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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ **ARB.P. 845/2025**

TATA CAPITAL LIMITED

.....Petitioner

Through: Ms. Savyasachi Kr. Sahai with
Ms. Madhumita Bagchi, Advocates.
(M): 9667838620
Email: advmadhumitabagchi@gmail.com

versus

M/S. S.R. STEELS

.....Respondent

Through: Mr. Jawahar Lal, Advocate.
(M): 9312664652
Email: advjlal61@gmail.com

CORAM:

HON'BLE MS. JUSTICE MINI PUSHKARNA

ORDER

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28.04.2026

1. The present petition has been filed under Section 11 of the Arbitration and Conciliation Act, 1996 ("Arbitration Act"), seeking appointment of a sole Arbitrator, for adjudication of disputes between the parties, arising out of the Agreement For Working Capital Demand Loan dated 22nd February, 2024 ("Loan Agreement").
2. The parties *vide* order dated 01st December, 2025, had been referred to mediation before the Delhi High Court Mediation and Conciliation Centre. However, as per the Mediation Report dated 16th April, 2026, the matter was closed as "*not settled*".
3. Accordingly, the Court proceeds with the matter.
4. As per the facts on record, the respondent approached the petitioner



for financial assistance *vide* Loan Application dated 01st February, 2024, in order to avail a working capital demand loan. Pursuant to the same, the parties entered into the Loan Agreement dated 22nd February, 2024, whereunder the petitioner agreed to sanction a loan for an amount of Rs. 2,50,00,000/- (Rupees Two Crores Fifty Lakhs only), and the respondent undertook to repay the amount as per the terms and conditions put forth in the said Loan Agreement.

5. It is the case of the petitioner that disputes have arisen between the parties owing to the respondent's continued default in repaying the due amounts, as well as the interest thereupon.

6. Subsequently, the petitioner, being constrained by the respondent's continued default, issued a Legal Notice dated 29th March, 2025, for recall of the aforesaid loan. Additionally, by way of the said Notice, the petitioner also invoked Arbitration under Clause 12 of the Loan Agreement in terms of Section 21 of the Arbitration Act, which was duly served upon the respondent.

7. At this stage, the learned counsel for the petitioner draws the attention of this Court to the Loan Agreement between the parties, which contains an Arbitration Clause, i.e., Clause 12, and the same reads as under:



12. Arbitration

If any dispute, difference or claim arises between any of the Obligors and the Lender in connection with the Facility or as to the interpretation, validity, implementation or effect of the Facility Documents or as to the rights and liabilities of the parties under these T&Cs or alleged breach of the Facility Documents or anything done or omitted to be done pursuant to the Facility Documents, the same shall be settled by arbitration by a sole arbitrator to be appointed as per the procedure below and to be held at such place as agreed by the Parties in Serial No. 16 of Annexure 1 hereto of the Agreement. The Party invoking the arbitration ("**Claimant**") shall address a notice to the other Party ("**Respondent**") suggesting the names of not more than three arbitrators, all of whom shall be either retired judges of the District Court, High Court or the Supreme Court or a lawyer having minimum 10 years' relevant experience. The Respondent shall either:

- (i) Confirm in writing acceptance of one amongst the proposed names as the sole arbitrator to the Claimant within a period of ten (10) days from the date of notice ("**Notice Period**"); or
- (ii) Convey objection, if any, in writing to the Claimant, against the proposed names of the sole arbitrator within the said Notice Period.

However, if the Claimant does not receive any response from the Respondent within the said Notice Period, the Claimant shall be entitled to nominate any one person from amongst the proposed three names as the sole arbitrator and such arbitrator shall be deemed to be appointed by both the Parties.

In the event, the Respondent conveys its objection as per (ii) above then the sole arbitrator will be appointed by a Court having jurisdiction. The arbitration shall be conducted under the provisions of the Arbitration and Conciliation Act, 1996 together with its amendments, any statutory modifications or re-enactment thereof for the time being in force. The arbitration proceeding shall be conducted in English language. The award of the arbitrator shall be final and binding on all parties concerned. The cost of arbitration shall be borne by the Obligors.

