IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD

THE HON'BLE THE ACTING CHIEF JUSTICE P. SAM KOSHY

ARBITRATION APPLICATION No.30 of 2025
(CNR No.HBHC010077332025)

DATE OF ORDER : 13.11.2026

Reserved on : 21.08.2026

Pronounced : 13.11.2026
Uploaded on : 13.11.2026

BETWEEN :

Tatineni Seshagiri Rao.

… Applicant

AND

Potluri Subramanyeswara Rao.

… Respondent

ORDER :

Heard Mr. Bindu G. Naidu, learned counsel representing M/s. Progressive Law Firm for the applicant; and Mr. Venkateswarlu Pothapragada, learned counsel for the respondent.

2. The instant Arbitration Application under Section 11(6) of the Arbitration and Conciliation Act, 1996 (for short 'the Act') has been

filed by the applicant seeking appointment of an Arbitrator to adjudicate upon the disputes that have arisen between the applicant and the respondent in terms of Clause 10 of the Agreement of Sale dated 25.07.2018.

3. It is the case of the applicant that the parties were relatives and, after discussions and agreement upon certain terms and conditions, an Agreement of Sale dated 25.07.2018 was executed in his favour. The agreement pertained to House No.1-1-241/2698270, situated on plot Nos.269, 270 and 271, in Survey No.455/1, admeasuring 627 square yards, with a built-up area of 10,000 square feet comprising ground plus 3 floors, situated at Bhavani Nagar, Kapra, GHMC, Kapra Circle and Mandal, Medchal–Malkajgiri District. That the property was bounded on the North by a 30-feet road; on the South by ETDC and neighbours' land; on the East by Plot No.324; and on the West by Plot No.268.

4. It is the further case of the applicant that in view of the relationship between the parties and the trust reposed in the respondent, an amount of Rs.5,35,00,000/-, constituting approximately 90% of the

total sale consideration of Rs.5,95,00,000/-, was paid as advance through bank transfers. According to the applicant, the payments were made through his accounts maintained with the then Andhra Bank, presently Union Bank, Indian Overseas Bank and HDFC Bank, on 01.01.2018, 19.07.2018 and 23.07.2018, respectively. The said amount was utilised by the respondent to discharge the existing bank loan over the property so as to facilitate its registration in favour of the applicant upon payment of the balance sale consideration.

5. It is the further case of the applicant that the respondent had agreed to execute and register the sale deed upon payment of the remaining sale consideration. However, despite repeated oral requests, execution of the sale deed was postponed on one pretext or the other. Since the parties were relatives, the applicant accepted the requests for further time and did not initially insist upon immediate registration. Ultimately when no progress was made, a legal notice dated 04.04.2022 was issued through counsel, calling upon the respondent to execute the registered sale deed in terms of the Agreement of Sale. A reply notice dated 18.04.2022 was thereafter received, wherein the existence of the

agreement itself was denied and a soft copy thereof was sought for furnishing a detailed reply. It was also stated that any civil proceedings instituted without supplying the agreement would be contested on the ground of absence of proper notice, and the civil and criminal proceedings would be initiated against the applicant holding him responsible for the resulting costs and consequences. A copy of the Agreement of Sale was thereafter furnished to the respondent's counsel through a further notice dated 03.05.2022.

6. It is the further case of the applicant that, notwithstanding repeated efforts through relatives and friends, the dispute remained unresolved. Consequently, in May, 2022 Arbitration O.P.No.11 of 2022 was filed under Section 9 of the Act before the Principal District and Sessions Judge, Malkajgiri District, seeking to restrain the respondent from creating third party rights over the petition schedule property. By order dated 24.01.2023, the respondent was restrained from creating such rights. In the meantime, civil suits for injunction were also instituted by the parties against each other in July, 2022 and December, 2022 before

the Principal Junior Civil Judge, Malkajgiri District, and the said suits remained pending.

