KABR050008522025

IN THE COURT OF X ADDL. DISTRICT AND SESSIONS JUDGE, (DEDICATED COMMERCIAL COURT), BENGALURU RURAL DISTRICT, BENGALURU.

Present: Sri.K.M.Rajendra Kumar, LLM, M.Phil,
X Addl. District and Sessions Judge,
Bengaluru Rural District, Bengaluru.

DATED THIS THE 13th DAY OF JULY 2026

Com. O.S. No.332/2023

PLAINTIFF : **Major Gandikote Ramanna Nagabhushana,**
A Proprietor of M/s. Ashwini Electronics,
Having its office at:
2nd Floor, No.C-304, Block – 3,
KSSIDC Complex, Electronic City,
Phase – 1, Electronic City,
Bengaluru – 560 100.
Being represented by its Proprietor
Major Gandikote Ramanna Nagabhushana

(By Sri. Anirudh Suresh - Advocate.)

Vs.

DEFENDANTS 1 **M/s. ERIN Consultants Private Limted, A Company registered under Companies Act, 1956**
Having its registered Office at
No.B2, Kingston Manor,
Richmond Town, Kingston Road,
Bengaluru – 560 025.

2. Mr. Sai Prakash,
Managing Director of
M/s. Erin Consultants Pvt. Ltd.,
Sy No.176/50 & 51, Khata No.1,
Muthoor Via Lakshmipura
Thammanayakanahalli Post, Anekal,
Bangalore Urban District,
Bengaluru – 562 106.

(By Sri. PNR – Advocate.)

Date of Institution of suit	:	**24.06.2023**
Nature of the suit (suit on pronote, suit for declaration and possession suit for injunction etc.,)	:	**Recovery of Money.**
Date of commencement of recording of the evidence	:	**14.02.2024**
Date on which the judgment was pronounced.	:	**13.07.2026**

	Year/s	Month/s	Days
Total Duration	02	06	19

(K.M.RAJENDRA KUMAR)
X Addl. District & Sessions Judge,
Bengaluru Rural District, Bengaluru.

J U D G M E N T

The plaintiff has filed this suit against the defendants praying the Court to pass a decree, directing the defendants to pay the suit claim amount of Rs.1,55,00,000/- with interest @ 9% on the claim amount for pre-suit interest, interest pendent lite and interest post-decree or future interest till the date of actual realization to the plaintiff with costs and for such other reliefs in favour of the plaintiff.

The brief facts of the plaintiff's case are as under:

2. The plaintiff firm is a proprietorship concern having GSTIN 29AAUPN1255E1ZF and is engaged in retailing electronic products, having its office at 2nd Floor, No. C-304, Block 3, KSSIDC Complex, Electronic City, Phase 1, Electronic City, Bengaluru 560100, being represented herein by its proprietor Major Gandikote Ramanna Nagabhushana.

3. That, the Proprietor of the Plaintiff, is a highly respected retired officer of the Indian National Army, having served in the Indian Defence Forces for thirteen

and half years. The Plaintiff held the rank of "Major" at the time of his retirement and had an impeccable record of service in the Indian Defence Forces.

4. That, Erin Consultants Private Limited ("Defendant No.1") is a private limited company bearing CIN U85110KA1984PTC006256, having been incorporated under the provisions of Companies Act, 1956, having its registered office at Sy. No. 176/50 & 51, Khata No. 1, Muthoor Via Lakshmipura Thammanayakanahalli Post, Anekal, Bangalore Urban District, Bangalore 562106.

5. That, Mr.Sai Prakash ("Defendant No.2") is the Managing Director of the Defendant No.1 Company and he represented that he will be the point of contact between the Plaintiff and the Defendant No.1 Company.

6. That, the Defendant No.1 owns the property bearing survey number 176/50 admeasuring 4 acres 8

guntas, survey number 176/51 and Katha No.1/93-94 admeasuring about 4 acres 19 guntas situated at Tammanayakanahalli (Muturu) Village, Indlavadi Panchayat, Anekal Taluk, Bangalore (hereinafter referred to as the "Schedule Property").

7. That, the Defendant No.2 had mortgaged the Schedule Property to obtain a loan from Dhanlaxmi Bank, which he had failed to repay. In the year 2010, the said bank had initiated proceedings against the Defendants herein, under section 19 of the Recovery of Debts and Bankruptcy Act, 1993, before the Debts Recovery Tribunal (DRT), Bangalore vide O.A. No. 263 of 2010.

8. That, the Schedule Property was acquired by the said bank to recover the debts of the Defendants herein, which the Defendants re-acquired through a One Time Settlement proposal to the said bank with

the money they took from the Plaintiff as part consideration for the schedule property.

9. That, the Defendants were in desperate need of funds as they didn't have the means to pay back and clear their debts. During the pendency of the above said legal proceedings before the DRT, the Plaintiff got in touch with the Defendant No.2 through one Major Mahendra G. Kadam and had expressed his interest in developing the Schedule Property. Both parties discussed the viability and potential of such venture, and it was decided that the parties shall execute a lease cum sale agreement in favour of the Plaintiff for leasing the Schedule Property and later on acquiring the same from the Defendant No.1 for a sum of Rs.8,05,00,000/- (Rupees Eight Crores Five Lakhs Only), which would be paid to the Defendant No.1 in tranches, and in pursuance of the same, the Plaintiff

issued a Letter of Intent dated 16.07.2015 (hereinafter referred to as "LOI").

10. That, post discussion and mutual agreement between the parties herein, in accordance with the schedule of payments mentioned in the LOI, the Plaintiff had enclosed a cheque for an amount of Rs.5,00,000/-(Rupees Five Lakh Only) bearing cheque no.428426, drawn on Canara Bank, Kalidasa Layout Branch as token advance to the Defendant No.1 for the schedule property.

11. That, subsequent to the issuance of the LOI by the plaintiff, on the very same day, i.e., 16.07.2015, the Defendants acknowledged the receipt of such LOI and the email sent by the Plaintiff. The defendant conveyed their acknowledgment through a letter dated 16.07.2015 titled as Letter of Intent Acknowledgment, accepting the framework with respect to the execution

of the Lease-Cum-Sale-Agreement of the Schedule Property, and the token advance of Rs. 5,00,000/- enclosed with the LOI by the Plaintiff.

12. That, in accordance with the LOI and PMOU, the Plaintiff transferred a total sum of Rs.1,55,00,000/- to the Defendant No.1 which includes the token sum of Rs.5,00,000/-, The remaining sum of Rs.1,00,00,000/- was transferred on 29.08.2015 via RTGS having reference No.623759 and the Plaintiff had transferred a sum of Rs.50,00,000/-to the Defendant No.1 by way of cheque bearing No.990024, and the same was presented by the Defendant No.1 on 12.10.2015. Further, all of these transactions were done from the account of the Plaintiff having account number:00000030341236898 at State Bank of India, Srinagar Branch.

13. That, the Defendants used the amount paid to them by the Plaintiff in terms of such LOI and PMOU as agreed to re-gain possession of the Schedule Property from the said bank through a One Time Settlement (OTS) deal of Rs. 70,00,000/-.

14. That, upon exchange of letter of intent and to take things forward the Plaintiff and Defendant No.2 had entered into a "Preliminary Memorandum of Understanding" dated 14.08.2015, (hereinafter referred to as "PMOU" correct date is 16.07.2015) over the Schedule Property.

