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ORDER SHEET
IN THE HIGH COURT AT CALCUTTA
COMMERCIAL DIVISION
ORIGINAL SIDE

AP-COM/893/2025
SREI EQIPMENT FINANCE LIMITED
VS
MR KRISHNAIAH BOLLINENI

With

AP-COM/376/2025
SREI EQUIPMENT FINANCE LIMITED
VS
BSC-C AND C JV AND ORS.

BEFORE:
The Hon'ble JUSTICE SHAMPA SARKAR
Date: 26th February, 2026.

Appearance:
Mr. Swatarup Banerjee, Adv.
Mr. Sariful Haque, Adv.
Ms. Pritha Ghose, Adv. …for petitioner.

Mr. Suman Kumar Datt, Sr. Adv.
Mr. Varun Kothari, Adv.
Mr. A. P. Agarwal, Adv. …for respondents.

The Court: Affidavit in opposition filed in court today is taken on record.

AP-COM/893/2025 and AP-COM/376/2025 are taken up and disposed of together. In both these applications prayer has been made for appointment of an arbitrator. The disputes arise out of seven Master Facility Agreements. In AP-COM/376/2025, the respondent no.1 is a joint venture (borrower) and respondent nos.2 and 3 are the constituents of the joint venture. The respondent in AP-COM/893/2025 is the guarantor in respect of the loans taken by the joint venture, i.e., the respondent No. 1 in AP-COM 376 of 2025.

AP-COM/893/2025

The petitioner is an existing company. The petitioner is engaged in the business of providing financial assistance to its customer to enable them to acquire various equipments on loan-cum-hypothecation basis. The respondent is a personal guarantor, who agreed to guarantee the due performance of the obligations under various agreements dated July 1, 2019. The principal borrower is a BSC-C & C Joint Venture. The principal borrower entered into seven Master Facility Agreements with the petitioner on July 1, 2019. Under the said agreements, financial assistance was provided to the joint venture for an aggregate sum of Rs.51,55,79,000/-. The same was required to be paid back in 44 instalments which was subsequently revised. Payments were made upto the 9th and part of 10th instalment. Total unpaind dues is more than Rs.118 crores. The petitioner contends that the respondent entered into a personal guarantee agreement and agreed to stand guarantee for due performance of payment of the sums under the Master Facility Agreements all dated July 1, 2019, by the borrower.

A demand notice was issued on December 8, 2021. The borrower did not respond to the demand notice. Notice was issued to the grarantor. The agreement expired due to efflux of time. The notice invoking arbitration was issued on August 13, 2025.

It is the specific case of the petitioner that the personal guarantee agreement entered into between the petitioner and the respondent specifically mentioned that the arbitration clauses in the Master Facility Agreements would be binding upon the respondent.

AP-COM/376/2025

The respondent no.1 a the joint venture. The respondent nos.2 and 3 are the constituents of the joint venture. The respondents approached the petitioner in June, 2019 for a business loan and entered into seven Master Facility Agreements all dated July 1, 2019. Under the said agreement, financial assistance was provided to the joint venture for an aggregate sum of Rs.51,55,79,000/-, which was required to be paid back in 44 instalments. The repayment schedule was subsequently revised. Payments were made upto 9th and part of 10th instalment. The total claim is more than Rs.181 crores.

Mr. Banerjee, learned advocate for the petitioner submits that the disputes may be referred to a sole arbitrator. The agreement provides for unilateral appointment, which is not permissible in law. Mr. Banerjee further submits that the correspondence exchanged between the parties, which have been annexed to the application, would indicate that the liabilities of the joint venture had been bifurcated and the petitioner had already been paid in respect of its claim against the respondent no.3, under the waterfall mechanism, in the liquidation proceeding. The amount payable by the respondent no.3 has been received. However, learned advocate contends that there are other claims against joint venture and the respondent No. 2.

Mr. Datt, learned senior counsel submits that the claims are time barred. The lender was not entitled to bifurcate the claims in respect of the constituent of the joint venture, as the claims were joint. Therefore, the claims stood extinguished upon adjudication of the same by the liquidator in the proceedings under the Insolvency and Bankruptcy Code, 2016. Moreover, it is submitted that the liquidator should have been made a party to this proceeding as the liquidator would be in a position to clarify the situation with regard to the discharge of any debt which the joint venture/respondent no.1 had towards the petitioner.

Mr. Banerjee, however, objects to the submissions made by Mr. Datt and relies on the correspondence annexed to the application in respect of the contention that the claims were distinct and separate against each of the constituent of the joint venture.

Under such circumstances, on the strength of the arbitration agreement which the parties entered into for resolution of the disputes under the facility agreements, both the applications are allowed and treated as a composite reference. This court has not entered into the merits of the issues involved. The parties are at liberty to raise their respective objections and contentions before the learned Arbitrator. The learned Arbitrator will decide on the issue of arbitrability, admissibility, limitation, misjoinder, effect of the proceedings under the IBC etc., if raised.

Under such circumstances, Hon'ble Justice Pinaki Chandra Ghose, former Judge of the Hon'ble Supreme Court of India is appointed as the learned Arbitrator, to resolve the disputes between the parties.

This order is passed subject to compliance of Section 12 of the Arbitration and Conciliation Act, 1996.

The learned Arbitrator shall fix his remuneration in terms of the Schedule of the Act.

AP-COM/376/2025 & AP-COM/893/2025 are accordingly disposed of.

(SHAMPA SARKAR, J.)

pkd.