



HC-KAR

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NC: 2026:KHC:13151-DB  
COMAP No. 34 of 2026

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

**DATED THIS THE 4<sup>TH</sup> 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. 34 OF 2026**

**BETWEEN:**

1. M/S COORG CINEPLEX  
A PARTNERSHIP FIRM R/BY ITS PARTNERS  
UR UMESH, KG SUDHINDRA  
T.V. KARAN, B.M. ROAD  
KUSHALNAGAR TOWN  
KUSHALNAGAR  
KODAGU DISTRICT - 571 234
2. MR. U.R. UMESH  
S/O U.R. RANGAIAH  
AGED 50 YEARS  
RESIDING AT NO. 701  
BASAVESHWARABADAVANE  
MULUVADI VILLAGE  
KUSHALNAGAR TALUK  
KODAGU DISTRICT - 571 234
3. MR. K.G. SUDINDRA  
S/O K.G. GOPALA  
AGED 51 YEARS  
R/AT 2<sup>ND</sup> BLOCK  
KUSHALNAGAR  
KUSHALNAGAR TALUK  
KODAGU DISTRICT - 571 234

...APPELLANTS

(BY SRI RAGHUNATHA K., ADVOCATE)





**AND:**

1. SRI K.J. NAGENDRA GUPTA  
AGED ABOUT 74 YEARS  
S/O K.C. JEJANNASHETYY  
R/O EKADANTA  
OPPOSITE GOWDASAMAJ  
CHUDEGOWDABADAVANE  
4<sup>TH</sup> BLOCK, KUSHALNAGAR TOWN  
KODAGU DISTRICT - 571 234
  
2. MR T.V. KARAN  
AGED ABOUT 28 YEARS  
S/O T.V. VENKATESH  
R/.AT 7A/298, LIONS COMMUNITY HALL  
BASAVESHWARANAGAR  
KOLLEGAL TOWN AND TALUK  
CHAMARAJANAGAR DISTRICT - 571 440

...RESPONDENTS

(BY SRI SYED AHMED, ADVOCATE FOR R-1)

THIS COMMERCIAL APPEAL IS FILED UNDER SECTION 37 (1)  
(a) OF ARBITRATION AND CONCILIATION ACT READ WITH  
SECTION 13(A) OF THE COMMERCIAL COURTS ACT, 2015 READ  
WITH ORDER XLIII RULE 1(R) OF THE CODE OF CIVIL PROCEDURE  
PRAYING TO SET ASIDE THE IMPUGNED ORDER PASSED IN  
COM.A.A. NO.2/2025 DATED 16.12.2025 PASSED BY THE LEARNED  
COURT OF 1 ADDITIONAL DISTRICT AND SESSIONS AND  
COMMERCIAL JUDGE, KODAGU, MADIKERI & ETC.

THIS COMMERCIAL APPEAL, COMING ON FOR ADMISSION,  
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. The appellants have filed the present appeal under Section 37(1)(b) of the Arbitration and Conciliation Act, 1996 [**A&C Act**] impugning the common order dated 16.12.2025 passed by the I Additional District and Sessions Judge, Kodagu-Madikeri [**Commercial Court**] in I.A.No.V in Comm.A.A.No.2/2025.

2. Respondent No.1 had filed the said petition (AA No. 2/2025) under Section 9 of the A&C Act seeking the following interim measures:

"i) An order restraining the Respondent from alteration, modification, erecting boards, erecting temporary or permanent structure or modify nature of property from theater to any other type of commercial activity schedule premises.

ii) An order restraining the Respondent to sub-let the schedule property or stay introducing third parties to premises.

iii) An Order of direction to Respondent to pay the agreed rents of the schedule premises to the Petitioner from 01.06.2024 till the completion of arbitration proceedings.



iv) Appoint Court Commissioner to inspection and for preservation of property.

v) And other reliefs as the court deems fit."

3. The appellants had filed an application (I.A. No.V) in the said petition, *inter alia*, praying as under:

"(a) Restrain the Petitioner/Landlord, his agents or persons claiming through him from interfering with the Respondents lawful possession of the Premises and from raising any objection/s before the Licensing Authority in respect of renewal or operation of the Theatre Business in order to protect and to preserve the subject matter of arbitration.

(b) Direct the Licensing Authority Concerned to Consider and to Conclude the Respondents Application for Renewal of the Theatre License on its own merits, without insisting upon the Petitioner's/landlord's No Objection Certificate (NOC) having regard to the Respondents lawful possession in order to protect and to preserve the subject matter of arbitration.

