



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 31ST DAY OF OCTOBER, 2025

BEFORE

THE HON'BLE MR. JUSTICE SURAJ GOVINDARAJ

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CIVIL MISC. PETITION NO. 34 OF 2025

BETWEEN:

1. MAVERICK MOTORS LLP
INCORPORATED UNDER LLP ACT, 2008
HAVING ITS REGISTERED OFFICE AT
NO 136/1 LALBAGH ROAD,
BANGALORE SOUTH - 560027
REPRESENTED BY ITS AUTHORISED SIGNATORY
MR. ADINARAYANA PATHI
2. ADINARAYANA PATHI
AGED 38 YEARS,
S/O MR. PATHI DINESH
3. PATHI DINESH BHAGAWATH
AGED 35 YEARS
S/O MR. PATHI DINESH

PETITIONERS NO.2 AND 3 ARE RESIDING AT
NO 149/150, 10TH A MAIN,
1ST BLOCK, JAYANAGAR,
BANGALORE - 560 011



...PETITIONERS

(BY SRI. HEMANTH R.RAO., ADVOCATE)

AND:

ROHITH MURTHY
AGED ABOUT 36 YEARS
S/O. MR. KRISHNAMURTHY,
RESIDING AT 168, KAMADHENU, GREEN AVENUE,
LRN COLONY, SARADHA COLLEGE ROAD,
SALEM, HASTHAMPATTI,
TAMIL NADU - 636007



ALSO, HAVING OFFICE AT
AKB CORPORATE OFFICE,
2ND FLOOR, NO. 1669, TVR POLESTAR,
27TH MAIN ROAD, SECTOR 2, HSR LAYOUT,
BENGALURU – 560102

...RESPONDENT

(RESPONDENT SERVED)

THIS CMP IS FILED UNDER SECTION 11(5) & (6) OF THE ARBITRATION AND CONCILIATION ACT, 1996 PRAYING TO APPOINT A SOLE ARBITRATOR TO ADJUDICATE UPON THE DISPUTES THAT HAVE ARISEN BETWEEN THE PETITIONERS AND THE RESPONDENTS OUT OF THE OR IN RELATION TO THE LLP AGREEMENT DATED 15.10.2022 AS PER SEC. 23(4) OF THE LLP ACT, ENTRY 14 OF THE 1ST SCHEDULE OF THE LLP ACT AND ETC.

THIS CMP, COMING ON FOR ADMISSION, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE SURAJ GOVINDARAJ

ORAL ORDER

1. The Petitioners are before this Court seeking for the following reliefs:

- a. *To appoint a Sole Arbitrator to adjudicate upon the disputes that have arisen between the petitioners and the respondents out of the or in relation to the LLP Agreement dated 15 October 2022 as per Section 23(4) of the LLP Act, Entry 14 of the 1st Schedule of the LLP Act.*
- b. *Pass any other order(s) or direction(s) that this Hon'ble Court may deem fit and proper in the facts and circumstances*



2. Petitioners and the respondent had entered into a Limited Liability Partnership Agreement on 15.10.2022. The said agreement does not refer to any arbitration clause. There being disputes which arose between the parties, the Petitioners vide email dated 08.01.2024 indicated that the matter could be referred to arbitration. The respondent vide his email dated 10.01.2024 in principle agreed for reference of the matter to arbitration, but had sought for some time.
3. The petitioners vide notice dated 18.01.2024 by referring to sub-section (4) of Section 23 of the Limited Liability Partnership Act, 2008 (for short, LLP Act, 2008) and Entry 14 to the first Schedule of the LLP Act, 2008 indicated that the disputes could be adjudicated by way of arbitration and had nominated its arbitrator. The respondent vide its reply dated 05.06.2024 did not concur with the nomination made



by the Petitioners, but had nominated its own arbitrator.

