

Sri. H. R. Venkatasubramanian.
Advocate.

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(7)

IN THE COURT OF THE II ADDITIONAL CITY CIVIL JUDGE

CCCH No.6, BANGALORE CITY

O.S. No. 8227 / 1980

BETWEEN

Sri. G.B. Belani
and another

PLAINTIFFS

AND

Sri. R.B. Belani
and another

DEFENDANTS

In the matter of an arbitration between

nominees

1) Sri. Giridharidas Belani s/o. Bolumal

2) Sri. Suresh G. Belani, s/o Giridharidas

And (1) Sri. Ramchand B. Belani, s/o.

Bolumal (2) Chand P. Belani, s/o Ramchand

but
16/11/1987
I, Veerumal Bolumal, the Arbitrator appointed
in the above case humbly submit the award passed by
me as follows:-

Whereas in pursuance of an order of reference
made by this Hon'ble Court, dated 21.1.1986, on the
joint memo filed by both the parties, to settle all
the disputes between the parties, it has been
referred to me for determination.

In pursuance of the said reference, I called
for all the documents of all the firms, books of
accounts, etc and held several meetings with the
parties and discussed the subject matter of dispute

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In pursuance of the said reference, I issued a final notice dated 30.12.1986 calling upon the plaintiffs and defendants to be present at the final meeting to be held on 10.1.1987 at 6 P.M. at No.246, K. Kamaraj Road, Bangalore-42, to further discuss and to hear arguments fully and in detail in order to enable me to pass an award. The said notice was served on all the parties to the suit. Accordingly on 10.1.87 at 6 P.M. a meeting was held and I occupied the chair. All the parties were present. After discussion, I heard the arguments of both parties in detail. The plaintiffs and the Defendants gave their joint memo stating that they will abide by the terms of the award that will be given by me. *The award is enclosed herewith for kind perusal of His Hon'ble Court.*

Now, I having duly considered the matter referred to me, I do hereby make ^{my} ~~award~~ award as follows:-
own

% 1 Award

I 1. The defendants Sri. Ramchand, B: Belani and (2) Sri. Chand L. Belani, hereinafter shall be the sole and absolute owners of M/s. Shri Rama Metal Works, situated at Nos.320 and 321, Mysore Road, Bangalore and its associate and sister concerns namely, M/s. Ahuja Brothers and M/s. Bangalore Smelting Works, both situated at No.320, Mysore Road, Bangalore, and they shall also be the sole and absolute owners of all the present assets of the said firms including the stock-in-trade, balance sheet, profit and loss accounts etc of all the above said three firms.

18/02/87

II The said defendants shall take over the abovesaid firms along with all the assets, as it is and wherein conditions, and all liabilities except to the plaintiffs and the family members of the plaintiffs. ~~xxxxxxallliabilitiesxxxxxx~~
~~xxxxxxxxxxxxxxxxxxxxxxxxxxxx~~ 17.2.79

17.2.79
III The defendants alone are liable and shall discharge all the debts of the abovesaid all the firms to the third parties.

IV That in consideration of taking over and becoming the absolute owners of all the three partnership firms namely (1) M/s. Shree Rama Metal Works, (2) M/s. Ahuja Brothers and (3) M/s. Bangalore Smelting Works, all situated at Nos. 320 and 321, Mysore Road, Bangalore-26 and all their assets, the defendants shall pay a sum of Rs. 1,70,000/- (rupees one lakh and seventy thousand only) to the plaintiffs herein together with interest thereon at the rate of 12% per annum with effect from 31.3.1979. The defendants shall repay the said entire amount in instalments of Rs. 15,000/- each, each instalment amount payable within four months of the previous instalment. The defendants shall pay the first instalment amount of Rs. 15,000/- together with interest on or before 16.2.1987
The defendants shall pay the said amount as follows:-

- a) first instalment of Rs. 15,000/- shall be paid on or before 16.2.1987, together with interest thereon at the rate of 12% per annum with effect from 31.3.1979



