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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
IN ITS COMMERCIAL DIVISION

COMM ARBITRATION PETITION (L) NO.15311 OF 2026

1. **Zuzar Kathawala**
2. **Hashim Kathawala**
3. **Kathawala Realtors LLP** ... **Petitioners**

Vs.

1. **Bhupesh Agarwal**
2. **Dilawar Khan**
3. **D.K. Realtors & Developers Limited**, now known as Nexsa A Realtors & Developers Limited
4. **Sabir Nirman** ... **Respondents**

Mr. Anand R. Pai with Mr. Sachin A. Mhatre, Mr. Yogesh Naidu, Mr. Sahil Sayyed, Ms. Lavanya Panicker, Ms. Smriti Sanjee, Mr. Roshan Reji, and Ms. Rishika Mehra i/by Mhatre Law Associates for the petitioners.

Mr. Girish Godbole, Senior Advocate with Mr. Shanya Shah, Ms. Kavita Anchan and Mr. Subair Zariwala i/by ZA Legal Associates for respondent Nos.1 to 3.

Mr. Anoushak Daver i/by Manoj Kane for respondent No. 4.

CORAM	**: AMIT BORKAR, J.**
RESERVED ON	**: JULY 01, 2026.**
PRONOUNCED ON	**: JULY 07, 2026**

JUDGMENT:

1. By filing this petition under Section 9 of the Arbitration and Conciliation Act, 1996, the petitioners are asking for an order to restrain the respondents, their servants, agents or anybody claiming through them from interfering with, obstructing, or in any manner dealing with the properties which were given to Kathawala Realtors LLP for redevelopment.

2. According to the petitioners, they entered into a Limited Liability Partnership Agreement on 23 July 2010. Through this LLP, they approached the Kathawala family with a proposal to develop and construct commercial buildings on the lands owned by the family. The understanding was that the Kathawala family would give development rights of the entire land to the petitioners through the said LLP. The petitioners have stated that by a Supplementary Agreement dated 1 April 2012, respondent No.4 was taken as a partner in Kathawala Realtors LLP. After that, through the LLP, the petitioners completed the plinth work and obtained the required permissions for development and construction. However, the work could not continue because there was shortage of funds. Due to these financial problems, respondent Nos.1 to 3 were brought into the LLP with the understanding that they would complete the development by spending their own money. For that purpose, the LLP was reconstituted.

3. The petitioners have further stated that respondent Nos.1 to 3 failed to perform their obligations relating to the development as agreed in the Supplementary Agreement dated 21 February 2023, particularly under Clauses 19.1, 19.2, 19.3, 19.7 and 20. It is their case that though the partners intended to enter into a Framework Agreement for protecting the interests of the Kathawala family, only a draft of such agreement came into existence and the final agreement was never executed. According to the petitioners, because the project remained incomplete for several years, the tenants and occupants repeatedly approached them asking for reasons for the delay. The petitioners also say that they personally spent large amounts towards payment of rent to the tenants and occupants.

4. The petitioners have stated that because respondent Nos.1 to 3 failed to perform their obligations, they issued a show cause notice on 23 March 2026 and thereafter issued a notice under Section 21 of the Arbitration and Conciliation Act on 10 April 2026. According to them, both notices did not bring any result. The petitioners have also relied upon a Dissemination Report issued by the National Investigation Agency, which, according to them, records that the respondents have links with Hawala transactions. They say that because of these alleged acts and other misconduct, they were compelled to issue an Expulsion Notice against respondent Nos.1 to 3. They have further stated that due to the continued inaction of the respondents, they filed the present arbitration petition on 24 April 2026. The petitioners thereafter amended the petition and made additional pleadings. They have stated that they are the original partners of Kathawala Realtors LLP and that after expulsion of respondent Nos.1 to 3, only the petitioners and respondent No.4 continue as partners of the LLP.

According to them, they and respondent No.4 are now solely responsible for carrying out the redevelopment of the properties entrusted to the LLP and are also liable to continue paying rent to the tenants and occupants until the project is completed.

5. The petitioners have further stated that respondent No.3, along with its Directors and the 1% partners, namely respondent Nos.12 and 2, was expelled on 10 April 2026 in accordance with Clause 22.5 of the LLP Agreement dated 23 July 2010 read with the Supplementary Agreement dated 21 February 2023. According to the petitioners, respondent No.4 continues to remain a partner of the LLP. The petitioners have also stated that respondent No.4 had initially brought funds into the LLP. According to them, respondent No.4 and the petitioners got all the tenants to vacate the properties by entering into separate Permanent Alternate Accommodation Agreements with them. They further state that on behalf of the LLP they obtained all necessary permissions, sanctioned plans and amended sanctioned plans for redevelopment and thereafter started construction of the new buildings.

