

IN THE HIGH COURT AT CALCUTTA  
COMMERCIAL DIVISION  
ORIGINAL SIDE  
AP-COM/199/2026  
TATA CAPITAL LIMITED  
VS  
SP TRADING AND ANR.

BEFORE  
HON'BLE JUSTICE GAURANG KANTH  
Date: April 27, 2026.

*Appearance:-*  
*Ms. Sonal Agarwal, Adv.*  
*Ms. Anamika Dutta, Adv.*  
*...for petitioner.*

The Court:- Affidavit of service is taken on record.

The present petition has been filed under Section 11 of the Arbitration and Conciliation Act, 1996, seeking constitution of an arbitral tribunal comprising of a sole Arbitrator to adjudicate the disputes between the parties.

Learned counsel for the petitioner submits that the respondent had availed a loan facility from the petitioner to the tune of Rs. 29,00,000/- under a loan-cum-guarantee agreement for Channel Finance dated 22.06.2024 read with the Registered Master Terms and Conditions for Channel Finance dated 17.11.2023. It is submitted that the respondent had agreed to repay the said loan along with interest in equal monthly instalments. However, the respondents committed continuous defaults in repayment of the outstanding amount as a result of which the account number of respondent no. 1 was classified as a non performing asset on 30.08.2025. It is further submitted that the petitioner issued notice for recall of loan and invocation of arbitration dated 15.12.2025 recalling the entire facility. It is stated that the respondent no. 1 had received the said notice. The notice issued to respondent No.2 was returned with the

endorsement “Addressee left without instructions”. Despite issuance of the said notice, the respondents failed to liquidate the said outstanding loan.

Learned counsel for the petitioner submits that despite receipt of the said notice by one of the said respondents, no reply was furnished. In these circumstances, the petitioner has approached this Court seeking appointment of a sole Arbitrator.

Upon hearing learned counsel for the petitioner and after perusing the materials on record, it appears the disputes have arisen between the parties out of the loan agreement and default in repayment of the said loan. The notice invoking arbitration is stated to have been issued on 15.12.2025. However, there is no material on record to show that the notice has been duly served upon the respondents. Insofar as the respondent No.2 is concerned, the notice has admittedly been returned with the endorsement “addressee left without instructions”.

In view of the above, this Court is of the considered opinion that the mandatory requirement of issuance and service of notice under Section 21 of the Arbitration and Conciliation Act, 1996, has not been duly complied with. In the absence of such compliance, the present petition is not maintainable.

Accordingly, the present petition is dismissed at this stage. However, liberty is granted to the petitioner to initiate fresh proceedings in accordance with law after due compliance with the requirement of Section 21 of the Act.

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

(GAURANG KANTH, J.)