7. It is the further case of the applicant that, although efforts at mediation continued, no settlement could be arrived at. Accordingly, invoking the arbitration clause contained in the Agreement of Sale, a notice dated 17.04.2023 was issued to the respondent's advocate, nominating Mr. Srinivas Nalluri as an Arbitrator on behalf of the applicant and requesting the respondent to nominate an Arbitrator on his behalf. According to the applicant, the said notice was ignored and no steps were taken by the respondent towards constitution of the Arbitral Tribunal.

8. It is the further case of the applicant that after utilising the advance amount to discharge the existing loan over all three plots, the respondent, without informing him, obtained a further loan of Rs.5,00,00,000/- from another Bank by mortgaging the property situated on Plot Nos.269 and 270. It was also alleged that Plot No.271, admeasuring 215 square yards and forming part of the property covered by the Agreement of Sale was

sold under a registered sale deed bearing Document No.6109 of 2023 dated 15.11.2023, registered in the office of the Sub-Registrar, Kapra. According to the applicant, Plot Nos.269 and 270 continued to remain mortgaged with the Bank, while Plot No.271 had been sold without his knowledge.

9. It was contended by the applicant that despite payment of Rs.5,35,00,000/- in the year 2018 towards purchase of Plot Nos.269 and 270 with the house constructed thereon and the open Plot No.271, the property was not registered in his favour. For nearly 7 years, he had awaited completion of the transaction owing to the relationship between the parties and the intervention of well-wishers. However, having exhausted the available efforts to resolve the matter, the applicant was constrained to approach this Court.

10. It was further contended by the applicant that the disputes arose out of the Agreement of Sale dated 25.07.2018 and were required to be resolved by way of arbitration in terms of Clause 10 thereof. In view of

the respondent's failure to act upon the notice invoking arbitration, appointment of an Arbitrator was sought for by the applicant.

11. On the other hand, the respondent contended that since he is not the owner of the plot No.271, this itself proves the fact that the money received from the applicant is not for sale of agreement of the property, rather it was a simple money transaction for the purpose of loan repayment.

12. At the outset, the Agreement of Sale dated 25.07.2018 relied upon by the applicant contains an arbitration clause providing for resolution of disputes between the parties by way of arbitration. At this juncture, it would be appropriate to take note of Clause 10 of the Agreement of Sale, which, for ready reference, is reproduced hereunder:

> *"10. Any dispute that arises in this agreement will be solved mutually by two arbitrators from both sides in a cordial manner."*

A plain reading of the aforesaid clause makes it amply clear that disputes falling within its scope are to be resolved by way of arbitration in accordance with the provisions of the Act. The grievances raised by

the applicant concern the alleged failure to perform the obligations under the Agreement of Sale. In the given circumstances, the objections concerning the agreement and the respective claims of the parties can be raised before the learned Arbitrator, who shall consider and decide the same after hearing both sides in accordance with law.

13. Therefore, in the given factual circumstances of the case, this Court is inclined to appoint an Arbitrator who, in turn, shall decide the grievances and claims raised by the applicant. Accordingly, this Court appoints **Hon'ble Sri Justice P. Naveen Rao, former Judge of this High Court (resident of #3001, My Home Bhooja, Block – A, Plot Nos.22-24 & 31-33, Raidurgam, K.V. Ranga Reddy District, Telangana State – 500081, Contact No.8374012311)** to act as the Arbitrator and to pass an appropriate award in terms of the provisions of the Act. The venue of the arbitration shall be decided mutually by the parties in consultation and agreement with the Arbitrator, subject to the terms of the arbitration agreement. The fees of the Arbitrator shall also be decided mutually by the parties in consultation and agreement with

the learned Arbitrator, in accordance with the applicable provisions. The arbitration proceedings shall be governed by the provisions of the Act.

14. The Arbitration Application accordingly stands allowed.

15. As a sequel, miscellaneous petitions pending, if any, shall stand closed. However, there shall be no order as to costs.

P. SAM KOSHY, ACJ

Date: 13.11.2026
GSD