



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 06-10-2025

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THE HONOURABLE MR JUSTICE N. ANAND VENKATESH

Arb O.P No. 74 of 2025

1. K Aparna
W/o. H.Kailasam, No.G1,
Sai Sannidhi Apartment,
15th Cross Street, Lakshmipuram,
Tambaram West, Chennai 600 045
Now presently residing at Plot
No.11, 1st Floor, 3rd Main Road,
Mahalakshmi Nagar,
Lakshmipuram Extension, West
Tambaram, Chennai 600 045
Plot
No.11, 1st Floor, 3rd Main Road,
Mahalakshmi Nagar,
Lakshmipuram Extension,
West Tambaram, Chennai

Applicant(s)

Vs

1. R Srihari Reddy
S/o. Rami Reddy
Plot NO.11, 3rd Main Road,
Lakshmipuram Extension, West
Tambaram, Chennai 600 045
now presently residing at
Plot No.129, 3rd Floor, 4th Street,
Lakshmipuram West Co-operative
society layout, Called as CTO
Colony, West Tambaram, Chennai
600 045

Respondent(s)



PRAYER

To appoint a Sole Arbitrator, in terms of Clause 18 of the Memorandum of Understanding dated 11.07.2022 to adjudicate the Petitioner and direct the respondents to pay the cost of this petition.

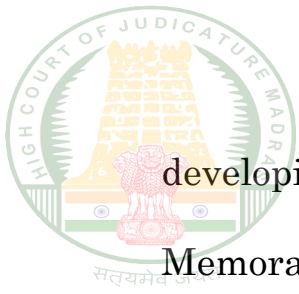
For Applicant(s): M/s. S.Ilamuhil
For Mr. Aravind Athithan
Respondent(s):
S.Thenaruvi
For Res Vak D.No.38350/25
8148989387

ORDER

This petition has been filed under Section 11 of the Arbitration and Conciliation Act, 1996 (for brevity hereinafter referred to as the Act) to refer the dispute between the parties to a sole arbitrator in terms of clause 18 of the Memorandum of understanding dated 11.07.2022.

2. Heard Ms. S.Ilamuhil, learned counsel for the petitioner and Mr.Aravind Athithan, learned counsel for respondent.

3. The case of the petitioner is that she entered into a joint venture, Memorandum of understanding dated 11.07.2022 with the respondent. The respondent is said to be in construction business of



developing and constructing individual apartment / villas. As per the Memorandum of Understanding, it is claimed that the respondent agreed to develop the vacant site by putting up construction consisting of three dwelling units. As per the agreement, the petitioner agreed to invest a sum of Rs.1,50,00,000/- and the respondent agreed to repay it with profits to the tune of Rs.2,10,00,000/- on or before 31.03.2023. It was further agreed that the statutory and other relevant charges payable for the purpose of getting approval will be borne by the petitioner and if this amount is not paid, it can be deducted from the profit that is payable to the petitioner. Thus, according to the petitioner, a total sum of Rs.2,07,50,000/- became due and payable.

4. The petitioner was following up with the respondent from April 2023 to get back this amount. But, however, the amount was not paid. Apart from that, it is claimed that the respondent had also entered into an agreement of construction with another person and executed a deed of sale and has also received the sale consideration. A portion of the property was also mortgaged.

5. Under such circumstances, the notice dated 04.07.2025



came to be issued by the petitioner, followed by a trigger notice under Section 21 of the Act dated 23.07.2025 to refer the matter to a sole arbitrator in order to resolve the dispute between the parties. Since there was no response, the present petition has been filed before this Court.

6. The learned counsel for the respondent by pointing out to clause 18 of the Memorandum of Understanding submitted that there was no clear intent for the parties to refer the dispute to Arbitration and therefore, the said agreement does not satisfy the requirements under Section 7 of the Act and hence, the present petition is not maintainable.

