

A No. 4834 of 2025



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 06-10-2025

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THE HONOURABLE MR JUSTICE N. ANAND VENKATESH

A No. 4834 of 2025

AND

ARB O.P(COM.DIV.) NO. 604 OF 2025

1. The Circle Head

M/s. GTL Infrastructure Limited,
(Formerly M/s. Chennai Network
Infrastructure Ltd.) No.232, Old
No.186, City Centre, 3rd Floor
Purasawalkam High Road,
Chennai-600 010.

Applicant(s)

Vs

1. Mrs.S. Vasanthi

W/o.Shankar, No.118, Butt Road,
St.Thomas Mount, Chennai-
600016.

Respondent(s)

PRAYER

To stay all further proceedings pursuant to the Arbitral Award dated 31.03.2025, passed by the Arbitral Tribunal, Mr. Vignesh Venlkatachalam, Sole Arbitrator, in Arbitration case No.1 of 2023, pertaining to the disputes between the Petitioner and Respondent and thus render justice.

For Applicant(s): Mr.C.Sakthimanikandan

For Respondent:



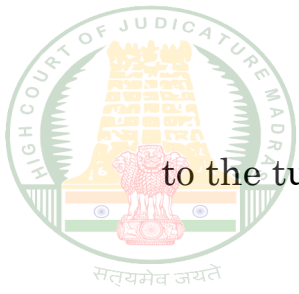
ORDER

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This petition has been filed under Section 34 of the Arbitration and Conciliation Act, 1996, (*for brevity hereinafter referred to as the Act*) challenging the award dated 31.03.2025 passed by the sole arbitrator.

2. This Court heard the learned counsel for the petitioner and carefully considered the materials available on record. This Court also carefully went through the award passed by the sole arbitrator.

3. The dispute between the parties arose out of a lease agreement dated 09.05.2016. The respondent, who is the owner of the property had leased the property to the petitioner for installation and operation of mobile phone tower. As per the lease agreement, the period of lease was fixed as nine years and the rent payable was Rs.20,000/- per month subject to the escalation at the rate of 15%, on completion of every three years. The agreement also contemplated payment of 8% interest for delay in the rental dues from the due date till its clearance. The security deposit was also paid by the petitioner



to the tune of Rs.1,20,000/-.

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4. The dispute arose since the petitioner paid the monthly rents only up to October 2017. The respondent sent a letter dated 08.06.2018 demanding arrears of rent from November 2017. Even subsequently, letters dated 19.03.2019 and 23.05.2019 were sent by the respondent demanding the arrears of rent and also for the removal of the tower equipment. Since there was no response, the trigger notice under Section 21 of the Act was issued on 03.03.2022 and pursuant to the orders passed by this Court in OP No.601 of 2022 dated 03.01.2023, the sole arbitrator was appointed.

5. The respondent filed a claim petition seeking for the relief of handing over vacant portion of the premises, payment of rental arrears, compensation for mental agony, settlement of dues payable to the electricity department and for payment of costs.

6. The sole arbitrator on considering the claim made by the respondent and the defence raised by the petitioner, framed issues and came to the following conclusion:-

8. Conclusion:



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In view of the determination of issues above, this Tribunal passes the following award:

Prayer (a) as sought for in the Claim statement is dismissed as the said prayer / claim is non-arbitrable.

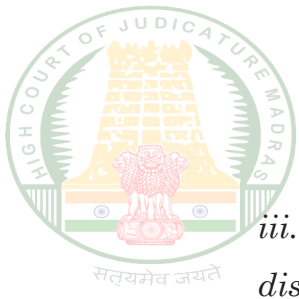
ii. In so far as Prayer (b) as sought for in the Claim statement is concerned, the Respondent is liable to pay the Claimant a total sum of Rs.22,56,679/- under the following heads:

a. Rs.18,20,633/- towards arrears of monthly commencing from 10.06.2018 till 28.02.2025. (This sum comprises the monthly rental of Rs.20,000/- per month commencing 09.06.2018 (and excludes rental for the period of waiver covered under Ex-R1) with escalation of 15% on the monthly rent on completion of every 3 years computed from the date of tenancy (i.e) 09.05.2016).

b. Rs.4,36,046/- being the pre lite and pendente lite interest under Section 31(7)(a) of the A&C Act @ 8% simple interest on the delayed rental payments which falls due on the 10th of every succeeding month commencing from 10.07.2018 till the date of this award (i.e) 31.03.2025.

c. The Respondent is liable to pay the Claimant post lite interest under Section 31(7)(b) of the A&C Act @ 8% simple interest on the total sum of Rs.22,56,679/- as adjudged supra from the date of this award (i.e) 31.03.2025 till its payment.

d. The Respondent is liable to pay the Claimant future monthly rentals for dues commencing from March 2025 till the date of handing over of vacant possession of the premises to the Claimant.



