



CNR: KAHC010504362026

NC: 2026:KHC:40340
WP No. 22802 of 2026

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 31ST DAY OF JULY, 2026

BEFORE

THE HON'BLE SMT. JUSTICE LALITHA KANNEGANTI

WRIT PETITION NO. 22802 OF 2026 (GM-CPC)

BETWEEN:

NAVAYUGA ENGINEERING COMPANY
HAVING ITS OFFICE AT
NO.379, ROAD NO.10,
JUBILEE HILLS
HYDERABAD-500 033
REPRESENTED BY ITS
AUTHORIZED SIGNATORY
MR. A.S.R. MURTHY

...PETITIONER

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

AND:

1. BANGALORE METRO RAIL
CORPORATION LIMITED
BMTc COMPLEX, 3RD FLOOR
K.H. ROAD, SHANTINAGAR
BENGALURU-560 027
REPRESENTED BY ITS
MANAGING DIRECTOR
2. SRI L.V.SREERANGARAJU
ARBITRATOR
NO.537, JESHTA, 3RD MAIN
HOSAKEREHALLI CROSS
BANASHANKARI 3RD STAGE
BENGALURU-560 085





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3. SRI R.RAJAMANI
ARBITRATOR
FLAT NO.3, RAMPRIYA AE-172
11TH MAIN ROAD, ANNANAGAR
CHENNAI-600 040
4. SRI T.D.MANAMOHAN
ARBITRATOR
NO.10, KAVERY THARALABALU ENCLAVE
NEAR YELAHANKA OLD TOWN
TRAFFIC POLICE STATION
YELAHANKA
BENGALURU-560 084

...RESPONDENTS

(BY SRI. S.SRIRANGA, SENIOR COUNSEL FOR
SRI. SUMANA NAGANAND, ADVOCATE)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA, PRAYING TO SET ASIDE THE IMPUGNED ORDER DATED 20.07.2026 PASSED BY THE LXXXIII ADDITIONAL CITY CIVIL AND SESSIONS JUDGE (COMMERCIAL COURT), BENGALURU (CCH-84) IN COM A.S. NO. 228/2018 (ANNEXURE-A) AND CONSEQUENTLY ALLOWING THE APPLICATION FILED BY THE PETITIONER ON 20.07.2026 (ANNEXURE E).

THIS WRIT PETITION HAVING BEEN HEARD AND RESERVED ON 28.07.2026, COMING ON FOR PRONOUNCEMENT OF ORDER THIS DAY, THE COURT PRONOUNCED THE FOLLOWING:

CORAM: HON'BLE SMT. JUSTICE LALITHA KANNEGANTI



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CAV ORDER

The petitioner is before this Court aggrieved by the order dated 20.07.2026 passed in Com.A.S.No.228/2018 by the LXXXIII Additional City Civil and Sessions Judge, Bangalore and consequently allow the application filed by the petitioner dated 20.07.2026.

2. The facts of the case are that the petitioner is a limited company engaged in construction and infrastructure development, including projects under the Public Private Partnership. Respondent No.1 is a special purpose vehicle of the State of Karnataka and the Government of India, entrusted with providing metro services to Bangalore City. Pursuant to an elaborate tender process undertaken by Respondent No.1, the petitioner was awarded the contract for the construction of the elevated viaduct (excluding the station portion of the viaduct) from Cricket Stadium to Byappanahalli station of the Bangalore Metro Rail project. During the execution of the project, disputes arose due to several illegal and arbitrary actions on the part of the respondents. The matter then went for arbitration. Upon conclusion of the arbitral proceedings, the Arbitral Tribunal, by its award dated 16.08.2018, partly allowed the claims of the

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petitioner, rejected all counterclaims preferred by Respondent No.1, and awarded a sum of Rs.122,76,50,323/-, together with interest at the rate of 12% per annum from 16.08.2018 until the date of payment, in favour of the petitioner.

3. The respondent herein has filed Com.A.S. No.228/2018 under Section 34 of the Arbitration and Conciliation Act, 1996. During the pendency of Com. A.S.No.228/2018, the respondent deposited Rs.28,11,53,319/- on 19.12.2020 and a further sum of Rs.68,64,60,895/- on 19.04.2021, aggregating Rs.97,06,14,214/-, with interest accrued, for a total amount of Rs.97,30,73,962/- lying before the Commercial Court. By Order dated 04.06.2021, the Commercial Court permitted the petitioner to withdraw the amount of Rs.97,30,73,962/-, subject to furnishing a bank guarantee for Rs.100 Crores. Consequently, the petitioner withdrew the deposited amount on 18.09.2021, subject to the subsisting condition of furnishing the Bank Guarantee. Thereafter, by Judgment dated 28.01.2022, the Commercial Court partly allowed Com.A.S.No.228/2018 and modified the Award.



