

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 27<sup>TH</sup> DAY OF AUGUST, 2021

PRESENT

THE HON'BLE MR. JUSTICE SATISH CHANDRA SHARMA

AND

THE HON'BLE MR. JUSTICE SACHIN SHANKAR MAGADUM

**COMAP NO.89 OF 2021**

**BETWEEN:**

SRI. B. NARAYANA REDDY,  
S/O SRI. G.BASAPPA REDDY,  
DEAD, REPRESENTED BY LRS

1. SRI N.VIJAYA RAGAHVA REDDY  
S/O SRI. B. NARAYANA REDDY,  
AGED ABOUT 63 YEARS

(FOR HIMSELF AND KARTHA  
OF HIS HUF CONSISTING  
OF HIMSELF AND HIS MINOR  
CHILD V.GOUTAM)

2.SMT. V.AMITHA  
D/O N.VIJAYA RAGAHVA REDDY,  
W/O SRI. MURALI,  
AGED ABOUT 36 YEARS

3. KUM. V.SNEHA  
D/O N.VIJAYA RAGAHVA REDDY,  
AGED ABOUT 30 YEARS

4. SRI. N. RAVINDRA  
S/O SRI. B.NARAYANA REDDY,  
AGED ABOUT 60 YEARS

5. SRI. R. NAVEEN  
S/O N.RAVINDRA,  
AGED ABOUT 33 YEARS

6. KUM. R. MEGHANA  
D/O SRI. N.RAVINDRA,  
AGED ABOUT 31 YEARS

7. SRI. N. RAMESH  
S/O SRI. B.NARAYANA REDDY,  
AGED ABOUT 56 YEARS

8. SRI. R. RAKSHITH,  
S/O SRI. N. RAMESH,  
AGED ABOUT 29 YEARS

9. SMT. R. MAMATHA,  
W/O SRI. N.RAVINDRA,  
AGED ABOUT 50 YEARS

APPELLANTS 1 TO 9 ARE ALL  
RESIDING AT:  
NO.61, SEETHARAMPALYA,  
MAHADEVPURA POST,  
BENGALURU -560 048

(BY SRI.G.L.VISHWANATH, ADVOCATE)

...APPELLANTS

**AND:**

1. M/S SALARPURIA PROPERTIES PRIVATE LTD.  
A COMPANY INCORPORATED UNDER THE  
COMPANIES ACT, 1956,  
HAVING ITS REGISTERED OFFICE AT NO.7,  
CHITTARANJAN AVENUE, KOLKATA – 700 072

HAVING ITS CORPORATE OFFICE AT 4<sup>TH</sup> FLOOR,  
SALARPURIA WINDSOR,  
NO.3, ULSOOR ROAD,  
BENGALURU -560 042  
REPRESENTED BY ITS DEPUTY GENERAL MANAGER,  
BUSINESS DEVELOPMENT.

2. M/S CHRISTMAS REALTORS PRIVATE LTD.  
A COMPANY INCORPORATED UNDER THE  
COMPANIES ACT, 1956,  
HAVING ITS REGISTERED OFFICE AT NO.7,  
CHITTARANJAN AVENUE, KOLKATA - 700 002

HAVING ITS CORPORATE OFFICE AT 4<sup>TH</sup> FLOOR,  
SALARPURIA WINDSOR, NO.3, ULSOOR ROAD,  
BENGALURU -560 042  
REPRESENTED BY ITS DEPUTY GENERAL MANAGER  
BUSINESS DEVELOPMENT

...RESPONDENTS

(BY SRI.SANJAY NAIR, ADVOCATE FOR R1 & R2)

THIS COMMERCIAL APPEAL IS FILED UNDER SECTION 13(1A) OF THE COMMERCIAL COURTS ACT, 2015 R/W SECTION 37 OF ARBITRATION AND CONCILIATION ACT, 1996 PRAYING TO a) CALL FOR RECORDS IN COM.A.S.NO.7/2019 ON THE FILE OF THE LXXXII ADDL.CITY CIVIL AND SESSIONS JUDGE AT BENGALURU (CCH-83) b) SET ASIDE THE JUDGMENT AND DECREE DATED: 15.03.2021 PASSED BY THE LXXXII ADDL.CITY CIVIL AND SESSIONS JUDGE AT BENGALURU (CCH-83) AND DISMISS THE SUIT IN COM.AS.NO.7/2019 ON THE FILE OF THE LXXXII ADDL.CITY CIVIL AND SESSIONS JUDGE AT BENGALURU (CCH-83) UNDER SECTION 34 OF THE ARBITRATION AND CONCILIATION ACT, 1996 AND c) GRANT ANY OTHER RELIEFS THAT THIS HON'BLE COURT DEEMS FIT IN THE FACTS AND CIRCUMSTANCES OF THE ABOVE CASE, IN THE INTEREST OF JUSTICE.

