

OCD 8

ORDER SHEET
AP-COM/858/2025
IN THE HIGH COURT AT CALCUTTA
COMMERCIAL DIVISION
ORIGINAL SIDE

L AND T FINANCE LIMITED
VS
MAHABIR METAL AND STEEL UDYOG AND ORS.

BEFORE:
The Hon'ble JUSTICE SHAMPA SARKAR
Date: 25th November, 2025.

Appearance:
Ms. Shrayshee Das, Adv.
Mr. Shubhayan Chakraborty, Adv.
. . .for the petitioner.

Mr. Debanik Banerjee, Adv.
Ms. Ruchira Manna, Adv.
Mr. Dipnil Banerjee, Adv.
. . .for the respondents.

The Court:

1. This is an application for appointment of an Arbitrator.
2. The petitioner submits that the arbitration agreement is under Clause 8 of the loan Agreement dated March 22, 2024. The petitioner had extended a loan facility to the respondents. Accordingly, the loan was to be repaid as per the schedule mentioned in the agreement. Allegedly, the respondents failed and neglected to make the repayment as per the schedule. On repeated failure, the petitioner issued a notice on October 15, 2024, thereby, terminating the loan agreement dated March 22,

2024. By the said notice as well, the petitioner invoked the arbitration clause.

3. The total amount payable by the respondents, as per the petitioner, is Rs.41,79,224.48. Clause 8 of the said agreement is quoted below:

“Clause 8

All disputes, differences and/or claims arising out of or in relation to this Agreement shall be settled by arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996 or any statutory amendments thereof and the same shall be referred to arbitration by a sole arbitrator to be nominated/appointed by the Lender. In the event of death, refusal, neglect, inability or incapability of the persons so appointed to act as an arbitrator, the Lender may appoint another person to act as an arbitrator. The award including the interim award/s of the arbitrator shall be final and binding on all the Parties concerned. The arbitrator may lay down from time to time the procedure to be followed by him in conducting arbitration proceedings and shall conduct arbitration proceedings in such manner as he considers appropriate. The arbitration proceedings shall be held at the place where the Agreement is executed or such other place that the Lender may decide. The language to be used in the arbitration proceedings shall be English.”

4. It appears that the petitioner had unilaterally appointed a sole Arbitrator, but the Arbitrator recused by tendering resignation when the

respondents appeared and raised a question with regard to non-compliance of Section 12(5) of the Arbitration and Conciliation Act, 1996. Another notice invoking arbitration was issued on October 7, 2025.

5. As Clause 8 provides for appointment of a sole Arbitrator at the option of the lender, this application has been filed as the procedure prescribed thereunder is no more permissible in law. It is submitted that this Court has jurisdiction, as the agreement was executed within the jurisdiction of this Court.
6. Although, Mr. Banerjee disputes the amount claimed and submits that the claims are barred by limitation. This Court is not inclined to go into such questions. All issues with regard to jurisdiction, arbitrability, admissibility and limitation etc., shall be decided by the learned Arbitrator in accordance with law.
7. The application is disposed of by appointing Mr. Pourush Bandopadhyay, learned Advocate [Mobile No. 8777593009], as the Arbitrator, to arbitrate upon the disputes between the parties. This appointment is subject to compliance of Section 12 of the Arbitration and Conciliation Act, 1996. The learned Arbitrator shall fix his own remuneration as per the Schedule of the Act.
8. The application is, accordingly, disposed of.

(SHAMPA SARKAR, J.)