8. Further, this Court notes that Clause 13 of the Loan Agreement reads as under:

13. Jurisdiction

Subject to Clause 12 above, the Parties hereto agree that all disputes arising out of and/or in relation to this Agreement, shall be subject to exclusive jurisdiction of the courts/tribunals as set out in Serial No. 17 of Annexure 1 hereto. The Lender may, however, in its absolute discretion commence any legal action or proceedings arising out of this Agreement in any other court, tribunal or other appropriate forum and the Obligors hereby consents to that jurisdiction.

9. Perusal of the aforesaid Clauses, i.e., 12 and 13 of the Loan Agreement clearly shows that there is a valid Arbitration Agreement between the parties, wherein, the parties have agreed that the disputes between them shall be resolved by way of arbitration, and in accordance with the provisions of the Arbitration Act.

10. This Court notes that, as per Annexure 1 of the Loan Agreement, the place of execution is at Delhi. In addition to this, the serial nos. 16 and 17 in Annexure 1 of the Loan Agreement stipulates that the place of arbitration as well as jurisdiction shall be at Delhi, Chennai, Mumbai and Kolkata, respectively.



11. Accordingly, learned counsel appearing for the petitioner submits that the present petition has been filed at Delhi by validly invoking the jurisdiction of this Court.

12. *Per contra*, learned counsel appearing for the respondent submits that the respondent is a Micro, Small and Medium Enterprise (“MSME”).

13. On a pointed query by this Court, as to whether the respondent has approached the MSME Facilitation Council under Section 18 of the Micro Small and Medium Enterprises Development Act, 2006 (“MSMED Act”), learned counsel for the respondent submits that the respondent has not approached the MSME Facilitation Council.

14. Accordingly, there is no impediment before this Court for the purpose of appointing of an Arbitrator, since the process under the MSMED Act has not been commenced by the respondent.

15. This Court takes note of the submission made by learned counsel appearing for the petitioner that there is an approximate claim of Rs. 1,20,00,000/- (Rupees One Crore Twenty Lakhs only).

16. Learned counsel appearing for the petitioner submits that the process of arbitration be conducted under the aegis and Rules of Delhi International Arbitration Centre (“DIAC”).

17. In view of the aforesaid discussion, this Court is satisfied that there are disputes between the parties and that there exists a valid arbitration clause for adjudication of the said disputes. Thus, there is no impediment to the appointment of a sole Arbitrator, in terms of Clause 12 of the Loan Agreement between the parties.

18. Accordingly, considering the submissions made before this Court, the following directions are issued:



- i) Ms. Shilpa Ohri, Advocate (Mob: +91-9871900539) is appointed as the sole Arbitrator to adjudicate the disputes between the parties.
- ii) The arbitration proceedings shall be held under the aegis and Rules of DIAC, Delhi High Court, Sher Shah Road, New Delhi.
- iii) The remuneration of the learned Arbitrator shall be in terms of DIAC (Administrative Cost and Arbitrators' Fees) Rules, 2018.
- iv) The learned Arbitrator is requested to furnish a declaration in terms of Section 12 of the Arbitration Act prior to entering into the reference. In the event of any impediment to the Arbitrator's appointment on that count, the parties are given liberty to file an appropriate application before this Court.
- v) It shall be open to the respondent to raise counter-claims, if any, in arbitration proceedings.
- vi) It is made clear that all the rights and contentions of the parties, including, as to the arbitrability of any of the claim, any other preliminary objection, as well as claims/counter-claims and merits of the dispute of either of the parties, are left open for adjudication by the learned Arbitrator.
- vii) The parties shall approach the learned Arbitrator within two (02) weeks from today.

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

20. The Registry is directed to send a copy of this order to the learned Arbitrator, as well as, the Secretary, DIAC, for their information and compliance.

MINI PUSHKARNA, J

APRIL 28, 2026

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