HC-KAR

NC: 2026:KHC:17025-DB
COMAP No. 399 of 2022

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 24TH DAY OF MARCH, 2026

PRESENT

THE HON'BLE MRS. JUSTICE ANU SIVARAMAN

AND

THE HON'BLE MS. JUSTICE TARA VITASTA GANJU

COMMERCIAL APPEAL NO. 399 OF 2022

BETWEEN:

1. SRI B RAMAKRISHNA RAO
   S/O LATE BYROJI RAO B A
   AGED ABOUT 65 YEARS

2. SMT R SUKANYA
   W/O RAMAKRISHNA RAO
   AGED ABOUT 58 YEARS

3. MS R BHAGYASHREE
   D/O RAMAKRISHNA RAO
   AGED ABOUT 32 YEARS

4. MS R VIDYASHREE
   D/O RAMAKRISHNA RAO
   AGED ABOUT 30 YEARS

5. MS R DIVYASHREE
   D/O RAMAKRISHNA RAO
   AGED ABOUT 28 YEARS

   ALL ARE R/A NO.379A/22
   3RD CROSS, 4TH MAIN ROAD
   SRINAGAR, BENGALURU-560050

...APPELLANTS

(BY SRI. UDAY HOLLA, SENIOR COUNSEL FOR
SRI SYED SUHAIL ALI, ADV.)

Digitally signed by RAKSHA
Location: High Court of Karnataka

AND:

M/S SPANDANA HOUSING LLP
A LIMITED LIABILITY PARTNERSHIP INCORPORATED
UNDER THE PROVISIONS OF THE LIMITED
LIABILITY PARTNERSHIP ACT 2008
HAVING ITS REGISTERED OFFICE AT 65,
5TH CROSS, LAVELLE ROAD
BENGALURU-560001
REPRESENTED BY ITS DESIGNATED PARTNER
M/S SUNLAND VENTURES PVT. LTD.
THROUGH ITS DIRECTOR
MR. R. ASHOK KUMAR

…RESPONDENT

(BY SRI. DHYAN CHINNAPPA, SENIOR COUNSEL FOR
SRI. SUNDARA RAMAN M V.,ADVOCATE)

THIS COMAP IS FILED UNDER SECTION 13(1A) OF THE COMMERCIAL COURT ACT, PRAYING TO CALL FOR THE ENTIRE RECORDS PERTAINING TO COM.A.S.NO.175/2019 ON THE FILE OF THE LXXXVI ADDL. CITY CIVIL JUDGE (CCH-87) AT BENGALURU AND ETC.

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

CORAM: HON'BLE MRS. JUSTICE ANU SIVARAMAN
and
HON'BLE MS. JUSTICE TARA VITASTA GANJU

ORAL JUDGMENT

(PER: HON'BLE MRS. JUSTICE ANU SIVARAMAN)

This appeal is preferred against the Order dated 29.06.2022 passed by the LXXXVI Additional City Civil Judge, Bengaluru (CCH-87) in Com.A.S.No.175/2019, affirming the Arbitral Award dated 16.07.2019 passed in A.C.No.88/2018.

2. We have heard Shri. Uday Holla, learned senior counsel as instructed by Syed Suhail Ali, learned advocate appearing for the appellants and Shri. Dhyan Chinnappa, learned senior counsel as instructed by Shri. Sundara Raman M.V, learned advocate appearing for the respondent.

3. The parties have filed a memorandum of settlement before this Court by which they have agreed to compromise the disputes amongst them.

4. The terms of the memorandum of settlement reads as under:-

"TERMS OF COMPROMISE:

A. Both parties agree that the terms of the JDA dated 06.10.2016 shall be acted upon, without any change in the rights and obligations provided thereof and further agree to adhere to all the timelines set forth in the JDA dated 06.10.2016, except as stated herein.

(i) In terms of Clause 2.2 of the JDA dated 06.10.2016, the Respondent shall obtain the revalidation of approved layout plan for the development of the Schedule Property from the Kanakapura Planning Authority ***within 3 months*** *from the date of execution of this compromise petition.*

(ii) The Parties shall abide by all conditions that may be imposed by the Planning Authority and if any further action is required by the Appellants including mortgage of corner sites in favor of the planning authority concerned in compliance of conditions specified in the release order and registration of landowners share of sites under the Real Estate (Regulation and Development) Act, 2016 and the rules made thereunder the Appellants shall provide, sign and execute all such consents, permissions for the same including for release and sale of sites. The Respondent is hereby empowered to secure release of sites allocated to the share of the landowners (including the Appellants) and the Developer (Respondent) by execution and registration of mortgage deed in respect of corner sites in favor of the planning authority concerned in accordance with law. The power of attorney granted in favour

of the Respondent shall be deemed to extend this power to the Respondent.