15. That, as per the terms and conditions of the PMOU and LOI, the Defendant No.1's board of Directors were supposed to conduct a due diligence of the Schedule Property and after completion of the same, issue a formal approval for sale of the said property by providing the shareholders' approval for

sale of the schedule property and a board resolution authorizing the Defendant No.2 to sell the schedule property of the Defendant No.1 Company.

16. That, at the time of issuing the LOI and execution of the PMOU, the Defendant No.2 had concealed the fact from the Plaintiff that the Schedule Property was already encumbered and had been acquired by the Government of Karnataka and that there was a pending litigation pertaining the same pending before the Karnataka Appellate Tribunal, Bangalore (hereinafter referred to as "KAT") bearing Appeal No.1347/2012. The Defendant No.2 had promised that the Defendants would transfer the possession of the property only after a favourable judgment was passed in the matter being Appeal No.1347/2012 by the KAT.

17. It is further the case of the plaintiff that, a judgment was passed by the KAT in favour of the Defendants on 19.09.2016, but even after the same, the Defendant No.2 on some or the other pretext requested for time to provide the shareholders' approval for sale of the schedule property and a board resolution authorizing the Defendant No.2 to sell the schedule property of the Defendant No.1 Company and the Plaintiff being a gentleman waited thinking that the Defendant No.2 would honour his terms.

18. That, the Plaintiff even after having paid a significant amount of money towards the purchase of the Schedule Property, had to wait till the final order was passed by the Hon'ble KAT in favour of the Defendants, so that the Deed of sale with respect to the Schedule property could be executed, but even after the Hon'ble KAT had passed a judgment in favour of the Defendant by way of its order dated 19.09.2016,

the Defendant took no cogent steps for obtaining the necessary documents required to execute a Registered Deed of Sale of the Schedule Property in favour of the Plaintiff.

19. That, the Plaintiff was quite shocked at the blatant misrepresentation and borderline fraudulent behaviour being shown by the Defendant No.2. The Proprietor of the Plaintiff being a Retired Army Officer had put in all his life's savings and some more into the venture pertaining the Schedule Property.

20. That, as per the terms laid down in the LOI and the PMOU, the Defendant No.2 was supposed to procure a board resolution and the approval from the shareholders of the Defendant No.1, and the Plaintiff had made part payment of the consideration amount only on such representation that the Defendant No.2 had the support and approval of the Board and

shareholders of the Defendant No.1 for selling the Schedule Property.

21. That, even after numerous requests over the years from the Plaintiff to the Defendant No.2 to procure the necessary board resolution and the approval of the shareholders of the Defendant No.1, the Defendant No.2 failed to furnish the same and kept concocting one excuse after another, which makes it clear that the Defendant No.2 never had the right or approval of the Defendant No.1 to sell the schedule property and has been acting fraudulently for his own unjust enrichment.

22. That, in light of the Plaintiff coming to know regarding the pending litigation pertaining to the Schedule Property, the Defendant No.2 had promised the Plaintiff that he will only sell the Schedule Property after the same is free from all litigation and

encumbrances. However, when the Plaintiff approached the Defendant No.2 seeking execution of the deed of absolute transfer of the Schedule Property, the Defendant No.2 always made up some excuse or issue to avoid having to do so.

23. That, after the passing of favourable orders in the KAT appeal matter, the Plaintiff had arranged a meeting with his friends and other businessmen at the Schedule Property to showcase the Schedule Property which he was intending to purchase. However, on some or the other pretext the Defendant No.2 requested for time to provide the shareholders' approval for sale of the schedule property and a board resolution authorizing the Defendant No.2 to sell the Schedule Property of the Defendant No.1 Company and the Plaintiff being a gentleman waited thinking that the Defendant No.2 would honour his terms.

24. That, the Defendant got in touch with one Mr. B.Srinivas, proprietor of M/s Hasiru Holidays (hereinafter referred to as the "Third Party") and had proposed to him to become an investor in the Schedule property without the knowledge of the Plaintiff herein.

25. That, the Third Party realized that the Plaintiff had paid advance amount and is going to buy the Schedule Property, Therefore, the Third Party and the Plaintiff had entered into a Marketing & Service Agreement dated 21.03.2018 with one Dr.Harish Kumar of the Dr.Harish Foundation, and M/s Hasiru Holidays, to develop and to commercialize the Schedule Property.

26. That, it came to the knowledge of the Plaintiff that the Defendant No.1 had not paid the requisite property tax for the Schedule Property for the year 2015-2016 and only after clearing such dues of the

Defendant No.1, an electricity connection could be provided by the concerned authorities to the Schedule Property, thus the Plaintiff had approached the Panchayath Development Officer, Indalvadi Grama Panchayath, Anekal Taluk and had requested the authorities to allow the Plaintiff to pay the arrears of property tax.

27. That, the Plaintiff, on its own volition, had managed to obtain a No Objection Certificate from the Indalvadi Grama Panchayath. Thereafter, the Plaintiff had approached the concerned authorities at Bangalore Electric Supply Company (hereinafter referred to as "BESCOM") for obtaining an electricity supply connection to the Schedule Property, and for the application for the same to be completed, the signature of the owner of the Schedule Property was required, And when the Plaintiff approached the Defendant No.2

for the same, the Defendant No.2 blatantly refused to sign the same.

28. That, the Plaintiff further got to know during his visits to BESCOM that the BESCOM had previously served a notice dated 04.01.2016 upon the Defendant No.1 granting electric supply to the Schedule Property provided they complied with the terms/instructions contained therein within 3 months from issue of the notice, which the Defendant No.1 did not comply with and hence the permission granted by BESCOM was revoked.

29. That, since the Schedule Property was in such a dilapidated state without connections to basic amenities like electricity and water, neither the Plaintiff nor the Third Party could utilize the Schedule property for any commercial activities.

30. That, the Defendant No. 2 made a formal request by way of a letter to BESCOM to ensure that there would be no electricity connection in the Schedule Property after the Plaintiff approached the Defendant No.2 seeking for his permission as stated herein above.

31. That, the Plaintiff after making payments in the first few tranches in terms of the LOI and the PMOU had to spend an additional sum of Rs.81,40,000/- for rebuilding, renovating and general upkeep of the Schedule Property as as plaintiff believed that the Schedule Property would be handed over to him after the pending litigations.

32. That, the Third Party as above named, in view of the tussle between the Plaintiff and the Defendant herein, took advantage of the same and forged two documents being a Project Agreement dated

12.07.2018, and one Memorandum of Understanding (MOU) dated 09.07.2018 allegedly signed by the Plaintiff and the Defendant herein and executed in favour of the Third Party, making him out to be an investor in the schedule property.

33. That, the Third Party, based on the above said forged documents, had filed a suit for permanent injunctions against the Proprietor of the Plaintiff and the Defendant with respect to the Schedule Property, before the Principal Civil Judge and JMFC Anekal, being O.S. 341/2019, the same has since been transferred and is sub -judice before the Commercial Court Rural, XI Additional District and Sessions Judge, Bangalore Rural and registered as Comm O.S. 174/2020. That, the Proprietor of the Plaintiff herein was arrayed as Defendant No.2 and the Defendant No.2 herein is arrayed as the Defendant No.1 in the Said Suit.

34. That, the Defendant No.2 had promised the Plaintiff that he would be selling the Schedule Property only after all pending litigations are over and he further requested for the support of the Plaintiff in the Said Suit to aid him in bracing his defense, in order to get a favourable order.

