

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 28<sup>th</sup> DAY OF APRIL 2026

BEFORE

THE HON'BLE MR. JUSTICE H. T. NARENDRA PRASAD

**WRIT PETITION NO. 11872 OF 2026 (GM-CPC)**

**C/W**

**WRIT PETITION NO. 11865 OF 2026 (GM-CPC)**

**IN WP NO: 11872/2026**

**BETWEEN:**

ITI LIMITED

A COMPANY INCORPORATED

UNDER THE COMPANIES ACT, 1956

HAVING ITS REGISTERED ADDRESS

AT: ITI BHAWAN, DOORAVANINAGAR

BANGALORE-56016

REP. BY ITS AUTHORIZED SIGNATORY

MR. RAMENDRA SHARMA

DEPUTY GENERAL MANAGER – LEGAL.

... PETITIONER

(BY SRI. UDAY HOLLA, SENIOR COUNSEL FOR

SMT. RITHIKA RAVIKUMAR., ADVOCATE)

**AND**

HCL INFOSYSTEMS LIMITED

A COMPANY INCORPORATED

UNDER THE COMPANIES ACT, 1956

HAVING ITS REGISTERED OFFICE AT

806, SIDDHARTHA,96

NEHRU PLACE, NEW DELHI-110 019

REP. BY ITS DIRECTOR

... RESPONDENT

(BY SRI. K G RAGHAVAN, SENIOR COUNSEL FOR

SRI. SHAILESH K KAPOOR, ADVOCATE FOR C/R)

THIS WRIT PETITION IS FILED UNDER ARTICLE 227 OF THE  
CONSTITUTION OF INDIA PRAYING TO ISSUE A WRIT OF CERTIORARI

OR ANY OTHER APPROPRIATE WRIT, ORDER, OR DIRECTION TO QUASH THE IMPUGNED COMMON ORDER DATED: 01.04.2026 PASSED BY THE COMMERCIAL COURT (CCH-88) BENGALURU IN COM.EX. NO.975/2025 STRICTLY AND SPECIFICALLY TO THE EXTENT THAT IT DIRECTS THE ISSUANCE OF A WARRANT FOR THE ATTACHMENT OF THE PETITIONER'S CURRENT REGULAR ACCOUNTS AND FDRS AND PARTLY ALLOWS I.A.NO.I (ANNEXURE-B) FILED BY THE RESPONDENT AND ETC.

**IN WP NO: 11865/2026**  
**BETWEEN:**

ITI LIMITED  
A COMPANY INCORPORATED  
UNDER THE COMPANIES ACT, 1956  
HAVING ITS REGISTERED ADDRESS  
AT: ITI BHAWAN, DOORAVANINAGAR  
BANGALORE-56016  
REP. BY ITS AUTHORIZED SIGNATORY  
MR. RAMENDRA SHARMA  
DEPUTY GENERAL MANAGER.

... PETITIONER

(BY SRI. UDAY HOLLA, SENIOR COUNSEL FOR  
SMT. RITHIKA RAVIKUMAR., ADVOCATE)

**AND**

HCL INFOSYSTEMS LIMITED A  
COMPANY INCORPORATED  
UNDER THE COMPANIES ACT, 1956  
HAVING ITS REGISTERED OFFICE AT  
806, SIDDHARTHA, 96  
NEHRU PLACE, NEW DELHI-110 019

... RESPONDENT

(BY SRI. K G RAGHAVAN, SENIOR COUNSEL FOR  
SRI. SHAILESH K KAPOOR, ADVOCATE FOR C/R)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO ISSUE A WRIT OF CERTIORARI OR ANY OTHER APPROPRIATE WRIT, ORDER, OR DIRECTION TO SET ASIDE THE IMPUGNED COMMON ORDER DATED: 01.04.2026 PASSED BY THE COMMERCIAL COURT (CCH-88) BENGALURU IN COM. A.P. NO.150/2024 REJECTING I.A. NO.II FOR STAY VIDE ANNEXURE-A AND ETC.

THESE WRIT PETITIONS, HAVING BEEN HEARD AND RESERVED FOR ORDERS ON 15.04.2026 COMING ON FOR PRONOUNCEMENT, THIS DAY, THE COURT, MADE THE FOLLOWING:

CORAM: HON'BLE MR. JUSTICE H.T. NARENDRA PRASAD

**CAV ORDER**

These writ petitions are filed by the judgment debtor under Article 227 of the Constitution of India, calling in question the legality and correctness of the orders dated 01.04.2026 passed by the Commercial Court, Bengaluru, in Com.Ex.No.975/2025 and Com.A.P.No.150/2024, whereby the application filed by the petitioner came to be rejected and a warrant was directed to be issued for attachment of the petitioner's current accounts and fixed deposit receipts.

