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

% Judgment delivered on: 29.11.2023

FAO(OS) (COMM) 259/2023, CM APPL. 61590/2023 & CM APPL. 61591/2023

HITESH CHHABRA & ANR. ..... Appellant

versus

SANDEEP CHHABRA & ORS. .... Respondents

\+ FAO(OS) (COMM) 260/2023, CM APPL. 61592/2023 & CM APPL. 61593/2023

HITESH CHHABRA & ANR. ..... Appellant

versus

SANDEEP CHHABRA & ORS. ..... Respondent

Advocates who appeared in this case:

For the Appellants: Mr. Aaditya Vijay Kumar, Ms. Akshita Katoch & Mr. Isha Tyagi, Advocates

For the Respondents: Mr. Sumeet Batra, Advocate for Respondent No. 2

CORAM:-
HON'BLE MR. JUSTICE SANJEEV SACHDEVA
HON'BLE MR. JUSTICE MANOJ JAIN

JUDGMENT

SANJEEV SACHDEVA, J. (ORAL)

1. Appellants impugn orders dated 31.10.2023 and 09.11.2023 whereby no ad-interim protection was granted on the petition under Section 9 of the Arbitration & Conciliation Act, 1996 (hereinafter referred to as the Act).

2. Appellants and Respondent No. 1 are partners in a partnership firm under the name & style of M/s Tulip International [FAO(OS) (COMM) 259/2023)] and M/s Tulip Enterprises [FAO(OS) (COMM) 260/2023]. Appellants & Respondent No. 1 are family members. Certain disputes and differences have arisen within the family leading to Respondent No. 1 sending a pre-litigation mediation notice on 10.07.2023.

3. Appellants approached the learned Single Judge by way of a petition under Section 9 of the Act, *inter alia*, seeking a direction to Respondents to sign the cheques so that the businesses being undertaken in the said firms do not come to a standstill.

4. Learned Single Judge has issued notice and kept the matter for consideration on 09.01.2024.

5. Learned counsel for Appellants submits that in the interregnum, Respondent is refusing to sign the cheques which have to be paid to various vendors as also for statutory compliances thereby impeding the business.

6. This is disputed by learned counsel for Respondent No. 1 who submits that Respondent No. 1 himself had made a suggestion that EMI towards payment of existing loans; payment of statutory dues and payment of employees should be made promptly without any delay so that the business does not suffer.

7. Learned counsel for Respondents submits that as per Respondents' understanding, appellants are siphoning off funds after

the receipt of the notice for pre-litigation mediation. He submits that there is no clarity in the conduct of the business and Respondent No. 1 is being denied access to information from the vendors and suppliers.

8. After some arguments, parties have agreed to, without prejudice, an interim arrangement pending consideration by the learned Single Judge.

9. The interim arrangement agreed to between the parties is as under:-

i. Respondent No. 1 shall continue to countersign the cheques for payment of the equated monthly installments of all loans existing as on 10.07.2023; and

ii. Respondent No. 1 shall continue to countersign the cheques without demur of any statutory dues to be paid to the statutory authorities; and

iii. Respondent No. 1 shall also without demur countersign the cheques of payment to be made to the employees; and

iv. Appellants shall send the cheques for payments to be made to suppliers to Respondent No. 1 and also provide all documents, correspondences and emails in support of the payments to be made covered by the said cheques; and

v. Respondents shall verify the said documents and in case of any objection, communicate the objection to Appellants within three days of receipt of the documents. In case there is no objection to any cheques, Respondent No. 1 shall countersign the cheques without any demur; and

vi. In caes there is any objection with regard to any payment to be made as proposed by Appellants or any unreasonable refusal by Respondent No. 1, it would be open to the parties to approach the learned Single Judge in respect of the said cheque (s).

vii. Appellant shall also activate the email addresses *sandeep.chhabra@autokame.co.in* & *sneh.chhabra@autokame.co.in* within two days;

viii. Respondent No. 1 undertakes that neither he nor his daughter shall use the email addresses for sending any negative communication to any buyer, supplier, vendor, customer or employee of the said partnership firms.

10. It is clarified that the above arrangement is purely interim and subject to the further orders to be passed by learned Single Judge and is without prejudice to the rights and contentions of the parties. No special equities shall flow in favour of either of the parties in terms of this order.

11. Appeals are accordingly disposed of in the above terms.

SANJEEV SACHDEVA, J

MANOJ JAIN, J

NOVEMBER 29, 2023/*dr*