view of the arbitration application preferred by the respondent prior in point of time before the Karnataka High Court.

9. Taking into account the provisions of Section 11(11) of the Act, this Court is of the considered view that the invocation of jurisdiction of this Court under the deed of partnership reconstituting the original partnership deed dated 18.06.2018 has been made later in point of time than the arbitration application instituted before the Karnataka High Court.

10. *Prima facie,* the dispute raised by the applicants herein on the basis of the reconstituted partnership deed, dated 18.06.2018 cannot be segregated or dealt with in isolation from the original partnership deed, dated 06.03.2007. There are averments and denials on the part of the respective parties as to the reconstitution of the partnership deed on 18.06.2018 and on the question of retirement of the respondent from the original partnership deed. At the same time, it is evident that the dispute raised by the respondent relates to not only the original partnership deed, dated 06.03.2007, but also in connection with the Joint Development Agreements, dated 17.04.2018 executed by the partners of

the original firm before the partnership was reconstituted on 18.06.2018, meaning thereby, the applicants are also part of the Joint Development Agreements, dated 17.04.2018. It is also evident that the Joint Development Agreements relate to execution of certain projects falling within the territory of the State of Karnataka. In such a case, the subject matter of the present application based upon reconstituted partnership deed, dated 18.06.2018 cannot be read in isolation for appointment of an arbitrator to independently adjudicate the dispute between the parties in relation thereto. On the other hand, question relating to reconstitution of the partnership deed by the applicants herein on the alleged resignation of the respondent is a matter which falls within the jurisdiction of the arbitrator to be appointed by the competent Court where the respondent has moved prior in point of time invoking the arbitration clause and under Section 11(11) of the Act.

11. As noted above, filing of application under Section 9 of the Act by either of the parties before the concerned Courts of Hyderabad or Bangalore do not have a bearing on the question of appointment of an arbitrator by the Court where the application has first been made. The claims relating to and arising under the reconstituted partnership deed are open for the applicants herein to be raised as a defence and/or in the form of a counter claim in the arbitration

proceedings before the learned arbitrator proposed to be appointed under a proceeding pending before the Karnataka High Court.

12. As observed hereinabove, the dispute between the parties are interconnected and cannot be segregated for entertaining the present arbitration application before this Court. Therefore, going by the settled principles and the plain language of Section 11(11) of the Act, this Court is of the firm view that it would not be proper to entertain the present application before this Court filed later in point of time in relation to the dispute between the parties arising out of the partnership deeds in question. Therefore, this Court refrains from entertaining this arbitration application.

13. Accordingly, the arbitration application is dismissed. The applicants are at liberty to raise all available grounds of law before the competent Court and the proceedings initiated before the concerned arbitrator.

Miscellaneous applications pending, if any, shall stand closed.

SD/- M.MANJULA
JOINT REGISTRAR

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SECTION OFFICER

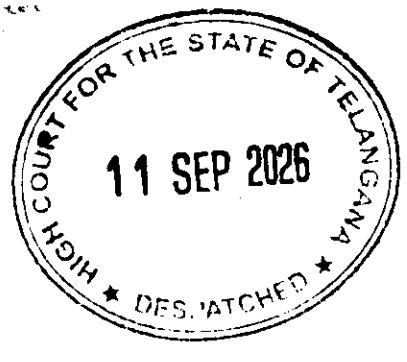
To,

1. One CC to Sri M Naga Deepak, Advocate [OPUC]
2. One CC to Ms Manasvi Reddy Jakka, Advocate [OPUC]
3. Two CD Copies

Sa/BA

HIGH COURT

DATED: 14/08/2026



ORDER

ARBAPPL.No.259 of 2025

DISMISSING THE ARBITRATION APPLICATION

(5) MT
11/9/26