



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 6TH DAY OF JULY, 2026

PRESENT

THE HON'BLE MR. JUSTICE D K SINGH

AND

THE HON'BLE MR. JUSTICE T.M.NADAF

REGULAR FIRST APPEAL NO. 1145 OF 2014

BETWEEN:

1. SILVERLINE BUSINESS & TECH PARK PVT.LTD.
(NOW A LIMITED COMPANY),
A COMPANY REGISTERED UNDER
COMPANIES ACT, 1956,
HAVING ITS REGD. OFFICE AT
#201, BARTON CENTRE, NO.84,
M.G.ROAD,
BANGALORE-560001,
REPRESENTED BY ITS DIRECTOR,
MR.ZAHED MAHMOOD.

...APPELLANT

(BY SRI. PRAKASH T.HEBBAR., ADVOCATE)

AND:

1. BRIDGE WATER SOLUTIONS PVT. LTD
FORMERLY KNOWN AS
YL SERVICE PRIVATE LIMITED,
A COMPANY REGISTERED UNDER
COMPANIES ACT, 1956,
HAVING ITS RGD. OFFICE AT
#0003, DELPHI-3,
PRESTIGE ACROPOLIS,
20, HOSUR ROAD,
KORAMANGALA,
BANGALORE-560001.
REPRESENTED BY ITS
SENIOR MANAGER

Digitally
signed by
VASANTHA
KUMARY B K
Location:
HIGH
COURT OF
KARNATAKA



LEGAL & COMPLIANCE,
MR.MUSTAFA H.RANGWALA.

...RESPONDENT

(BY SRI. BIPIN HEGDE., ADVOCATE ALONG WITH
SRI. BANNIKATTI DEEPAK, ADVOCATES)

THIS RFA IS FILED UNDER SECTION 96, O-41, RULE-1 OF CPC, AGAINST THE JUDGMENT AND DECREE DATED 04.06.2014 PASSED IN OS.6556/2011 ON THE FILE OF THE XIX-ADDL. CITY CIVIL AND SESSIONS JUDGE, BENGALURU CITY, DECREETING THE SUIT FOR RECOVERY OF MONEY.

THIS APPEAL, COMING ON FOR HEARING, THIS DAY, JUDGMENT WAS DELIVERED THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE D K SINGH
and
HON'BLE MR. JUSTICE T.M.NADAF

ORAL JUDGMENT

(PER: HON'BLE MR. JUSTICE D K SINGH)

The present appeal under Section 96 under Order XLI Rule 1 of the Code of Civil Procedure, 1908 has been filed impugning the judgment and decree dated 04.06.2014 passed in O.S.No.6556/2011 by the XIX Additional City Civil and Sessions Judge, Bengaluru (CCH-18).

2. The plaintiff/respondent had taken on lease the first floor measuring 11,986 Sq.ft. together with 12 reserved/surface basement car parking spaces in the building known as MFAR Silverline Business Tech Park, 180. EPIP Zone,



Whitefield, Bangalore under a lease agreement dated 09.08.2006. The lease was for a period of five years on a monthly rent of Rs.3,41,622/-, subject to escalation of 7% p.a.

3. Under clause 1.1 of the agreement, the monthly consideration comprised of 4 components namely:

(i) Rent for the leased premises at Rs.20/- per sq.ft. –
Rs.2,39,720/-;

(ii) Infrastructure rent @ Rs.3/- per sq.ft. – Rs.35,958/-;

(iii) BESCOM power and DG backup infrastructure charges at Rs.4/- per sq.ft. – Rs.47,944/-; and

(iv) Rent for 12 car parking spaces @ Rs.1,500/- per parking space – Rs.18,000/-, aggregating to a monthly rent of Rs.3,41,622/-.

4. As per the agreement, the plaintiff/respondent had paid security deposit of Rs.40,64,796/-. Under the lease agreement, the defendant has also agreed to provide service facilities to the schedule premises such as AHU with chilled water line headers, DG back up, BESCOM power and lift etc., After completion of lease period, the plaintiff/respondent had



vacated the premises on 31.08.2011. Despite request made by the plaintiff and issuance of notice for refund of the security deposit of Rs.40,64,796/-, the defendant/appellant failed to refund the said amount. The plaintiff had also claimed compensation of Rs.44,53,997.60/- for default in providing various services as in the agreement such as timely electricity connection etc., The Trial Court after examining the pleadings framed the following issues for consideration:

- 1. Whether the plaintiff proves that the defendant is liable to refund the security deposit of Rs.40,65,796/- as claimed?*
- 2. Whether the plaintiff proves that the defendant is also liable to pay Rs.44,53,997.60 towards compensation for breach of the terms of sub-lease deed dated 09.08.2006?*
- 3. Whether the plaintiff proves that the defendant is also liable to pay interest as claimed?*
- 4. Whether the plaintiff is entitled for a judgment and decree as sought for?*
- 5. To what order or decree?*

5. The Trial Court vide impugned judgment and decree, decreed the suit and directed the defendant/appellant to refund the security deposit of Rs.40,64,796/- and further to



pay compensation of Rs.44,53,997.60/- with interest at 12% p.a. from the date of suit till the date of realization within a period of two months.

