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

\# **CNR No. DLHC010975182025**

\+ ARB.P. 2046/2025

TATA CAPITAL LIMITED .....Petitioner

Through: Mr. Sanidhya Sonthalia, Ms. Ekta Bhasin, Ms. Gargi Bindal, Mr. R. Sudhinder, Advocates.

versus

PAAWAN ENERGY INDIA PRIVATE LIMITED & ORS. .....Respondents

Through: Mr. Vivek Kumar Karn, Mr. Prakhar Upadhyay, Advocates.

CORAM:
HON'BLE MR. JUSTICE PRATEEK JALAN

O R D E R

% 07.10.2026

1. By way of this petition under Section 11(6) of the Arbitration and Conciliation Act, 1996, the petitioner seeks appointment of an arbitrator to adjudicate disputes between the parties under a Sanction Letter dated 18.02.2024, by which a loan of Rs. 10 crores was sanctioned by the petitioner in favour of respondent No. 1 herein. Respondent Nos. 2 to 5 are the guarantors of the loan.

2. The Agreement for Working Capital Demand Loan contains an arbitration clause [Clause 12], which provides for resolution of disputes by a sole arbitrator, being a lawyer of minimum ten years' experience or a retired judge of the District Court, High Court, or the Supreme Court.

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3. In terms of Annexure 1 to the Agreement, Delhi has been designated as the place of arbitration, and Courts in Delhi have been vested with jurisdiction.

4. The disputes between the parties arose on account of an alleged failure of the respondents to pay the amounts in terms of the Agreement. The arbitration clause was invoked by the petitioner *vide* a legal notice dated 30.08.2025.

5. Mr. Vivek Kumar Karn, learned counsel, has entered appearance on behalf of the respondents. He submits that a reply has been filed, but has not yet come on record. A copy of the reply has been handed up in Court and is taken on record.

6. The only argument of Mr. Karn is that the quantification of dues in the notice invoking arbitration is excessive.

7. Mr. Sanidhya Sonthalia, learned counsel for the petitioner, states that, after the aforesaid notice, a sum of Rs. 5 crores was recovered by way of sale of securities in terms of the Facility Agreement and that, as of now, the dues are to the tune of Rs. 1 crore.

8. Mr. Karn also suggests that the matter may be referred to mediation so that the parties can attempt an amicable resolution of the disputes. This suggestion is acceptable to Mr. Sonthalia, but he also seeks an appointment of arbitrator, in case the mediation is unsuccessful.

9. Having regard to the above submissions, the petition is disposed of with the following directions, with the consent of learned counsel for the parties:

a. The parties are referred to mediation under the aegis of *Samadhan*, Delhi High Court Mediation and Conciliation Centre, Shershah

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Road, New Delhi – 110503. They will appear before the learned Mediator on 14.10.2026.

b. In the event the mediation proceedings are unsuccessful, the disputes will be adjudicated by a sole arbitrator, to be appointed by the Delhi International Arbitration Centre ["DIAC"], being either a lawyer of at least ten years' standing or a retired judicial officer.

c. The arbitrator will be nominated by the DIAC from its panel. The arbitration will be conducted under the Rules of the DIAC, including the remuneration of the learned Arbitrator.

d. DIAC is requested to keep the proceedings in abeyance for a period of eight weeks from today to enable the parties to make an effort at mediation. If the disputes are not settled in mediation, either party may approach the DIAC after the expiry of eight weeks, and DIAC will appoint an arbitrator, who will enter reference at that stage.

e. In the event the mediation proceedings are still ongoing, parties may jointly approach the DIAC to defer the arbitration proceedings for a further agreed period.

10. The petition is disposed of in terms of the above.

PRATEEK JALAN, J

OCTOBER 7, 2026
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