35. That, the Said Suit has since been adjudicated and the final order has been passed as per which the Court has held that the Defendant No.1 owns the Schedule Property.

36. That, in spite of this, the Defendant No.2 on some or the other pretext requested for time to provide the shareholders' approval for sale of the Schedule Property and a board resolution authorizing the Defendant No.2 to sell the Schedule Property of the Defendant No.1 Company. It is therefore submitted that it was now clear to the Plaintiff that the Defendant

No.2 had never obtained the shareholders' approval for selling the Schedule Property and has cheated the Plaintiff and had wasted 10 years of his retirement life after serving in the Indian Defense Forces. By contending so the plaintiff prays to decree the suit.

37. After the service of summons the defendants have appeared before the Court through their counsel and filed written Statement.

38. In the written statement the defendants have contended that the suit filed by the plaintiff is not maintainable either under law or on facts and hence liable to be dismissed with costs.

39. The above suit purportedly filed Under Order XXXVII read with Section 151 of the Code of Civil Procedure, 1908 for recovery of money as against Defendants is not in accordance with Order XXXVII of the Code of Civil Procedure, 1908 and therefore, suit is

not maintainable. At any rate this Court has not issued summons to the Defendants Under Order XXXVII of the Code of Civil Procedure, 1908. Therefore, treating the said suit Under Order XXXVII of the Code of Civil Procedure, 1908 does not arise. Hence, treating the suit as one instituted under Order VII Rule 1 of the Code of Civil Procedure, 1908, this Written Statement is filed.

40. That, the suit against the 2nd Defendant is not maintainable as no personal liability could be fastened on the Director much less a Managing Director of a Private limited Company Liability, if any, assuming there is any, is only that of 1st Defendant and not that the 2nd Defendant. As such the 2nd Defendant is required to be deleted from the array of parties.

41. That, the Plaintiff has furnished wrong address of the 1st Defendant. 1st Defendant does not have its

registered office at the address furnished in the cause title. In fact the plaintiff himself has noted at paragraph 5 of the plaint the registered office is at Sy No.176/50 and 51 Muthuru, via Lakshmipura Thammanayakanahalli Post. It is not known on what basis he has furnished the Richmond town address. Thus, it is evident that the plaintiff is upto some mischief. In fact the suit itself is mischievous.

42. That, at the outset itself the Defendants submit that the 1st defendant did not have any transactions with Ashwini Electronics. The Understanding was, as is evident from the document in the name and style Preliminary Memorandum of Understanding dated 14.08.2015 at Document No.15 at page 77, with one Impact Solutions Group, having its corporate office at Crystal, 3rd floor, No.11/7, Hayes Road, Richmond Town, Bengaluru-560025, represented by its Chairman and Managing Director Major. G.R.Nagabhushan. At

page No.61, Document No.5 is a Letter of Intent dated 16.07.2015 which is also with Impact Solutions Group. In that view of the matter the Plaintiff cannot claim the amount from the Defendants for and on account of Ashwini Electronics. Therefore, the suit is brought by a wrong Plaintiff.

43. That, pursuant to the Letter of Intent and Preliminary Memorandum of Understanding Impact Academy Human Excellence Private Limited was incorporated on 29.12.2015 and another company namely Impact Tech-Craft Marketing Solutions Private Limited was incorporated on 16.04.2015. The understanding was that the Impact Academy of Human Excellence Private Limited would the party which would be the entity that would carry the matter forward to bring to fruition the understanding between the parties. Hence, the suit on the PMOU dated 14.08.2015 ought to have been filed by the said entity and not the

Plaintiff. This conclusion is further fortified by and disclosed in the Marketing and Service Agreement at Document No.17, at page 101 of the Plaint relied on by the Plaintiff. Hence, suit is not maintainable. There is no privity of Contract between the Defendants and Ashwini Electronics represented by Major. Gandikote Ramanna Nagabhushana. On that count itself the suit is liable to be dismissed.

44. That, the Plaint suffers from suppression of material facts. The Plaintiff has suppressed the following :-

a) The Email dated 29.11.2016 at 9.37 a.m from Plaintiff to 2nd Defendant.

b) Advocate notice dated 10.10.2017 issued to Impact Solutions Group.

c) Advocate notice dated 15.03.2019 issued to Impact Solutions Group.

The copies of the Email dated 29.11.2016 at 9.37am, office copy of the Notice dated 10.10.2017, postal receipts 11.10.2017, postal acknowledgment card acknowledged by Impact Techno Marketing Solutions Private Limited on 12.10.2017 and Notice dated 15.03.2019 respectively are produced. Therefore, the statement of truth filed by the Plaintiff is false. Obviously, the plaintiff has not disclosed and produced all the documents in his possession, power and control and he has made false statement as also concealed the truth and on that count of non-compliance with Order VI Rule 15A and Order XI Rule 3 of the Code of Civil Procedure, 1908 as applicable to Commercial Court the suit may pleased be dismissed.

45. That, the contracting party and Plaintiff have not challenged the termination of the PMOU dated 14.08.2015 vide Notice dated 10.10.2017 duly served on the contracting party under the PMOU dated 14.08.2015 on 12.10.2017. The termination is not

challenged, the Plaintiff is not entitled to the relief sought for.

46. That, As is evident from the Advocate Notice dated 10.10.2017 duly received by the Plaintiff on 12.10.2017 the suit filed on 21.07.2023 is hopelessly barred by limitation. This suit is for recovery of money. The period of limitation for recovery of money under Article 23 of the 1st division, part-I of the Limitation Act, 1963 for money payable to the Plaintiff, for money paid for the Defendant read with Article 54 of the Limitation Act, 1963 is three years from 12.10.2017 when Preliminary Memorandum of Understanding dated 14.08.2015 and read with Letter of Intent 16.07.2015 was terminated and same was communicated to the Plaintiff on 12.10.2017. The Plaintiff ought to have filed the suit on or before 11.10.2020. Going by the Order dated 10.01.2022 in Miscellaneous Application No.21/2022, passed by the

Hon'ble Supreme Court of India in Suo Moto Writ Petition(C) No.3/2020 even if the period from 15.03.2020 till 28.02.2022 is excluded, then also the suit ought to have been filed within the period of limitation remaining with effect from 01.03.2022 which is greater than 90 days in that longer period.

47. That, the longer period calculation would be 210 days as on 15.03.2020 the Plaintiff had 210 days balance period left for filing the suit. Therefore, if that period of 210 days is counted from 01.03.2022, the Plaintiff ought to have filed the suit on or before 26.09.2022. Assuming the periods spent on pre-institution mediation is not computed as required under the further proviso to Section 12A(3) of the Commercial Court Act, 2015 then also suit ought to have been filed on or before 11.10.2022. However, the suit is filed on 21.06.2023 as such the suit is barred by time.

48. That, the suit is also liable to be dismissed on the ground that no-where in the plaint the plaintiff has pleaded that he is always ready and willing to perform his part of contract. In fact, he had no funds to arrange to the balance amount of Rs.6.50 crores agreed to be paid under the Letter of Intent dated 16.07.2015. The Plaintiff did not have this fund at all and therefore, he could not pay the amount by 02.10.2017 and rightly the 1st defendant terminated the understanding on 10.10.2017, duly communicated to the Plaintiff on 12.10.2017.

