

**IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD**

**THURSDAY, THE SECOND DAY OF NOVEMBER
TWO THOUSAND AND TWENTY THREE**

PRESENT

THE HON'BLE SRI JUSTICE B. VIJAYSEN REDDY

ARBITRATION APPLICATION No: 223 of 2022

Between:

M/s. Kore.ai Software India Pvt. Ltd., Having its registered office at: 3rd Floor, Aurobindo Galaxy Towers, Hitech City Road, opposite to IKEA, Hyderabad, Telangana - 500081 Represented by its Director Legal - Mr. Vajjhala Srinivasa Sastry.

...Applicant

AND

M/s. Vijay Infotech Ventures, Having its registered office at: Ground-floor, 104, Surya Towers, Sardar Patel Road, Secunderabad, Telangana. Represented by its Managing Partner Mr. Vijay Kumar Gupta.

...Respondent

Arbitration Application Under Section 11 (5) & (6) of the Arbitration & Conciliation Act, 1996 R/w Scheme for appointment of Arbitrator, 1996, praying that this Hon'ble Court may be pleased to appoint an Arbitrator for the purpose of adjudicating the Claims and disputes between the Applicant and Respondent, in respect of Lease Deed dated 20-04-2016.

Counsel for the Petitioner: SRI SINDE MOHAN DEVIDHAS

Counsel for the Respondent: SRI DIVYANK JAISWAL (No Representation)

The Court made the following: ORDER

HONOURABLE SRI JUSTICE B. VIJAYSEN REDDY

ARBITRATION APPLICATION No.223 OF 2022

ORDER: (ORAL)

This application is filed to appoint an Arbitrator under Section 11 (5) (6) of the Arbitration and Conciliation Act, 1996 (for short 'Act 1996') for adjudicating the disputes between the applicant and the respondent arising out of lease deed dated 20.04.2016.

2. The applicant is the lessee and the respondent is the lessor-landlord of the premises i.e., an area consisting of 5,800 sq. feet (approximately) in 12th Floor of E-Park building situated at Plot No.1, Jubilee Gardens, Kondapur, Hyderabad (schedule property). The parties entered into registered lease deed dated 20.04.2016. It is stated that at the time of entering into the lease deed, a sum of Rs.31,32,000/- was paid by the applicant to the respondent towards refundable security deposit, which was to be refunded by the respondent at the time of termination/expiry of lease in terms of Clause 5 (c) (ii) of the lease deed. The parties mutually terminated the lease deed *vide* agreement dated 05.08.2021. The applicant requested the respondent to refund an amount of Rs.1,25,28,000/- which was paid towards security deposit at the time of entering into the lease deed dated 20.04.2016 and other two lease deeds. The applicant vacated the schedule property believing that the respondent would return the

security deposit. The applicant has issued several e-mails and reminders requesting the respondent to refund the sum of Rs.1,25,28,000/- covered by three lease deeds. It is stated that the respondent had been promising to pay the said amount, however the payment was delayed on one pretext or the other. Finally, the respondent released part payment of Rs.45,00,000/- towards the lease deed bearing document No.18652 of 2013 dated 30.09.2023 and they were due and liable to pay balance amount of Rs.80,28,000/-. On request of the respondent, the applicant waited for three months and subsequently sent reminders, to which the respondent sent e-mail dated 08.07.2022 requesting time by the end of July, 2022, but failed to honour their commitment.

3. It is stated that the applicant issued demand notice dated 09.08.2022 calling upon the respondent to pay Rs.80,28,000/-, which includes rental deposit of Rs.31,32,000/- under the subject lease deed, along with interest at the rate of 24% per annum. The notice was received by the respondent, but they failed to pay the demanded amount. The applicant was constrained to issue arbitration notice dated 19.09.2022 (Annexure P-18) as per Clause 16 of the lease deed dated 20.04.2016. The notice was served on the respondent on 20.09.2022

as per postal tracking report (Annexure P-19), however there is no reply from the respondent.

4. In the notice dated 19.09.2022, the applicant proposed nominee Sri Grandhi Gopala Krishna Murthy, Retired District Judge, as sole Arbitrator for adjudication of the disputes.

5. After notice was issued to the respondent in this application, Mr. Divyank Jaiswal, counsel, appeared on their behalf. The matter was listed on 20.10.2023 along with connected Arbitration Application Nos.215 and 222 of 2023, but there was no representation on behalf of the respondent, therefore, the matter was directed to be listed on 31.10.2023 by making it clear that the matter will be heard on merits if counter is not filed by the next date of hearing. However, on 31.10.2023 also, there was no representation on behalf of the respondent and the matter was directed to be listed today i.e., 02.11.2023. Even today, there is no representation on behalf of the respondent.

6. The lease deed provides for arbitration at Clause No.16. As the disputes have arisen, the applicant invoked arbitration by issuing notice dated 19.09.2022 under Section 21 of the Act, which was duly served on the respondent as per postal tracking report (Annexure P-19).

7. As there is no contest from the respondent, this Court does not have any other alternative, but to allow the arbitration application.
8. Accordingly, the arbitration application is allowed appointing Sri D, Shamm Mohan Rao, Retired District Judge, Flat No.204, Saatakshi Avenue, Street No.4, Karthikeya Nagar, Nacharam, Hyderabad – 500076, as Arbitrator to adjudicate the claims and disputes between the parties and to pass an award in accordance with law.
9. The learned Arbitrator is entitled to fees as per the rates specified in the Fourth Schedule to Act 1996, inserted by Act 3 of 2016 with effect from 23.10.2015, which shall be borne by both parties in equal shares.

Sd/- M. VIJAYA BHASKER
JOINT REGISTRAR

//TRUE COPY//

SECTION OFFICER

To,

1. Sri D. Shamm Mohan Rao, Retired District Judge, Flat No.204, Saatakshi Avenue, Street No.4, Karthikeya Nagar, Nacharam, Hyderabad – 500076. (By Special Messenger) (Along with a Copy of affidavit and material papers)
2. One CC to SRI SINDE MOHAN DEVIDHAS, Advocate [OPUC]
3. One CC to SRI DIVYANK JAISWAL, Advocate [OPUC]
4. Two CD Copies

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HIGH COURT
DATED:02/11/2023

ORDER

ARBAPPL.No.223 of 2022



THE ARBITRATION APPLICATION
IS ALLOWED

6 Copies

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10/11/23