THIS APPEAL COMING ON FOR ADMISSION THIS DAY,  
**SATISH CHANDRA SHARMA J.**, DELIVERED THE FOLLOWING:

## **JUDGMENT**

A petition has been filed under Order XXIII Rule 3 read with Section 151 of the Code of Civil Procedure as the parties have entered into a compromise. The terms and conditions of the joint compromise as stated in the application are detailed as under:

### **"JOINT COMPROMISE**

#### **PETITION UNDER ORDER XXIII RULE 3 READ WITH SECTION 151 OF CODE OF CIVIL PROCEDURE**

**The Parties above named file the following Compromise Petition:**

1. The Appellants were the Respondents and the Respondents were the Claimants before the Arbitral Tribunal consisting of Hon'ble Mr. Justice V. Jagannathan (Former Judge, High Court of Karnataka), Hon'ble Mr. Justice G. Patri Basvana Goud (Former Judge, High Court of Karnataka), and Hon'ble Mr. Justice T.J. Chouta (Former Judge, High Court of Karnataka) [**"Arbitral Tribunal"**] which passed award dated 25.7.2017 [**"Award"**] rejecting the claims of the Respondents/Claimant but partly allowed the counterclaim raised by the Appellants.
2. The Respondents herein filed A.S. No. 7/2019 before the Learned LXXXIII Additional City Civil and Sessions Judge/Commercial Court [**"Trial Court"**] being a petition under Section 34 of the Arbitration and Conciliation Act, 1996 [**"Act"**] challenging the Award. The Trial Court set aside the Award *vide* its judgment dated 15.3.2021. Hence the present appeal.

3. The Appellants 1, 4, and 7 are the sons of one Late B Narayana Reddy; Appellant 2 and 3 are the daughters of Appellant No.1, Appellant 5 and 6 are the children of Appellant No.4 and Appellant No. 9 is his wife, Appellant 8 is the son of Appellant 7. These Appellants are the absolute owners of land in Survey Nos. 19/3 (Old No. 19/2), 20/1, 20/2, 21/1, 21/2, 21/3, 21/4, 21/6, 22/1, 22/2, 23/6, and 23/8 (Old No. 23/5) of Sonnenahalli Village, KR Puram Hobli, Bangalore East Taluk measuring 17 acres. One SathyaMurthy (Defendant No.6 before the Trial Court) was the owner of land measuring 1 acre 17 guntas of the same village in Survey No.23/7. The Appellant Nos. 1,4, and 7 have purchased the land owned by Sathya Murthy vide Sale Deed dated 18.12.2019 registered as Document No. MDP-1-08326-2019-20 before the Sub-Registrar, Mahadevpura, Bangalore. All lands owned by the Appellants are described in the Schedule hereto and referred to as "**Schedule Property**".
4. The Respondent No.1 and Appellants have executed the following Agreements and Powers of Attorney between themselves collectively referred to as "**Agreements**":

<b>S N o</b>	<b>Date</b>	<b>Agreement</b>
1.	01.10.2005	<b>Development Agreement</b>
2.	15.10.2005	
3.	21.10.2005	
4.	01.10.2005	<b>Power of Attorney</b>
5.	15.10.2005	
6.	21.10.2005	
7.	21.10.2005	<b>Sale Agreement</b>

5. The Respondent No.2 and Appellants have executed the following agreements and power of attorney collectively referred to as "**Development Agreements**":

SL NO.	DATE	AGREEMENT	DOCUMENT REGISTRATION NO.
1.	15.08.2007	Final Joint Development Agreement	3947/2007-08
2.	15.12.2007	Supplementary Joint Development Agreement	3946/2007-08
3.	15.08.2007	Power of Attorney	127/2007-08

6. The Appellant No. 7 is filing the present Petition on behalf of all the other Appellants being members of the same family and he is authorized to do so. The Respondent No.1 has authorized Mr. Ashwin Sancheti, its General Manager, Business Development and Respondent No.2 has also authorized Mr. Ashwin Sancheti as its Authorized Signatory to execute the present Petition. The Board Resolutions of Respondent No.1 and 2 are produced herewith as **Document No.1** and **Document No.2** respectively.

