



CNR: KAHC010096102026

NC: 2026:KHC:40574-DB
COMAP No. 83 of 2026

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 30TH DAY OF JULY, 2026

PRESENT

THE HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE

AND

THE HON'BLE MRS. JUSTICE K.S. HEMALEKHA

COMMERCIAL APPEAL NO. 83 OF 2026

BETWEEN:

1. SRI G. SATHYANARAYANA
SON OF SRI S. GANAPATHI HEGDE
AGED ABOUT 58 YEARS
RESIDING AT NO.74, 5TH MAIN
PRAMOD LAYOUT
PANTHARAPALYA
BENGALURU - 560 039

...APPELLANT

(BY SRI S. NOORMOHAMMED, ADVOCATE AND
SRI A. ANIL KUMAR, ADVOCATE)

AND:

1. M/S TARA AND MURTHY
REGISTERED PARTNERSHIP FIRM
HAVING ITS OFFICE AT S-1, II FLOOR
BASCO COURT COMPLEX
NO.37, GANDHI BAZAR MAIN ROAD
BASAVANAGUDI
BENGALURU - 560 004
REPRESENTED BY ITS PARTNER
SRI M.V. NARAYANA MURTHY



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2. SRI M.V. NARAYANA MURTHY
SON OF LATE M.K. VENKATA RAO
AGED ABOUT 71 YEARS
RESIDING AT FLAT NO.8 AND 9
SRIVATSAV PRASIDDI
NO.58, BIKASIPURA MAIN ROAD
YELACHENAHALLY
BENGALURU - 560 062
3. SMT. TARA BEVINJE
WIFE OF SRI M.V. NARAYANA MURTHY
AGED ABOUT 66 YEARS
RESIDING AT FLAT NO.8 AND 9
SRIVATSAV PRASIDDI
NO.58, BIKASIPURA MAIN ROAD
YELACHENAHALLY
BENGALURU - 560 062
4. SMT. PUJA RAKECHA
DAUGHTER OF SUSHIL KUMAR RAKECHA
AGED ABOUT 36 YEARS
RESIDING AT NO.501 AND 502
RACHAPPA GARDEN
LAKSHMI ROAD
8TH CROSS, SHANTHINAGAR
BENGALURU - 560 027
5. SRI ALFRED AVINASH
SON OF DOMNIC JOSEPH RAJU
AGED ABOUT 35 YEARS
RESIDING AT NO.132
SAMBARAMA SADHANA
OPP. TO SILVER OAK APARTMENT
T.C. PALYA
BENGALURU - 560 036



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6. SRI GOPALA KRISHNA HEBBAR B.C.
SON OF B.V. CHANDRASHEKARA
AGED ABOUT 27 YEARS
RESIDING AT SRI RAMA NILAYA
SAGARA ROAD
GUTHYAPPA COLONY
SHIVAMOGGA - 577 205
7. SRI MAHESH ANANT HEGDE
SON OF ANANT GANAPATHI HEGDE
AGED ABOUT 37 YEARS
RESIDING AT NO.C207
CHAITRASHREE ROYALE
SLV LAYOUT
OPP. GOPALAN ARCADE MALL
R.R. NAGAR
BENGALURU - 560 098

...RESPONDENTS

(BY SRI SRIRANGA S., SENIOR ADVOCATE FOR
SMT. SUMNA NAGANANDA, ADVOCATE FOR C/R-1-R-3)

THIS COMMERCIAL APPEAL IS FILED UNDER SECTION 13
(1-A) OF THE COMMERCIAL COURTS ACT, 2015 PRAYING TO SET
ASIDE THE ORDER DATED 08.12.2025 ON I.A.NO.1 BY THE
LEARNED LXXXVII ADDITIONAL CITY CIVIL AND SESSIONS JUDGE,
COMMERCIAL COURT BANGALORE (CCH-88) IN
COM.O.S.NO.225/2024 AND ALLOW THE APPLICATION & ETC.

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



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CORAM: HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE
and
HON'BLE MRS. JUSTICE K.S. HEMALEKHA

ORAL JUDGMENT

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

1. The appellant has filed the present appeal under Section 13(1A) of the Commercial Courts Act, 2015 impugning an order dated 08.12.2025 passed by the learned Commercial Court in I.A.No.1 in COM.OS.No.225/2024. The appellant had filed the said application under Order XXXIX Rules 1 and 2 of the Code of Civil Procedure, 1908 [**CPC**], *inter alia*, restraining the respondents (who are arrayed as respondent Nos.2 and 3) from alienating or encumbering the residential property described as residential Site No.2581, bearing PID No. 55-359-2581 measuring 2400 sq.ft., formed by the Bangalore Development Authority situated at Kumaraswamy Layout 2nd Stage Extension, Bangalore, BBMP Ward No.55, New Ward No.181, Bengaluru.

2. The appellant had filed the said suit (Com.OS.No.225/2024) seeking recovery of an amount of ₹2,12,32,776/- from the defendants. It is material to note that defendant No.1 was a



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professional partnership firm [hereafter **the Firm**] and the other defendants are its constituent partners.

