



HC-KAR

- 1 -

NC: 2026:KHC:29075-DB  
COMAP No. 176 of 2021

**IN THE HIGH COURT OF KARNATAKA AT BENGALURU**

**DATED THIS THE 15<sup>TH</sup> DAY OF JUNE, 2026**

**PRESENT**

**THE HON'BLE MRS. JUSTICE ANU SIVARAMAN**

**AND**

**THE HON'BLE MR. JUSTICE VENKATESH NAIK T**

**COMMERCIAL APPEAL NO.176 OF 2021 (AA)**

**BETWEEN:**

NATIONAL HIGHWAYS AUTHORITY OF INDIA  
PROJECT IMPLEMENTATION UNIT (PIU)  
CHITRADURGA (PREVIOUSLY PIU BANGALORE)  
NEAR J.M.I.T.  
NH-48 (OLD NNH-4) (KM.202)  
CHITRADURGA -577 502  
REPRESENTED BY ITS MANAGER (TECH.)  
MR. MALLIKARJUN.

...APPELLANT

(BY SMT. SHILPA GHANSHYAMBHAI SHAH, ADVOCATE)

**AND:**

1. M/S. A.L. SUDERSHAN CONSTRUCTION CO. LTD.  
HAVING ITS REGISTERED OFFICE AT  
NO.7-1-720, 3RD FLOOR  
RASHTRAPATHI ROAD  
SECUNDERABAD-500 003  
REPRESENTED BY ITS MANAGING DIRECTOR.
2. SRI MAHESH CHANDRA  
PRESIDING ARBITRATOR  
RESIDING AT FLAT NO.604  
ASPIRE-1, SUPERTECH EMERALD COURT  
PLOT NO.4, SECTOR-93A  
EXPRESSWAY  
NOIDA, GAUTHAMA BUDH NAGAR  
UTTARPRADESH-201 304.





3. SRI M. CHANDRASHEKHARAN  
ARBITRATOR  
RESIDING AT NO.10  
YAMUNA BAI ROAD  
MADHAVA NAGAR  
BENGALURU-560 001.
4. SRI V. MURAHARI REDDY  
ARBITRATOR  
RESIDING AT NO.C/77  
MADHURA NAGAR, YOUSUFGUDA  
HYDERABAD-500 038.
5. SRI A. SUNIL KUMAR  
S/O. A.L. SUDERSHAN  
AGED ABOUT 57 YEARS  
RESIDING AT NO.7-3-720  
3rd FLOOR, R.P. ROAD  
SECUNDERABAD - 500 003.

...RESPONDENTS

(BY SRI C.K. NANDAKUMAR, SENIOR COUNSEL, FOR  
SRI RUKKOJI RAO H.S., ADVOCATE, FOR R-1, AND  
SRI S. VIVEKANANDA, ADVOCATE, FOR R-5)

\* \* \*

THIS COMMERCIAL APPEAL IS FILED UNDER SECTION 13(1)(a) OF THE COMMERCIAL COURTS ACT READ WITH SECTION 37(1)(c) OF THE ARBITRATION AND CONCILIATION ACT, 1996, PRAYING TO SET ASIDE THE JUDGMENT DATED 6-3-2021 PASSED IN COM.A.S. NO.5 OF 2015 ON THE FILE OF THE LXXXII ADDITIONAL CITY CIVIL AND SESSIONS JUDGE, BENGALURU (CCH.83) AT ANNEXURE-A AND CONSEQUENTLY, SET ASIDE THE ARBITRAL AWARD DATED 6-9-2014 AT ANNEXURE-B.

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

CORAM: HON'BLE MRS. JUSTICE ANU SIVARAMAN  
and  
HON'BLE MR. JUSTICE VENKATESH NAIK T



**ORAL JUDGMENT**

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

We have heard Smt. Shilpa Ghanshyambhai Shah, learned counsel appearing for the appellant, Sri C.K. Nandakumar, learned senior counsel appearing for Sri Rukkoji Rao H.S., learned counsel appearing for respondent No.1-Company, and Sri S. Vivekananda, learned counsel appearing for respondent No.5.

2. A joint memo has been filed by the appellant and respondent No.1 stating that the disputes between the appellant and respondent No.1-Company have been settled amicably. The details of the settlement arrived at between the appellant and respondent No.1 are stated in the joint memo as follows:

*"1. The appellant has filed an appeal bearing no.176/2021, before this Hon'ble court, under Section 37 of the Arbitration And Conciliation Act, 1996, against the Arbitration Award dated 06-09-2014 given in favour of the respondent No.1 and challenging the order dated 06-03-*



*2021, passed by of LXXXII Addl Civil & Sessions Judge Bengaluru, in the COM.AS No.5/2015, filed by NHAI and further seeking stay thereof.*

