O.A.No.804 of 2019
in
C.S.No.516 of 2019

KRISHNAN RAMASAMY , J.

This application has been filed to grant an order of ad-interim injunction restraining the second respondent/defendant from further notifying the applicant/plaintiff's name as 'Defaulter' or 'Wilful Defaulter' to the concerned credit information authority appointed by the Reserve Bank of India or RBI in any manner in connection with the business transaction(s) between the applicant/plaintiff and respondent/defendant.

2.The learned counsel for the applicant submits that as per the vendor finance agreement dated 06.10.2017, the second respondent/ second defendant sanctioned the loan to and in favour of the first respondent/first defendant for the purchase of materials from the plaintiff. The second defendant bank at the request of the first defendant transferred a sum of Rs.10,00,00,000/- to and in favour of the plaintiff for the purpose of supply of materials to the first respondent/first defendant. Thereafter, the first defendant expressed their unwillingness to purchase of materials from the plaintiff. The plaintiff has transferred ten Crores to and in favour of the first defendant and thereafter, the first defendant also settled the said amount of Rs.10 Crores with the second defendant bank. Further, the learned counsel submitted that for the vendor finance agreement dated 06.10.2017, the plaintiff, first defendant and second defendant are parties to the same and the said vendor finance agreement dated 06.10.2017, was valid up to 05.10.2018.

3.The learned counsel for the applicant submitted that on 07.12.2018, the first and second defendants entered into a vendor finance agreement. In the present said vendor finance agreement, the plaintiff is not a party. In terms of the said vendor finance agreement, the second defendant bank sanctioned a loan amount of Rs.10 crore in favour of the first defendant who are purchasers of the materials from the plaintiff. So as per the request of the first defendant, the second respondent/second defendant transferred a sum of Rs.10 Crore to and in favour of the applicant/plaintiff for the purpose of supply of the materials. Though, the first defendant has not placed any order with the plaintiff a sum of Rs.10 Crores was transferred by the second defendant bank once again to the plaintiff at the request of the first defendant. The plaintiff transferred a sum of Rs.9.25 crore to and in favour of the first defendant retaining a sum of Rs.75,00,000/-

towards outstanding due and from 22.07.2019, the applicant/plaintiff started receiving e-mails from the second respondent/defendant bank asking the applicant/plaintiff to pay a sum of Rs.10,00,00,000/- for the reason that the above loan was defaulted by the first respondent/first defendant and thus the applicant/plaintiff is liable to pay the defaulted loan amount. Since the plaintiff did not pay as per the demand of second respondent, the second defendant classified plaintiff as a defaulter.

4. It is the contention of the applicant that they are not the borrower of the loan amount and the borrower is only the first defendant. Further, there is no privity of contract between the second defendant and plaintiff for the purpose of sanctioning a sum of Rs.10 crore to and in favour of the first defendant. Therefore, he submits that the plaintiff has no obligation to pay the said amount to the bank. If at all, if there is any default, it is only on the part of the first defendant and it is not on the part of the plaintiff. Hence, classification of the applicant/plaintiff as defaulter is totally illegal and not sustainable in law. Therefore, the applicant prays for the intervention of this Court and to pass appropriate orders to restrain second defendant bank from further notifying the applicant/plaintiff's name as

'Defaulter' or 'Wilful Defaulter' to the concerned credit information authority appointed by the Reserve Bank of India or to RBI in any manner in connection with the business transaction(s) between the applicant/plaintiff and first respondent/defendant, as the applicant/plaintiff neither the defaulter nor wilful defaulter.

5.The applicant/plaintiff has made out a *prima facie* case and the balance of convenience also in favour of the applicant/plaintiff to grant ad-interim injunction.

6.Accordingly, this Court grant ad-interim injunction till 20.09.2019.

7.Post the matter on 20.09.2019.

30.08.2019

AT

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