- b) second instalment of Rs.15,000/- shall be paid together with interest thereon at the rate of 12% per annum on or before 16.6.1987; from 31.3.1979.
- c) Third instalment of Rs.15,000/- shall be paid together with interest thereon at 12% per annum on or before 16.10.1987 from 31.3.1979;
- d) fourth instalment of Rs.15,000/- shall be paid together with interest thereon at the rate of 12% per annum on or before 16.2.1988 from 31.3.1979.
- e) fifth instalment of Rs.15,000/- shall be paid together with interest thereon at 12% per annum on or before 16.6.88 from 31.3.1979;
- f) sixth instalment of Rs.15,000/- shall be paid together with interest thereon at the rate of 12% per annum on or before 16.10.88 from 31.3.1979;
- g) seventh instalment of Rs.15,000/- shall be paid together with interest thereon at 12% per annum on or before 16.2.1989 from 31.3.1979;
- h) eighth instalment of Rs.15,000/- shall be paid together with interest thereon at the rate of 12% per annum on or before 16.6.89 from 31.3.1979;
- i) ninth instalment of Rs.15,000/- shall be paid together with interest thereon at 12% per annum on or before 16.10.89 from 31.3.1979;
- j) tenth instalment of Rs.15,000/- shall be paid together with interest thereon at the rate of 12% per annum on or before 16.2.1990 from 31.3.1979;

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k) eleventh instalment of Rs. 15,000/- shall be paid together with interest thereon at the rate of 12% per annum on or before 16.6.1990, from 31.3.1979;

l) the twelfth instalment payable by defendant is Rs. 5000/- (rupees five thousand only) together with interest thereon at the rate of 12% per annum on or before 16.10.1990 from 31.3.1979.

If the defendants fail to pay any instalments or instalments or interest thereof on or before the due dates above stipulated, the plaintiffs are entitled to recover any instalment or instalments due together with interest immediately after the due date of instalment or instalments through a Court of law together with ~~costs~~ costs.

v The defendants shall be the owners of the land of all the three said firms on which the said firms are situated and business carried on. Whenever required the plaintiffs shall convey the title of the lands in favour of defendants at the request and costs of defendants by an appropriate document.

VI The defendants shall have no right, title and interest in the properties other than the properties of Nos. 320 and 321, Mysore Road, Bangalore-26, which now stand in the name of the plaintiffs and which were purchased through M/s. Sri. Rama Metal Works. The defendants shall have no claim over the same and are not entitled for the said lands. Similarly the defendants shall not claim any right or amount in respect of properties mortgaged in the name of the plaintiffs.

VII There are credit and debit entries in the names of the plaintiffs and defendants family members in the books of accounts of the abovesaid firms. The list below pertains to the family members of the plaintiffs only. As the defendants retain the credits and debits of their family members of the abovesaid firms in view of their becoming owners of the said firms, their credits and debits are not shown here. As the defendants are liable to discharge their liabilities to the third parties, the credits and debits of third parties are also not shown.

i) Credit entries for which amount the plaintiffs' family members are entitled to receive as per the books of accounts of M/s. Shri Rama Metal Works, are as follows:

a) Smt Gowri Belani	11,064.00
b) Smt. Sulochana	12,828.00
c) Sri. Jai S. Belani	1,27,041.00
d) Sri. Mahesh G. Belani	2,751.00
e) Sri. Eshwar	34,920.00

ii) Debit entries showing the amount payable by the plaintiffs' family members as per the books of accounts of M/s. Shri. Rama Metal Works are as follows:-

a) Shri. G.B. Belani	2,04,232.00
b) Sri Suresh Belani	49,899.00
c) Sri. Jagadeesh	72,546.00
d) Sri. Bhagwan	13,417.00

Even though in the books of M/s. Shree Rama Metal Works there is a debit balance of Rs.2,04,232/- in the name of G.B. Belani, however, I disallow a sum of Rs.86,500/- and the remaining debit balance will be Rs.1,17,732.00 only.

iii) Credit entries for which amount the plaintiffs' family members are entitled to receive as per the books of accounts of M/s. Ahuja Brothers are as follows:

a) Sri. Kumar	50,758.00
b) Sri. Bhagwan	694.00
c) Sri. Eshwar	32,549.00
d) Smt. Jyothi Lulla	8,395.00
e) Sri. Jayanth Lulla	10,041.00
f) Sri. Mahesh	1,11,388.00
g) Sri. Suresh	1,10,034.00
h) Smt. Sulochana	11,282.00
i) Smt. Usha	35,925.00

iv) Debit entry showing the amount payable by the plaintiff's family members as per the books of accounts of M/s. Ahuja Brothers is as follows:-

a) Smt. Mohini	21,943.00
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v) Credit entries for which amounts the plaintiffs' family members are entitled to receive as per the books of accounts of M/s. Bangalore Smelting Works, are as follows:

a) Smt. Sulochana	15,894.00
b) Smt. Usha	55,794.00
c) Smt. Mohini	9,518.00

vi) Debit Entry showing the amount payable by the plaintiffs' family members as per the books of accounts of M/s. Bangalore Smelting Works, is as follows:

a) Sri. Bhagwan	57,742.00
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VIII The plaintiffs ~~have~~ neither claim nor are entitled for the credit amounts particularised above from the defendants or their family members. Similarly, the defendants ~~are~~ neither claim nor are entitled for the debit amounts particularised above from the plaintiffs or their family members.