4. It is in that background when there was no consensus which has arrived at between the parties that the Petitioners have approached this Court. Notice having been issued to the Respondent and received by Respondent, Respondent though served had chosen not to be represented. It is in the above background that the above matter had been taken up for consideration.
5. It is clear that the Limited Liability Partnership Agreement does not have an arbitration clause. Section 23 of LLP Act, 2008, speaks of relationship of parties.
6. Said Section 23 is reproduced hereunder for easy reference:

23. Relationship of partners.—(1) Save as otherwise provided by this Act, the mutual rights and duties of the partners of a limited liability partnership, and the mutual rights and duties of a limited liability partnership and its partners, shall be governed by the limited liability partnership agreement



between the partners, or between the limited liability partnership and its partners.

(2) The limited liability partnership agreement and any changes, if any, made therein shall be filed with the Registrar in such form, manner and accompanied by such fees as may be prescribed.

(3) An agreement in writing made before the incorporation of a limited liability partnership between the persons who subscribe their names to the incorporation document may impose obligations on the limited liability partnership, provided such agreement is ratified by all the partners after the incorporation of the limited liability partnership.

(4) In the absence of agreement as to any matter, the mutual rights and duties of the partners and the mutual rights and duties of the limited liability partnership and the partners shall be determined by the provisions relating to that matter as are set-out in the First Schedule.

7. Subsection (1) of Section 23 deals with mutual rights and duties of the partners as contained in the agreement. Subsection (2) of Section 23 requires the said agreement to be filed with the Registrar. Subsection (3) of Section 23 relates to obligations which have been incurred prior to the incorporation of the limited liability partnership. Subsection (4) of Section 23 is a standout provision inasmuch as it provides for in the absence of agreement as to any matter, the mutual rights and duties of the partners and the mutual rights and duties of the limited



liability partnership and the partners shall be determined by the provisions relating to that matter as are set out in the First Schedule. Thus, the First Schedule is not only an indicative list but is a list of matters which if not dealt with by mutual agreement under the Limited Liability Partnership Agreement, it would be dealt with in the manner as prescribed in Entry 14 of the First Schedule of LLP Act, 2008 is reproduced hereunder for reference:

"14. All disputes between the partners arising out of the limited liability partnership agreement which cannot be resolved in terms of such agreement shall be referred for arbitration as per the provisions of the Arbitration and Conciliation Act, 1996 (26 of 1996)."

8. A perusal of the above indicates that all dispute between partners arising out of the limited liability partnership which cannot be resolved in terms of an LLP agreement shall be referred for arbitration as per the provision of the Arbitration Conciliation Act, 1996. This Entry 14 of the First schedule is in effect



a statutory and compulsory arbitration, which is required to be adhered to by the partners to a limited liability partnership.

9. Be that as it may, even the proposal made by the Petitioners for reference to the arbitration was initially agreed upon by the Respondent by way of email and even in the reply notice, the Respondent has categorically stated that every allegation made by the Petitioners shall be countered before the arbitral tribunal as and when constituted. The Respondent apparently had only an objection to the nomination made by the Petitioners and had in fact nominated its own arbitrator.
10. In that view of the matter, both on account of Entry 14 to the First Schedule read with subsection (4) of Section 23 of LLP Act as also in view of the agreement arrived at in the exchange of Legal notices, to refer the matter to arbitration, I pass the following:



ORDER

- i) CMP is ***allowed***.
- ii) Sri.Justice K.N.Keshavanarayana, former Judge of this Court is appointed as a sole arbitrator to arbitrate the dispute between the parties under the aegis of Arbitration Center attached to this Court.
- iii) Registry is directed to forward a copy of this order to the Director, Arbitration and Conciliation Centre for doing the needful.
- iv) Since the order is passed in the presence of all the counsel, they shall appear before the Director, Arbitration and Conciliation Centre without requirement of any notice on **12.11.2025 at 2.30 p.m.**

**SD/-
(SURAJ GOVINDARAJ)
JUDGE**