(iii) The lands in Sy No.253/1 measuring 15 guntas, Sy. No.253/2 measuring 25 guntas and Sy. No. 257 measuring 27 guntas are kharab lands. According to the Appellants, these are A kharab lands and according to Respondent they are B kharab lands. In the proposed layout plan they are shown as B kharab lands by the Respondent which is disputed by the Appellants. In order to give a quietus to this controversy, it is agreed between the parties that the said lands shall be retained by the Appellants and they are entitled to put up a fence around the said lands and they shall be entitled to use them without adversely affecting the overall scheme of development. These lands shall belong absolutely to the Appellants and the Respondent or anyone claiming through or under them shall not have any right over these lands.

B. The Respondent has amicably agreed to forego the damages awarded in its favor by the Arbitral Tribunal in its Award dated 16.07.2019, amounting to Rs. 2 Crores. Accordingly, the Respondent herein agrees not to make a claim against the Appellants for the said sum under the said Award dated 16.07.2019.

C. The proposed layout plan is annexed hereto as Annexure 1. Parties have agreed to the sharing of the sites in the proposed layout as indicated in Annexure 2. The Sharing Agreement and the distribution of sites is agreed upon in terms of the Sharing Agreement and upon revalidation of the said layout plan by the Planning Authority concerned, this distribution of sites shall be binding between and amongst the parties. If there is any change in the arrangement of sites in the layout

plan ultimately approved by the Planning Authority, the Parties shall enter into a revised sharing agreement. The Appellants have perused the contents of the layout plan and the location of sites, roads, parks, open spaces etc., and hereby confirm the same to be in order, except that relating to Kharab lands. The Appellants agree not to question or raise any dispute regarding the contents of the layout plan, except in so far as it relates to depiction of kharab lands and shall not interfere in the execution of the Project by the Respondent.

D. The Respondent shall make payment of up to date property taxes in respect of the lands comprised in the Project and furnish a copy of receipt/s to the Appellants. Up-to-date taxes shall be paid by the Respondent prior to the revalidation of the approved layout plan by the Kanakapura Planning Authority.

E. It is agreed that the Respondent shall complete the execution of the project in terms as agreed upon in the JDA within a period of 15 months from the date of grant/validation of the Sanctioned plan by the appropriate authority/ies. The Respondent shall be entitled to a grace period of Three (03) months for completing development of the Project as specified in Clause 6.2 of the Joint Development Agreement. In the event, the Respondent fails to complete the project and hand over the Owners entitlement within the aforesaid timeline of 15 months, subject to force majeure conditions and subject to no further interference in the development by the Appellants, the Respondent shall be liable to pay as penalty to the Appellants a sum of Rs. 3/- (Rupees Three Only) per square foot per month of the Owners entitlement and which is not handed over to the Owners.

F. In the conversion order which was obtained by the Respondent herein on behalf of the Appellants pertaining to Sy.no. 37/1 of Gulakkamale village, the initial of the Appellant has been wrongly shown. The name of the Appellant No.1 is B. Ramakrishna Rao. However, in the conversion order pertaining to the land bearing Sy.no.37/1 of Gulakkamale village, it has been mentioned as G. Ramakrishna Rao. Respondent shall get necessary correction effected in the conversion order. The Appellants shall co-operate with the Respondent in this regard.

G. Respondent had claimed in the claim statement before the Arbitrator that a sum of Rs.4 crores has been paid as deposit to the Appellants herein. It is now agreed between the parties that the Respondent had paid only a sum of Rs.3.50 crores as deposit, out of which Rs.2 crores is refundable deposit (which is to be refunded by the Appellants to the Respondent at the time the Respondent hands over all the sites falling to the share of the Appellants, to the Appellants herein) and Rs.1.50 crores as non-refundable deposit.

H. In the event of non-compliance with any terms and conditions of this compromise entered into between the parties, either party shall be free to execute these terms in an appropriate court of law.

I. It is agreed between parties that in the sharing agreement referred to above, the area falling to the share of the Appellants is short by 5.80 sq.m. Respondent shall compensate the Appellants for this shortage of the land area falling to the share of the Appellants at the price at which the Developer shall launch the Project, which will be paid by the

respondent at the time the area falling to the share of the Appellants is handed over to him."

5. The parties are present before this Court and are duly identified by their respective counsels.

6. The Letter of Authority to represent the respondent which is a Limited Liability Partnership is also placed on record.

7. In view of the compromise entered into between the parties, we are of the opinion that the appeal can be disposed of in terms of the compromise. Accordingly, the appeal is ***disposed of*** in terms of the compromise.

8. The Registry shall draw up decree in terms of the memorandum of settlement.

All pending interlocutory applications shall stand *disposed of.*

Sd/-
(ANU SIVARAMAN)
JUDGE

Sd/-
(TARA VITASTA GANJU)
JUDGE

RAK
List No.: 1 Sl No.: 36