



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 25TH DAY OF MARCH, 2026

PRESENT

THE HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE

AND

THE HON'BLE MR. JUSTICE C.M. POONACHA

COMMERCIAL APPEAL NO. 327 OF 2025

BETWEEN:

1. CAUVERY NEERAVARI NIGAM LTD (CNNL)
A GOVERNMENT OF KARNATAKA
UNDERTAKING,
REP BY ITS MANAGING DIRECTOR,
CNNL 4TH FLOOR,
SURFACE WATER
CENTRE BUILDING,
ANANDA RAO CIRCLE,
BENGALURU-560009.
REP BY KANAKARAJA B
2. EXECUTIVE ENGINEER
CNNL, KRS DIVISION,
KRISHNARAJASAGARA,
SRIRANGAPATANA TALUK,
DISTRICT MANDYA-571607
KARNATAKA
REP BY JAYANTH

...APPELLANTS

(BY SRI. M.R.C. RAVI, SENIOR ADVOCATE A/W
SRI. PRASHANTH BR, ADVOCATE)





AND:

1. FERRO CONCRETE CONST
(INDIA) PVT LTD.,
HAVING ITS REGISTERED
OFFICE AT 5A, INDUSTRIAL AREA,
BHAGIRATHPURA,
INDORE(MP).-452003
REP BY ITS DIRECTOR AND
RESOLVED ATTORNEY
MR ANUPAM BIDASARIA
S/O. DR. MAHAVIR BIDASARIA,
AGED ABOUT 46 YEARS,
R/O. 8A, SHRINAGAR ANNEX,
INDORE (MP).-452018
2. MR.JUSTICE L.SREENIVASA REDDY,
FORMER JUDGE,
HIGH COURT OF KARNATAKA,
PRESIDING ARBITRATOR,
MANOHARA NILAYA NO.21/A,
LAKSHMI ROAD,
SHANTHINAGAR,
BANGALORE-560027.
3. MR. S. RAMADAS,
FORMER CHIEF ENGINEER PWD
(KARNATAKA)
BENGALURU CO-ARBITRATOR,
NO.1139, 11TH MAIN,
HAMPI NAGAR,
BANGALORE-560104.
4. MR. M.L. MADIAH
FORMER CHIEF ENGINEER PWD
(KARNATAKA)
BENGALURU CO-ARBITRATOR,
1598/A, 27TH CROSS,
29TH MAIN, BSK,



2ND STAGE,
BANGALORE-560070

...RESPONDENTS
(BY SRI. BHARGAVA G BHAT, ADVOCATE FOR R1)

THIS COMAP IS FILED UNDER SECTION 13(1-A) OF COMMERCIAL COURT ACT 2015 R/W 37 OF THE ARBITRATION AND CONCILIATION ACT, 1996 PRAYING TO ALLOW THE APPEAL SET ASIDE THE JUDGMENT DATED 26.03.2025, PASSED BY THE COURT OF LXXXII ADDITIONAL CITY CIVIL AND SESSIONS JUDGE, AT BENGALURU (CCH-83), IN COMAP NO.67/2024 AT ANNEXURE A, CONSEQUENTLY SET ASIDE THE AWARD DATED 02.12.2023 R/W CORRIGENCUM. CLARIFICATION DATED 11.01.2024 ONLY IN SO FAR AS CLAIM No.1, CLAIM No.2, CLAIM No.5A, CLAIM NO.5B, CLAIM NO.6, CLAIM, NO.7, CLAIM NO.8, AND CLAIM NO.9, PASSED BY THE RESPONDENT NO.2 TO 4 BY AWARDING A SUM OF RS.7,68,91,693/- (RUPPES SEVEN CRORE SIXTY EIGHT LAKH NINETY ONE THOUSAND SIX HUNDRED AND NINETY THREE) ALONG WTH INTEREST AT ANNEXURE B AND C.

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

CORAM: HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE
and
HON'BLE MR. JUSTICE C.M. POONACHA

ORAL JUDGMENT

(PER: HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE)

1. Office objections are over ruled.
2. Issue notice.



3. Sri Bhargava D. Bhat, learned counsel accepts notice for respondent No.1.

4. The appellants have filed the present appeal under Section 37 of the Arbitration and Conciliation Act, 1996 [**A&C Act**] and Section 13(1A) of the Commercial Courts Act, 2015 [**CC Act**] impugning the order dated 26.03.2025 passed by the LXXXII Additional City Civil and Sessions Judge at Bengaluru (CCH-83) [**Commercial Court**] in Com.A.P.No.67/2024. The appellants had filed the said petition under Section 34 of the A&C Act, impugning an arbitral award dated 02.12.2023, read with the Corrigendum/clarification dated 11.01.2024 [**impugned order**]. The appellants' challenge to the impugned award was confined to certain claims [Claim No.1, Claim No.2, Claim No.5A, Claim No.5B, Claim No.6, Claim No.7, Claim No.8 and Claim No.9] which were awarded by the Arbitral Tribunal.

5. The learned Commercial Court concluded that the limited challenge to the arbitral award was impermissible. According to the learned Commercial Court, the appellants could either challenge the impugned award in entirety or accept the same in entirety; it



had no option to challenge the award rendered in respect of certain claims.

6. The aforesaid conclusion drawn by the Commercial Court is *ex facie* erroneous.

7. The Court cannot modify an arbitral award, except in circumstances as set out by the Supreme Court in the case of ***Gayatri Balasamy v. ISG Novasoft Technologies Limited***¹. However, there is no impediment for the Court to partially set aside an arbitral award if the portion that is challenged is distinct and severable. In the present case, there is no finding that the award in respect of claims that were challenged was not severable from the decision in respect of the other claims. There is no finding that all claims were inextricably linked, and sustaining the challenge to the impugned award in respect of certain claims would also affect the decision in respect of other claims.

8. The learned counsel appearing for the respondents also fairly does not contest the said proposition and requests that the

¹(2025) 7 SCC 1



matter be remanded to the learned Commercial Court for a decision afresh.

9. In view of the above, the impugned order is set aside and the appellants' application under Section 34 of the A&C Act in Com.A.P.No.67/2024 is restored before the Commercial Court for a decision afresh.

10. The parties shall appear before the learned Commercial Court on 15.04.2026 for further proceedings.

11. The above appeal is accordingly allowed.

12. All the pending applications are also disposed of.

**Sd/-
(VIBHU BAKHRU)
CHIEF JUSTICE**

**Sd/-
(C.M. POONACHA)
JUDGE**

Vmb
List No.: 2 Sl No.: 18.3