7. The Parties hereto have mutually agreed to resolve the disputes between them in an amicable manner and hence the present compromise petition on the following terms:

***Execution and Registration of Cancellation Deed and Delivering Possession***

- a. The Respondent No.2 has agreed and undertaken to cancel the Development Agreements including GPA by executing and registering a Cancellation Deeds/documents before the jurisdictional Sub-Registrar. The Respondent No.1 will be a Consenting Witness to the Cancellation Deed/documents.

- b. The Respondents have not developed and/or put up any construction on the Schedule Property till date and they are vacant lands. The Respondents agree and undertake to deliver vacant possession of the Schedule Property at the time of execution and registration of the Cancellation Deed.
- c. In consideration of the Respondents executing and registering the Cancellation Deed stated above, the Appellants jointly agree and undertake to pay to the Respondents jointly a sum of Rs. 16,25,00,000 (Rupees Sixteen Crores Twenty-Five Lakhs Only) in full and final settlement of all obligations under the Agreements; Development Agreements including the Power of Attorneys.

***Return of Original Title Deeds***

- d. The Original Documents of Title, Revenue Documents, ECs, RTCs, Tax Paid Receipts etc., with respect to each of the items of the Schedule Property were handed over by the Appellants to the Respondent No.2 under individual letters which were collectively marked as ExR11. In acknowledgement of these Original Documents of Title and Revenue Documents, ECs, RTCs, Tax Paid Receipts etc., the Respondent No.2 had acknowledged the same by a covering letter dated 29.12.2007 marked as Ex.R12. The Original Documents under ExR11 and R12 will be handed over to the Appellants at the time of registration of the Cancellation Deeds.

***Cancellation of Sale Agreement Ex.C7***

- e. The Appellants had executed a Sale Agreement dated 21.10.2005 in favour of the Respondent No.1 agreeing to convey 10,000 square feet of built-up area in the proposed construction/development when completed. In view of the present Petition and the Respondents no longer being

interested in developing the Schedule Property and having regard to possession of the vacant property being delivered to the Appellants, the Sale Agreement dated 21.10.2005 no longer survives and the same is cancelled.

***Timeline***

- f. The Parties undertake to carry out the actions stated hereinabove within a period of 4 weeks from the date of this Compromise Petition.

***Representations and Warranties***

8. The Respondents make the following representations to the Appellants:
  - i. The Respondents do not evince any further interest to develop the Schedule Property under any Agreements or Development Agreement;
  - ii. The Respondents have not encumbered the Schedule Property or any part thereof in any manner whatsoever; nor have they entered into any agreement and/or received any consideration from any third party with respect to the Development Rights under the Agreements and Development Agreements and the Respondents undertake to indemnify the Appellants in the event Respondents have created third party interest of any nature over the Schedule Property.
9. The terms set out in this Petition constitute full and final settlement of all claims that the Respondents had in respect of the Schedule Property and/or against the Appellants and all disputes and differences between the Parties shall stand settled fully and finally.
10. In the event the Respondent does not come forward to execute and register the Cancellation Deeds, the Appellants are at liberty have the same executed through



Court by depositing the consideration of Rs.16,25,00,000 in Court.

11. The parties to bear their respective costs.
12. During the pendency of the proceedings before the Trial in Com A.S. 7/2019, there was no stay of the Award passed by the Arbitral Tribunal. Resultantly the Appellants filed Execution Case No. 1/2019 before the Commercial Court CCH 83 to execute the Award which is pending as of date. The Appellants have paid a sum of Rs.10,76,225 as Court Fee in the Execution Case vide DD No. 769670 dated 5.9.2018 drawn on Vijaya Bank, Domlur Branch and favouring the Principal District and Sessions Judge Bangalore Rural District. In view of the settlement herein, the Court Fee may be directed to be refunded to the Appellants.
13. Resultantly the Award dated 25.7.2017 by the Arbitral Tribunal and the judgment of the Trial Court dated 15.3.2021 in Com A.S.7/2019 stand substituted by the present terms in the present Compromise Petition.