6. The petitioners have stated that Property Nos.1 to 5 are collectively referred to as the properties of the LLP. According to them, they and respondent No.4 completed the plinth work and obtained all necessary permissions, commencement certificates, approvals and sanctions from the concerned authorities. They further state that the LLP also obtained Composite No Objection Certificates issued by the MBRRB along with their revalidations, Intimation of Disapproval, sanctioned amended plans for construction under Regulation 33(7) of the DCPR, and Commencement Certificates up to plinth level issued by the MCGM. They have stated that they will rely upon copies of these permissions whenever required.

7. The petitioners have also stated that under the Supplementary Agreement dated 21 February 2023, they and respondent No.4 agreed to reduce their respective shares in the LLP because respondent Nos.1 to 3 had agreed to take complete responsibility for the redevelopment and construction work. According to them, respondent Nos.1 to 3 had assured that they would bring the required investment and development experience for completing the project. The petitioners have relied upon the Supplementary Agreement and have stated that Recital E and Clause 2 make it clear that the LLP Agreement dated 23 July 2010 was amended only to a limited extent and that the power to expel partners continued to remain in force.

8. Lastly, the petitioners have stated that they and respondent No.4 were continuously discussing with respondent Nos.1 to 3 for execution of a Framework Agreement. According to them, all the partners were expected to sign the agreement so that the interests of every member of the Kathawala family would be protected. The petitioners say that since the Kathawala family had entrusted three properties to the LLP, they were entitled to receive their agreed share in the profits and the constructed area after redevelopment. They further state that respondent Nos.1 to 3 had assured them that both their interests and the interests of the Kathawala family would be safeguarded through the Framework Agreement.

According to the petitioners, they and the members of the Kathawala family were promised about 33,000 square feet of RERA carpet residential area in the redevelopment project. They have also stated that though only a draft Framework Agreement was prepared, the same was acted upon and possession of the properties was thereafter handed over to the LLP.

9. Mr. Pai the learned counsel appearing for the petitioners submitted that respondent Nos.1 to 3 have failed to bring the required funds into the ongoing redevelopment project, which consists of about 298 tenants, from March 2025 onwards. According to him, because of this continuous failure, the petitioners first issued a show cause notice on 13 March 2025. It is submitted that respondent Nos.1 to 3 did not give any reply to the said notice. He further submitted that despite timelines fixed by this Court for the project, respondent Nos.1 to 3 still did not infuse any funds. Therefore, a second show cause notice was issued to them. According to the petitioners, even this notice remained unanswered. It is submitted that the petitioners thereafter informed respondent Nos.1 to 3 that action for their expulsion would be taken on 10 April 2026. Even then no reply was received. As a result, respondent Nos.1 to 3 were expelled from the LLP on 24 April 2026.

10. The learned counsel further submitted that there is immediate urgency in the matter because a new investor is required for completing the redevelopment project. According to him, instead of respondent Nos.1 to 3 investing money as agreed, the petitioners themselves have already invested more than Rs.20

crores for the project. He submitted that the redevelopment has to proceed within the timelines fixed by this Court and the petitioners are under a continuous obligation to pay monthly transit rent to the tenants. He therefore submitted that the petitioners are pressing only prayer clauses (a) and (d) in the petition.

11. The learned counsel submitted that Clause 19 of the LLP Agreement specifically casts development obligations upon respondent Nos.1 to 3. According to him, the decision to expel respondent Nos.1 to 3 was taken by the petitioners, who together hold 33% share, along with respondent No.4, who holds 25% share, thereby constituting a majority. He further submitted that because of the failure of respondent Nos.1 to 3, the petitioners are presently spending nearly Rs.1 crore every month towards the project. It is also submitted that respondent Nos.1 to 3 have contributed only about Rs.1.34 crores from the year 2025 onwards and thereafter did not bring any further funds into the project. On the other hand, according to the petitioners, they have invested more than Rs.20 crores, whereas respondent Nos.1 to 3 have contributed only Rs.1.34 crores during the period from October 2024 till June 2026.

12. Dealing with the reply filed by respondent Nos.1 to 3, the learned counsel submitted that the contention that the petitioners could not expel respondent Nos.1 to 3 because it was only a minority decision is incorrect. According to him, the expulsion decision was taken by a majority consisting of the petitioners and respondent No.4, who together hold 58% of the partnership interest.