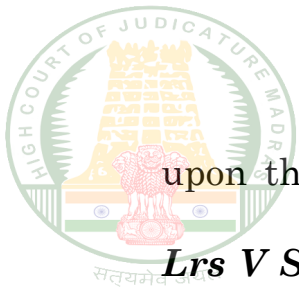
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iii. Prayers (c) & (d) as sought for in the claim statement is dismissed.

iv. Insofar as prayer (e) as sought for in the claim statement is concerned, the respondent is liable to pay the claimant a sum of Rs.76,503/- as costs.

7. The main ground that was raised by the learned counsel for the petitioner is that a rental dispute cannot be decided by the sole arbitrator and it is non arbitrable. The other ground that was raised by the learned counsel for the petitioner is that as per the lease agreement, after the expiry of six months from the date of non receipt of the rents, what can be claimed by the respondent is only damages and not arrears of rent. If that is so, the respondent ought to have substantiated by filing necessary materials for the damages sustained by the respondent. These issues were not properly considered by the learned arbitrator and hence, the award is liable to be interfered by this Court.

8. Insofar as the issue of arbitrability of the dispute between the petitioner and the respondent touching upon the lease deed and also the issue of the document being insufficiently stamped, the learned Arbitrator has dealt with the same in extenso by relying

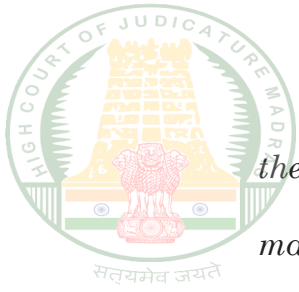


upon the judgement of the [**Apex Court Ahmedsaheb (Dead) by Lrs V Sayed Ismail**] reported in **2012 8 SCC 516** and has come to

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a conclusion that the terms of the lease deed can be relied upon by collateral purpose. That apart, the dispute between the parties is certainly arbitrable. Insofar as the arrears of rent is concerned, the learned Arbitrator gave the reasoning at Paragraph 7.18 which is extracted hereunder:-

7.18 The 3rd aspect to be answered is the period for which monthly rentals are payable. It is to be seen that the tenancy commenced on 09.05.2016 for a period of 9 years which would mean until 08.05.2025. Cause of action for recovery of arrears of rent is the continued occupation of the premise by the tenant. So long as the Respondent failed to hand over vacant possession, its liability to pay rent, whether termed as rent or as damages for use and occupation continued. As long as this liability continued, the cause of action for the Claimant continues to survive as held by the Hon'ble Madras High is not the case of either parties that the tenancy has been determined / terminated and possession of the premises have been returned. Therefore, as held by this Tribunal above, from 10.06.2018 onwards Court in M.A. Muthu v. Murugabharathy' MANU/TN/4132/2015. The Claimant in para 9 of its claim statement has averred that the lease agreement is still in force and that the respondent is in usage of the premises. There is no denial by



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the Respondent in its Reply statement on this aspect and the denial made is only in respect of the Claimant not granting access to the tower. It is not the case of either parties that the tenancy has been determined / terminated and possession of the premises have been returned. Therefore, as held by this Tribunal above, from 10.06.2018 onwards the Respondent being in possession of the premises is liable to pay the agreed upon monthly rental of Rs.20,000/- per month along with rental escalation of 15% on completion of every three years commencing from 09.05.2016 till the date such possession is duly returned to the claimant.

9. In the considered view of this Court, the learned Sole Arbitrator has given a reasoned award and this award does not suffer from any perversity or manifest illegality warranting the interference of this Court. This Court does not find the award falling foul of any of the requirements under Section 34 of the Act.

10. In view of the above, this petition is dismissed. No 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

1. Mrs. S. Vasanthi
W/o. Shankar, No. 118, Butt Road,
St. Thomas Mount, Chennai-
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