

ORDER SHEET

IN THE HIGH COURT AT CALCUTTA  
COMMERCIAL DIVISION  
ORIGINAL SIDE

AP-COM/421/2026

TATA CAPITAL LIMITED  
VS  
LIFE TELECOM

BEFORE:

The Hon'ble JUSTICE GAURANG KANTH

Date : 8<sup>th</sup> July, 2026.

Appearance:

Mr. Avishek Guha, Adv.

Ms. Sonal Agarwal, Adv.

Ms. Arunima Dutta, Adv.

...for the petitioner

The Court: Affidavit of service be taken on record.

The petitioner has preferred the present petition under Section 11(6) of the Arbitration and Conciliation Act seeking appointment of the sole arbitrator to adjudicate the disputes and differences arising out and in connection with the Agreement for Channel Finance MSME dated 27<sup>th</sup> May, 2025 executed between the parties.

The petitioner is the non-banking finance company registered with the Reserve Bank of India and is engaged in the business of providing fund and fee based financial services under the name and style of Tata Capital Limited.

It is stated that the petitioner is the transferee of Tata Capital Financial Services Limited pursuant to an approved Scheme of Arrangement sanctioned by the National Company Law Tribunal which became effective from 1<sup>st</sup> January, 2024 and has accordingly succeeded to all the rights, interests and liabilities of the Tata Capital Limited.

Learned Counsel for the petitioner submits that the respondent is proprietorship firm carrying on business under the name and style of Life Telecom through its sole proprietor and is engaged in the business of dealing in Samsung Mobile phones. It is further submitted that the respondent had approached the petitioner for grant of credit facility in the nature of channel finance for the purchase of business inventory. Upon consideration of the request the petitioner sanctioned a loan of Rs. 18,50,000/- carrying interest at the rate of 13% per annum for a tenure of twelve months under a sanction letter dated 15<sup>th</sup> May, 2025. Thereafter, the parties entered into an agreement for channel finance dated 27<sup>th</sup> May, 2025. According to the petitioner, the loan amount was duly disbursed and utilised by the respondent. However, the respondent allegedly failed to adhere to the agreed re-payment schedule and committed persistent default. Repeated demands and requests were not adhered to. Owing to such defaults, the loan amount was recalled by a notice dated 18<sup>th</sup> March, 2026. Thereafter, the petitioner invoked the arbitration agreement by issuing a notice under Section 21 dated 31<sup>st</sup> March, 2026. The same was received by the respondent but the respondent failed to take any steps to appoint an arbitrator to adjudicate the dispute in terms of the arbitration agreement.

The Learned Counsel for the petitioner submits that the existence of the arbitration agreement is undisputed and that the disputes have arisen between the parties in relation to re-payment of the financial facility extended under the agreement. It is submitted that the despite invocation of the arbitration agreement by issuance of the notice under Section 21 of the Act, the respondent had failed to co-operate in the constitution of the arbitral tribunal thereby attracting the jurisdiction of this Court under Section 11(6) of the Arbitration and Conciliation Act, 1996.

This Court has perused materials placed on record and heard the submissions of the learned Counsel for the petitioner.

It is now well settled principle of law that the jurisdiction of the court under section 11 of the Arbitration and Conciliation Act, 1996 is confined to a *prima facie* examination of the existence and validity of the arbitration agreement.

In view of section 11(6A) of the Act:

*“(6A)- the Supreme Court or as the case may be, the High Court, while considering any application under sub-section (4) or sub-section (5) or sub-section (6), shall notwithstanding any judgment decree or order of any court, confine to the examination of the existence of an arbitration agreement.”*

Accordingly, the scope of the examination under Section 11(6) of the Act to examining whether a valid arbitration agreement exists between the parties and whether the disputes sought to be referred are *prima facie* arbitrable. In the present case, the existence of Arbitration Agreement contained in Clause 17 of the Agreement for Channel Finance dated 27<sup>th</sup> May, 2025, is evident from the materials on record. The disputes raised by the petitioner arise directly out of the said agreement and relate to the alleged default in re-payment of the financial facilities extended by the petitioner to the respondent. The Arbitration Agreement has been duly invoked by issuance of notice under Section 21 of the Act. This Court, is, therefore, satisfied that the requirements under Section 11(6) of the Act stand fulfilled and that the disputes between the parties are fit to be referred to arbitration.

Accordingly, this Court appoints Mr. Sayak Mitra (Mob No. 8902005746), learned Advocate as an arbitrator to adjudicate the disputes between the parties.

The learned Sole Arbitrator shall enter reference in due compliance with Section 12(5) of the Act.

The learned Sole Arbitrator shall fix his remuneration in terms of the fourth schedule of the Act.

A copy this order shall be communicated to the learned Sole Arbitrator to take necessary steps.

It is clarified that all questions relating to the arbitrability of the disputes, the admissibility of the claims, limitation, jurisdiction, and all other issues are left open to be urged before the learned Sole Arbitrator, who shall decide the same in accordance with law.

With the aforesaid directions, the present petition stands disposed of.

(GAURANG KANTH, J.)