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Arbitration Original Petition (Com.Div.) No.243 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 29.10.2025

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THE HONOURABLE MR.JUSTICE N.ANAND VENKATESH

Arbitration Original Petition (Com.Div.) No.243 of 2025

Ravi Kumar
S/o.Gopal Das

.... Petitioner

Vs.

M/s.Shanineketan Educational Society,
represented by Mr.Sangam Jeevan reddy,
S/o.Mr.Sangam Ramanaiah
No.23/812 Fathekhanpet,
Nellore - 524 003.

.... Respondent

Arbitration Original Petition (Com.Div.) filed under Section 11 (5) of the Arbitration and Conciliation Act, 1996, praying to appoint a sole arbitrator to resolve the dispute between the petitioner and the respondent arising out of and in connection with the lease agreement and Memorandum of Understanding both dated 08.05.2024.

For Petitioner : Mr.S.Rajasekar
For Respondent : Mr.Prajoy. J
for M/s.AAV Partners

ORDER

This petition was filed under Section 11(5) of the Arbitration and Conciliation Act, 1996, for appointment of an Arbitrator to resolve the dispute between the petitioner and the respondent arising out of a lease agreement and Memorandum of Understanding dated 08.05.2024.



2. When the petition came up for hearing on 17.09.2025, this

WEB COURT passed the following order:

"This petition has been filed for appointment of a sole arbitrator under Section 11 (5) of the Arbitration and Conciliation Act, 1996, to resolve the dispute between the petitioner and the respondent arising out of a lease agreement and Memorandum of Understanding both dated 08.05.2024.

2. The learned counsel for the petitioner submitted that the rents are due and payable from the month of August 2024 and till date, a total sum of Rs.60,00,000/- is the arrears of rent that is payable by the respondent. The learned counsel further submitted that the rents were paid only for the months of June and July 2024. The respondent has also paid the advance amount of Rs.25,00,000/-.

3. The learned counsel for respondent raised certain factual issues and also grounds to substantiate that the present petition is not maintainable.

4. This Court does not want to go into the rival contention for the present. The respondent is running a school in the subject property and the lease agreement itself was entered into between the parties hardly one year ago. Therefore, this Court expect the parties to resolve the dispute as early as possible. Under normal circumstances, this Court would not have send the parties for mediation. However, since a school is being run in the property, it would be better for the parties to come to some settlement after negotiation at the earliest.

5. In view of the above, the petitioner and the representative of the respondent society shall be present before the mediation centre on 25.09.2025. This Court requests M/s.Ajeetha, Advocate, to act as a mediator in this case. The process of mediation shall be started immediately and a report shall be filed before this Court on 17.10.2025. The fee payable to the learned Mediator will be fixed by this Court after the completion of the mediation and the same will be shared by both the parties.



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6. Post this case under the caption for filing report on 17.10.2025."

3. Pursuant to the above order, the parties appeared before the Mediator and during the mediation process, the parties entered into a settlement agreement dated 16.10.2025. In view of the same, the parties have arrived at a settlement and a mediation report has been placed before this Court stating that the parties have amicably resolved the dispute.

4. In the light of the above development, it will suffice to take note of the terms of settlement between the parties and extract the same hereunder:

"NOW THIS AGREEMENT WITNESSETH AS FOLLOW:-

1. The PARTY OF THE SECOND PART agrees to deposit monthly rent on or before 15th day of every month of November, 2025 in accordance with the Lease Agreement and Memorandum of Understanding both dated 08.05.2025 without any default. PARTY OF THE FIRST PART also agreed that the TDS deducted will also be filed before the Income Tax Department and provide the PARTY OF THE FIRST PART the challan without any delay.
2. The PARTY OF THE FIRST PART agrees to adjust a sum of Rs.20,00,000/- (Rupees Twenty Lakhs only) being part arrears of rent from the security deposit of sum of Rs.25,00,000/- (Rupees Twenty Five Lakhs only). The PARTY OF THE FIRST PART shall retain only a sum of Rs.5,00,000/- (Rupees



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Five Lakhs only) as interest free refundable security deposit returnable at the time of vacating the demised premises. The Party of the Second Part agrees to pay the balance sum of arrears in rent Rs.50,00,000/- (Rupees Fifty Lakhs only) in three instalments through post dated cheques or RTGS in the following manner:-

- i. Sum of Rs.20,00,000/- (Rupees Twenty Lakhs only) will be paid on or before 27.10.2025.
 - ii. Sum of Rs.15,00,000/- (Rupees Fifteen Lakhs only) will be paid on or before 25.11.2025.
 - iii. Sum of Rs.15,00,000/- (Rupees Fifteen Lakhs only) will be paid on or before 03.01.2026.
3. The PARTY OF THE SECOND PART handed over post-dated cheques bearing numbers 049682, 049683 and 049682 drawn on Central Bank of India, Anna Salai Branch, Chennai for the above stated payment dates in favour of M/s.Alternative for India Development as stated in the MOU.
 4. The PARTY OF THE SECOND PART undertakes to maintain sufficient amount in the Bank Account so that cheque is not returned. In the event that the cheque is returned for any reason The PARTY OF THE SECOND PART agrees to hand over the vacant possession of the demised premises without any delay. In case the PARTY OF THE SECOND PART pays the said amount by way of RTGS before or on the said dates, the The PARTY OF THE FIRST PART agrees to return the respective Post dated Cheques upon receipt of the said payments.
 5. The PARTY OF THE SECOND PART agrees not to make any physical alteration to the school premises without getting prior consent from the PARTY OF THE FIRST PART.
 6. The PARTY OF THE FIRST PART and the PARTY OF THE SECOND PART mutually agree that the all previous notices, claims, issues, demands, etc by either parties shall stand settled and both parties undertake to withdraw any such notices, claims, issues, and demands on payment of the said amount of Rs.50,00,000/- by the PARTY OF THE SECOND PART. This clause shall not include the subsisting issue regarding alleged structural changes alleged by the PARTY



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OF THE FIRST PART to have already been done by the PARTY OF THE SECOND PART.

7. The PARTY OF THE FIRST PART and the PARTY OF THE SECOND PART mutually agree that there is no issue whatsoever subsisting between the parties except hereinabove and in settlement of the said issues as enumerated herein, all issues shall stand settled as on date. This does not prejudice the parties in case of any future issues between them. This clause shall not include the subsisting issue regarding alleged structural changes by the PARTY OF THE FIRST PART to have already been done by the PARTY OF THE SECOND PART."

5. The petitioner and the respondent are directed to pay fees of Rs.1,00,000/- [Rupees One Lakh only] each to the learned Mediator within a period of one (1) week from today.

This petition is disposed of in terms of the Settlement Agreement dated 16.10.2025.

29.10.2025

Index:yes/no
NCC:yes/no
Speaking Order/Non-speaking order
gm

N.ANAND VENKATESH, J.



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gm

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