2. For the sake of convenience, the parties are referred to as per their ranking before the Commercial Court.

**Background Facts:**

3. The brief facts, leading to the filing of these writ petitions, are as follows:

The petitioner/judgment debtor is a Public Sector Undertaking. It was awarded a project, pursuant to which the respondent/deeree-holder came to be engaged on a back-to-back contractual basis. The relationship between the parties was governed by a series of contractual documents, namely, the Memorandum of Understanding dated 08.03.2006, the Master Agreement dated 23.04.2006, and subsequent addenda executed thereunder. Under the said arrangements, the respondent—HCL Infosystems Ltd. had undertaken to indemnify certain losses incurred by ITI Ltd.

4. Disputes having arisen between the parties with regard to the entitlement of the respondent, arbitration proceedings were initiated by the

respondent by raising its claims. An Arbitrator was appointed under the ICADR Rules, and the proceedings were conducted in Arbitration Case No.56/2017.

5. The arbitral proceedings culminated into an award dated 29.04.2024, which was further modified on 13.07.2024, whereby the claims made by HCL Infosystems Ltd. were partly allowed and the counterclaims made by ITI Ltd. came to be rejected. Aggrieved by the said award, the petitioner instituted proceedings under Section 34 of the Arbitration and Conciliation Act, 1996 (for short, "the Arbitration Act"), in Com.A.P.No.150/2024. In the said proceedings, the petitioner also filed an application under Section 36(2) r/w. Section 34 of the Arbitration Act, seeking stay of the operation of the arbitral award.

6. The Commercial Court, after hearing both parties, disposed of the said application on 19.04.2025 by granting stay of the impugned award subject to deposit of 75% of the award amount, within 60 days. Challenging the said condition, the petitioner approached this Court in W.P.No.18314/2025. The said writ petition came to be dismissed by order dated 07.08.2025. Aggrieved thereby, the petitioner preferred SLP (C) No.33133/2025 before the Supreme Court, which also came to be dismissed on 21.11.2025.

7. Thereafter, the respondent/decreed-holder filed I.A.No.1 in Com.Ex.No.975/2025 under Order XXI Rule 41 of the Code of Civil Procedure, 1908 (for short, "CPC"), seeking a direction to the judgment debtor to file an affidavit disclosing its assets, income, liabilities, bank accounts, movable and immovable properties, and all financial interests in Form No.16A,

Appendix E of the CPC, and also seeking issuance of warrant for attachment of current accounts. At that stage, the petitioner/judgment debtor filed I.A.No.2 under Section 36(2) of the Arbitration Act r/w. Section 151 of CPC seeking extension/modification of the stay order dated 19.04.2025 by offering an immovable property as security in place of the cash deposit.

8. The Commercial Court, by the impugned common order, allowed the application filed by the respondent/decreed-holder and rejected the application filed by the petitioner/judgment debtor. Aggrieved thereby, the petitioner is before this Court.

**Submissions on behalf of the Petitioner:**

9. Sri. Udaya Holla, learned Senior Counsel appearing for the petitioner, urged the following contentions:

(i) First, he contended that, though the petitioner was granted a stay of the arbitral award subject to deposit of 75% of the award amount, as it has been facing serious liquidity constraints, it is unable to comply with the said condition. He submits that, upon review of its financial position, the petitioner has identified certain immovable properties belonging to it, which are unencumbered and of sufficient value, and the same can be offered as security in lieu of cash deposit.

(ii) Secondly, it is contended that the Commercial Court failed to exercise its discretion in a proper and judicious manner under Section 36 of the Arbitration Act. According to him, once the petitioner had expressed its readiness to furnish immovable property worth about Rs.139 crores, which was more than sufficient to secure the award amount, the Court

ought to have considered such offer instead of insisting upon deposit of money.

(iii) Thirdly, learned Senior Counsel submits that even in the earlier round of litigation, the principal grievance of the petitioner was that the condition directing deposit of 75% of the award amount was unreasonable and onerous. According to him, the discretion that is required to be exercised while considering stay of a money decree or arbitral award has to be in consonance with the principles underlying Order XLI Rule 5 of CPC, and that the said principles were not properly considered.