13. The learned counsel also disputed the contention of respondent Nos.1 to 3 that there is no clause permitting expulsion under the LLP Agreement. According to him, the power of expulsion is specifically contained in Clause 22.5 of the LLP Agreement dated 23 July 2010. He submitted that Recital E of the Supplementary Agreement dated 21 February 2023 clearly shows that the earlier LLP Agreement was modified only to a limited extent and that the power of expulsion under the 2010 Agreement continued to remain operative.

14. The learned counsel further submitted that the contention of respondent Nos.1 to 3 that the LLP Agreement is dependent upon the Framework Agreement dated 25 May 2022 and the Memorandum of Understanding dated 21 January 2023 is without any basis. According to him, all these are separate and independent agreements. He submitted that the LLP Agreement itself shows that it operates independently. He further argued that the Framework Agreement never came to be finally executed and relied upon the email correspondence annexed to the rejoinder to show that even after the alleged execution, discussions were continuing. He also submitted that the LLP is only one of the parties to those agreements along with several other parties, which itself shows that those agreements are distinct from the LLP Agreement. According to him, the Memorandum of Understanding was executed only for settlement of disputes relating to a third party, namely Yash Enterprises, and has no bearing on the obligations arising under the LLP Agreement.

15. The learned counsel next submitted that respondent Nos.1 to 3 have wrongly contended in their reply that the petitioners were required to pay the transit rent and that respondent Nos.1 to 3 were only to reimburse those payments. According to him, this stand completely changes the obligations contained in the LLP Agreement and is merely an oral explanation put forward as an afterthought.The learned counsel further submitted that respondent Nos.1 to 3 have made only general and vague denials to the allegations in the petition and have attempted to say that they are not responsible for the delay or default in the project. According to him, there is no specific denial of the allegations made by the petitioners and there is also no commitment on the part of respondent Nos.1 to 3 regarding completion of the redevelopment project.

16. Lastly, the learned counsel submitted that respondent Nos.1 to 3 have relied upon certain ledger accounts to show that they have acted bona fide. According to him, those ledger accounts do not correctly reflect the true position and can be proved only before the learned Arbitral Tribunal. He pointed out that one of the documents shown as payments made to tenants actually contains salary payments and transactions with an entity known as Nexsa Realtors and Developers Ltd. According to the learned counsel, even assuming respondent Nos.1 to 3 have any grievance, at the highest they may have a claim for damages. He submitted that respondent Nos.1 to 3 have continuously failed to perform their obligations under the LLP Agreement and therefore cannot seek to interfere with the redevelopment project.

17. Mr. Godbole, learned Senior Advocate appearing for respondent Nos.1 to 3, submitted that in the original petition, before it was amended, the petitioners had pleaded that the decision to expel respondent Nos.1 to 3 was taken only by the petitioners and not with the participation of respondent No.4. According to him, the petitioners hold only 33.33% share in the LLP. He submitted that only as an afterthought, the petitioners amended the petition and introduced pleadings stating that respondent No.4 had also participated in the decision to expel respondent Nos.1 to 3. He further submitted that the LLP Agreement dated 21 February 2023 is an independent and separate partnership agreement.

18. Referring to Clauses 6, 10, 12, 14, 15 and 21 of the LLP Agreement, the learned Senior Advocate submitted that these clauses create independent rights in favour of the designated partners, namely respondent Nos.1 to 3, and that the petitioners had delegated important powers, including management of the LLP, to them. He submitted that since there is no specific clause in the agreement permitting expulsion of respondent Nos.1 to 3, such expulsion has no legal effect. He further submitted that even if it is assumed that respondent Nos.1 to 3 have been expelled, the LLP Agreement dated 21 February 2023 authorises only the designated partners, namely respondent Nos.1 to 3, to manage the affairs of the LLP. According to him, in their absence, the LLP itself cannot function properly. Referring to Section 23 of the Limited Liability Partnership Act and Schedule I thereto, he submitted that Clause 8 of Schedule I requires a majority decision for expulsion of a partner where there is no specific agreement. According to him, as the LLP Agreement dated 21 February 2023 contains no clause regarding expulsion, the petitioners had no authority to expel respondent Nos.1 to 3.

19. Referring to the Framework Agreement executed between the parties, the learned Senior Advocate submitted that though the agreement may not have been formally completed, it has been accepted and acted upon by the conduct of all the parties. According to him, since the parties have acted upon the Framework Agreement, the petitioners are bound by its terms. He submitted that it is not in dispute that the Framework Agreement bears the signatures of the parties. The learned Senior Advocate further submitted that the expulsion letter relied upon by the petitioners has been signed only by the petitioners. According to him, even in the original petition, before amendment, there was no pleading that respondent Nos.1 to 3 had been expelled by a majority of the partners. He submitted that even after amendment, there is no specific pleading that the majority partners had taken the decision to expel respondent Nos.1 to 3.

