

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

THE HON'BLE JUSTICE MOUSHUMI BHATTACHARYA

ARBITRATION APPLICATION NO.129 OF 2025

DATE: 10.07.2026

BETWEEN:

Safe Super Speciality Hospitals and Two Others

...Applicants

AND

Syed Amer Mohiuddin and Another

...Respondents

Sri Burma Chakrapani, learned counsel appearing for the applicants.

Sri Divesh Babu Eedi, learned counsel representing Sri Lakshmi Kumaran
Sridharan, learned counsel appearing for the respondents.

ORDER:

1. The Arbitration Application is filed seeking the appointment of an Arbitrator under section 11(6) of The Arbitration and Conciliation Act, 1996 ('the 1996 Act').

2. The dispute between the parties arises out of a Lease Deed dated 18.08.2021 executed between the respondents and the applicant No.1 (represented by the applicant No.2). The Agreement describes the respondents as the 'lessors' and the applicant No.1 as the 'lessee'.

3. The applicants (lessees) agreed to lease the schedule premises at Medak for the stipulated number of years subject to the agreed rent, advance and security deposits and the terms and conditions set forth in the Lease Deed. Clause 16 of the said Lease Deed contains the Arbitration Agreement.

4. Disputes arose between the parties with regard to the payment of rents by the applicants to the respondents. The counter filed by the respondents encloses a Legal Notice dated 01.08.2024 issued on behalf of the respondents to the applicants demanding payment of the arrears of rent of Rs.60 lakhs and directing the applicants to vacate the leased premises.

5. Learned counsel appearing for the applicants submits that the applicants did not receive this Notice. Counsel further submits that the Legal Notice is unsigned and is not accompanied by any proof of service.

6. Counsel, on the other hand, relies on the Notice invoking Arbitration sent by the applicants to the respondents on 26.05.2025 which was delivered and received by the respondents. The respondents also replied to the said Notice on 24.06.2025.

7. Learned counsel appearing for the respondents opposed the appointment of an Arbitrator on the ground that there was no live dispute existing between the parties as on the date of the Notice invoking Arbitration and that the Arbitration Agreement within the Lease Deed upon which the jurisdiction under section 11 is predicated, stood terminated in 2024 on default of rent.

8. The respondents' objection to the appointment of an Arbitrator is not acceptable for the following reasons.

9. First, the respondents themselves have relied on the Legal Notice sent by them to the applicants on 01.08.2024 whereby the respondents raised the issue of non-payment/arrears of rent amounting to Rs.60 lakhs as on 01.08.2024 and called upon the applicants to execute a Cancellation Deed for cancelling the Lease Deed dated 18.08.2021. The respondents also directed the applicants to vacate the building.

10. Second, the respondents' reply dated 24.06.2025 unequivocally states that the applicants have committed a breach of the Lease Deed by failing to pay the agreed rents to the respondents. However, in the very same paragraph, the respondents state that there is no dispute with regard to the terms and conditions of the Lease Deed. The reply also

mentions about the subsisting Lease Deed and the applicants' need to abide by the terms and conditions therein. The respondents have no answer to this contradiction.

11. This Court is therefore of the considered view that there is indeed a live dispute between the parties with regard to the alleged non-payment of rents on the part of the applicants. The applicants made a grievance with regard to the respondents' failure to complete the construction and other essential works on the leased premises which allegedly contributed to the delay in setting up the hospital in the premises.

12. The Notice dated 26.05.2025 also states that the applicants made substantial investments amounting to almost Rs.1,12,81,556/- crores for setting up the hospital. The Notice further states that the respondents raised demands for additional sums of money without any basis.

13. Hence, there is no doubt that disputes exist between the parties as on the date of the Notice invoking Arbitration, as well as the respondents' reply to the same, which warrant the appointment of an Arbitrator in terms of Clause 16 of the Lease Deed. The substance of the dispute is also covered by the Arbitration Agreement contained in the Lease Deed.

14. Arbitration Application No.129 of 2025 is accordingly disposed of by appointing S. Veda Vidyanatha

Reddy, Retired District Judge, R/o.Villa No.151, Maple Town Villas, Suncity, Bandlaguda Jagir, Hyderabad, Cell No.8309575776, as the Sole Arbitrator to adjudicate the dispute between the parties. The parties shall appear before the Learned Arbitrator on 20.07.2026 at 11.00 A.M. along with a copy of this order. The Learned Arbitrator shall thereafter proceed with the Arbitral Proceedings in accordance with law.

15. The parties are at liberty to raise all the contentious issues before the learned Arbitrator. The fee of the Arbitrator as well as the other terms and conditions shall be settled by the parties in consultation with the Arbitrator so appointed.

16. Arbitration Application No.129 of 2025, along with all connected applications, is disposed of.

MOUSHUMI BHATTACHARYA, J

DATE: 10.07.2026

NDS

THE HON'BLE JUSTICE MOUSHUMI BHATTACHARYA

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