### **SCHEDULE**

#### **ITEM NO. 1:**

All that piece and parcel of land, bearing Sy.No. 19/3(New)(19/2Old) measuring about 1 acre 06 Guntas of Sonnenahalli Village, K. R. Puram Hobli, Bangalore South Taluk (Now Bangalore East Taluk) and bounded on the:

EAST BY : Remaining Portion of Sy. No 19/3(New)  
 WEST BY : Remaining Land of Sy.No.19/3  
 NORTH BY: Land of Sy. No. 20/2  
 SOUTH BY: Remaining portion of Sy. No. 19/3

**ITEM NO. 2:**

All that piece and parcel of land, bearing Sy.No. No. 20/1 measuring about 1 Acres 31 Guntas of Sonnenahalli Village, K.R. Puram Hobli, Bangalore South Taluk (Now Bangalore East Taluk) and bounded on the:

EAST BY : Remaining Portion of Sy.No. 20/1  
WEST BY : Land of Sy.Nos.21 /2, 21/3 & 21 /4  
NORTH BY: Land of Sy.No.22/2  
SOUTH BY: Land of Sy.No.20/2

**ITEM NO.3:**

All that piece and parcel of land, bearing Sy.No.20/2 measuring about 3 Acres 16 Guntas of Sonnenahalli Village, K.R.Puram Hobli, Bangalore South Taluk (Now Bangalore East Taluk) and bounded on the

EAST BY : Remaining portion of Sy.No.20/2;  
WEST BY : Land of Sy.Nos. 21/4 and 21/5;  
NORTH BY: Land of Sy.No.20/1;  
SOUTH BY: Land of Sy.No.19/3 (New);

**ITEM NO.4:**

All that piece and parcel of land, bearing Sy.No.21/1 measuring about 25 Guntas of Sonnenahalli Village, K.R.PuramHobli, Bangalore South Taluk (Now Bangalore East Taluk) and bounded on the

EAST BY : Land of Sy.No.21/4;  
WEST BY : RMZ Centennial and DoddanekundiBoundry;  
NORTH BY: Land of Sy.No.21/6;  
SOUTH BY: Land of Sy.No.21/5;

**ITEM NO.5:**

All that piece and parcel of land, bearing Sy.No.21/2 measuring about 25 Guntas of Sonnenahalli Village, K.R.PuramHobli, Bangalore South Taluk (Now Bangalore East Taluk) and bounded on the

EAST BY : Land of Sy.No.20/1;  
WEST BY : Land of Sy.No. 21/6;  
NORTH BY: Land of Sy.No.22/1;  
SOUTH BY: Land of Sy.No.21/3;

**ITEM NO.6:**

All that piece and parcel of land, bearing Sy.No.21/3 measuring about 0-24 Guntas of Sonnenahalli Village, K.R.PuramHobli, Bangalore South Taluk (Now Bangalore East Taluk) and bounded on the

EAST BY : Land of Sy.No.20/1;  
WEST BY : Land of Sy.No. 21/6 and 21/1;  
NORTH BY: Land of Sy.No.21/2;  
SOUTH BY: Land of Sy.No.21/4;

**ITEM NO.7:**

All that piece and parcel of land, bearing Sy.No.21/4 measuring about 2 Acres 04 Guntas of Sonnenahalli Village, K.R.PuramHobli, Bangalore South Taluk (Now Bangalore East Taluk) and bounded on the

EAST BY : Land of Sy.Nos.20/1&20/2;  
WEST BY : Land of Sy.No. 21/1;  
NORTH BY: Land of Sy.No.21/3;  
SOUTH BY: Land of Sy.No.21/5;

**ITEM NO.8:**

All that piece and parcel of land, bearing Sy.No.21/6 measuring about 1 Acres 04 Guntas of Sonnenahalli

Village, K.R.PuramHobli, Bangalore South Taluk (Now Bangalore East Taluk) and bounded on the

EAST BY : Land of Sy.Nos.21/2,21/3&22/1;  
 WEST BY : RMZ centennial and Doddanekundi Industrial area;  
 NORTH BY: Land of Sy.No.23/7;  
 SOUTH BY: Land of Sy.No.21/1;

**ITEM NO.9:**

All that piece and parcel of land, bearing Sy.No.22/2 measuring about 2 Acres 1 Guntas of Sonnenahalli Village, K.R.PuramHobli, Bangalore South Taluk (Now Bangalore East Taluk) and bounded on the

EAST BY : Remaining portion of Sy.No.22/2;  
 WEST BY : Land of Sy.No.22/1;  
 NORTH BY: K.I.A.D.B Property.  
 SOUTH BY: Land of Sy.No.20/1;