20. Referring to the notice dated 10 April 2026 issued by the petitioners to respondent Nos.1 to 3 and respondent No.4, the learned Senior Advocate submitted that paragraph 15 of the said notice refers to expulsion of respondent No.4 as a partner. According to him, this itself shows that the present stand of the petitioners that respondent No.4 participated in the process of expelling respondent Nos.1 to 3 is only an afterthought.

21. Referring to the original LLP Agreement dated 23 July 2010, the learned Senior Advocate submitted that though the agreement contains a clause regarding expulsion of a partner, at that time the LLP consisted of only two partners. He submitted that respondent No.4 was subsequently inducted as a partner by the Supplementary Agreement dated 1 April 2012. According to him, Clause 1 of the Supplementary Agreement itself records that it is supplementary to the earlier LLP Agreement executed between the existing partners. He further submitted that under the LLP Agreement dated 21 February 2023, respondent Nos.1 to 3 were made designated partners. Referring to Clause 6 of the said agreement, he submitted that respondent Nos.1 to 3, as designated partners, were authorised to take all decisions without obtaining prior written consent of the continuing partners, namely the petitioners. He also submitted that respondent Nos.1 to 3 had agreed to bring capital contribution of Rs.18.60 crores into the LLP. According to him, the Framework Agreement dated 25 May 2022 has also been signed by the petitioners.

22. Referring to the reliefs claimed in the petition, the learned Senior Advocate submitted that the petitioners are seeking reliefs which are in the nature of final reliefs or even wider than the final reliefs which could be granted in arbitration. According to him, such reliefs cannot be granted by this Court in a petition under Section 9 of the Arbitration and Conciliation Act. He further submitted that even according to the petitioners, respondent Nos.1 to 3 are presently in possession and management of the redevelopment project. Therefore, according to him, none of the interim reliefs sought by the petitioners can be granted.

23. Mr. Daver, learned Advocate appearing for respondent No.4, referred to the affidavit filed on behalf of respondent No.4 and submitted that the petitioners have themselves accepted that the allegations made against respondent No.4 in the petition were only because of typographical mistakes. He submitted that similar typographical mistakes are also found in the notices dated 23 March 2026 and 10 April 2026. According to him, respondent No.4 has continued as a partner of the LLP and this position has been clarified by the amendment carried out in the petition. He further submitted that the decision to initiate action against respondent Nos.1 to 3, pursuant to the show cause notice dated 13 March 2025, was also signed by respondent No.4. He pointed out that respondent Nos.1 to 3 have not challenged the expulsion notice at any stage.

24. In rejoinder, Mr. Pai, learned Advocate for the petitioners, referred to the show cause notice dated 13 March 2025 and submitted that the said notice was jointly issued by the petitioners and respondent No.4. According to him, the notice pointed out various breaches committed by respondent Nos.1 to 3 under the LLP Agreement and called upon them to explain why disciplinary action, including removal from the position of designated partners and removal from possession of the project, should not be taken against them. He submitted that this clearly shows that respondent No.4 was part of the decision making process relating to the proposed expulsion of respondent Nos.1 to 3.

25. The learned counsel further submitted that respondent Nos.1 to 3 have not specifically denied the allegations regarding non payment of amounts due to the tenants of the redevelopment project. According to him, in their reply they have shown payments made to their own employees as project expenses. However, those entries do not represent payments made to the tenants, which is apparent from the ledger itself.

26. The learned counsel submitted that respondent Nos.1 to 3 have not offered any explanation for the breaches committed by them and have also not taken any steps to rectify those breaches under the LLP Agreement. He further submitted that by an order dated 30 September 2025 passed in Writ Petition No.3180 of 2025, this Court had fixed a timeline for completion of the redevelopment project. According to him, because of the said order, timely completion of the project has become an essential obligation of the parties.

27. He further submitted that even till the date of hearing, respondent Nos.1 to 3 have not shown their readiness or willingness to make the payments required to be made to the tenants of the project and have therefore committed breach of their obligations. According to him, the decision to expel respondent Nos.1 to 3 was taken by the petitioners together with respondent No.4, who collectively hold 58% share in the LLP. He also submitted that the Framework Agreement does not deal with the rights of partners under the LLP Agreement or the rights created under the Limited Liability Partnership Act. According to him, the Framework Agreement has no effect on the issues involved in the present proceedings. On these grounds, he prayed that the reliefs sought in the petition under Section 9 of the Arbitration and Conciliation Act, 1996 be granted.