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4. Aggrieved thereby, the petitioner preferred COMAP No.136/2022, whereas the respondent preferred COMAP No.171/2022 before this Court under Section 37 of the Arbitration and Conciliation Act. By Judgment dated 29.08.2024, High Court allowed COMAP No.136/2022, dismissed COMAP No.171/2022, set aside the judgment of the Commercial Court, and restored the Arbitral Award in its entirety. Consequently, upon the aforesaid judgment, the Bank Guarantee furnished by the petitioner was released on 20.09.2024, whereupon the earlier withdrawal became unconditional. After giving credit for the amount already withdrawn, a sum of Rs.1,15,34,18,203/- remained payable by the respondent as on 20.09.2024, together with continuing interest in terms of the award. The respondent challenged the common judgment dated 29.08.2024 before the Hon'ble Apex Court in SLP (C) Nos.28101-28102/2024, which was dismissed on 12.05.2026. According to the petitioner, as on the date, a sum of Rs.139,99,02,093/- is payable to the petitioner. It is stated that on 03.07.2026, respondent No.1 mentioned and advanced the disposal of Com.A.S.No.228/2018 before the Commercial Court and filed an application seeking to deposit a sum of Rs.95,55,35,743/-, purporting to be the final

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amount payable as per its calculations. The deposit was made under Order XXI Rule 1(a) CPC by respondent No.1 voluntarily, unconditionally, and on its own motion. The application filed by respondent No.1 was also accompanied by a memo of calculation, which was mathematically incorrect but had fortified and crystallised an admitted sum on the part of respondent No.1.

5. It is the case that the Commercial Court noted that a demand draft was furnished and immediately directed that the demand draft addressed to the Registrar, City Civil Court, Bangalore, be accepted by the office and invested in a fixed deposit within 7 days. A memo of calculation filed by respondent No.1 was depicting a sum less than what was payable. On 10.07.2026, the petitioner advanced the case from 01.08.2026 to 10.07.2026 to file an application seeking withdrawal of the amount unconditionally deposited by the respondent. On that day, the Commercial Court passed orders connecting the Section 34 petition with the Execution petition filed by the petitioner and indicated that it would take up the matter on 20.07.2026. It is stated that despite having served a copy of the application on respondent No.1 as early as 10.07.2026, the Commercial Court directed that the application be filed on 20.07.2026 and refused



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to take the same on record on 10.07.2026. It is stated that on 20.07.2026, the petitioner filed the application seeking to withdraw the amount of Rs.95,55,35,743/- which was deposited by respondent No.1. For the ready reference of the Commercial Court, a memo of calculation was filed. While taking the same on record, and with no scope for any 'objection' on the part of the respondent No.1, the Commercial Court adjourned the case to 01.08.2026 for the respondent No.1 to file its memo of calculation and objection. Aggrieved thereby, the petitioner is before this Court.

6. Sri Dhyan Chinnappa, learned Senior Counsel representing the learned Counsel for the petitioner, submits that the impugned order is arbitrary, contrary to settled principles governing deposits, and manifestly unlawful. It is submitted that when the amount is deposited as per Order XXI Rule 1(a) of the CPC, it is the admitted amount. The Senior Counsel has drawn the attention of the Court to the calculation memo filed before the Court. It clearly states that, as per their calculation, the admitted amount is Rs.95,55,35,743/-. If any dispute has to be resolved regarding the amount to be paid, the Court ought to have permitted the petitioner to withdraw the admitted amount.

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It is submitted that the impugned order has the effect of permitting the respondent to approbate and reprobate. Having voluntarily deposited the amount without seeking any condition or reservation, the respondent cannot be permitted to resist its withdrawal by filing objections, as the same is contrary to the principles of estoppel, waiver and election. Learned Senior counsel submits that the order suffers from material irregularity and patent illegality in as much as it prolongs the enforcement of an arbitral award by permitting unnecessary and avoidable objections in respect of an amount already deposited by respondent No.1. It is submitted that the Commercial Court has ignored the fundamental objective of the Arbitration Conciliation Act, namely expeditious enforcement of arbitral awards with minimal judicial intervention. The impugned order frustrates the legislative intent by introducing an avoidable procedural impediment to the withdrawal of an undisputedly deposited amount. It is submitted that the Court has failed to exercise the jurisdiction vested in it and that the Court may permit the petitioner to withdraw the amounts; it is submitted that the writ petition may be allowed.



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7. Sri S Sriranga, learned Senior Counsel representing the learned counsel for the respondents, submits that the writ petition is premature. The Court has only ordered the filing of objections. It is the case that, with regard to the calculation arrived at by the petitioner, the respondent has raised objections. Without looking at those objections and without considering the same, the Court cannot pass an order, and the Court has rightly adjourned the matter, which is coming up on 01.08.2026. In those circumstances, this petition is premature, and this Court, exercising jurisdiction under Article 226 of the Constitution of India, cannot go into these aspects. The writ petition filed by the petitioner has to be dismissed, relegating the parties to the trial Court, and it is submitted that there are no grounds made out for seeking interference of this Court. It is submitted that coming to this Court, when the matter is coming up before the trial Court on 01.08.2026, is nothing but a pure abuse of process of law.