3. The appellant (plaintiff) claimed that he is a professional qualified Chartered Accountant and is operating a firm in the name and style of "Nagadheep Sathyanarayana & Company" as its Senior Partner. He claims that during the course of his professional interaction, he got acquainted with respondent Nos.2 and 3, who are the principal partners of the Firm. The appellant stated that it was mutually agreed that the appellant would periodically provide funds to the Firm for its development and an investment of ₹1,30,00,000/- (Rupees One Crore Thirty Lakhs Only) would be made. The plaintiff would thereafter be included as a partner in the Firm and his investment would be recorded as his share of capital in the deed of reconstitution. The appellant also claimed that it was agreed that in the event he was not inducted in the Firm, the amount paid would be refunded with interest at the rate of 18% per annum from the date of the receipt till the date of repayment.

4. The appellant claimed that he had paid an amount of ₹1,30,00,000/- in tranches and is entitled to recover the said



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amount along with interest at the rate of 18% per annum. The appellant quantified the said amount at ₹2,12,32,776/- and claimed that the Firm and respondent nos. 2 and 3 are jointly and severally liable to repay the said amount.

5. The appellant filed an application under Order XXXIX Rules 1 and 2 of CPC seeking interim relief on the ground that he had reliably learnt that respondent Nos.2 and 3 were attempting to alienate the property in question (the residential site No.2581, Kumaraswamy Layout, II Stage Extension, Bengaluru).

6. Initially, the interim order was granted as prayed for. However, the said order was vacated by the impugned order. Respondent Nos. 1 to 3 filed a written statement disputing that the appellant was Senior Partner of Nagadheep Sathyanarayana & Company and claimed that he had retired from the said Firm in December 2022. The said respondents accepted that the appellant had paid a sum of Rs.1,30,00,000/-, but disputed the factual averments made by the appellant. They claimed that they had come across an advertisement through a WhatsApp group of Chartered Accountants that the appellant was interested to take



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over a CA Firm. A copy of the advertisement was also produced. They claimed that respondent Nos.2 and 3 contacted the appellant as they wanted to hand over their firm to a suitable person and retire from active practice. They stated that respondent No.2 and respondent No.3 were practising as a Chartered Accountant since 1983 and 1991 respectively.

7. They claimed that after mutual discussions, which was mediated through one Sri. N.V.G.K.Bhat, a known entrepreneur and the total value of ₹150 Lakhs was fixed towards goodwill and ₹10 Lakhs for assets of the Firm. Thus, in all the appellant had agreed to pay a sum of ₹1,60,00,000 (Rupees One Crore Sixty Lakhs Only) to take over the goodwill of the Firm from them. They also stated that an agreement dated 19.11.2020 was drawn up and acted upon, but it was not signed.

8. The respondents stated that respondent No.4 and Mr Gopalakrishna Hegde were admitted as partners in the Firm and at the instance of the appellant three other partners, namely respondent Nos. 5 to 7, were also inducted in the Firm.



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Respondent Nos.1, 2 and 3 raised counterclaims seeking a decree for the balance sum of ₹30,00,000/- as damages.

9. The learned Commercial Court found that there were serious disputes between the parties. Although the appellant had set up a *prima facie* case, he had failed to show that the balance of convenience was in his favour or that any irreparable loss would be caused if an *ad interim* injunction was not granted. The court also noted that the subject property against which there was a restraint order was not the subject matter of any transaction.

10. The learned counsel appearing for the appellant earnestly contended that Order XXXIX Rule 1(b) of CPC was applicable, and an injunction could be granted to restrain the respondents from alienating their property notwithstanding that the same was not the subject matter of the suit.

11. Order XXXIX Rule 1 of CPC reads as under:

"1. Cases in which temporary injunction may be granted.—Where in any suit it is proved by affidavit or otherwise—

(a) that any property in dispute in a suit is in danger of being wasted, damaged or alienated by any party to the suit, or wrongfully sold in execution of a decree, or



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(b) that the defendant threatens, or intends, to remove or dispose of his property with a view to defrauding his creditors,

(c) that the defendant threatens to dispossess, the plaintiff or otherwise cause injury to the plaintiff in relation to any property in dispute in the suit,

The Court may by order grant a temporary injunction to restrain such act, or make such other order for the purpose of staying and preventing the wasting, damaging, alienation, sale, removal or disposition of the property [or dispossession of the plaintiff, or otherwise causing injury to the plaintiff in relation to any property in dispute in the suit] as the Court thinks fit, until the disposal of the suit or until further orders."

12. As is apparent from a plain reading of Clause (b) of Order XXXIX Rule 1 of CPC, an injunction can be granted if the defendant threatens or intends to remove or dispose of his property with a view to "defrauding his creditors".

13. A plain reading of the appellant's application does not disclose any averments to the effect that the respondents were alienating the property to defraud him or their creditors. It is well settled that, if fraud is alleged, the necessary facts must be pleaded. In the present case, neither the plaint nor the application filed under Order XXXIX Rules 1 and 2 of CPC sets out the facts



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on the basis of which it could be asserted that respondent Nos. 2 and 3 are alienating their property to defraud the appellant.

14. Given the nature of disputes between the parties, we are unable to accept that the learned Commercial Court has exercised its discretion arbitrarily, capriciously or contrary to the settled principles of law regarding grant of or refusal of interim injunctions. We are also not persuaded to accept that the appellant would suffer any irreparable loss on account of the denial of the interim order.

15. In view of the above, we find no grounds to interfere with the impugned order. The present appeal is accordingly dismissed.

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

**Sd/-
(K.S. HEMALEKHA)
JUDGE**

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List No.: 1 Sl No.: 2