49. That, the Understanding, be it under the Letter of Intent dated 16.07.2017 or Preliminary Memorandum of Understanding dated 14.08.2015, is only respect of the 7 acres of land and not in respect of 8 acres 27 guntas as sought to be made out in the Schedule of the Plaint. By contending so defendants prays to dismiss the suit against him.

50. On the basis of the rival contentions, pleadings, material proposition of fact and law and the documents this Court has framed the following:

ISSUES

1. Whether the plaintiff proves that the defendants have agreed to execute a lease cum sale agreement in respect of the suit schedule property in its favour by receiving an amount of Rs.8,05,00,000/- from the plaintiff and towards the same, the plaintiff has issued a letter of intent dt.16.07.2015 to the defendant No.2 as contended in para No.10 of the plaint?

2. Whether the plaintiff further proves that as per the clauses mentioned in the letter of intent dt.16.07.2015, he has paid an amount of Rs.5,00,000/- to the defendants as a token advance as contended in para No.12 of the plaint?

3. Whether the plaintiff further proves that as per the clauses mentioned in LOI and PMOU, he has transferred a total amount of Rs.1,55,00,000/- to the defendant No.1 as contended in para No.13 of the plaint?

4. Whether the plaintiff proves that the defendant is liable to pay an amount of Rs.1,55,00,000/- to him along with current and future interest @ 9% P.A., as claimed in the suit?

5. Whether the suit filed by the plaintiff is barred by law of limitation?

6. Whether the plaintiff is entitled for the reliefs as prayed for?

7. What order or decree?

ADDITIONAL ISSUES

1. Whether plaintiff proves that as per terms of LOI and PMOU, the defendants had agreed to regain possession of the suit properties from Dhanalakshmi Bank to the plaintiff?

2. Whether plaintiff proves that as per PMOU and LOI, the defendant No.1's Board of Directors were supposed to conduct the due diligence of the suit schedule property ?

3. Whether plaintiff proves that the defendants had suppressed about the fact of the encumbrance of Government in the suit property and pending litigation in appeal No.1347/2012 before KAT?

4. Whether plaintiff proves that as per LOI and PMOU, the defendant No.2 was supposed to procure a board resolution and approval from share holders?

5. Whether the plaintiff proves that the plaintiff on its own volition obtained the NOC from Gramapanchayath?

6. Whether plaintiff proves that the suit property was in dilapidated condition

and without basic amenities like electricity, water etc ?

7. Whether plaintiff proves that the plaintiff spent a sum of Rs.81,40,000/- for rebuilding, renovating and General keep up of the suit property?

8. Whether plaintiff proves that third party (M/s. Hasiru Holidays) forged documents such as Project agreement dated 12.07.2018 and MOU dated 09.07.2018 ?

9. Whether plaintiff proves that defendant No.2 had promised to sell the suit property only after disposal of the pending litigations ?

10. Whether defendants prove that the defendant No.2 is not personally liable for the claim of the plaintiff ?

11. Whether defendants prove that the suit is brought by a wrong plaintiff ?

12. Whether defendants prove that in pursuant to LOI & PMOU, entities like Impact Academy Human Excellence Private Limited and Impact Tech-Craft Marketing Solutions Pvt. Ltd., were incorporated ?

13. Whether defendants prove that the plaintiff has suppressed the material facts ?

14. Whether defendants prove that the PMOU dated 14.08.2015 has been terminated as per the notice dated 10.10.2017 ?

15. Whether defendants prove that the plaintiff was not ready and willing to perform its part of contractual obligations by arranging balance amount of Rs.6.50 Crores ?

16. Whether defendants prove that LOI & PMOU are only in respect of 7 acre of land and not in respect of 8.27 guntas ?

17. Whether defendants prove that the plaintiff used the land for his events and hence 1st defendant is justified in adjusting the amounts paid by the plaintiff towards the utilization of the suit property ?

51. To substantiate the case of the plaintiff firm, Sri.Major Gandikote Ramanna Nagabhushana, Proprietor of the plaintiff firm got examined as PW.1 and got marked the documents at Ex.P1 to Ex.P.44.

52. On the other hand Sri.Sai Prakash/defendant No.2 is examined as DW.1 and got produced documents marked at Ex.D.1 to Ex.D.31.

53. Heard on both sides. Both counsels have filed written arguments.

Advocate for the plaintiff relied upon the following judgments:

Sl.No.	Judgment	Citations
1.	Asset Reconsruction Company (India) Limited Vs. Bishal Jaiswal and Ors	(MANU/SC/ 0279/2021
2.	A.Vallimmai Vs. K.P Murali and others	Decied on September 12th 2023 by Supreme Court of India
3.	Nirmala Singh Vs State of UP and Others	(2024 SCC Online ALL 504)
4.	Delhi Development Authority Vs Skipper Constructions Company Private Limited and another	((1996) 4 SCC 622)
5.	OCM Singapore Njord Holdings Hardrada Pvt Ltd Vs Prerit Goel and Others	(2022 SCC Online Del 1352)
6.	Life Insurance Corporation of India Vs Escorts Ltd. And Others	(1986 1 Supreme Court Cases 264)
7.	Cox and Kings Ltd Vs SAP India Pvt Ltd and another	(2023 SCC Online SC 1634)
8.	Hackbridge-Hewittic and Easun Ltd Vs G.E.C. Distribution Transformers Ltd,	(1990 SCC Online Mad 636: (1992) 74 Comp Cas 543)
9.	Delhi Airport Metro Express Private Limited Vs Delhi Metro Rail Corporation Ltd,	(2023 SCC Onlinen Del 1619)
10.	Vijay Subramaniyan Vs M/s Gaurav Housing Development Pvt. Ltd.,	Decided on 09.03.2026 by Hon'ble LXXXV Addl. City Civil andn

		Sessions Judge, Bengaluru
11.	Gillu Vs. Damodar Dass and Others	(MANU/PH/ 0109/1972)
12.	Nathulal Vs. Sualal and Others	(MANU/RH/ 0015/1962)
13.	Food Corporation of India Vs. Assam Sate Co-operative Marketin and consumer federation Ltd and others	(2004) 12 Supreme Court of India)
14.	A.Renuga Vs Shar Theme Park Pvt. Ltd	Dated 24.07.2019
15.	Dale And Carrington Invt. (p) Ltd Vs. P.K Prathapan	SCC Online SC 1067
16.	Gorakh Hilal Patil and another Vs. Parit Samaj Seva Mandal	2011 SCC Online Bom 939

Advocate for the defendants relied upon the following judgment:

Sl.No.	Judgment	Citations
1.	The State Trading Corporation of India Limited, Vs. Vanivilas Co-operative Sugar Factory Limited,	2001 SCC Online Kar 239

25. My answer to the above framed issues are as follows:

ISSUE No.1 to 4 : In the **NEGATIVE**
ISSUE No.5 : In the **AFFIRMATIVE**
ISSUE No.6 : In the **NEGATIVE**

Additional Issues
ISSUE No.1 to 16 : Does not survive for

		consideration
ISSUE No.17	:	In the **AFFIRMATIVE**
ISSUE No.7	:	As per final Order for the following

R E A S O N S

54. Issue No.1 to 5 : It is the specific case of the plaintiff being the proprietorship of "Ashwini Electronics" that the defendant No.1 being a Private Limited Company represented by defendant No.2, its managing director owns a property bearing Sy No.176/50 measuring 4 acres 8 guntas, Sy No.176/51 measuring 4 acres 19 guntas of land (Schedule Property). That, the defendant No.2 had mortgaged the schedule property to obtain a loan form bank which he had failed to repay. In 2010, the bank initiated proceedings against the defendants Under Sec.19 of Recovery of Debts and Bankruptcy Act, before DRT.

