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

+ ARB. A. (COMM.) 5/2022 & I.A. 867/2022.

VONEAT SETHI

.....Petitioner

Through: Mr. T.P.S. Kang, Ms. Mehak
Gupta, Advocates.

versus

HINDUJA LEYLAND FINANCE LTD.

.....Respondent

Through: Ms. Charu Sachdev, Advocate for
Hinduja with Mr. Mayank
Chaudhary, AR.
Mr. Ishrad Ali, Sales Executive of
Best Capital Services Ltd.,

CORAM:

HON'BLE MR. JUSTICE PRATEEK JALAN

ORDER

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14.08.2024

1. This appeal, under Section 37 of the Arbitration and Conciliation Act, 1996 [“the Act”], is directed against an interim award dated 25.11.2021, by which a learned Arbitrator has appointed a receiver in respect of a vehicle belonging to the petitioner. The said order was passed on an application of the respondent/claimant, under Section 17 of the Act.

2. At the very outset, it is stated by Mr. T.P.S. Kang, learned counsel for the appellant, that the vehicle in question has been returned to the appellant upon payment of Rs.11 lakhs. The appeal has, therefore, been rendered infructuous; although any monetary claims between the parties *inter se* remain to be adjudicated.



3. In the course of hearing, however, Mr. Kang submits that the learned Arbitrator has been unilaterally appointed by the claimant, and that the appellant has not been served with any documents other than the application under Section 17 of the Act, and the order under the same.

4. Ms. Charu Sachdev, learned counsel, appears on behalf of Hinduja Leyland Finance Limited [“Hinduja”], which has been arrayed as the respondent in this petition. She states that the agreement between the parties was originally entered into between the appellant, another individual as a guarantor and two companies - Hinduja described as “THE LENDER” and Best Capital Services Ltd. described as the “Other Revenue Sharing Party”. A copy of the agreement has been handed over in Court, and is taken on record. She states that in the year 2022, Hinduja had received the amount due to it in respect of this agreement. According to her, the arbitral proceedings have been instituted by Best Capital Services Ltd., in the name of Hinduja, but Hinduja does not have any claims against the appellant herein. She has been instructed that Hinduja has not authorized the institution of such proceedings in its name, either by way of a Board Resolution or by way of a Power of Attorney.

5. I find from the impugned order that the cause title of the arbitral proceedings reads “*HINDUJA LEYLAND FINANCE LIMITED (THROUGH OTHER REVENUE SHARING PARTNER BEST CAPITAL SERVICES LTD.) THROUGH IT’S AR AMIT VYAS.*” Ms. Sachdev states that Hinduja never authorized Mr. Amit Vyas to institute the proceedings. This gives rise to a curious state of affairs - where an arbitration is apparently in progress and an interim order has been passed recording Hinduja as the claimant, whereas Hinduja disowns the proceedings.



6. Mr. Ishrad Ali, Sales Executive of Best Capital Services Ltd., is present in Court, but states that his counsel is unavailable.

7. As the appeal, in any event, is rendered infructuous by the return of the vehicle to the appellant, the proceedings are disposed of, with liberty to the parties to take such proceedings as they may be advised, in accordance with law, in respect of the further conduct of the arbitration.

PRATEEK JALAN, J

AUGUST 14, 2024

“Bhupi”/