<u>**Reasons and Analysis**</u>

28. For deciding the controversy involved in the present matter, it is necessary to refer to Clause 22.5 of the Limited Liability Partnership Agreement dated 23 July 2010, which deals with expulsion of a partner and termination of his partnership.

29. Relevant Clause 22.5 of the Limited Liability Partnership Agreement dated 23 July 2010 reads thus:

> "22.5. Expulsion of Partner and Termination of his partnership. If any partner shall assign, charge or encumber his share in the LLP without the consent other partners or shall become bankrupt or a lunatic or otherwise permanently incapable of attending to the partnership business or shall absent himself from the partnership business for more than 30 (Thirty) days, in any period of that twelve months except during his annual holiday without the consent of the other partners or commit any breach of any of the provisions of this agreement or commits any criminal offence or do or suffer any act which would be a ground for the dissolution of the partnership by the Court/Tribunal and in any such case it shall be lawful for the other partners by notice in writing to the offending or incapacitated partner or his trustee or official assignee to determine the partnership whereupon the partnership so far as concerns such partner shall determine

and the other partner shall have the option to purchase his share and pay the purchase price to the offending partner or his trustee or official assignee in accordance with above Article. The partners retires or becomes insolvent then the partnership will not be dissolved, and the remaining partner, shall have the option to purchase the share of such partner and the purchase price shall be estimated as given in the preceding Article. If a partner commits a breach, which justifies expulsion, the other partners do not have to give notice to expel the partner in default. They nonetheless have the right to do so. Neither partner shall receive any salary for services rendered to the LLP except reimbursement for expenses on production of appropriate receipts or vouchers. Each partner may, from time to time, withdraw the credit balance in his income account. In case, if there being insufficient funds in the bank account of where drawings over the course of the year exceed the share of profits to which a partner is entitled, any overdrawn amount must be repaid promptly together with interest on the overdrawn amount as decided by all partners."

30. Clause (E) of the Supplementary Agreement dated 23 July 2017 read thus:

"(E) The Parties do hereby expressly agree that the change specified in this Agreement shall be made and read as part and parcel of the LLP Agreement (as amended by the Supplementary LLP Agreement) and shall be valid to the extent appropriate, as if they are included in the LLP

Agreement ab-initio."

31. The Relevant Clause 22.5 of the Limited Liability Partnership Agreement provides that if a partner transfers, charges or creates any encumbrance over his share in the LLP without the consent of the other partners, or becomes insolvent, of unsound mind, or permanently incapable of looking after the business of the LLP, or remains absent from the partnership business for more than thirty days in any period of twelve months without the consent of the other partners, or commits breach of any provision of the LLP Agreement, or commits any criminal offence, or does any act which would justify dissolution of the partnership by a Court or Tribunal, the remaining partners are entitled to terminate the partnership of such defaulting partner by giving a written notice. The clause further provides that after such termination, the remaining partners have the option to purchase the share of the defaulting partner in accordance with the procedure prescribed under the agreement.

32. The clause also states that if a partner retires or becomes insolvent, the LLP shall not stand dissolved and the remaining partners will have the option to purchase the share of such partner. It further provides that where a partner commits a breach justifying expulsion, the remaining partners are not required to issue any notice before expelling the defaulting partner, though they are at liberty to do so if they choose. The clause also contains provisions that no partner shall receive any salary from the LLP except reimbursement of expenses supported by proper receipts or vouchers, and that any excess amount withdrawn by a partner beyond his entitlement is required to be repaid together with interest as decided by all the partners.

33. It is also necessary to refer to Clause (E) of the Supplementary Agreement dated 21 February 2023. The said clause records that the parties have expressly agreed that the changes made under the Supplementary Agreement shall form part of the original LLP Agreement, as amended earlier. It further provides that those changes shall be read as if they had formed part of the original LLP Agreement from the very beginning, to the extent applicable.

34. The material placed before the Court shows that there is no dispute that Kathawala Realtors LLP was formed for redevelopment of the properties belonging to the Kathawala family. There is no dispute that from time to time supplementary agreements were executed and respondent Nos.1 to 3 were brought into the LLP for taking the redevelopment project further. The petitioners say that respondent Nos.1 to 3 were inducted only because they had assured that they would bring finance and development experience. On the other hand, respondent Nos.1 to 3 say that after they were inducted, they became designated partners having powers to manage the LLP under the LLP Agreement dated 21 February 2023. Therefore, the first issue is not about ownership of the project. The real dispute is whether after the alleged expulsion respondent Nos.1 to 3 still have authority to manage the affairs of the LLP and whether, till the arbitration is decided, this Court should protect the project by granting interim relief.

