

ORDER SHEET
APOT/170/2025
IA NO: GA-COM/1/2025
IN THE HIGH COURT AT CALCUTTA
ORDINARY ORIGINAL CIVIL JURISDICTION
COMMERCIAL DIVISION

BHAWANI PRINTERS AND PUBLISHERS AND ORS
VS
UGRO CAPITAL LIMITED

BEFORE:
The Hon'ble JUSTICE SHAMPA SARKAR
Date: 30th June, 2025.

Appearance:
Mr. Amritam Mandal, Adv.
Mr. Sunny Nandi, Adv.
Ms. Oindrila Ghosal, Adv.
Mr. Nayan Chowdhuri, Adv.
. . .for the petitioner.

Mr. Paritosh Sinha, Adv.
Mr. K.K.Pandey, Adv.
Ms. Pooja Sett, Adv.
Ms. Mallika Bothra, Adv.
. . .for the respondent.

The Court: The petitioner has made out a case for entertainment of the appeal and setting aside of the order passed by the learned Arbitrator on June 10, 2025.

It appears that the said order was passed ex parte. The learned Arbitrator was unilaterally appointed by the respondent. The Arbitrator allegedly did not send any notice to the petitioner with regard to his appointment. The dates of the meeting to be held were not informed. Although, Mr. Sinha submits that the necessary information and documents were in the website of the arbitral tribunal, this Court is of the view that the law requires the learned Arbitrator to

inform the parties about the proceedings and also issue notices. The declaration under Section 12 was also required to be supplied to both parties. The petitioner's further case is that when two instalments failed, the loan was recalled and the agreement was terminated. The learned Arbitrator could not ask the petitioner to deposit the entire loan amount and beyond what was lent, by furnishing a bank guarantee. The direction to freeze the bank account(s) in case of failure to deposit the bank guarantee was disproportionate and excessive. The accounts had been frozen on the basis of the letter written by the claimant, even before the time to furnish the bank guarantee expired. It is also submitted that no link was provided to the petitioner to participate in the proceeding and bring the facts to the notice of the learned Arbitrator. The petitioner was not agreeable to the choice of the learned Arbitrator/arbitral tribunal. The agreement discloses that parties would agree to an institutionalized arbitration and the seat would be Kolkata. It is the specific case of the petitioner, that parties did not agree on the institution which would govern the arbitral proceeding and as such the mechanism had failed. The claimant should have approached this Court for appointment of an Arbitrator/Arbitral Tribunal under the 1996 Act, without unilaterally accepting the nomination.

A strong case for setting aside the order dated June 10, 2025 has been made out. The appeal is allowed. The order dated June 10, 2025 is set aside. The bank account(s) linked with PAN: Bhawani Printers & Publishers : AAEPM6852C, Rajesh Manocha : AAEPM6852C, Komal Manocha : AGEPM7326H which have been frozen shall be made operational upon defreezing the same, subject to the petitioner paying a sum of Rs. 2,50,000/- to the respondent within two weeks. The petitioner will be at liberty to urge all points before the learned Arbitrator.

The learned Arbitrator shall take up the application for interim protection filed by the claimant, for de novo hearing.

The learned Arbitrator shall provide the link to both the parties to enable them to appear before the learned Arbitrator virtually.

If the payment of Rs. 2.5 lakhs to the claimant/respondent is not made within two weeks, the bank account(s) shall remain frozen.

All issues raised by the petitioner are kept open.

The issue of the Arbitrator being *de jure* unable to perform is not decided in this proceeding.

APOT/170/2025 and IA No. GA-COM/1/2025 are, accordingly, disposed of.

(SHAMPA SARKAR, J.)

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