

IN THE HIGH COURT AT CALCUTTA
CIVIL APPELLATE JURISDICTION
ORIGINAL SIDE

APOT/26/2025
IA No. GA/2/2025

STATE BANK OF INDIA AND ANR
VS
PRABHUDARSHAN DEVELOPERS PRIVATE LIMITED AND ANR

BEFORE:

The Hon'ble JUSTICE SHAMPA SARKAR

Date: 22nd April, 2025

Appearance:
Mr. Debashis Saha, Adv.
Mr. Avirup Roy Sanyal, Adv.
Ms. Sucheta. Pal, Adv.
.... for the applicants/ SBI

Mr. Dipanjan Datta, Adv.
Mr. Atanu Basu, Adv.
...for respondent no. 1

Mr. Rajarshi Dutta, Adv.
Mr. Sourojit Dasgupta, Adv.
Mr. Vikas Baisya, Adv.
Ms. Ranjana Seal, Adv.
...for respondent no. 2

1. Pursuant to the order dated March 27, 2025, the State Bank of India appeared before the learned Arbitrator in the 30th sitting held on April 3, 2025.

2. The grievance of the bank was that the order passed under Section 17 of the Arbitration and Conciliation Act, 1996, by the learned Arbitrator had prejudicially affected the right of the bank as a secured creditor, to recover its dues from the respondent no. 2, who is also the respondent in the arbitral proceedings.

3. The respondent no.1 was the claimant.

4. The Court had disposed of the application for leave to appeal upon considering the submissions of the parties and upon granting such leave to appeal.

5. The Court granted liberty to the Bank, to approach the learned Arbitrator for a clarification.

6. Accordingly, the learned Arbitrator was approached and the interim award/order dated November 5, 2024, was clarified as hereinunder, by order dated April 9, 2025 :

“ (a) The sum of Rs. 7,92,89,696/- which was awarded in favour of the claimant and against the respondent will be deposited by the respondent in the above-mentioned bank account only. Simultaneously with deposit of such amount by the respondent in the afore-noted bank account, the bank as well as the respondent will inform the claimant about the same. Upon deposit of such amount by the respondent, the claimant’s claim against the respondent in the instant arbitration proceeding to the extent of such amount will stand satisfied.

(b) As regards the observation of the Tribunal in the interim order/ interim award dated 5th November 2024 to the effect that “... the respondent is dissolved of its liability towards the bank to the extent of Rs. 7,92,89,696/-...”, it is clarified that such observation was never meant to and will not adversely affect the bank’s right and entitlement under the law to proceed against the borrower or the corporate guarantor for recovery of its debt in accordance with law.”

7. Under such circumstances, nothing remains to be decided in the appeal and accordingly the appeal is disposed of with the above observations.

8. This Court does not make any observations on the rights and liabilities of the claimant and the respondent insofar as, the modification is concerned.

9. The learned Arbitrator shall continue with the matter.

10. The application is also disposed of.

(SHAMPA SARKAR, J.)