35. The petitioners have relied upon the financial obligations undertaken by respondent Nos.1 to 3. Their case is that after March 2025 respondent Nos.1 to 3 stopped bringing money into the redevelopment project. According to them, because of this default, the redevelopment work came to a standstill and the petitioners had to invest more than Rs.20 crores. They also continued paying monthly transit rent to about 298 tenants. The petitioners have also relied upon the show cause notices dated 13 March 2025 and 23 March 2026, the notice under Section 21 of the Arbitration and Conciliation Act dated 10 April 2026 and thereafter the expulsion notice dated 24 April 2026. Their case is that respondent Nos.1 to 3 neither replied to the allegations nor removed the breaches. On the other hand, respondent Nos.1 to 3 say that it was the petitioners who were required to pay transit rent and respondent Nos.1 to 3 were required to reimburse the same. They have also relied upon ledger entries to show the expenses incurred by them. Thus, both sides dispute whether the financial obligations have been performed.

36. At this stage, this Court is not expected to make a detailed examination of the accounts as will be done before the learned Arbitral Tribunal. The ledger statements relied upon by respondent Nos.1 to 3 have been disputed by the petitioners. According to the petitioners, many entries shown as payments made to tenants are in fact salary payments and payments made to another entity. Whether those entries represent expenditure for the redevelopment project or not can be decided after evidence is led. The petitioners have also pleaded that after the order dated 30

September 2025, they took steps to comply with the said order. According to them, they continued to pay transit rent to the tenants and did all acts necessary to ensure that the redevelopment project was not taken over by MHADA. They have further stated that after the said order they paid a total amount of Rs.19,71,06,065/- towards transit rent and other project expenses on behalf of the LLP and that respondent Nos.1 to 3 did not contribute any part of the said amount. They have also relied upon a payment schedule annexed as Exhibit "M" and have asserted that the said amount is recoverable under Section 69 of the Indian Contract Act read with Clauses 12, 13, 19.1 and 19.9 of the Supplementary Agreement dated 21 February 2023. Respondent Nos.1 to 3, while replying to these averments, have stated that there are no supporting documents to prove the petitioners' claim and, therefore, the contention deserves to be rejected. Except making this general denial, respondent Nos.1 to 3 have not pointed out from the material placed before this Court what part of the payment schedule is incorrect or which particular payment was not made. At the same time, merely because the petitioners have annexed a payment schedule, this Court cannot hold that the entire amount of Rs.19,71,06,065/. was paid by them. These are matters will require evidence before the learned Arbitral Tribunal. However, for the limited purpose of deciding the present petition under Section 9, the pleadings assume some importance. The petitioners have given particulars of the amount allegedly paid by them and have also relied upon a supporting document in the form of Exhibit "M". In reply, respondent Nos.1 to 3 have made only a general statement that there are no supporting documents. They have not specifically dealt with the payment schedule relied upon by the petitioners or produced any material at this stage to show that they had made payments towards the tenant rent after the order dated 30 September 2025. Therefore, though no finding can be recorded regarding the correctness of the amount, the reply filed by respondent Nos.1 to 3 does not dislodge the prima facie case put forward by the petitioners regarding continuous expenditure incurred by them. Additionally, from the material placed before this Court, there is no statement from respondent Nos.1 to 3 showing their readiness to bring funds or make payments to the tenants. This circumstance becomes relevant while considering interim protection because a redevelopment project involving a large number of tenants cannot remain without financial support for an indefinite period.

37. The petitioners have relied upon the fact that this Court, in an earlier writ petition, fixed timelines for completion of the redevelopment project. Both sides have referred to those timelines. If the redevelopment project is governed by timelines fixed by this Court, delay is likely to affect not only the partners but also a large number of tenants waiting for rehabilitation. Therefore, merely because disputes have arisen between the partners, the urgency pointed out by the petitioners cannot be ignored.

38. The next issue is regarding the validity of the expulsion of respondent Nos.1 to 3. The petitioners submit that Clause 22.5 of the LLP Agreement dated 23 July 2010 preserves the power of expulsion. They have relied upon Clause (E) of the Supplementary

Agreement and contend that the amendments became part of the original LLP Agreement to the extent modified and, therefore, the clause regarding expulsion continues to operate. They further submit that respondent Nos.1 to 3 committed breach of their obligations under the agreement and therefore became liable to be expelled.

