



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 12TH DAY OF FEBRUARY, 2026

PRESENT

THE HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE

AND

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

COMMERCIAL APPEAL NO. 665 OF 2025

BETWEEN:

1. KARNATAKA ANTIBIOTICS AND
PHARMACEUTICALS LIMITED
(A GOVERNMENT OF INDIA ENTERPRISES)
INCORPORATED AND REGISTERED UNDER
THE COMPANIES ACT, 1956
ARKA - THE BUSINESS CENTER
PLOT NO.37, SITE NO.34/4
PEENYA INDUSTRIAL AREA
2ND PHASE, BENGALURU - 560 058
KARNATAKA REP. BY ITS
DEPUTY GENERAL MANAGER
SRI MAHESH N.C.

(BY SRI T. RAJARAM, ADVOCATE)

...APPELLANT

AND:

1. GLATT SYSTEMS PRIVATE LTD
A PRIVATE LIMITED COMPANY
INCORPORATED AND REGISTERED UNDER
THE COMPANIES ACT, 1956
HAVING CL NO.U29299PN200
7FTC130591
AND HAVING REGISTERED ADDRESS AT:
GAT NO.321/2, 322/1, 324/1, 324/2
PUNE-AHMEDANAGAR ROAD
VILLAGE KONDHAPURI, TALUKA SHIRUR

Digitally
signed by
AMBIKA H B
Location:
High Court
of Karnataka



PUNE - 412 209, MAHARASHTRA
THROUGH AUTHORISED
REPRESENTATIVE
MR. SHONIL BAKARE

...RESPONDENT

(BY SRI D.V. SHASHANK, ADVOCATE)

THIS COMMERCIAL APPEAL IS FILED UNDER SECTION 13(1-A) OF COMMERCIAL COURT ACT, 2015 PRAYING TO SET ASIDE THE ORDER DATED 13.06.2025 WHICH IS ILLEGAL AND UNSUSTAINABLE VIDE ANNEXURE-A WHICH IS PASSED BY THE COURT OF LXXXIX ADDITIONAL CITY CIVIL AND SESSIONS JUDGE, BANGALORE (CCH-90) IN APPLICATION NO.COM.A.A NO.442/24 & ETC.

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. I.A No.1/2025 – this is an application filed seeking condonation of delay of 132 days. The appellant has stated that it had filed a writ petition, which was not maintainable. Thereafter, it filed an appeal with the nomenclature as MFA. After seeking permission of this Court to convert the MFA to a Commercial Appeal, the appellant filed the present appeal. The delay in filing



the present appeal is sufficiently explained. In view of the above, the delay is condoned and the application is allowed.

2. The appellant has filed the present appeal under Section 37(1)(b) of the Arbitration and Conciliation Act, 1996 [**A&C Act**] impugning an order dated 13.06.2025 passed by the learned LXXXIX Additional City Civil and Sessions Judge, Bengaluru [**Commercial Court**] in COM A.A No.442/2024. The respondent had filed the said application under Section 9 of the A&C Act, seeking the following interim measures of protection:

"a. Declare that the Respondent is in breach of its obligations under the Purchase Order bearing No.2024A00010 dated October 09, 2023, issued by the Respondent to the Applicant and the Tender Document.

b. Allow the present Application and be further pleased to pass an order for mandatory injunction against the Respondent, their legal representatives, assigns, administrators, men, servants or employees or anyone acting through or under it for maintaining status quo w.r.t. the 7-Aminocephalosporanic Acid (7-ACA), plant located in Ujjain, Addressed at Plot No.103 & 104, 110-116, Vikram Udyogpuri, Ujjain, Madhya Pradesh, as well as pass directions restraining the Respondent to create any third party interest or alienate in any manner the 7-Aminocephalosporanic Acid (7-ACA), plant located in Ujjain.

3. The learned Commercial Court allowed the said application and restrained the appellant from creating any third party interest



or in any manner alienating the plant described as 7-Aminocephalosporanic Acid (7-ACA) Plant located in Ujjain at Plot Nos.103 and 104, 110-116, Vikram Udyogpuri, Ujjain, Madhya Pradesh [**the Plant**]. Additionally, the Commercial Court had also directed the appellant to furnish security equivalent to ₹14,62,50,146/- (Rupees fourteen crores sixty two lakhs fifty thousand one hundred and forty six only).

4. The respondent had filed the said application seeking interim measures of protection in connection with its claims for payment for the plant and machinery supplied by it.

5. The appellant floated a tender for the supply, installation, commissioning and validation of Fermenters with Agitator Assembly (250 KL) on 14.06.2023. The respondent submitted its bid in response to the said invitation and was declared a successful bidder. The respondent had agreed to manufacture, supply, install and commission Fermenters with Agitator Assembly as per the specifications.

