

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 02.07.2019

CORAM

THE HONOURABLE MRS.JUSTICE PUSHPA SATHYANARAYANA

O.P.No.813 of 2018

M/s.Solar Designs Private Ltd.
Rep. by its Director,
A.A.K.Apath Sakaayem,
No.1, 'A' Wing,
3rd Floor, Parsn Manor,
No.602, Anna Salai,
Chennai-600 006.

.. Petitioner

Vs.

1. S.Ramesh
2. R.Subramani Naicker

.. Respondents

* * *

Prayer : Petition filed under Section 11(5) of the Arbitration and Conciliation Act, 1996, praying to appoint a Sole Arbitrator to resolve the disputes between the petitioner and the respondents arising out of the Memorandum of Undertaking dated 11.08.2010.

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For Petitioner : Ms.N.Rabiya

For Respondent : Served – No Appearance

ORDER

This Original Petition is filed seeking appointment of an Arbitrator to resolve the disputes between the petitioner and the respondents arising out of the Memorandum of Undertaking dated 11.08.2010.

2. The petitioner entered into a lease deed dated 12.04.2010 with the respondents, who are the landlords, and paid a sum of Rs.3,50,000/- as advance, besides agreeing to pay a monthly rent of Rs.35,000/- for the subject property. The petitioner had given a sum of Rs.14,00,000/- as loan to the respondents to purchase the adjacent property on the promise that it would be leased out to him after construction on a monthly rent of Rs.20,000/-. The respondents agreed to repay the loan with interest in 33 Equated Monthly Installments (EMIs) of Rs.55,000/- each. A Memorandum of Undertaking dated 11.08.2010 (in short, 'MOU') was entered into between the parties on the above terms. The construction would be completed within 55 days of the date of MOU and in Clause 5 of the MOU, it is agreed upon by the parties that the sum of Rs.55,000/- towards EMI would be deducted from the rent payable. The case of the petitioner is that even after 18 months of the MOU, the construction was not completed and when it was completed the respondents attempted to vacate the petitioner from the premises. Hence, he filed O.S.No.360 of 2017 on the file of the Principal District Court, Poonamallee, seeking injunction and the same is pending. In that backdrop, the respondents filed R.C.O.P.No.57 of 2017, before the said Court seeking to vacate him on the ground of willful default of

rent. As Clause 14 of the MOU provides for settlement of disputes by means of arbitration, the petitioner issued legal notice dated 31.03.2018 nominating a retired District Judge and sought for consent of the respondents. Since there was no response from the respondents, the petitioner is before this Court.

3. Despite service of notice, the respondents have not chosen to appear before this Court either in person or through any counsel.

4. Having regard to the submissions of the learned counsel for the petitioner, this Court appoints Mr.S.Sounthar, Advocate, having office at NO.299, Law Chambers, High Court Buildings, Chennai-600 104, (Phone No.2653 5530), as the Sole Arbitrator to enter upon reference and adjudicate the disputes inter se the parties. The learned Arbitrator may, after issuing notice to the parties and upon hearing them, pass an award as expeditiously as possible, preferably within a period of six months from the date of receipt of the order. The learned Arbitrator is at liberty to fix his remuneration and other incidental expenses. The proceedings may be conducted under the aegis of the Madras High Court Arbitration Centre and in accordance with the Madras High Court Arbitration Rules.

5. The Original Petition is ordered accordingly, leaving the parties to bear their own costs.

02.07.2019

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PUSHPA SATHYANARAYANA, J.

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