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IN THE HIGH COURT OF DELHI AT NEW DELHI

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ARB.A. 12/2016

NARENDER KUMAR ARORA & ORS. Appellants
Through: Mr. Sandeep Chhabra, Advocate.

versus

KOTAK MAHINDRA BANK LTD. & ANR. Respondents
Through: Mr. Arun Aggarwal, Advocate for
Respondent No.1.

CORAM: JUSTICE S. MURALIDHAR

ORDER

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03.11.2016

1. This appeal is directed against the impugned order dated 12th May 2016 passed by the sole Arbitrator in an application filed by Kotak Mahindra Bank Ltd. ('KMBL'), Respondent No.1 herein to be substituted for the original claimant in the arbitral proceedings viz., Citi Financial Consumer Finance India Ltd. (Respondent No.2)

2. The Appellants herein resisted the said application on the ground that the assigning of the debt is contrary to the agreement between the parties and should have not been permitted. The learned Arbitrator has by the impugned order negated the said objection and allowed the substitution of Respondent No.2 by Respondent No.1 as the sole claimant in the arbitral proceedings.

3. Learned counsel for the Appellants has not been able to point out how the impugned order falls under any of the categories of interim orders passed by an Arbitrator which can be appealed against under Section 37 of the Arbitration and Conciliation Act, 1996 ('Act').

4. It is pointed out that the assignment was earlier challenged by the Appellants by filing Writ Petition (Civil) No. 5004 of 2014 which was dismissed by this Court by order dated 9th September 2014 on the ground that the question of validity of the assignment could be decided by the learned Arbitrator. That, however, does not mean that the interim order by which the said decision was taken, can be appealed against under Section 37 of the Act. The Appellants will have to await the Award and in the course of challenging the Award urge an issue concerning the validity of the assignment. This appeal is, therefore, not maintainable as such and is dismissed reserving the right of the Appellants to challenge the validity of assignment at the stage of challenge to the Award if it is adverse to them.

IA No. 7669/2016 (for stay)

5. The interim order passed by this Court on 17th June 2016 stands vacated.

6. The application is disposed of.

S. MURALIDHAR, J

NOVEMBER 03, 2016

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