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Arb. O.P(Com.Div). No.44 of 2023

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 16.03.2023

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THE HONOURABLE MR. JUSTICE KRISHNAN RAMASAMY

Arb. O.P(Com.Div). No.44 of 2023

TRULIV Properties and Services Private Limited,
Represented by its Authorised Signatory,
T.Rohit Reddy,
Co-Founder & CEO,
1st Floor, Khivraj Complex-II, 480, Anna Salai,
Nandanam, Chennai – 600 035

... Petitioner

Vs.

C.Ravishankar

... Respondent

PRAYER : Original Petition is filed under Section 11(6) (a) of the Arbitration and Conciliation Act, 1996, praying to pass an order of appointing a sole arbitrator in accordance with Clause 23 of the Lease Deed dated 12.07.2019, to adjudicate upon the disputes that have arisen between the parties in relation to the Lease Deed dated 12.07.2019.

For Petitioner : Mr.Sriram Srinivasan
for Mr.Rahul Balaji

For Respondent : No Appearance



ORDER

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This petition has been filed under Section 11 (6) (a) of Arbitration and Conciliation Act, 1996, (hereinafter referred as “the Act”), seeking to appoint an arbitrator to adjudicate the disputes between the petitioner and the respondent in terms of Clause 23 of the Lease Deed dated 12.07.2019.

2.Learned counsel appearing for the petitioner would submit that the petitioner and the respondent entered into a Lease Deed dated 12.07.2019 in respect of 20 flats, in a project known as “Sobha Serene” situate at Seenneerkuppam, off Porur – Poonamallee High Road, Chennai, for the purpose of operating service residential apartments to prospective tenants. As per the said lease deed a monthly rent payable is Rs.27,000/- per flat inclusive of maintenance, which aggregated to Rs.5,40,000/-. Apart from that, at the time of executing the lease deed, the petitioner paid an interest free security deposit of Rs.32,40,000/- by way of cheque. The petitioner had also spent huge amount for fixtures and fittings. While so, the petitioner received a legal notice dated 31.08.2019 from Sobha Developers Limited, through which the petitioner was put to notice about a Joint Venture Agreement entered into between Sobha Developers Limited and the respondent and that certain disputes arose



regarding the same which were pending adjudication before an Arbitral Tribunal. From the said legal notice, it appears that an interim order dated 27.12.2016 was passed by the Arbitral Tribunal restraining the respondent from selling or creating any encumbrance in the schedule property.

3.He would further submit that at the time of entering into the lease deed, the respondent stated that he is an absolute owner of the schedule property. After the receipt of the legal notice dated 31.08.2019, the petitioner sent a notice to the respondent urging him to resolve the disputes between the respondent and Sobha Developers Limited or to refund all the amounts incurred by the petitioner towards the refurnishing and renovation of said 20 flats along with security deposits and all other expenses incurred along with 18% p.a. Though the respondent received the said legal notice, there was no response for the same. The petitioner has also lodged a complaint with the Police in respect of the respondent's act. During the course of investigation, the respondent agreed for the termination of the lease deed and undertook in writing to return the security deposit of Rs.32,40,000/- on or before 31.01.2020. However, the respondent instead of making payments, has sent a legal notice dated 14.09.2020 making false claim against the petitioner. In response to the said notice dated 14.09.2020, the petitioner sent a reply notice rejecting all the



claims made against the petitioner and called upon the respondent to return and refund the sum mentioned in the earlier legal notice dated 28.09.2019 along with interest at the rate of 18% per annum and take back the possession of the said 20 flats, failing which, the petitioner will be constrained to refer the dispute to arbitration in terms of Clause 23 of the lease deed dated 12.07.2019. The said notice was came to be returned. Therefore, the arbitral notice was also sent to the respondent by speed post. However, there was no response from the respondent. Hence, the present petition came to be filed and he prayed for an appointment of Arbitrator.

4.Though notice served and the name of the respondent is also printed in the causelists, there is no representation for the respondent either in person or through counsel, which shows the respondent is not interested to contest the case. Hence, this Court proceeds to pass the following orders

5.For better appreciation, Clause 23 of the Lease Deed dated 12.07.2019, is extracted hereunder:

“23.All question, differences or disputes whatsoever which may arise between the LESSOR and the LESSEE or their respective representatives, connected with the aforesaid terms, whether as to construction or



otherwise, shall be referred to arbitration of a sole independent Arbitrator to be mutually appointed by the parties. The Arbitrator proceedings shall be conducted in accordance with the provisions of the Arbitration & Conciliation Act, 1996 or any re-enactment or statutory modification thereof. The decision of the Sole Arbitrator shall be final and binding on the parties. The venue of the Arbitration shall be at Chennai.”

6.In view of the above submissions and a perusal of Clause 23 of the Lease Deed dated 12.07.2019, it is clear that the present dispute is arbitable in terms of the said contract. Therefore, this Court is inclined to appoint an Arbitrator to adjudicate the dispute between the petitioner and the respondent.

(i) Accordingly, **Mr.V.Nallasenapathy, Advocate, residing at No.61, TTK Road, Chennai – 600 018 (Contact No.9841527190)**, is appointed as the Arbitrator to enter upon reference and adjudicate the disputes *inter se* the parties.

ii) The learned Arbitrator appointed herein, shall 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, without influencing any of the observations made by this Court in this order.



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iii) The learned Sole Arbitrator appointed herein shall be paid fees and other incidental charges, fixed by him and the same shall be borne by the parties equally.

iv) In the event of non-appearance of the respondent herein, the petitioner herein shall bear the entire remuneration and other expenses and thereafter, the petitioner can recover the same directly from the respondent herein.

7.This Original Petition is ordered accordingly, leaving the parties to bear their own costs. Since this Court has appointed an Arbitrator, it is open to the petitioner as well as the respondent to seek other reliefs under the provisions of Arbitration and Conciliation Act 1996 before the Arbitrator.

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KRISHNAN RAMASAMY. J.,
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