(iv) Fourthly, it is contended that the petitioner is a Public Sector Undertaking and is presently undergoing financial difficulties, and therefore, a pragmatic and lenient approach ought to have been adopted. It is submitted that only after dismissal of the Special Leave Petition on 21.11.2025, when

serious steps were taken to comply with the order of deposit, the petitioner realized the extent of its liquidity problem. It is on account of such subsequent development that an application came to be filed under Section 36(2) of the Arbitration Act r/w. Section 151 of CPC seeking modification of the earlier order by offering an immovable property as security in lieu of the deposit. In support of this contention, reliance is placed on the judgment of the Supreme Court in **ARJUN SINGH VS. MOHINDRA KUMAR AND OTHERS**, reported in **1963 SCC OnLine SC 43** and **LIFESTYLE EQUITIES C.V. V. AMAZON TECHNOLOGIES INC.** reported in **2025 SCC OnLine SC 2153**.

On these grounds, learned Senior Counsel prays that the writ petitions be allowed and the impugned order be set aside.

**Submissions on behalf of the Respondent:**

10. Per contra, Sri. K.G. Raghavan, learned Senior Counsel appearing for the respondent/decreed-holder, opposed the writ petitions.

(i) He firstly contended that the application seeking modification of the earlier interim order dated 19.04.2025 is wholly not maintainable. According to him, the said order, by which a stay was granted subject to deposit of 75% of the award amount, has already been challenged before this Court and thereafter before the Supreme Court, and such challenge before both the Courts has been unsuccessful. Therefore, the said condition has attained finality, and the petitioner cannot indirectly seek to alter the same before the very same Court under the guise of subsequent developments.

(ii) Secondly, it is contended that no genuine new facts or subsequent developments have been

made out by the petitioner so as to justify the necessity of reconsideration of the earlier order. He submits that the petitioner was all along aware of its financial position, bank balances, immovable properties, and other available assets. If the immovable properties were really available to be offered as security, the petitioner ought to have placed such material before the Court at the time when the application under Section 36(2) of the Arbitration Act was originally being considered.

(iii) Thirdly, learned Senior Counsel would submit that the material produced by the respondent, including the petitioner's own Annual Reports and the report of the Comptroller and Auditor General of India, clearly demonstrate that the petitioner had substantial financial assets and immovable properties to furnish as security at the time of Section 36(2) application

being decided. Hence, the plea of inability to comply with the order of deposit is false and untenable.

On these grounds, learned Senior Counsel sought dismissal of the writ petitions.

**Points that arise for consideration:**

11. In the light of the rival submissions, the following points arise for consideration:

- 1. Whether the petitioner has made out any ground of subsequent facts or changed circumstances so as to seek modification of the earlier order granting stay subject to deposit of 75% of the award amount?*
- 2. Whether the Commercial Court was justified in rejecting the petitioner's application for extension of stay and in allowing the application filed by the respondent for attachment proceedings?*
- 3. Whether any ground is made out for interference under Article 227 of the Constitution of India?*

**Consideration:**

12. I have given my anxious consideration to the submissions made by both sides and perused the material on record.

13. It is not in dispute that the petitioner had filed proceedings under Section 34 of the Arbitration Act challenging the award dated 29.04.2024, further modified on 13.07.2024. It is also not in dispute that, in the said proceedings, the petitioner filed an application under Section 36(2) r/w. Section 34 of the Arbitration Act seeking stay of the arbitral award. The Commercial Court, after considering the rival contentions, granted stay of the award subject to deposit of 75% of the award amount by order dated 19.04.2025.

14. It is equally not in dispute that the said order was challenged before this Court in W.P.No. 18314/2025 and the same came to be dismissed on

07.08.2025. The petitioner thereafter carried the matter to the Supreme Court in SLP (C) No.33133/2025, which also came to be dismissed on 21.11.2025. Thus, the condition imposed while granting the stay, namely the deposit of 75% of the award amount, has already been tested before this Court as well as the Supreme Court and has attained finality.

15. The principal contention now urged by the petitioner is that, after the dismissal of the Special Leave Petition, when it attempted to comply with the said order, it realized that, owing to liquidity constraints, it was unable to mobilize funds for deposit, and therefore, it identified certain immovable properties which could be offered as security in lieu of the said deposit. On that basis, it is contended that a subsequent development has arisen, warranting modification of the earlier order dated 19.04.2025. In

support of the said contention, reliance is placed on the judgment of the Supreme Court in **ARJUN SINGH (supra)**. There can be no quarrel with the proposition laid down in the said judgment that interlocutory orders, particularly those intended to preserve the status quo, can, in appropriate cases, be altered or varied on proof of new facts or new circumstances which subsequently emerge, and in such a case, the principle of res judicata would not strictly apply. At the same time, the Supreme Court has made it equally clear that repeated applications seeking the same relief on identical facts can be rejected as an abuse of the process of Court, and that only in cases where genuine fresh facts are brought on record, reconsideration would be permissible.