55. The defendant were in desperate need of funds, then the plaintiff expressed his interest in developing

the schedule property. Both parties decided that they shall execute lease cum sale agreement in favour of the plaintiff for leasing the schedule property and later on acquiring the same from the defendant No.1 for a sum of Rs.8,05,00,000/- which would be paid to the defendant No.1 in tranches and in pursuance of the same, the plaintiff issued a letter of Intent dated 16.07.2015. In terms of the LOI, the plaintiff paid Rs.5,00,000/- vide cheque No.428426 as token advance to the defendant No.1. On 16.07.2015 the defendants acknowledged the receipt of cheque.

56. That, the plaintiff further transferred Rs.1,00,00,000/- on 29.08.2015 via RTGS No.623759 and Rs.50,00,000/- through cheque No.990024. In all the plaintiff transferred Rs.1,55,00,000/- to the defendant No.1 in accordance with LOI and PMOU.

57. It is further the case of the plaintiff that the bank acquired the schedule property and the defendants had reacquired the schedule property through OTS deal for Rs.70,00,000/- utilizing the money which is paid by the plaintiff as a part of consideration amount to the schedule property. The defendant No.2 had concealed the fact that the schedule property was already encumbered and acquired by the Government of Karnataka and there was a pending litigation before the Karnataka Appellate Tribunal. That, the defendant No.2 had promised to transfer the schedule property to the plaintiff only after a favorable judgment in passed by KAT. Even through the KAT passed judgment in favour of defendant, the defendant failed to transfer the property on one pretext or the other to procure board resolution and approval of the shareholders of the defendant No.1 company.

That the suit filed by the plaintiff is within limitation. Hence, the plaintiff was constrained to file this suit.

58. Per contra, it is the specific contention of the defendants that the defendant No.2 being a Managing Director is not liable to pay to the plaintiff. If assuring liability, the defendant No.1 alone is liable to pay to the plaintiff.

59. It is further contended that the **defendant No.1 did not have any transaction with "Ashwini Electronics".** The transaction as evident from the document Letter of Intent dated 16.07.2015 and preliminary MOU dated 14.08.2015 was with one impact solutions group. In view of that plaintiff cant claim amount from the defendants for and on account of "Ashwini Electronics". Therefore, the suit is brought by a wrong plaintiff.

60. That, in pursuant to the LOI and PMOU, impact academy human Excellence Private Limited was incorporated on 29.12.2015 and another company namely impact Tech Craft Marketing Solutions Private Limited was incorporated on 16.04.2015. The suit ought to have failed by the impact academy of Human Excellence Private Limited as per the PMOU.

61. That, the plaintiff has suppressed material facts before this court. There is no privity of contract between the defendant and Ashwini Electronics. That the defendant have terminated the PMOU vide advocate notice dated 10.10.2017. That, the plaintiff received the said notice on 12.10.2017. Hence, the suit filed by the plaintiff on 24.06.2023 is hopelessly barred by limitation. That, the period of limitation to file money recovery suit is 3 years from 12.10.2017, the suit ought to have filed within 11.10.2020. Even if the order passed by Hon'ble Apex Court, in suo moto SLP

No.3/2020, is considered and if period from 15.03.2020 till 28.02.2020 is excluded, then also suit ought to have filed with the period of limitation remaining with effect from 01.03.2022. The longer period of calculation would be 210 days as on 15.03.2020. Therefore, if that period of 210 days is counted from 01.03.2022 the plaintiff ought to have filed the suit on or before 26.09.2022. Even, if the PIM proceedings period is also excluded, then also the suit should have been filed on or before 11.10.2022. Hence, the suit filed on 21.06.2023 is barred by limitation. Hence, prays to dismiss the suit filed by the plaintiff.

62. Having regard to the rival contention of both the parties, the admitted facts of this case is that the defendants herein admits receiving ₹ 1,55,00,000 from the impact solutions group and not from Ashwini Electronics i.e, the proprietorship concern belonged to the plaintiff herein. Further, the admitted fact is that

as per letter of intent and preliminary memorandum of understanding, the said consideration was received by the defendants towards sale of defendants property in favour of impact solutions groups and not in favour of the present plaintiff. It is therefore the case of the defendants that the plaintiffs failed to prove that defendants have agreed to execute a lease cum sale agreement in respect of suit property in favour of plaintiff for a total consideration of ₹ 8,05,00,000 and towards the same the defendants have received ₹1,55,00,000 by executing letter of intent/Ex.P.2 dated 16/07/2015 and preliminary memorandum of understanding/ Ex.P.25 dated 16/07/2015.

63. Prior to going through the merits of the case, In the present case on hand, it is essential for me to deal with the issue of limitation as it is a strong ground which affects the merits of the case.

64. As per the case of the defendants, On 10.10.2017 itself, they have issued a legal notice/Ex.D.28 to the plaintiff, terminating the Letter of intent and preliminary memorandum of understanding which is served upon the plaintiff on 12.10.2017 and therefore the time to file the suit arose from 12.10.2017. It means to say that as the defendants have denied and cancelled the letter of intent and preliminary memorandum of understanding, which has been received by the plaintiff on 12.10.2017, the suit ought to have filed within 3 years under Article 23, 47 and 54 of Limitation Act.

65. It is beneficial for me to go through the Article 23, 47 and 54 of Limitation Act, which reads as under.

Article Number	Description of suit	Priod of Limitation	Time from Which period begins to run
23.	For money payable to the plaintiff for money paid for the defendant.	Three Years	When the money is paid.
47.	For money paid upon an existing consideration which afterwards fails	Three Years	The date of the failure

54.	For specific performance of a contract	Three years	The date fixed for the perfornace, or if no such date is fixed when the plantiff has notice that performance is refused.

66. On careful reading of the above articles, it is crystal clear that suit for money recovery needs to be filed within 3 years from the date when the defendant denied its liability. Therefore, in my opinion, as the defendants have denied its liability on 10.10.2017 vide legal notice which has been received by the plaintiff on 12.10.2017, then it was the plaintiff's duty to file the suit within 3 years i.e. within 11.10.2020.

67. Admittedly as in the year 2020 there was outbreak of COVID-19 pandemic the said period needs to be excluded in considering the orders passed by Hon'ble Apex Court.

68. I would like to bestow my attention to the orders passed by Hon'ble Apex Court in suo motu case which reads as under

LAWS(SC) 2022 1 35 SUPREME COURT OF INDIA
IN RE: Vs. Cognizance For Extension Of Limitation

4. The present Miscellaneous Application has been filed by the Supreme Court Advocates on Record Association in the context of the spread of the new variant of the COVID19 and the drastic surge in the number of COVID cases across the country. Considering the prevailing conditions, the applicants are seeking the following:

i. allow the present application by restoring the order dated 23.03.2020 passed by this Hon'ble Court in Suo Motu Writ Petition (C) NO. 3 of 2020 ; and

ii. allow the present application by restoring the order dated 27.04.2021 passed by this Hon'ble Court in M.A. no. 665 of 2021 in Suo Motu Writ Petition (C) NO. 3 of 2020; and

iii. pass such other order or orders as this Hon'ble Court may deem fit and proper.