*2. In compliance to the condition to the interim order dated 09.03.2022 granted by the Hon'ble High court, the Appellant NHAI has deposited a demand draft bearing no.173280 for sum of Rs.36,39,70,467/- in favour of Registrar General High Court of Karnataka, being the 50% of the arbitral award dated 06-09-2014 along with interest thereon, and filed a compliance memo on 12-04-2022.*

*3. Subsequently the Corporate Insolvency Resolution Process was initiated against M/s.A.L. Sudershan Construction Company Limited, R1, as per the provisions of IBC, 2016, and Shri Kalvakolanu Murali Krishna Prasad has been appointed as Resolution Professional by the National Company Law Tribunal, vide its order dated 09-05-2022, to take charge of the said company (R1). Subsequently, the NCLT has passed an Order dated 28.08.2023 liquidating the Corporate Debtor and has appointed Shri*



*Kalvakolanu Murali Krishna Prasad as the Liquidator of the Corporate Debtor.*

*4. Further, in compliance of the order dated 15.12.2022 passed by this Hon'ble Court the Respondent No.1 has been permitted to withdraw Rs.37,09,45,767/- (50% deposited by NHAI plus interest earned) subject to certain conditions. Accordingly, the said amount has been kept in the Fixed Deposit with Canara Bank on 29-12-2022, bearing No.140076551238 in the name of Respondent No.1. The amount of FD together with interest up to 06-05-2026 works out to Rs.46,33,40,250/-. Balance confirmation letter issued by Canara Bank is enclosed as Annexure A.*

*5. Subsequently, as decided by the Stake holder's consultation committee at its 10th Meeting held on 16-05-2026, the Appellant and the Respondent No.1 represented by its Liquidator have entered into a Settlement Agreement dated 22.05.2026 ("**Settlement Agreement**") under Section 73(2) of the Arbitration and Conciliation Act, 1996 under*



*Vivad se Vishwas - III Scheme. True copy of the Settlement Agreement dated 22.05.2026 is herewith annexed for the kind perusal of this Hon'ble Court as Annexure B.*

*6. Under the Settlement Agreement, the Parties have agreed that the Appellant shall pay the Respondent No.1 Rs.20,08,48,781/- (i.e. 65% of the net amount awarded) along with interest at 9% p.a. from 90 days from the date of award i.e. from 05.12.2014 to 19.05.2026 i.e. total Rs. 40,80,09,348/-, in full and final settlement of the Respondent No.1's claims.*

*7. Accordingly, the parties have agreed at Clause 2 that the deposited amount can be appropriated by the Respondent No.1. It is further agreed at Clause 4 that the parties will jointly move this Hon'ble Court for releasing the deposited amount to the Respondent No.1 and the Appellant shall be entitled to withdraw the balance amount after payment of Rs.40,80,09,348/- to the Respondent No.1."*

3. It is further submitted that, in view of the fact that amount of Rs.36,39,70,467/- has already been



remitted, respondent No.1 has been permitted to withdraw part of the said amount as well. It is stated that under the settlement agreement, the parties have agreed that the appellant shall pay respondent No.1 a further sum of Rs.20,08,48,781/- along with interest at the rate of 9% per annum and Rs.40,80,09,348/- is arrived as the total amount, which is paid by the appellant in full and final settlement of the claims of respondent No.1.

4. It is submitted that the amount is already in deposit in the Canara Bank account of the Corporate Debtor and therefore, the amount covered by the settlement may be permitted to be withdrawn by respondent No.1 and the remaining amount may be permitted to be withdrawn by the appellant.

5. Learned counsel appearing for respondent No.5 submits that respondent No.5 is an erstwhile Director of the Company and that the settlement arrived at between the appellant and respondent No.1-Company is



detrimental to the interest of the Company and therefore, should not be permitted.

6. We have considered the contentions advanced and we have referred to the settlement agreement entered into between the appellant and respondent No.1. We notice that the Company is undergoing liquidation. It is therefore clear, that the Company is under liquidation process under the Insolvency and Bankruptcy Code, 2016, with an initial order having been passed on 09.05.2022 and further order being passed on 28.08.2023 sending the Company into liquidation. In the above view of the matter, respondent No.5, who is an erstwhile Director of the Company, cannot have the right to oppose this application for settlement in view of the fact that the Company is in liquidation and respondent No.1 is duly represented by the Resolution Professional. Any objections would have been raised at an appropriate time by respondent No.5 before the National Company Law Tribunal and not before this Court, in these proceedings. Therefore, we are of the



opinion that the compromise entered into between the appellant and respondent No.1 with the permission of the Committee of stakeholders is liable to be accepted by this Court.

7. Joint memo of settlement is accepted.

8. The appeal is ***disposed of*** in terms of the joint memo.

In view of the disposal of the main appeal, all pending interlocutory applications shall stand dismissed.

**Sd/-  
(ANU SIVARAMAN)  
JUDGE**

**Sd/-  
(VENKATESH NAIK T)  
JUDGE**

KVK  
List No.: 1 Sl No.: 33