7. To substantiate the above submission, the learned counsel relied upon the judgement of the Apex Court in ***[K.K.Modi Vs. K.N.Modi and others]*** reported in 1998 3 SCC 573 and ***[Jagadish Chander Vs.Ramesh Chander and others]*** reported in 2007 5 SCC 719. To appreciate the above submission made by the learned counsel for the respondent, it is relevant to extract clause 18 of the Memorandum of Understanding hereunder:-

18. This agreement is irrevocable. This

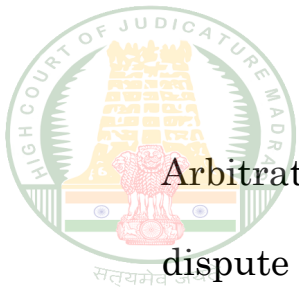


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document is valid till the amount is settled and a settlement agreement is made. In case of any dispute or differences or violation of conditions of MOU arising between the party of the first part and the second part shall be settled in accordance with arbitration and conciliation Act, 1996.

8. An arbitration agreement must contemplate that the parties will refer the dispute to the decision of a Tribunal in order to determine their rights. For that purpose, the Court must see as to whether the terms of the agreement satisfies the requirement under Section 7 of the Act. Section 7 of the Act, does not provide for any fixed format for an arbitration clause. It only mandates that the arbitration agreement must be in writing and it must be signed by the parties and an arbitration clause must be made as part of the contract. The intention of the parties as to whether they wanted the dispute to be referred to the arbitrator, can be gathered only from the agreement entered into between them.

9. On a careful reading of clause 18 of the Memorandum of Understanding, it is seen that the parties had agreed to resort to the

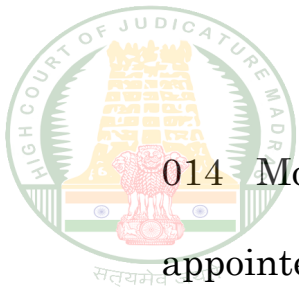


Arbitration and Conciliation Act, 1996 in order to resolve their dispute or differences arising out of the Memorandum of understanding dated 11.07.2022. The fact that the word “shall” has been incorporated in the said clause shows that the parties had only intended to resolve their disputes under the Act and the only way in which the dispute can be referred is by appointment of an arbitrator.

10. In view of the above, this Court is of the considered opinion that the said clause satisfies the requirement of Section 7 of the Act and a valid arbitration clause is available in the Memorandum of Understanding. The Court cannot go into any of the other disputes between the parties. All the issues including the issue of jurisdiction can only be raised before the learned Arbitrator.

11. In the light of the above discussion, this Court holds that there is existence of an arbitration clause under the Memorandum of Understanding and the parties had intended to resolve their disputes only by referring the matter to the Arbitrator under the Act.

12. In view of the above, Mr.Abhisek Jenasenan, Advocate, residing at 15/6, Deivasigamani Street, Royapettah, Chennai 600



014 Mobile No.9600000036 email id: abishekj@gmail.com, is appointed as the sole Arbitrator and the Arbitrator is requested to

enter upon reference qua the Memorandum of Understanding dated 11.07.2022, adjudicate the arbitral dispute that were arising between the parties by holding the sittings in any venue in Chennai to the convenience of all concerned and render an award. Fees of the sole Arbitrator shall be in accordance with the Madras High Court Arbitration Centre (MHCAC)(Administrative Cost and Arbitrator's Fees) Rules 2017.

13.This Arbitration OP is disposed of in the above terms. There shall be no order as to costs.

06-10-2025

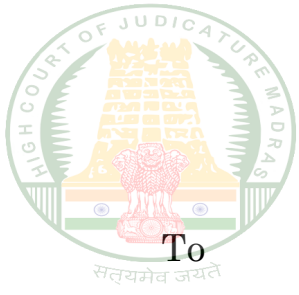
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Index:Yes/No

Speaking/Non-speaking order

Internet:Yes

Neutral Citation:Yes/No



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To

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1.R Srihari Reddy
S/o. Rami Reddy Plot NO.11, 3rd
Main Road, Lakshmipuram
Extension, West Tambaram,
Chennai 600 045 now presently
residing at Plot No.129, 3rd Floor,
4th Street, Lakshmipuram West
Co-operative society layout, Called
as CTO Colony, West Tambaram,
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N.ANAND VENKATESH J.
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