5. Taking into consideration the arguments advanced by learned counsel and the impact of the surge of the virus on public health and adversities faced by litigants in the prevailing conditions, we deem it appropriate to dispose of the M.A.No. 21 of 2022 with the following directions:

I. The order dated 23.03.2020 is restored and in continuation of the subsequent orders dated 08.03.2021, 27.04.2021 and 23.09.2021, it is directed that the period from 15.03.2020 till 28.02.2022 shall stand excluded for the purposes of limitation as may be prescribed under any general or special laws in respect of all judicial or quasijudicial proceedings.

> II. Consequently, the balance period of limitation remaining as on 03.10.2021, if any, shall become available with effect from 01.03.2022.
>
> III. In cases where the limitation would have expired during the period between 15.03.2020 till 28.02.2022, notwithstanding the actual balance period of limitation remaining, all persons shall have a limitation period of 90 days from 01.03.2022. In the event the actual balance period of limitation remaining, with effect from 01.03.2022 is greater than 90 days, that longer period shall apply.
>
> IV. It is further clarified that the period from 15.03.2020 till 28.02.2022 shall also stand excluded in computing the periods prescribed under Sections 23 (4) and 29A of the Arbitration and Conciliation Act, 1996, Section 12A of the Commercial Courts Act, 2015 and provisos (b) and (c) of Section 138 of the Negotiable Instruments Act, 1881 and any other laws, which prescribe period(s) of limitation for instituting proceedings, outer limits (within which the court or tribunal can condone delay) and termination of proceedings.

69. On careful going through the above order, it is crystal clear that even after excluding the period affected by COVID-19 pandemic, the plaintiff herein ought to have filed the suit by utilizing the remaining period of limitation of 210 days from 01.03.2022 and therefore the suit should have been filed before 26.09.2022 including the period of pre-institution

mediation. Admittedly, the suit which is filed on 24.06.2023, i.e, after 8 months from concluding PIM Proceedings is hopelessly barred by limitation. Therefore, I am of the view that the suit filed by the plaintiff is barred by limitation.

70. The learned counsel appearing for the plaintiff relying upon the following decisions:

Sl.No.	Judgment	Citations
1.	Asset Reconsruction Company (India) Limited Vs. Bishal Jaiswal and Ors	(MANU/SC/0279/2021
2.	A.Vallimmai Vs. K.P Murali and others	Decied on September 12th 2023 by Supreme Court of India

has vehementally argued that, the balance sheets which has been filed by the defendant No.1, the written statement filed by the defendant No.1 in O.S No.341/2019 dated 05.08.2019 and the admission of defendant No.1 in Com.O.S No.174/2020 dated 27.10.2022 needs tobe taken into account in order to calculate the period of limitation holds no water taking note of article 23, 47 and 54 of Limitation Act and also further reason that the letter of intent and preliminary memorundam of understanding was executed in favour of Impact Solutions Group and not infavour of the present plaintiff. **Accordingly, I answer issue No.5 in the NEGATIVE.**

71. When the issue pertaining to limitation has been answered against the plaintiff, I am of the opinion that nothing more will survive to be decided on merits pertaining to the case on hand. However, as the parties to the suit have led their evidence in detail, it is necessary for me to go through both the evidence on record and documentary evidence to know the merits of the case.

72. As far Issue No.1 to 4 are concerned, the proprietor of the plaintiff's firm has filed affidavit in lieu of his examination in chief affidavit and examined as

PW1, wherein he has almost all reiterated his entire averments. Even though the defendants in their written statement has taken a contention that there is no privity of contract in between the plaintiff and defendants and that the suit filed by the plaintiff without impleading impact solutions group is bad, the PW1 has failed to accord any explanation as far as the said defence raised by the defendants. In the entire affidavit of PW1, there is no whisper as to why the plaintiff has not made impact solution group as party to this suit.

73. Keeping in mind the said defence raised by the defendants, I would like to go through the documentary proof produced by the plaintiff. As the defendants in their statement of admission and denial of documents admitted some of the documents, those documents have been marked at Exhibit P1 to Exhibit P7. The Exhibit P1 is the certified copy of the Order

passed by DRT in OA No.263/ 2010, wherein it appears the application filed by the Dhanalakshmi Bank has been ordered in its favour directing the defendants herein to pay the due amount along with interest. **The Exhibit P2 admittedly is the Letter of Intent dated 16.07.2015, wherein it appears, one Impact Solutions Group has entered into a Letter of Intent with respect to 7 acres of land with the defendants herein.**

74. In the said Exhibit P2, there is a clear mention that both the parties have mutually agreed to incorporate a new company by name IMPACT ERIN, which would initially lease the property and later on acquire the same. Admittedly in this case there is no whisper on behalf of the plaintiff as to whether another company by name Impact Erin was incorporated or not. The Exhibit P3 is the copy of acknowledgment issued by the defendant no.2 dated 16.07.2015.

acknowledging the terms of letter of intent. Admittedly, the said document also is addressed to the managing director of Impact Solutions Group and not Ashwini Electronics the plaintiff herein. The Exhibit P4 is the copy of order passed by KAT dated 19.09.2016 in Appeal no.1347/2012 and it is not in dispute. The Exhibit P5 is the certified copy of orders passed by this Court in OS No.174/2020 with respect to a suit filed by Hasiru Holidays against the defendant no.1 and impact solutions and the said judgment do not bear any impact upon this Court to decide the dispute on hand. The Exhibit P6 is the certified copies of the depositions in the said OS No. 174/2020, and it is not in dispute.

75. The Exhibit P7 is the office copy of legal notice dated 27.05.2023 issued by the plaintiff to the defendant calling upon the defendants to repay an amount of ₹1,55,00,000/- together with interest at 9% per annum. For the sake of repetition, in the present

case on hand, it is not in dispute that the defendants have received the amount. But the disputed fact is from whom the defendant have received an amount of ₹1,55,00,000/-. Further, the dispute is whether the plaintiffs herein have paid the said amount or whether impact solution group has paid the amount. Admittedly as per Exhibit P2, Exhibit P3, it is crystal clear that the impact solution group has paid the amount to the defendant. Hence, I am of the view that the issuance of notice as per Exhibit P7 is defective.

76. The PW1 further got produced. Exhibit P8, which are the documents pertaining to GST, of the present plaintiff, namely Ashwini Electronics. The Exhibit P9 is the master data of defendant No.1 and it is not in dispute. The Exhibit P10 is the account statement pertaining to Ashwini Electronics, wherein admittedly the Ashwini Electronics has paid the amount to the defendants herein. The Exhibit P11 is

the Bank Statement of the plaintiff herein in SBI Bank, wherein admittedly ₹50,00,000 has been paid to the defendant. The Exhibit P12 is the postal receipt and P13 is the postal track consignment. The Exhibit P14 is also another postal track consignment. The Exhibit P15 and P16 are the postal acknowledgments and they are not in dispute.

