

IN THE HIGH COURT AT CALCUTTA
ORDINARY ORIGINAL CIVIL JURISDICTION
ORIGINAL SIDE

APOT/224/2025
IA No. GA/1/2025

KAMDAR PLASTICS PRIVATE LIMITED AND ORS.
VS
L & T FINANCE LIMITED

BEFORE:

The Hon'ble JUSTICE ARINDAM MUKHERJEE

Date: 11th September, 2025

Appearance:
Ms. Kruti Bhavsar, Adv.(VC)
Mr. Jnanada Prosad Roy, Adv.
Mr. Nepesh Majhi, Adv.
. . For the appellants.

Mr. Paritosh Sinha, Adv.
Ms. Shrayashee Das, Adv.
Mr. Rohan Kr. Thakur, Adv.
. . .For the respondent.

The Court :- This is an appeal under Section 37(2)(b) of the Arbitration and Conciliation Act, 1996 (hereinafter referred to as 'the 1996 Act') arising out of an interim order dated 21st June, 2025 passed by the learned Arbitrator in an application filed by the respondent under the provisions of Section 17 of the said Act. The order has been challenged *inter alia* amongst other on the ground that the learned Arbitrator does not have the jurisdiction to adjudicate the disputes between the parties on having

been unilaterally appointed by the respondent invoking the arbitration agreement between the parties. Admittedly the parties entered into a loan agreement described as Loan Facility Bearing Agreement No.BL220906040100199 dated 14th September, 2022 which contains a clause for Dispute Resolution being the arbitration agreement between the parties.

The facts of the instant case is more or less identical to that in an appeal also under Section 37(2)(b) of the 1996 Act being APOT 208 of 2025 (***Beevee Enterprises & Ors. Vs. L & T Finance Limited***) and the stay application filed therein. The said appeal in ***Beevee Enterprises (supra)*** has been disposed of by a detailed judgment dated 11th September, 2025.

In the instant case the respondent has placed before the Court a computation to show that on account of overdue installments as on 10th September, 2025 a sum of Rs.12,28,650.64p is due and payable apart from other claims said to have arisen in terms of the agreement. The appellants dispute the correction of the amount claimed and submit that they are not in a position to pay any money apart from being not liable to pay any amount upon being directed by an Arbitrator who has no jurisdiction. The other submissions made on behalf of the appellants and the respondent including their consent to terminate the mandate of the Arbitrator are also identical to that in ***Beevee Enterprises (supra)***.

In the aforesaid facts and circumstances, by applying the ratio laid down in the judgment delivered in ***Beevee Enterprises (supra)***, the mandate

of the Arbitrator, namely, Mr. Shyam Bihari Sharma stands terminated under the provisions of Section 14 and 15 of the 1996 Act. Mr. Raj Ratna Sen, a barrister and an advocate being a member of the Bar Library Club is appointed as the Sole Arbitrator by invoking the provisions of Section 15 of the 1996 Act in his place and stead and to enter into reference afresh and adjudicate all disputes arising out of the agreement dated 14th September, 2022. The arbitration proceedings shall commence de novo and the Arbitrator shall have to comply with all other requirement under the 1996 Act. The learned Arbitrator so appointed shall be entitled to a lump sum remuneration Rs.2,000,00/- in view of the ratio laid down in **2024 (4) SCC 481 [ONGC Ltd. v. Afcons Gunanusa JV.]** The remuneration shall be shared equally by the appellants and the respondent. The Arbitrator shall be entitled to secretarial assistance which along with all other expenses in conducting the arbitration shall be borne by the parties in equal share. The venue of the Arbitration shall be at Kolkata.

The appellants and each one of them are restrained by an order of injunction from operating its bank accounts, the particulars whereof are provided at Page 20 of the Memorandum of Appeal without leaving an aggregate balance of Rs. 2,50,000/-. The appellants may choose to keep the said sum of Rs. 2,50,000/- in one single account or in part in different accounts to aggregate value of which is Rs.2,50,000/- until further orders to be passed by the Learned Arbitrator.

The appeal and the connected application accordingly stand disposed of.

Urgent photostat certified copy of this judgment be supplied to the parties, if applied for, upon compliance of all requisite formalities.

(ARINDAM MUKHERJEE, J.)