

HIGH COURT OF ANDHRA PRADESH :: AMARAVATI

MAIN CASE: **COM.C.A.(SR).No.12761 of 2026**

PROCEEDING SHEET

SL. No.	DATE	ORDER	OFFICE NOTE
1.	6.4.2026	<u>RNT, J & BM, J</u> <u>I.A.No.1 of 2026</u> <u>(Leave application)</u> The petitioner/appellant is a third party. He has filed the present appeal along with this application seeking leave to prefer the appeal. 2. The 1st respondent herein filed C.A.O.P. No.19 of 2025 on the file of the Special Court for Trial and Disposal of Commercial Disputes, Vijayawada, against the present respondents 2 and 3 therein, under Section 9 of the Arbitration and Conciliation Act, 1996, seeking a direction to furnish security for the claim amount and for other interim reliefs. The Special Court allowed the aforesaid petition, <i>vide</i> decree, in the following terms: <i>“1. that the Commercial Arbitration Original Petition be and the same is hereby allowed;</i> <i>2.that the respondents be and are hereby ordered to furnish security to the tune of Rs.5,66,43,137/- to the satisfaction of this Court within four (4) weeks from the date of this order;</i> <i>3. that in default of furnishing such security, there shall be an order of attachment of the monies lying in the bank accounts, TDRs, C&I accounts of the 1st respondent and the unencumbered movable and immovable assets and trade receivables of the respondents, to the extent of Rs.5,66,43,137/- only:</i> <i>4. that this order be and is purely interim in nature and shall not be construed as an expression on the merits of the disputes to be</i>	

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		<i>adjudicated in arbitration;</i> <i>5. that petitioner shall initiate arbitration proceedings in accordance with the arbitration clause, if not already initiated, within the time prescribed under law;</i> <i>6. that both the parties do bear their own costs of Rs. Nil (as no bill of costs filed on either side), as there shall be no order as to costs.”</i> 3. Learned counsel for the appellant/applicant submits that, under the decree of the learned Special Judge, time was granted to the respondents therein to furnish security within a period of four (04) weeks from the date of the order, and in default of furnishing such security, the monies lying in the bank accounts, TDRs, and C&I accounts of respondents 1 and 2 therein shall stand attached, by way of an interim measure. He submits that the respondents in C.A.O.P., despite expiry of the stipulated time, have not furnished the security. He submits further that in the order of the learned Special Judge, the bank account numbers etc., of the 1st respondent have not been specifically mentioned, though the respondent No.1's bank accounts, TDRs, and C&I accounts have been brought under attachment for non-furnishing of the security. He submits that, out of the Account Nos. 40184997742 and 40184997107 also stand in the name of the 1st respondent in C.A.O.P., but the amounts lying therein, to the extent of Rs.12,52,13,747/- (Rupees Twelve Crores Fifty Two Lakhs Thirteen Thousand Seven Hundred and Forty Seven only), have been allotted to the appellant towards Pass Through Certificates (PTCs) issued in the year	

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		2025, as has been stated in paragraph Nos.7 and 8 of the affidavit filed in support of the application seeking leave to the appeal i.e., I.A.No.1 of 2026 and so the impugned order of the Special Judge adversely affect the right of the appellant to the realization of PTCs amount in the aforesaid bank accounts, whereas the appellant/applicant was neither made party in C.A.O.P nor that fact appears to be brought to the notice of the learned Special Judge. 4. In view of the contents of the affidavit filed in support of the application, I.A.No.1 of 2026 is allowed. 5. Let the Registry allot a regular number to the appeal. <u>COM.C.A.(SR).No.12761 of 2026</u> 6. List the appeal after registration. RNT,J BM,J RPD	

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