8. Having heard the learned Senior counsels on either side, perused the material on record. The short question that arises for consideration is:



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"Whether the Executing Court was justified in deferring the decree holder's application for withdrawal of the amount deposited by the Judgment Debtor under Order XXI Rule 1 CPC?"

9. The undisputed facts are that the arbitral award has attained finality. The execution proceedings have been initiated by the Decree Holder, claiming a sum of Rs. 122,76,50,323/-. During the pendency of the execution proceedings, the Judgment Debtor has deposited an amount of Rs. 95,55,35,743/- before the Executing Court, stating that, according to him, that is the amount due. After the deposit, the Decree Holder filed an application seeking permission to withdraw the deposit amount. The Executing Court, by the impugned order, observed that, for objections and to file a memo of calculation, the respondent prays for time. That apart, considering the huge amount of Rs. 95,55,35,743/- deposited by the BMRCL dated 03.07.2026 before the Court, as per the circulars of the High Court dated 24.10.2024, the Court has already directed the Office to invest the amount in a Fixed Deposit in the name of the Principal City Civil and Sessions Judge, Bengaluru, within 7 days until further orders. Accordingly, the Office has invested the same. With the consent of the Bank on 15.07.2026, as such, no prejudice will be caused to the parties to the BMRCL or the petitioner herein.



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Hence, it requires objections and hearing; prays for time. Call on 01.08.2026 for hearing.

10. The important aspect that has to be considered in this case is that the deposit made by the respondents is under Order XXI Rule 1 CPC. Order XXI Rule 1 CPC enables a Judgment Debtor to satisfy the decree by paying the decreed amount into the Court. The object of the provision is to facilitate voluntary compliance with the decree, reduce further accrual of interest, and avoid coercive execution. A deposit made under the said provision is not an amount lying in dispute unless the depositor specifically makes the payment conditional or disputes the entitlement of the Decree Holder to receive it. Where the Judgment Debtor himself states that a particular amount is admittedly payable and deposits the same before the Executing Court, the character of such amount stands materially different from the disputed balance claimed by the Decree Holder.

11. An admission is the best evidence against the party making it. Once a Judgment Debtor voluntarily acknowledges that a particular amount is payable under the decree and deposits the same, there remains no adjudication regarding that

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component of the decree. The Executing Court is required to adjudicate only those aspects that continue to remain in controversy. It cannot indefinitely withhold payment of the admitted amount merely because disputes survive regarding the balance claim. The reasoning assigned by the Executing Court that objections are yet to be filed does not furnish a legally sustainable ground for refusing withdrawal. Objections in execution may relate to several issues, including computation of the balance amount, adjustment, satisfaction, or other issues arising under Section 47 of CPC. Those objections may require adjudication before the balance amount can be recovered. However, such pendency cannot convert an admitted liability into a disputed one. If the objections do not concern the amount already admitted and deposited, postponing withdrawal serves no legal purpose. Execution proceedings are intended to secure enforcement of the decree and not to postpone the receipt of amounts which the Judgment Debtor himself concedes as payable. The Executing Court possesses discretion while considering an application for withdrawal. Such discretion must be exercised in accordance with settled judicial principles. This Court can understand if there exists a bona fide dispute



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regarding entitlement, allegations of fraud, attachment by another Court, or any other circumstances creating uncertainty as to the person entitled to receive the amount. The Court can defer withdrawal or impose suitable conditions.

12. In the facts and circumstances of the case, merely granting time to file objections is an improper exercise of discretion. A successful litigant is entitled to enjoy the fruits of the decree without unnecessary delay. In this case, the Executing Court should have facilitated payment of the amount instead of directing that it remain idle in Court or in a fixed deposit, without any compelling reason. The Executing Court failed to distinguish between the admitted and disputed components of the amount. Such an approach defeats the object underlying Order XXI Rule 1 CPC and unnecessarily delays the realization of the decree. The Learned Senior Counsel appearing for the respondent submits that the matter is yet to be decided and that it is a premature writ petition. The said submission is liable to be rejected. When the admitted amount is deposited, the decree holder has a free right to withdraw the amount, and there is no impediment to the Court passing an order. The Court cannot, just like that, adjourn the matter. The issue is answered



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in favour of the petitioner. Hence, this Court is passing the following:

ORDER

- i. Accordingly, the writ petition is ***allowed***.
- ii. The application filed by the Decree Holder for withdrawal of the amount is ***allowed***.
- iii. The adjudication concerning the remaining amount claimed in the Execution Petition shall be proceeded independently on its own merits.
- iv. All I.As. in this petition shall stand closed.

SD/-
(LALITHA KANNEGANTI)
JUDGE

PKN
List No.: 1 Sl No.: 2