(c) Pass such other reliefs as this Hon'ble Court may deem fit and proper in the interest of justice."

4. The request for interim measures were made by the parties in context of the disputes that had arisen in connection of the lease deed dated 15.02.2014. In terms of the said lease deed, respondent No.1 had agreed to let out the vacant premises which was described in the schedule to the said lease deed [**demised premises**], for exhibiting cinemas and other allied business with



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effect from 01.06.2014 for a period of ten years. The said lease has since expired. The appellants claim that they had developed the demised premises for making it fit for the purpose of which, the same was leased. The appellant also claims that the parties had entered into memorandum of understanding on 14.06.2024 whereby, the appellants had agreed to pay a sum of ₹82,50,000/- on account of full and final settlement of the claims for developing the demised premises in question.

5. Respondent No.1 alleged that the appellants were intending to use the demised premises for purposes other than exhibiting cinemas. Accordingly, respondent No.1 had sought interim measures for restraining the appellants from altering the nature of the property; restraining them from introducing third parties in the premises; directing them to pay the agreed rents; and for the appointment of a Court Commissioner to inspect the demised premises; and a direction for preservation of the property.

6. The learned Commercial Court after examining the contours of the disputes and rival contentions, had passed the following interim directions:



"1. Respondents No.1 to 4, their agents, servants, representatives or any person claiming under them are hereby restrained by an order of injunction from altering, modifying, erecting boards, demolishing, constructing or raising any permanent/temporary structure, or from changing the existing nature and character of the schedule premises in any manner whatsoever, until the initiation arbitration proceedings.

2. Respondents No.1 to 4 are further restrained from inducting third parties, creating tenancy/lease/partnership rights, entering into any agreement with outsiders, sub-letting, parting with possession or creating any encumbrances, charge, mortgage or interest over the schedule property in favour of any person, directly or indirectly, until the initiation arbitration proceedings.

3. Respondents are directed to maintain status quo as to nature, condition, structure and user of the property strictly as existing on the date of this order, and no commercial activity shall be carried out without prior written consent of the Petitioner or with leave of the Arbitral Tribunal after its institution.

4. Respondents shall not run, screen or exhibit films without valid licence as per Karnataka Cinemas Regulation Act, and in absence of such licence, theatre activity shall remain suspended forthwith until due compliance.

5. Further the Petitioner herein is at liberty to make or claim regarding prayer No. (b) and (c) more particularly with respect to prayer No. (c) before the learned Arbitrator only.

6. This interim protection shall remain in force for the period of 3 months or until constitution of Arbitral Tribunal whichever is earlier and thereafter subject to modification/continuation as per orders of the Arbitration Tribunal."



7. The learned counsel for the appellants submits that the appellants are not aggrieved by any of the directions issued by the learned Commercial Court. He submits that the present appeal is confined to the decision of the learned Commercial Court in regard to the rejection of the appellants' application (I.A.No.5).

8. As noticed above, the appellants had essentially sought two prayers. First, was to restrain the landlord (respondent no.1) from interfering with the appellants' lawful possession of the premises and from raising objections before the licensing authority; and second, for a direction to the licensing authority to consider the appellants' application for renewal of the theatre licence on its own merits without insisting upon landlord's NOC.

9. It is clear that the appellants' possession of the demised premises is recognised. However, it is also acknowledged that the lease has expired. Therefore, the respondents cannot be prevented from taking lawful steps to recover possession of the premises or to seek interdicts against the respondents. The respondents may have various objections to the renewal of the licence for multiple reasons, chiefly that the lease of the demised premises has



expired. Clearly, the respondents are entitled to raise their objections before the licensing authority. We find no reason that would compel the respondents to refrain from raising objections. Conversely, we do not accept that the appellants have any right to insist that the respondents desist from raising their objections.

10. *Prima facie*, it does appear that the appellants do not have any rights to use the demised premises after the lease is expired. Insofar as the prayers for directing the licensing authority to consider and conclude the appellants' application for renewal of the licence without a NOC from the land lord is concerned, no such directions can be issued to the licensing authority as it was not a party to the arbitration proceedings or the disputes. The licensing authority is required to act in accordance with the law, and there is no ground to issue any directions to it to act contrary to the relevant rules or procedure.

11. In our view, the learned Commercial Court rightly rejected the appellants' application for interim measures. The appeal is accordingly dismissed.



12. We, however, clarify that the arbitral tribunal shall consider and adjudicate the disputes, uninfluenced by the impugned order, as well as this order.

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

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

KPS  
List No.: 2 Sl No.: 11