16. Therefore, the question is not whether the Court has power to modify an interlocutory order. The real question is whether, in the facts of the present

case, the petitioner has demonstrated any genuine subsequent event/s or fresh circumstance/s which was not within its knowledge or not available to it at the time of consideration of the earlier application.

17. In paragraph 7 of the affidavit filed in support of the said application, the petitioner has stated that being a Public Sector Undertaking and facing liquidity issues, it was unable to secure funds to make the deposit in a timely manner and also that they require some amount for payment of salaries to their employees; that it has now identified certain unencumbered immovable properties which can be offered as adequate security; and that only after investigating its resources and securing necessary approvals post intimation to the Department of Telecommunications, this option became viable.

18. However, the said plea has to be tested in the light of the objections filed by the respondent. In

the objections, the respondent has specifically contended that the petitioner was fully aware of its financial condition, bank balances, fixed deposits, escrow amounts, and immovable properties even when the earlier application under Section 36(2) of the Arbitration Act was filed and argued. It is further pointed out, on the basis of the petitioner's own Annual Reports for the years 2023-24 and 2024-25 and the report of the Comptroller and Auditor General of India, that the petitioner had substantial balances with banks, fixed deposits, escrow amounts, and extensive immovable properties, including large extents of vacant land available for monetization.

19. For the aforesaid reasons, this Court is of the considered view that out of the said total assets, the petitioner had some limited percentage of liquid funds available for the payment of salaries to its employees and also that they can deposit the remaining amount

before the Executing Court as security. Under these circumstances, it cannot be overlooked that the primary object of imposing conditions while granting stay of an arbitral award is to adequately secure the interests of the decree-holder and not to render the remedy under Section 34 of the Arbitration and Conciliation Act illusory.

20. It is well settled that interlocutory orders are amenable to modification in appropriate cases. As held by the Supreme Court in **ARJUN SINGH (supra)**, such orders can be varied where the ends of justice so require, provided the Court is satisfied that modification would not prejudice the opposite party.

21. Further, in light of the principles laid down in **LIFESTYLE EQUITIES C.V. (supra)**, the requirement of deposit of the decretal amount is not an inflexible rule, and the Court retains discretion to accept other forms of security, including an

immovable property, so long as the decree-holder's interest is adequately safeguarded.

22. In the present case, the petitioner has expressed its readiness to furnish an unencumbered immovable property of substantial value, which, prima facie, appears sufficient to secure the award amount. The respondent's apprehension can be adequately addressed by imposing appropriate safeguards regarding valuation, title verification, and creation of charge.

23. Having regard to the above observations, this Court is of the opinion that a balanced approach is required. While the condition imposed earlier has attained finality, the same does not preclude this Court from moulding the relief in execution proceedings so as to secure the ends of justice, particularly when adequate alternative security is offered.

24. Therefore, the points for consideration hereunder are answered accordingly and the application filed by the petitioner seeking modification of the order dated 19.04.2025 is held to be maintainable and deserves to be allowed in part.

25. The impugned order is modified to the extent that, instead of 75% of the deposit amount, now the petitioner shall in lieu of deposit of the entire award amount, be permitted to furnish an unencumbered immovable property as security to secure 50% of the award amount, subject to the following conditions:

*(i) The petitioner shall, within a period of six weeks, place on record complete title documents in respect of the property proposed to be offered as security;*

*(ii) The petitioner shall file an affidavit before the Executing Court stating that, it will not create any charge over the said property;*

*(iii) The petitioner shall file an undertaking that the property will not be alienated, encumbered, or otherwise dealt with during the pendency of the proceedings;*

*(iv) The petitioner shall deposit the remaining 50% of the award amount before the Executing Court within six weeks from today.*

*(vi) In the event of failure to comply with the above conditions, the respondent shall be at liberty to proceed with the execution of the award in accordance with law. Till then, the order passed by the Executing Court on I.A. No.I in Com.Ex. No.975/2025 shall be kept in abeyance.*

Subject to the above modifications, the writ petitions are partly allowed.

**Sd/-  
(H. T. NARENDRA PRASAD)  
JUDGE**

CM/-