OCD 2

ORDER SHEET
AP-COM/580/2025
IN THE HIGH COURT AT CALCUTTA
COMMERCIAL DIVISION
ORIGINAL SIDE

MERLIN PROJECTS LTD
VS
THE STATESMEN LTD

BEFORE:
The Hon'ble JUSTICE SHAMPA SARKAR
Date: 20th November, 2025.

Appearance:
Mr. Jishnu Chowdhury, Sr. Adv.
Mr. Satadeep Bhattacharyya, Adv.
Mr. Uttam Sharma, Adv.
Mr. Abhidipto Tarafdar, Adv.
. . .for the petitioner.

Mr. Suman Kr. Dutt, Sr. Adv.
Mr. Sakabda Roy, Adv.
Mr. Dipranjan Mukhopadhyay, Adv.
Mr. Souvik Ghosh, Adv.
. . .for the respondent.

The Court:

1. Mr. Jishnu Chowdhury learned senior advocate for the petitioner, moves this application under Section 9 of the Arbitration and Conciliation Act, 1996, praying for an order upon the petitioner to deposit a sum of Rs.14,34,09,239/- with the Special Officer or the Registrar, Original Side of this Court.
2. Mr. Chowdhury has elaborated the background which led to the filing of the application.

3. The dispute between the parties allegedly arose when the petitioner sold the property, namely, Statesman House upon developing the same in terms of a development agreement and on the strength of a power of attorney granted by the respondent. The facts in a nutshell are that, the Statesman Limited had approached the petitioner for development of Statesman House and to release the respondent from its liabilities under the SARFAESI Act. As per Mr. Chowdhury, advance money was paid to respondent herein, in order to enable the company to pay off the creditors, workers etc. The development work commenced and was concluded. A buyer had been selected by the respondent who had shown interest to purchase the property. However, the said proposal did not fructify.
4. Mr. Chowdhury asserts that the parties agreed in subsequent meetings that, the petitioner would be entitled to sell the property in terms of the development agreement and on the strength of the power of attorney. Accordingly, the property was sold and possession was handed over to the buyer. The share of the respondent from the sale proceeds amounts to Rs.14,34,09,239/-, upon all adjustments being made by the petitioner. The adjustments were made under various other heads. Allegedly, the respondent reneged from the agreement and challenged the sale by filing a civil suit. An interim order of injunction was obtained which was challenged in an appeal before this Court. The appellate Court set aside the ad interim order of injunction. The respondent preferred as Special Leave Petition and the order of the Division Bench was set aside.

5. However, it is submitted that as the ad interim order of injunction was for a limited period, the said order had expired and there was no further extension.

6. Mr. Chowdhury is apprehensive and wants to deposit the money allegedly payable to the respondent from the sale proceeds, upon the alleged adjustments under different heads. The concern is that, the money is lying in the bank account of the petitioner, and the same may be attached any time due to the debts owed by the respondent towards workers and other creditors. Proceedings have been taken out by the workers and other creditors. It is submitted that certificates under the Bengal Public Demands Recovery Act, 1913 have also been issued against the respondent. In order to ensure that the bank account of the petitioner is free from any kind of encumbrance, such prayer is made. Further prayer is that the notice of termination of the development agreement should not be given effect to as the agreement had been worked out.

7. Mr. Sumon Dutt learned senior advocate controverts such allegations and submits that the petitioner acted on the strength of the minutes of a meeting dated May 10, 2024. The said minutes did not permit sale of the property. A suit is pending.

8. In any event, at this stage, the issues between the parties and their rival contentions are not relevant for adjudication of this application under Section 9 of the said Act. The question is whether there is any urgent and emergent need to allow the prayers made in this application.

9. In my view, the application has been filed in apprehension. No cause of action for such order or direction as prayed for Mr. Chowdhury, has arisen as yet. The parties are at liberty to agitate their points in the forum where proceedings are pending. It appears that the development agreement has an Arbitration Clause. Any dispute arising from the development agreement shall be decided by the learned sole Arbitrator. The petitioner has already invoked arbitration.

10. Under such circumstances, only on mere apprehension that, in future, the amount payable to the respondent as per the petitioner may be attached by order of a court or tribunal, thereby encumbering the bank account of the petitioner, cannot be a ground to pass the orders prayed for. However, the issue of termination of the development agreement and all other questions, disputes and conflicts arising from and out of the development agreement, are kept open, to be decided before the appropriate forum. This order is restricted to the disposal of the application for injunction and shall not be binding on any of the forum chosen by the parties to ventilate their grievances.

11. AP-COM/580 of 2025 is accordingly disposed of.

(SHAMPA SARKAR, J.)

SP/