39. Respondent Nos.1 to 3 have disputed this submission. According to them, the LLP Agreement dated 21 February 2023 is a independent agreement. It gives designated partners independent rights to manage the affairs of the LLP. According to them, there is no clause in the said agreement permitting expulsion. Therefore, according to them, the old clause regarding expulsion cannot continue. They have also relied upon Section 23 of the LLP Act and Schedule I and submitted that in the absence of a specific agreement the petitioners had no authority to expel respondent Nos.1 to 3.

40. This submission requires careful consideration. Clause (E) of the Supplementary Agreement has been placed before the Court. The language of the said clause states that the changes made under the Supplementary Agreement shall become part of the original LLP Agreement and shall operate as if they were included in the original agreement from the beginning. Prima facie, this language does not show that the original LLP Agreement stood completely substituted. On the contrary, it indicates that the original agreement continued except to the extent it was modified. This interpretation gets support from the reliance placed by the petitioners upon Recital E. At least at this stage, the material before this Court does not show any clause by which Clause 22.5 has been deleted. Therefore, at present, the submission that the power of expulsion came to an end merely because a supplementary agreement was executed does not appear to be acceptable.

41. The respondents have argued that even if Clause 22.5 continues, the petitioners could not have exercised that power because they hold about 33.33% share in the LLP. According to them, the original petition itself proceeded on that basis and only after objections were raised, the petitioners amended the petition by bringing respondent No.4 into the process of expulsion. According to the respondents, this amendment shows that it is only an afterthought.

42. This submission also requires examination in the light of the material placed before the Court. The petitioners have relied upon the show cause notice dated 13 March 2025. According to them, the said notice was issued jointly by the petitioners and respondent No.4. Respondent No.4 has filed an affidavit supporting the petitioners and has stated that the references showing his expulsion were typographical mistakes. He has further stated that he continues to be a partner and that he had participated in the decision making process against respondent Nos.1 to 3. It is true that the original pleadings were later amended and such amendment became necessary because of certain inconsistencies. Such inconsistencies may have some bearing while appreciating evidence at the stage of trial. However, at present there is material in the form of the show cause notice dated 13 March 2025 and the affidavit of respondent No.4. More importantly, respondent No.4 has appeared before this Court and supported the petitioners. Therefore, at this prima facie stage, it cannot be said that the case of the petitioners stands discredited because amendments were carried out in the pleadings. Whether the explanation regarding typographical mistakes is acceptable or not will have to be examined by the learned Arbitral Tribunal.

43. The respondents have also argued that respondent No.4 was proposed to be expelled because paragraph 15 of the notice dated 10 April 2026 refers to his expulsion. The petitioners have answered this by saying that those references were drafting mistakes made by accident. Normally, such inconsistency may create some doubt. However, the later conduct of respondent No.4 assumes importance. Instead of disputing that he continues as a partner, respondent No.4 has supported the petitioners and has stated that there was never any intention to expel him. This conduct may not decide the controversy, but at this stage it weakens the submission of respondent Nos.1 to 3 that respondent No.4 was never part of the decision making process relating to the expulsion.

44. Another submission made by respondent Nos.1 to 3 relates to the Framework Agreement. According to them, the Framework Agreement was signed and thereafter acted upon by all the parties. Therefore, according to them, the rights of the parties have to be decided under that agreement. The petitioners contend that the Framework Agreement never became final. They have relied upon email correspondence to show that negotiations were still going on. They have further submitted that the Framework Agreement involved several parties apart from the LLP and it did not deal with the rights of partners. From the material available, it appears that the Framework Agreement is under dispute to some extent. The petitioners have stated that only a draft agreement was acted upon, whereas respondent Nos.1 to 3 have asserted that it stood accepted by conduct. These are disputed questions of fact which cannot be finally decided in proceedings under Section 9. Therefore, while considering interim protection, greater importance has to be given to the LLP Agreement governing the relationship between the partners.

45. The respondents have also submitted that respondent Nos.1 to 3, being designated partners, have authority to manage the affairs of the LLP and that after their alleged expulsion the LLP cannot function. This submission cannot be said to be without substance because the clauses relied upon by respondent Nos.1 to 3 appear to confer management powers upon the designated partners. However, this submission proceeds on the assumption that respondent Nos.1 to 3 continue to be designated partners. That itself is the dispute which has to be decided in arbitration. If the petitioners succeed in proving that respondent Nos.1 to 3 have ceased to be partners, then their continuation in management may affect the arbitration proceedings. Therefore, this submission by cannot defeat the petitioners' claim for interim protection.