77. The Exhibit P17 is the PIM report dated 27.09.2022 and it is not in dispute. However, excluding the period of 14 days For PIM proceedings, the suit which is filed by the plaintiffs on 24.06.2023 is clearly barred by limitation. The PW1 further got produced notarised copy of his identity card which is marked at Exhibit P18. The Exhibit P19 is the letter addressed by Dhanalaxmi Bank to the defendant no. 1 herein and it is not in dispute. The Exhibit P20 is the Xerox copy of the cheque which is said to be paid by defendant No.2 to the Dhanlakshmi Bank as a part of one time

settlement and it is also not in dispute. The Exhibit P21 is the no due certificate issued by the bank. The Exhibit P22 is also another letter written by the Dhanlakshmi Bank to the defendant No.2 and it is not in dispute. The Exhibit P23 and 24 are also the correspondence of Dhanlakshmi Bank with the defendant No.2, wherein it appears as per Exhibit P23, the defendants have taken physical possession of the property. On perusal of the above said documents, I have got no hesitation to conclude that the said Dhanlakshmi Bank was not in possession of the suit property.

78. The PW1 also got produced preliminary memorandum of understanding dated 16.07.2015 and it is marked as Exhibit P25. As I have already held, the said document was entered in between the defendant No.1 herein and impact solution groups. For the sake of repetition, I am of the firm opinion that the plaintiff

is not at all concerned with the said memorandum of understanding as well as letter of intent. In the present case on hand, even though opportunity was accorded to the plaintiff, the plaintiff has failed to array the impact solution group as one of the plaintiffs to the suit.

79. The PW1 further produced the Exhibit P26 which is a copy of complaint lodged by the plaintiff against one srinivasa and it is not in dispute. The Exhibit P27 is the copy of FIR. The Exhibit P28 is the order passed by Principal Civil Judge and JMFC-Anekal in OS No. 341/2019, which is filed by the Hasiru Holidays against defendant No.1 and impact solutions and it is not in dispute.

80. The Exhibit P29 and 30 are the copy of annual returns of income tax department. The Exhibit P31 is the certificate under Section 65B of Indian Evidence

Act. The Exhibit P32 is the certified copy of Order passed by Hon'ble High Court of Karnataka in Commercial Appeal No.57/2024 and it is not in dispute.

Cross examination of P.W.1:-

81. The learned counsel appearing for the defendants has cross examined PW1, wherein PW1 has clearly admitted the fact that there is a dispute with respect to identity of suit property. At page number 22, the PW1 clearly admits that he has entered into an agreement for 8 acre 24 guntas of land. However PW1 also admits that as per Exhibit P2 there is a mention of 7 acres of land only. The PW1 also admits that as per Exhibit P25, preliminary memorandum of understanding also, the land is only 7 acres. On perusal of the above admission of PW1, it is crystal clear that there is a dispute regarding identity of the property itself.

82. The PW1 was confronted with plaintiff companies (Impact marketing solutions pvt ltd and Impact academy of human excellence pvt ltd) master data and the said documents were admitted by PW1 and were marked at Exhibit D1 and Exhibit D2.

83. The PW1 has denied the suggestion put forward by the counsel appearing for the defendant that as per Exhibit P25, impact solutions group and defendant No.1 entered into an agreement. The PW1 further deposed that as on that day impact solution group was not at all in existence. Even if we consider the said admission of PW1, then there is no cause of action to the plaintiff to file the suit.

84. The PW1 admitted various emails which were confronted by the defendant counsel and the said emails are marked at Exhibit D3 to D6. Further, the legal notice dated 10.10.2017 was confronted to PW1,

wherein PW1 admits his address in the said legal notice and therefore the said legal notice is marked at Exhibit.D7. Even though the PW1 deposed that he did not received the notice issued by the defendants, however PW1 admitted that the seal found on postal acknowledgment shown to him, appears to belongs to them. The said admission of the PW1 clearly goes to show that as on 12.10.2017 the plaintiff got knowledge that the defendants have denied their liability and therefore I am of the view that the plaintiff ought to have filed suit by impleading impact solutions group within 3 years from 12.10.2017 itself.

85. On being questioned as to whether the plaintiff has got any email communications after the issuance of notice dated 10.10.2017, the witness deposed that he needs to check regarding the same. However, as on the date of conclusion of trial, the plaintiff has failed to produce further email

communication with the defendants. Therefore, as far as the question of limitation is concerned, I am of the considered opinion that the suit filed by the plaintiff is barred by limitation.

86. It is the case of the defendants that after obtaining no due certificate from the bank, the defendant entered into possession of the suit property and thereafter the plaintiff was in actual physical possession over the suit property. In order to prove the same, the defendant relied upon the admission of plaintiff at page number 31, wherein the witness has clearly admitted that every week he used to visit the suit property until COVID-19.

87. The above admission of PW1 makes it clear that the PW1 was in possession over the suit property.

88. In order to prove the case of the defendants, the defendant No.2 has filed affidavit in lieu of his

examination in chief and examined himself as DW1. Apart from, the DW1 produced 16 photographs which were marked at Exhibit D8 to Exhibit D23, wherein it appears as on the date of evidence, that is, in the month of January 2025, the plaintiff was doing resort activities in the suit schedule property independently. The Exhibit.D24 is the official website of Wisdom Wilderness, wherein the plaintiff herein has sent email to one of his friend Major Bushan, calling upon him to once again visit the resort. The said reviews appearing in the website clearly goes to show that the plaintiff was running a resort and doing activities in the suit property. The Exhibit.D25 is the certificate under Section 65B of Indian Evidence Act. The Exhibit.D26 is the document relating to the domain name. The Exhibit.D27 is the document relating to the wisdom wilderness in Facebook. The Exhibit D28 is the legal notice dated 10.10.2017. The Exhibit D29 is the postal receipt and Exhibit D30 is the postal acknowledgment which is sufficient to hold that the notice issued by the defendant on 10.10.2017 has been served upon the plaintiff on 12.10.2017. The Exhibit D31 is another certificate under Section 65B of Indian Evidence Act.

Cross-examination of DW1:-

89. The learned counsel appearing for the plaintiff has cross-examined DW1 wherein no useful Evidence is elicited from the mouth of the witness, which helps the case of the plaintiff and in turn, destroys the case of the defendants.

90. The learned counsel for the plaintiff has cross-examined DW1 on unconcerned issues pertaining to the absence of Board Resolution of DW1 for giving evidence before this Court and possession of the bank until 2015 over the suit schedule property and that some items were stolen from the suit property and so

on and so forth. Admittedly the said cross examination in any manner do not help the case of the plaintiff.

91. The plaintiff's counsel has confronted the photographs of the suit property and it is marked at Exhibit P33 to Exhibit P37. The DW1 clearly admits that the plaintiff's company paid ₹ 70,00,000 to the defendant's company and in turn defendant's company paid it to Dhanlaxmi Bank as one time settlement.

92. The learned counsel appearing for the plaintiff during the course of argument vehemently argued that as the DW1 clearly admitted that they have received ₹1,55,00,000 from the Ashwini Electronics, the defence set up by the defendant that impact solutions group needs to be impleaded as one of the plaintiff is not tenable in the eye of law. It is not in dispute that ₹ 1,55,00,000 has been received by the defendants. However, it is a disputed fact as to why the name of

impact solution group is forthcoming in Exhibit P2 letter of intent and Exhibit P25 preliminary memorandum of understanding. Even though DW1 admits that they have received amount from Ashwini Electronics, it was for the plaintiffs to implead the impact solution group before this court in order to file the suit. Therefore, the arguments canvassed by the plaintiff's counsel, relying upon the above admission of DW1, has got no legs to stand. The Anuual returns of defendant company were marked at Ex.P.38 to 44.