The defendants are neither liable to pay to the plaintiffs or to their family members nor are

entitled to claim from the plaintiffs or from the family members of the plaintiffs in respect of the said firms. Similarly the plaintiffs are neither liable to pay. ✓

IX The Plaintiffs also shall have no claim or right whatsoever towards the plants, machineries, lands, buildings, assets etc of M/s. Sri. Rama Metal Works, 320/321, Mysore Road, Bangalore-26, now belonging to the defendants ~~with interest from~~ ~~XXXXXX~~ and the defendants alone shall be the ~~XXXXXX~~ sole and absolute owners of the said firm hence forth and the defendants are entitled to deal with the said firm and business as their absolute property to the exclusion of all others.

X The above firm M/s. Bangalore Smelting Works has secured a loan from Punjab National Bank. A suit has been filed by the said Bank against the said firm. The defendants themselves shall pay the said suit claim exclusively.

XI There has been an income tax appeal filed by the Plaintiffs and defendants hereto in respect of the firm M/s. Sri Rama Metal Works, pending disposal. The Income Tax payment liability under the said appeal is to the extent of Rs.1,63,000/- (Rupees one lakh and sixty three thousand only). Both the parties have kept the said amount in deposit in the firm account. The plaintiffs and defendants are entitled to equal half amount, by each party in the said amount. After the final disposal of the said appeal, if the said appeal ends

in favour of the parties hereto, the defendants shall return half of the said amount, in deposit namely Rs.81,500/-(rupees eighty one thousand and five hundred only) together with interest thereon at 12% per annum from 31.3.1979, till the date of payment, to the plaintiffs. If the said appeal is decided partially in favour of the parties, hereto, the defendants shall pay the amount towards the satisfaction of the income tax order in the said appeal and out of the remaining amount in the said deposit, half amount shall be paid to the plaintiffs towards their share together with interest as stated above. If the appeal is negatived fully, the defendants shall pay the entire amount, to the Income Tax Department. If the defendants fail to pay the amount as stated in respect of the above appeal pending, for which the plaintiffs are entitled, the plaintiffs are entitled to recover the said amount, from the defendants, together with interest at 12% per annum, from 1.4.1979, till the date of payment, through Court of Law.

XII Apart from the claim under the appeal above stated before the Appellate Income Tax Authority, shall there be any liability towards income tax, sales tax, any other cesses etc, with effect from 1.4.79, in respect of the firm M/s. Sri. Pame Metal Works, ^{and the above said two firms} the defendants alone are exclusively liable ^{to discharge} the same and they shall discharge the same. The plaintiffs, defendants and their

XIII M/s. Karnataka Trading Corporation is due certain amount to the firm Sri. Panna Metal Works. After recovery of the said amount in the name of the firm the defendants shall pay half of such recovered amount after deductions of costs and expenses to the plaintiffs. The plaintiffs are also equally entitled with defendants for other benefits such as good will etc, in respect of M/s. Karnataka Trading Corporation.

XIV Since the plaintiffs ^{had not participated} stopped and stayed away from the partnership business of above firms, it is held that they have ceased to be the partners of the firm with effect from 31.3.1979.

XV The plaintiffs shall sign all such documents that are necessary and which may be required by defendants for transferring TITLES, QUOTAS, LICENCE, Electric power, Telephones etc, etc and do such necessary acts, things and deeds, to effect and properly convey the properties of the firms in favour of the defendants at the request and cost of the defendants.

XVI ^{In} Under the terms mentioned above the ^{plaintiffs} ~~plaintiffs~~ is ~~decreed~~ ^{is decreed}. ^{15/1/82}

XVII ^{In} In the circumstances of the case half the Court fee be ordered to be refunded to the plaintiffs as settled out of Court and there shall be no order as to costs.

Dated this 16th day of January 1982 at Bangalore.

^{15/1/82}
16-187 16-1-82
(VERIFIED ORIGINAL)
ARBITRATOR