



PEOPLE'S EDUCATION SOCIETY'S
ADV. BALASAHEB APTE COLLEGE OF LAW

(Affiliated to University of Mumbai)

Prin. N. M. Kale Marg, Off Gokhale Road (S), Dadar (W), Mumbai 400 028.
Tel. : 2437 0421, email : abacollegeoflaw@gmail.com, website : www.abalawcollege.edu.in

ADR CELL (AY: 2025-26)

Notice No.: ABACL/ADR/25-26/05

Date: 13-09-2025

NOTICE

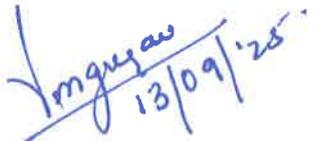
Students interested in participating in the following competition may register by scanning the QR Code provided herewith. The Final Registration date along with Elimination date has been mentioned accordingly.

Sr.No.	Name & Date of the Competition	Last Date to Register	Elimination Date/Time/Venue
1.	RCL National Mediation Competition III Edition organized by Ramaiah College of Law Bengaluru, Karnataka. 27 th September, 2025 – (Virtual) 30 th & 31 st October, 2025 – (Offline)	15 th September, 2025	16 th September, 2025 (Tuesday) (Offline Mode) Moot Court Hall Time: 12 Noon




Asst. Prof. Vishal Shinde
Faculty In-charge




13/09/25
Prof. Vaishali Gurav
I/C Principal

Mediation Problem

Theme: Contractual Laws

M/s Harshvardhan Metal Industries, a registered partnership firm comprising two partners, namely, Shri Ramadhir Singh and Shri Sardar Khan, was engaged in the business of sale and supply of copper pipes and tubes, primarily for use in Heating, Ventilation, and Air Conditioning (HVAC) systems. The registered office of the firm was situated at A-11, Qutub Institutional Area, Delhi, and it maintained a warehouse at C-16, USIDA, Sector 63, Noida, Uttar Pradesh.

On 05.06.2024, Shri Sardar Khan unfortunately passed away. By virtue of Section 42 of the Indian Partnership Act, 1932 ("Partnership Act"), the partnership stood dissolved on the said date. As per the unaudited balance sheet prepared as on 05.06.2024, the firm's assets and liabilities were recorded as follows:

Particular	Amount
Creditors	
Archana Singh	Rs. 5,00,000/-
Vishnu Sharma	Rs. 7,00,000/-
Manthan Sharma	Rs. 4,00,000/-
Amina Begum	Rs. 10,00,000/-
Shahid Khan	Rs. 5,00,000/-
Debtors	
M/s Krishan Technoplast	Rs. 3,20,000/-
M/s Suraj Traders	Rs. 1,65,000/-
Mr. Vibhuti Narayan	Rs. 5,60,000/-
Ms. Manmohan Tiwari	Rs. 1,26,450/-
Unsold Inventory	Rs. 20,00,000/-
Stock in Trade	Rs. 13,00,000/-
Working Capital	Rs. 20,00,000/-



Theme: Contractual Laws

Notwithstanding the dissolution, Shri Ramadhir Singh continued operations of the firm for approximately three months thereafter, citing business exigencies, including the completion of pending orders, liquidation of unsold inventory, and protection of employee interests. During this period, he discharged certain debts and collected outstanding dues. The firm ceased operations on 06.09.2024. As per the unaudited balance sheet on the date of closure, the assets and liabilities stood as under:

Particular	Amount
Creditors	
Amina Begum	Rs. 10,00,000/-
Shahid Khan	Rs. 5,00,000/-
Debtors	0
Unsold Inventory	Rs. 15,00,000/-
Stock in Trade	Rs. 13,00,000/-
Working Capital	Rs. 20,71,450/-

Shri Ramadhir Singh subsequently approached the legal heirs of late Shri Sardar Khan, namely, his widow, Smt. Amina Begum, and his son, Shri Shahid Khan, with a proposal for the distribution of assets. He valued the firm's two immovable properties at Rs. 5,00,00,000/-, a valuation acceptable to Smt. Amina Begum. However, Shri Shahid Khan valued the same properties at Rs.10,00,00,000/-, resulting in a deadlock.

In the absence of an agreed mode of distribution, Shri Ramadhir Singh commenced a sole proprietorship under the name "M/s Harshvardhan Copper Industries" at the same registered office, engaging in identical business activities. Considering that the unsold inventory and machinery of the dissolved firm were susceptible to degradation if left unused, he acquired the same for the proprietorship by transferring funds equivalent to their book value as per the balance sheet dated 06.09.2024 to the account of the dissolved firm. GST registration was obtained for the new entity.



Theme: Contractual Laws

Alleging unlawful continuation of business post-dissolution, misappropriation of funds, and selective repayment of creditors (excluding the widow and son of the deceased partner), Shri Shahid Khan instituted a commercial suit before the Original Side of the Hon'ble High Court of Delhi on 05.01.2025, seeking partition and rendition of accounts. It was contended that Shri Ramadhir Singh had exploited the goodwill, assets, and registered office of the dissolved firm for personal gain.

Shri Ramadhir Singh refuted the allegations, asserting that post-dissolution operations were conducted bona fide, in the interest of the dissolved firm and its employees. He averred that no consensus on asset distribution could be reached due to unreasonable demands regarding property valuation. He also raised an objection to the maintainability of the suit, contending that the dispute did not fall within the ambit of a "commercial dispute" under Section 2 of the Commercial Courts Act, 2015

Upon consideration of the pleadings, the Hon'ble Court appointed a Receiver to take charge of the firm's assets, safeguard their value, obtain a valuation from a court certified valuer among other disputes. The valuation report assessed the immovable properties as follows:

Particular	Amount
A-11, Qutub Institutional area, Delhi	Rs. 2,15,00,000/-
C-16, USIDA, Sector 63, Noida, Uttar Pradesh	Rs. 3,42,00,000/-

Observing that the disputes between the parties pertaining to the properties among other disputes, the Hon'ble Court deemed it appropriate, in the interest of justice, to refer the matter to mediation to enable the parties to amicably resolve their differences.

