



2026:DHC:7101



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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
CNR No. DLHC010281812026
+ **O.M.P.(I) (COMM.) 261/2026**
TATA CAPITAL LIMITED Petitioner
Through: **Ms. Ragini Kapoor, Adv.**

versus

KATYAYINI PAPER MILLS PVT LTD ORS Respondents
Through: **Mr. Apar Gupta, Ms. Uzma Sheikh, Ms. Pragya Jain, Mr. Naman Kumar and Mr. Rahul, Advs. for R-1 to 4.**

CORAM:
HON'BLE MR. JUSTICE OM PRAKASH SHUKLA

JUDGMENT(ORAL)

% **21.08.2026**

1. The present petition has been filed under Section 9 of the Act, seeking following reliefs:

"a. That pending the Arbitral proceedings, making of the Arbitral Award and until final execution of the Arbitral Award, the Respondents jointly and/ or severally be ordered and directed to either furnish security/ies and/or bank guarantee in favour of the Petitioner towards a sum of Rs. 2,53,29,762/- (Rupees Two Crores Fifty-Three Lakhs Twenty-Nine Thousand Seven Hundred and Sixty-Two Only), due as on 25.05.2026, together applicable and additional interest, till payment and/or realization and other expenses, costs, charges etc due and payable to the Petitioner in terms of the Master Lease Agreement dated 21.10.2024 and as per the Summary of dues set out in the Petition;

b. That pending the Arbitral proceedings, making of the Arbitral Award and until final execution of the Arbitral Award, the Respondents, their agents/s, servant/s, and any third person/s claiming through them be restrained by an Order or injunction of this Hon'ble Court from in any manner selling, transferring, disposing-off, and/or alienating or encumbering or mortgaging or charging or parting with possession of or transferring, or inducting anyone else into or creating any right, title or interest or license in favour of anyone else in respect of properties not

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mortgaged with the Petitioner and all the moveable and immoveable assets (including stock and trade) disclosed by the Respondents pursuant to the direction of this Hon'ble Court, including properties as mentioned in paragraph 17 hereinabove;

c. Appoint a Court Receiver to take possession/custody of the Goods/Machines leased out to the Respondents under the Master Lease Agreement dated 21.10.2024 and hand over the same to Petitioner with liberty to sell out the same and adjust sale proceeds from respondent's liability;

d. That Respondents be directed to disclose whether any charge exists on any of the properties as mentioned in the application, details of mortgagor, valuation of properties and their liability by way of affidavit;

e. That pending the Arbitral proceedings, making of the Arbitral Award and until final execution of the Arbitral Award, a Court Receiver or any other fit and proper person be appointed as Receiver under Order XL Rule 1 of Code of Civil Procedure, 1908 by this Hon'ble High Court, with a specific direction to the Court Receiver to take physical possession of the properties not mortgaged with the Petitioner, including the property/ies as mentioned in paragraph 17 hereinabove and all the moveable and immoveable assets (including stock and trade) disclosed by the Respondents pursuant to the direction of this Hon'ble Court, with police assistance, if necessary and also with the power to sell the said property by public auction or private treaty and appropriate the sale proceeds towards the outstanding loan of the Respondents;

f. That pending the Arbitral proceedings, making of the Arbitral Award and until final execution of the Arbitral Award, the Respondents may be directed to submit the by way of affidavit details of their assets, liabilities and Bank Account Statements of all their accounts from the date of disbursement of the Loan till date along with a list of assets and liabilities by way of an affidavit for disclosure before this Hon'ble Court and based on the said Bank Statement the Respondents may be directed not to make any high value transactions from their bank accounts and the bank accounts of the Respondents be frozen till the disposal of the Arbitration proceedings;

g. Ad-interim and interim reliefs in terms of prayers (a) to (e) hereinabove;

h. For costs of this Petition; and

i. Pass such order and further orders as this Hon'ble Court may deem fit and proper in the facts and circumstances of the present case."

2. It is the Petitioner's case that the Respondents defaulted in payment of the lease rentals and other contractual dues. Consequently,

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the Petitioner issued a Legal Notice dated 23.03.2026, recalling the lease facility and invoking Clause 21.4 of the Master Lease Agreement dated 21.10.2024 and Clause 34 of the Letter of Guarantee dated 21.10.2024.

3. That the Petitioner issued Section 21 notice on 23.03.2026 invoking arbitration to which the Respondent denied the appointment.

4. According to the Petitioner, an amount of Rs.2,53,29,762/- is due to Petitioner.

5. The Petitioner has thereafter, filed the present petition under Section 9 of the Act seeking interim protection till the constitution of the Tribunal.

6. Learned Counsel appearing for the Respondent submits that the Respondent has no objection to the disputes being referred to arbitration by appointment of the Learned Sole Arbitrator.

7. Parties are *ad idem* that the matter can be referred to arbitration.

8. It is well settled that, while exercising jurisdiction under Section 11 of the Act, the scope of enquiry is confined to examining the *prima facie* existence of an arbitration agreement¹.

9. In the present case, there is no dispute with regard to the existence of a valid arbitration clause between the parties.

¹ **SBI General Insurance Co. Ltd. v. Krish Spinning 2024 SCC OnLine SC 1754**



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10. In the aforesaid circumstances, this Court finds no impediment in appointing a Sole Arbitrator.

11. Accordingly, Hon'ble Ms. Justice Anjana Mishra (Retd.), Patna High Court (Mob. No. 7033297222) is appointed as a learned Sole Arbitrator to adjudicate the disputes arisen between the parties. The learned Sole Arbitrator shall enter upon the reference within two weeks from today.

12. The learned Sole Arbitrator will proceed to the arbitration proceedings subject to furnishing requisite disclosures as required under Section 12(2) of the Act within two weeks of entering reference.

13. The arbitration shall be carried under the rules and aegis of Delhi International Arbitration Centre ("DIAC"). The learned Arbitrator shall be entitled to fees as per the Schedule of Fees maintained by the DIAC.

14. It shall be open to the parties to raise all pleas, including objection as to arbitrability and jurisdiction, before the learned Sole Arbitrator who shall decide the same in accordance with law.

15. It is clarified that the observations made herein are only for the purpose of deciding the present petition. The learned Sole Arbitrator shall adjudicate the disputes independently and on their own merits, uninfluenced by any observations contained in the present order.

16. The Registry is directed to send a receipt of this order to Ms.

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Anjana Mishra, learned Arbitrator through all permissible modes including email.

17. The learned Sole Arbitrator shall enter reference within a period of three weeks from today.

18. Both parties are at liberty to file application under Section 17 of the Act before the learned Arbitrator.

19. Accordingly, the present petition is disposed of in the above terms.

OM PRAKASH SHUKLA, J

AUGUST 21, 2026/ss

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