6. While admitting the present appeal, this Court directed the defendant/appellant to deposit a sum of Rs.57,43,050/- (including interest) i.e, 50% of the decretal amount. Vide order dated 17.12.2014, the respondent was permitted to withdraw the amount deposited by the appellant which was accordingly withdrawn on 18.02.2015.

7. Learned counsel for the appellant submitted that the claim of the plaintiff/respondent for damages to the tune of Rs.44,53,997.60/- was barred by limitation. The premises in question were taken on lease on 09.08.2006, the suit came to be filed in the year 2011. The allegation of not providing the facilities as per the agreement is of the year 2006 and therefore the claim of the plaintiff/respondent ought to have been dismissed insofar as the compensation of Rs.44,53,997.60/- was concerned. Further, he also admitted that he did not seriously dispute his liability to refund the security deposit of Rs.40,64,796/- which he ought to have



refunded on the date when the premises in question were vacated by the plaintiff/respondent i.e., on 30.08.2011.

8. Per contra, Mr. Bipin Hegde, learned counsel for the plaintiff/respondent has disputed the said submissions and has supported the impugned judgment and decree passed by the Trial Court.

9. We have considered the submissions of the learned counsel for the parties.

10. The only point that arises for consideration in this appeal is:

Whether the plaintiff/respondent's claim for compensation amount of Rs. 44,53,997.60/- was barred by limitation?

11. The premises in question were taken on lease on 09.08.2006 for a period of 5 years at Rs.3,41,622/- per month. The allegation of not providing the electricity connection etc., is of the year 2006. However, the suit came to be filed on 08.09.2011, after expiry of lease period of five years.



12. So far as the claim for compensation arising from breach of contractual obligations is concerned, the claim for compensation was clearly barred by limitation and ought not to have been decreed by the Trial Court. Insofar as the refund of the security deposit is concerned, the defendant/appellant's obligation to refund the security deposit arose only upon the plaintiff/respondent vacating the leased premises on 31.08.2011. The appellant has also admitted the liability in this regard. Therefore, the decree directing refund of the security deposit calls for no interference.

13. The plaintiff/respondent is accordingly entitled to refund of the security deposit of Rs.40,64,796/- together with interest at 12% per annum from 01.09.2011 until 19.09.2014. The amount of Rs.57,43,050/- already deposited by the appellant and withdrawn by the respondent shall be duly adjusted. In the event any balance amount remains payable by the defendant/appellant, the same shall carry interest at 12% p.a. from 19.09.2014 till the date of payment. If, upon such adjustment, any excess amount is found to have been received by the respondent, the same shall be refunded to the



defendant/appellant along with interest at the rate of 12% p.a.

Thus, we pass the following:

ORDER

- (i) The appeal is **allowed in part.**
- (ii) The judgment and decree dated 04.06.2014 passed in O.S. No.6556/2011 are modified.
- (iii) The decree insofar as awarding of compensation of Rs.44,53,997.60/- in favour of the plaintiff/respondent is set aside, the said claim being barred by limitation.
- (iv) The decree directing refund of the security deposit of Rs.40,64,796/- is affirmed.
- (v) The respondent/plaintiff shall be entitled to interest at the rate of 12% p.a. on the said amount from 01.09.2011 till 19.09.2014.
- (vi) The amount of Rs.57,43,050/- already deposited by the appellant and withdrawn by the respondent shall be adjusted towards the decretal amount.



(vii) If any balance amount remains payable by the appellant after such adjustment, the same shall carry interest at 12% per annum from 19.09.2014 till the date of payment.

(viii) If, upon adjustment, any excess amount is found to have been paid by either party, the same shall be refunded by the other party together with interest at 12% p.a.

(ix) Draw the modified decree accordingly.

No order as to costs.

Sd/-
(D K SINGH)
JUDGE

Sd/-
(T.M.NADAF)
JUDGE