6. After discussions, the appellant had issued a purchase order dated 09.10.2023. In terms of the said purchase order, the



respondent was required to supply eight Fermenters (250 KL) for a total value of ₹52,41,60,000/- (Rupees fifty two crores forty one lakh and sixty thousand only). The respondent claimed that it has, pursuant to the purchase order, supplied three Fermenter units. The respondent acknowledges that it has received ₹9,36,37,354/- (Rupees nine crore thirty six lakh thirty seven thousand three hundred and fifty four only). It claims that a further amount of ₹23,98,87,500/- is outstanding.

7. Paragraphs 28 and 31 of the application filed under Section 9 of the A&C Act, which set out the respondent's claim are reproduced below:

"28. The Applicant states that the Respondent has only made a partial payment of Rs. 3,91,65,000/- (Rupees Three Crores Ninety-One Lakhs Sixty-Five Thousand only) in two tranches in the month of December 2023 and January 2024. Furthermore, the Respondent made another payment of Rs. 5,44,72,354.00/- (Rupees Five Crore Forty-Four Lakhs Seventy-Two Thousand Three-Hundred and Fifty-Four only) to the Applicant on November 21, 2024. The copy of the bank statement showing the payment of Rs. 5,44,72,354.00/- is attached herewith and marked as 'Annexure V'. The Applicant states that as per the terms of the Tender Document, LOI, PO and other relevant documents, the Respondent has only made a partial payment of Rs. 9,36,37,354/- (Rupees Nine Crores Thirty-Six Lakhs Thirty-Seven Thousand Three-Hundred and Fifty-Four only). The details of the unpaid outstanding dues are as follows:



Sr. No.	Description	Amount
1.	Payment of advance bank guarantee	7.86 cr.
2.	Payment of GST on dispatch of 3 Fermenter	3.54 cr.
3.	60% payment after FAT and delivery at site for 3 Fermenters	11.79 Cr
4.	Transportation charges for delivery of 3 Fermenters	0.78 Cr
5.	Insurance of all 3 Fermenters	0.01875 Cr.
6.	Total	23.9885 Cr

31. The Applicant/Petitioner states that the said Advertisement calling for Expression of Interest issued on November 16, 2024, regarding selling the Ujjain BD plant, without any intimation to the Applicant shows the Respondent's evasive approach to avoid repayment of the rightful dues owed to the Applicant. This further raises credible and eminent apprehension of the Respondent defeating, delaying or obstructing the execution of any award passed by the respective arbitral tribunal in future, w.r.t to the dispute in question. Therefore, it is pertinent to secure the claim amount of Rs. 14,62,50,146/- (Rupees Fourteen Crores Sixty-Two Lakhs Fifty Thousand One Hundred and Forty-Six only)."

8. The respondent has not clearly set out how the amount of ₹14,62,50,146/- has been computed. Notwithstanding the above, the learned Commercial Court has acceded to the said prayer and has directed the appellant to provide security to the respondent.



9. It is contented by the respondent that the appellant was in the process of selling the Ujjain BD plant, which included the plant and machinery supplied by the respondent, and for which the entire consideration had not been paid. In this context, the respondent sought interim measures of protection to secure its claim.

10. Since the respondent had sought interim measures of protection to prevent the appellant from selling the assets, which, according to the respondent, were supplied by it, and the same was acceded to, further direction to secure the respondent's claim would essentially result in overlapping the interim measures. If the respondent's claim is confined to ₹14,62,50,146/-, at the best, the learned Commercial Court could have granted orders for securing the same, subject to being satisfied that such an order was necessary and failing which, the respondent would be unable to recover the claimed amount if it succeeds in the arbitral proceedings.

11. We are of the view that since the respondent had sought for an order restraining the appellant from creating any third party rights in respect of the Plant supplied by it, an order to the said effect would be adequate. It would allay the respondent's



apprehension that the appellant would alienate the said property, leaving the respondent without any recourse.

12. In view of the above, we consider it apposite to modify the impugned order by setting aside the directions to the appellant to provide security for a sum of ₹14,62,50,146/-. The order restraining the appellant from alienating the Plant in question would remain in effect.

13. We note that the Arbitral Tribunal has since been constituted. We clarify that this order would not preclude the parties from seeking further interim measures of protection before the Arbitral Tribunal, if necessary. The appellant is also not precluded from seeking vacation or variation of the interim measures of protection as ordered. We clarify that all rights and contentions of the parties are reserved, and if any application for further interim measures of protection or for vacation of the interim measure of protection is filed before the Arbitral Tribunal, the same would be considered by the Arbitral Tribunal uninfluenced by any observations made in the present order.

14. The appeal is disposed of in the aforesaid terms.



15. The pending interlocutory application also stands disposed of.

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

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

AHB
List No.: 1 SI No.: 10