

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

HON'BLE SRI JUSTICE K. LAKSHMAN

ARBITRATION APPLICATION Nos.183 AND 179 OF 2025

DATE: 07-08-2026

Between in Arb.Appl. No.183 of 2025:

M/s. Gokul Constructions, rep.by its
Partner, Mr.P. Madhusudan Reddy & another. .. Applicants

Vs.

Mr. M. Tirupalaiah & another. .. Respondents

This Court made the following:

COMMON ORDER (ORAL):

Heard Mr. S. Kishore Rai, learned Senior Counsel representing Mrs. Divya Rai Sohni, learned counsel for the applicants in Arb.Appl.No.183 of 2025 and respondents in Arb.Appl. No.179 of 2025, and Mr. P. Vishnuvardhana Reddy, learned counsel for the respondents in Arb.Appl.No.183 of 2025 and the applicant in Arb.Appl.No.179 of 2025.

2. The applicants in Arb.Appl.No.183 of 2025 are M/s. Gokul Construction (applicant No.1), which is a partnership firm and Mr. P. Madhusudan Reddy (applicant No.2), partner of applicant No.1 firm, who are respondents in Arb.Appl.No.179 of 2025. Whereas, Mr. M.

Tirupalaiah, partner of the aforesaid firm, is the applicant in Arb.Appl.No.179 of 2025 and respondent No.1 in Arb. Appl. No.183 of 2025. Respondent No.2 (Mrs. M. Geetha) is his wife.

3. The applicants in both the Arbitration Applications filed the applications under Section - 11 (5) and (6) of the Arbitration and Conciliation Act, 1996 (hereinafter referred to as 'the Act, 1996'), to appoint an Arbitrator to adjudicate the disputes between them pursuant to the Partnership Deed dated 27.04.2011.

4. For the sake of convenience, the parties are hereinafter referred to as they are arrayed in Arbitration Application No.183 of 2025.

5. Applicant No.2 - P. Madhusudan Reddy and respondent No.1 - M. Tirupalaiah entered into a partnership deed dated 27.04.2011 for the purpose of carrying on business in the name of 'M/s. Gokul Constructions' (applicant No.1) for construction of flats, independent houses, commercial complex, real estates, land developments and other civil contracts (Municipal Contracts, Railway

Contracts and any other related works), on the specific terms and conditions mentioned therein.

6. Clause - 14 of the said Partnership Deed deals with 'Arbitration', and it states that in case of any dispute among the partners, the same shall be settled as per Arbitration Act, there in force.

7. It is the specific contention of learned counsel on either side that the said partnership firm purchased the land admeasuring 3267 square yards in Survey Nos.52/అ/1, 52/అ/2, 52/అ/3, 52/అ/4, 52/అ/5, 52/అ/అ and 52/అ/ఇ, situated at Mallampet Village, Gandhi Maisamma - Dundigal Mandal, Medchal - Malkajgiri District, and other properties. It is the specific contention of learned Senior Counsel for the applicants that Mr. M. Tirupalaiah had sold the said property under registered sale deed bearing document No.14425 of 2025, dated 04.07.2025 representing M/s. Gokul Constructions as Managing Partner in favour of his wife, Mrs. Menta Geetha (Respondent No.2) without consent and knowledge of applicant No.2 (Mr. P. Madhusudan Reddy). The said Tirupalaiah had also executed a registered sale deed bearing document No.14685 of 2025, dated

07.07.2025 representing the said Firm as Managing Partner in his favour in respect of the open land admeasuring 7623 square yards in the aforesaid survey numbers and other survey numbers situated at Mallampet Village. The aforesaid sale deeds are illegal. Respondent No.1 did not have any authority to execute the sale deeds in favour of himself/third party. Thus, there are disputes between the applicants and the respondents in both the applications with regard to the sale of the aforesaid properties and other properties in terms of Partnership Deed dated 27.04.2011.

8. Therefore, the applicants issued notice dated 22.07.2025 to the respondents in terms of Section - 21 of the Arbitration and Conciliation Act, 1996, proposing appointment of Sri Justice P.S. Narayana, Former Judge, erstwhile High Court for the State of Andhra Pradesh at Hyderabad, as an Arbitrator, to resolve the disputes. The respondents issued reply dated 06.08.2025, reporting no objection for appointment of Arbitrator. However, they have opposed the name of Sri Justice P.S. Narayana as an Arbitrator.

9. Mr. P. Vishnuvardhana Reddy, learned counsel for the respondents opposed Arbitration Application No.183 of 2025 on the

ground that respondent No.2 (Mrs. M. Geetha, wife of Mr. M. Tirupalaiah) is not the partner in the said M/s. Gokul Constructions as per the partnership deed dated 27.04.2011. She is the wife of respondent No.1, who is partner of the said Firm. Therefore, Arbitration Application No.183 of 2025 is not maintainable against her.

i) He would further submit that M/s. Gokul Constructions represented by its partner, Mr. M.Tirupalaiah and in his individual capacity had filed an application under Section - 9 of the Arbitration and Conciliation Act, 1996, *vide* C.O.P.No.32 of 2025 against the said M/s. Gokul Constructions, represented by its partner, Mr. P. Madhusudan Reddy and Mr. P. Madhusudan Reddy. Like-wise, the applicants have also filed similar application *vide* C.O.P. No.30 of 2025 against the respondents. *Vide* common order dated 16.10.2025, learned Special Judge for Trial and Disposal of Commercial Disputes, Rangareddy District at L.B. Nagar, allowed COP No.30 of 2025 and made the *interim* injunction order absolute in respect of petition 'A' to 'F' schedule properties therein till commencement of arbitration proceedings, while COP No.32 of 2025 was allowed in part making *ex*

parte interim injunction order absolute in respect of petition 'A' to 'G' schedule properties, till commencement of arbitration proceedings.

ii) On instructions, he would further submit that Mr. P. Madhusudan Reddy representing M/s. Gokul Constructions sold 225 flats to third parties without knowledge and consent of Mr. M. Tirupalaiah and misappropriated Crores of rupees. In regard to the said submission, I am of the opinion that the same can be decided by the Arbitral Tribunal in exercise of its powers under Section - 16 of the Act 1996.

10. Whereas, learned Senior Counsel appearing for the applicants would contend that respondent No.1 had executed one of the aforesaid registered sale deeds in favour of his wife i.e., respondent No.2 in respect of the aforesaid property without consent and knowledge of applicant No.2. Therefore, she is also a necessary party to the arbitration proceedings.

11. In the light of the aforesaid submissions, this Court is of the view that there are disputes between the applicants and the

respondents in both the applications and the same are arbitral in nature.

12. Therefore, both the Arbitration Applications are accordingly allowed, and Sri Justice Ramesh Ranganathan, Former the Chief Justice of High Court of Uttarakhand is appointed as an Arbitrator, to resolve the disputes. However, liberty is granted to both the parties to take all the pleas and contentions which they have raised in the present application and also in the aforesaid COPs before the Arbitrator, and it is for the Arbitrator to consider and decide the same. In the circumstances of the case, there shall be no order as to costs.

As a sequel thereto, miscellaneous applications, if any, pending in both the Arbitration Applications shall stand closed.

7th August, 2026
Mgr

K. LAKSHMAN, J