**ITEM NO.10:**

All that piece and parcel of land, bearing Sy.No.23/6 measuring about 38 Guntas of Sonnenahalli Village, K.R.PuramHobli, Bangalore South Taluk (Now Bangalore East Taluk) and bounded on the

EAST BY : K.I.A.D.B Property;  
 WEST BY : Doddanekundi Industrial Area Boundary and K.I.A.D.B Property ;  
 NORTH BY: Sy.No.23/8;  
 SOUTH BY: Land of Sy.No.23/7;

**ITEM NO.11:**

All that piece and parcel of land, bearing Sy.No.22/1 measuring about 2 Acres 06 Guntas of Sonnenahalli

Village, K.R.PuramHobli, Bangalore South Taluk (Now Bangalore East Taluk) and bounded on the

EAST BY : Land of Sy.No.22/2;  
 WEST BY : Land of Sy.No. 23/7 and 21/6;  
 NORTH BY: K.I.A.D.B Property;  
 SOUTH BY: Land of Sy.No.21/2;

**ITEM NO.12:**

All that piece and parcel of land, bearing Sy.No.23/7 measuring about 1 Acres 17 Guntas of Sonnenahalli Village, K.R.PuramHobli, Bangalore South Taluk (Now Bangalore East Taluk) and bounded on the

EAST BY : Land of Sy.No.22/1;  
 WEST BY : Doddanekundi Industrial Area Boundary;  
 NORTH BY: Land of Sy.No.23/6;  
 SOUTH BY: Land of Sy.No.21/6;

**ITEM NO.13:**

All that piece and parcel of industrial converted land being portion of Sy.No.23/8 (Old No.23/5) measuring about 10 Guntas situated at Sonnenahalli Village, K.R.PuramHobli, Bangalore South Taluk (Now Bangalore East Taluk) and bounded on the

EAST BY : Sy.No.12/1 and land belonging to KIADB;  
 WEST BY : Remaining portion of Sy.Nos. 23/8 (Old No.23/5);  
 NORTH BY: ITPL Main Road;  
 SOUTH BY: Land belonging to Narayana Reddy in Sy.No.23/6;

All that piece and parcel of land, bearing Survey Nos, (19/3 New)(19/2 old), 20/1,20/2,21/1, 21/2, 21/3,21/4, 21/6, 22/2, 23/6, 22/1, 23/7 and 23/8 (oldNo.23/5) totally measuring about 18 Acres 07 Guntas of Sonnenahalli

Village, K.R. Puram Hobli, Bangalore East Taluk, and presently bounded by:

EAST BY :Remaining portion of Sy.Nos. 19/3 (New),20/1, 20/2&22/2;

WEST BY :RMZ Centennial & K.I.A.D.B Property;

NORTH BY: Road (ITPL);

SOUTH BY: Land of Sy.No.21/5& remaining portion of 19/3.

Wherefore it is prayed that this Hon'ble Court be pleased to record the terms of the compromise hereinabove and dispose the above Appeal in terms thereof, in the interest of justice.

Advocate for Appellants Sd/-  
Appellant No.7

Advocate for Respondents Sd/-  
Respondent No.1

Sd/-  
Respondent No.2

#### VERIFICATION

We, (i) N. Ramesh, the Appellant No.7; and (ii) Mr. Ashwin Sancheti being the General Manager- Business Development of Respondent No. 1; (iii) Mr. Ashwin Sancheti being the Authorized Signatory of Respondent No.2, declare that the preceding paragraphs of the accompanying Compromise Petition are true and correct to the best of our knowledge, information, and belief.

Bangalore Sd/-  
Appellant No.7

Date Sd/-  
Respondent No.1

Sd/-  
Respondent No.2"

2. The appellant No.7 is present in person. He has marked his presence on behalf of all the appellants. He is the person who was representing all other appellants before the Arbitrator as well as before the Commercial Court. Similarly, on behalf of the respondents, Shri Ashwin Sancheti is present and he has also been authorized through a resolution passed by both the respondents to enter into a compromise.

3. In the light of the aforesaid, as the parties have entered into a compromise and an amicable settlement has been arrived at, the present appeal stands disposed of in terms of the compromise.

A decree be drawn accordingly in terms of the compromise.

The pending interlocutory applications, if any, stand disposed of.

Sd/-  
JUDGE

Sd/-  
JUDGE

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