93. On careful perusal of the entire evidence of DW1, it is crystal clear that there is no suggestion put forward by the plaintiff's counsel that Impact Solutions Group is not a necessary party before this court. No single suggestion is put forward by the plaintiff counsel that the suit filed by the plaintiff is within the period of limitation. Therefore, I am of the view that Plaintiff has failed to prove that defendants have agreed to execute a

lease cum sale agreement in respect of suit property in its favour by receiving an amount of ₹8,05,00,000/- from the plaintiff and towards the same the plaintiff has issued a letter of intent and thereafter has paid an amount of ₹5,00,000 to the defendants as token advance. The plaintiff further has failed to prove that they have transferred a total amount of ₹1,55,00,000 as per the terms mentioned in Letter of Intent and preliminary Memorandum of Understanding to the defendant No.1 and hence failed to prove that defendants are liable to pay the said amount along with interest at 9% per annum. **Hence, I answer issue No.1 to 4 in the NEGATIVE.**

94. Additional Issue No.1 to 16. In the present case on hand, this Court, after going through the pleadings of both the parties' , documents, has clearly framed issues on 08.02.2024. The said issues covers all the disputes in between the parties. However without there being any additional pleadings, amendment or a request made by the parties before this Court, this Court has framed additional issues on 15.12.2025 and in my opinion those issues are not relevant to decide the dispute in between the parties for the simple reason that the earlier issues covers each and every aspect of the dispute. However, as the defendants have taken a defence in their written statement that In view of the fact that the plaintiff used the land for his events and hence first defendant is justified in adjusting the amounts paid by the plaintiff towards the utilisation of the suit property, I am of the view that Issue No.17 alone needs to be answered and **additional Issue No.1 to 16 does not survive for consideration.**

95. Issue number 17: In the present case on hand, admittedly from the year 2015, the plaintiffs have utilised the suit property until filing of the suit without making any payment to the defendants. Admittedly the plaintiffs were running a resort in the suit property in the name and style Wisdom Wilderness until during the stage of evidence led by the parties before this court. The photographs produced by the plaintiffs and the defendants and the admission of PW1 clearly goes to show that the PW1 has conducted various activities in the suit property and might have earned a profit. In the present case on hand if at all the defendants are answerable regarding the set off of Rs.1,55,00,000/- it is to the impact solutions group and not to the plaintiff herein. As the impact solution group is not party to this suit, the plaintiff has got no right to question the defendants regarding set off or adustment of Rs.1,55,00,000/-. As the plaintiff has got no cause of action to file this suit, the citations relied upon by the plaintiff will not strenthen their case in any manner. Therefore, in my opinion, the defendants were right in adjusting the amount of ₹1,55,00,000 towards the utilisation of the suit property by the plaintiffs. **Accordingly, I answer Issue No. 17 in the AFFIRMATIVE.**

96. **Issue No.6 :** In view of the detailed discussions and reasons assigned by me on issue No.1 to 5 and additional issue No.17 and also for the reason that as there is no privity of contract in between the plaintiff and the defendants, I am of the firm view that, the plaintiff is not entitled for the relief as prayed for. **Accordingly, I answer Issue No. 6 in the NEGATIVE.**

97. **Issue No.7 :** In view of the discussions on Issue No.1 to 5 and additional issue No.17, I proceed to pass the following:

O R D E R

The suit filed by plaintiff is hereby dismissed with cost.

Draw decree accordingly.

The office is hereby directed to send a copy of the judgment to the plaintiff and the defendants through e-mail as per Order XX Rule 1 CPC as amended by Section 16 of Commercial Courts Act, 2015.

(Directly dictated to the Stenographer on computer, corrected and then pronounced by me in the open court on this the **13th day of JULY 2026**).

(K.M.RAJENDRA KUMAR)
X Addl. District & Sessions Judge,
Bengaluru Rural District,
Bengaluru.

A N N E X U R E

List of witnesses examined on behalf of the plaintiff:

P.W.1 Major Gandikote Ramanna Nagabhushana

List of documents exhibited on behalf of the plaintiff:

Sl.No.	Particulars of documents	Ex.P.
1.	Certified copy of orders passed by the DRT in OA No.263/2010	Ex.P.1
2.	Letter of Intent	Ex.P.2
3.	Letter of Intent- acknowledgement	Ex.P3

4.	Certified copy of the judgment passed by the Hon'ble KET in Appeal No.1347/2012.	Ex.P4
5.	Certified copy of the judgment passed by this court in Com.O.S No.174/2020.	Ex.P5
6.	Certified copy of Deposition of DW.1 in Com.O.S No.174/2020.	Ex.P6
7.	Copy of Legal Notice	Ex.P7
8.	GST letter download copy of M/s Ahwnini Electronics.	Ex.P8
9.	Company Master Data of ERIN Consultants Pvt Ltd.,	Ex.P9
10.	SBI Bank Statement	Ex.P.10
11.	SBI Bank Statement	Ex.P.11
12.	Two Postal Receipts	Ex.P.12
13.	Two Postal Track Consignment	Ex.P.13 and 14
14.	Two RPAD acknowledgment	Ex.P.15 and 16
15.	N.S report of DLSA	Ex.P.17
16.	Identity Card	Ex.P.18
18.	A cop of letter issued by Dhanalaxmi Bank to the defendant No.1	Ex.P.19
19.	Xerox copy of the Cheque Bearing No.930826 dated 30.09.2015	Ex.P.20
20.	No due Certificate	Ex.P.21
21.	Copy of letter dated 03.10.2015	Ex.P.22
22.	Copy of letter dated 03.10.2015	Ex.P.23

23.	Copy of letter dated 03.10.2015 by Dhanalaxmi Bank	Ex.P.24
24.	PMOU	Ex.P.25
25.	Complaint and Crime No.166/2019	Ex.P.26
26.	FIR and Crime No.166/2019	Ex.P.27
27.	Copy of Judgment in O.S No.341/2016	Ex.P.28
28.	Copy of the annual returns of Income Tax department	Ex.P.29
29.	Annexure II copy	Ex.P.30
30.	65 B Certificate	Ex.P.31.
31.	Certified copy of order in Com.A.P No.57/2024 of Hon'ble High Court of Karnataka	Ex.P.32
32.	Photographs	Ex.P.33 to 37
33.	Annual returns	Ex.P.38 to 44

List of witnesses examined for the defendant/s:

DW.1 Sai Prakash

List of documents marked for the defendant/s:

Sl.No.	**Particulars of documents**	**Ex.D.**
1.	Company Master Data	Ex.D.1 and Ex.D.2
2.	Email dated 29.11.2016	Ex.D.3
3.	Email dated 21.10.2016	Ex.D.4

4.	Email dated 25.10.2016	Ex.D.5
5.	Attchment	Ex.D.6
6.	Legal Notice	Ex.D.7
7.	Photographs	Ex.D.8 to 23
8.	Website document (Wisdom Wilderness)	Ex.D.24
9.	65 B certificate	Ex.D.25
10.	Website Screen Shot (Wisdom Wilderness)	Ex.D.26
11.	Mobile Screenshot (Wisdom Wilderness)	Ex.D.27
12.	Letter dated 10.10.2017	Ex.D.28
13.	Postal receipts	Ex.D.29
14.	RPAD acknowledgment	Ex.D.30
15.	65 B certificate dated 04.02.2025.	Ex.D.31

(K.M.RAJENDRA KUMAR)
X Addl. District & Sessions Judge,
Bengaluru Rural District,
Bengaluru.