46. The respondents have argued that the reliefs claimed by the petitioners are in the nature of final reliefs and, in some cases, are even wider than the reliefs which can ultimately be granted. This objection deserves to be accepted to some extent. Many of the reliefs sought by the petitioners, such as appointment of a Court Receiver with power to take forcible possession, directions for disclosure of personal assets and income tax records of the respondents and their family members from the year 2003 onwards, and similar directions, are wide in nature. Such reliefs go beyond what is necessary for preserving the subject matter of the arbitration and therefore require careful examination before they can be granted. Proceedings under Section 9 are meant for protecting the subject matter of arbitration. They are not intended to finally decide all disputes between the parties at the interim stage. Therefore, merely because the petitioners have shown certain prima facie breaches, they do not become entitled to every relief claimed in the petition.

47. At the same time, one important aspect cannot be ignored. The redevelopment project relates to several properties and a large number of tenants. According to the petitioners, they are still bearing a heavy monthly liability towards payment of transit rent. The respondents have not pointed out any arrangement by which those obligations will be met during the pendency of the arbitration. If because of disputes between the partners the redevelopment project remains stalled, the persons likely to suffer will be the tenants and occupants whose interests are connected with the project. The object of Section 9 is to ensure that the subject matter of arbitration is protected and does not become incapable of implementation before the learned Arbitral Tribunal.

48. Thus, after considering the pleadings, the documents placed on record and the rival submissions, this Court finds that the petitioners have made out a prima facie case showing disputes regarding breach of obligations by respondent Nos.1 to 3 and regarding the validity of their continuation in the LLP. The respondents have raised questions regarding the legality of the expulsion, the effect of the Supplementary Agreement and the Framework Agreement, and also regarding the powers of the designated partners. Those questions will require evidence and cannot be finally decided in these proceedings. However, the material placed before this Court is not sufficient to hold that the case of the petitioners is without merit. At the same time, it would also not be proper to grant every interim relief prayed for because some of those reliefs are wider than what is necessary for protecting the subject matter of the arbitration. Therefore, the proper interim arrangement should be one which protects the redevelopment project and at the same time preserves the rights of all parties until the learned Arbitral Tribunal finally decides their respective claims.

49. In view of the above discussion, the following order is passed:

(i) The Arbitration Petition is partly allowed;

(ii) Pending commencement and conclusion of the arbitral proceedings and till the arbitral award becomes enforceable, respondent Nos.1 to 3, their servants, agents, representatives or any person claiming through or under them are restrained from interfering with, obstructing or preventing the redevelopment of Property Nos.1 to 5 of Kathawala Realtors LLP.;

(iii) Pending commencement and conclusion of the arbitral proceedings and till the arbitral award becomes enforceable, respondent Nos.1 to 3, their servants, agents, representatives or any person claiming through or under them are restrained from interfering with the management, affairs, redevelopment, construction and development activities of Kathawala Realtors LLP in relation to Property Nos.1 to 5;

(iv) Respondent Nos.1 to 3 shall, within two weeks from today, hand over to the petitioners all original books of account, statutory records, permissions, approvals, correspondence, agreements, bank records and all other documents belonging to Kathawala Realtors LLP which are in their possession, custody or control. If any original document is not available, authenticated copies along with a statement explaining the reason for non availability shall be furnished within the same period;

(v) It is clarified that respondent Nos.1 to 3 shall not represent themselves as partners or designated partners of Kathawala Realtors LLP before any authority, including MCGM, MHADA, MBRRB, Assessment Department, tenants, occupants, contractors, bankers or any third party, subject to the final outcome of the arbitral proceedings;

(vi) The reliefs seeking appointment of the Court Receiver, removal of persons allegedly stationed at the project site, disclosure of assets, Income Tax Returns, bank accounts and other personal financial information of respondent Nos.1 to 3 and their family members, and all other wider reliefs prayed for in prayer clauses (c), (d), (g) and (h), are not granted at this stage. The petitioners are at liberty to seek appropriate relief before the learned Arbitral Tribunal, if circumstances so require;

(vii) The observations made in this order are only prima facie in nature and are confined to the consideration of the present petition under Section 9 of the Arbitration and Conciliation Act, 1996. The learned Arbitral Tribunal shall decide all issues independently on their own merits and without being influenced by any observations contained in this order;

(viii) The parties shall take immediate steps for constitution of the Arbitral Tribunal, if not already constituted;

(ix) There shall be no order as to costs.

(x) All pending Interim Applications, if any, stand disposed of.

50. At this stage, learned Advocate for respondent Nos.1 to 3 prays for stay of the operation, implementation, and effect of this judgment. However, considering the reasons recorded in this judgment, the said request is rejected.

(AMIT BORKAR, J.)