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

Date of decision: 08th DECEMBER, 2025

IN THE MATTER OF:

+ **O.M.P.(I) 21/2025**

HARVINDER SINGH SARNA

.....Petitioner

Through: Mr. Abhimanyu Bhandari (Senior Adv), Ms. Roohina Dua, Ms. Yashika Kapoor and Mr. Piyush Jain, Advocates

versus

PARAMJIT SINGH SARNA & ORS.

.....Respondents

Through: Mr. Raktim Gogoi, Advocate alongwith Ms. Akshita Nigam, Ms. Gayatri Gokula Krishna, Advs. for R-1
Mr. Vikas Sharma, Advocates for R-2 and 3
Mr. Vikram Chaudhari, Senior Advocate and Mr. Kartikeya Singh, Advocate for R-5

CORAM:

HON'BLE MR. JUSTICE SUBRAMONIUM PRASAD

JUDGMENT (ORAL)

1. The present Petition under Section 9 of the Arbitration and Conciliation Act, 1996 has been filed by the Petitioner seeking interim directions restraining the Respondent No.1 and Respondent No.5 from creating any third party rights, alienating, transferring, encumbering, parting-possession with or dealing with the property owned by the



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Respondent No.5 admeasuring 10 acres, bearing Khasra No.84, situated at Bijwasan, Kapashera, South-West Delhi (*hereinafter referred to as 'the Property in question'*)

2. The present Petition has its genesis in long-standing family business arrangements within the Sarna family, which commenced in the year 1974 when Late Sh. Tarlochan Singh Sarna, along with his three sons—Sh. Paramjit Singh Sarna (Respondent No.1 herein), Sh. Harvinder Singh Sarna (the Petitioner herien), and Sh. Bhupinder Pal Singh Sarna jointly established and operated the family business under the name and style of M/s Punjab Stainless Steel Industries. It is stated that over several decades, the business expanded and various assets, companies, and immovable properties were acquired through joint family funds and collective efforts, including shareholdings in Respondent No.5, SKA Estates Pvt. Ltd., an asset-holding company which owns the property in question. It is stated that in 2008, Sh. Bhupinder Pal Singh Sarna, amicably separated after settlement of his share, leaving the Petitioners and Respondents to continue holding certain assets jointly.

3. Disputes arose between the Petitioner and Respondent No.1 in early 2023 concerning division, control, and ownership of the remaining family assets and businesses. In order to preserve family harmony and avoid protracted litigation, an oral family settlement was arrived at on 28.02.2023, which was subsequently reduced into writing by way of a Memorandum of Family Settlement dated 01.03.2023, executed by the Petitioner and Respondents No.1 to 4. Under Clause 2.2.7 of the said Memorandum, it was expressly agreed that out of the 10% shareholding of Respondent No.1 in Respondent No.5 Company, the Petitioner would be entitled to 40% share



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out of the Respondent No.1's 10% share as a beneficial interest. The said arrangement was arrived at with the knowledge and concurrence of all signatories and was intended to be final and binding.

4. Subsequent to execution of the Memorandum of Family Settlement, the parties acted upon various terms thereof, however, disputes resurfaced when the Petitioner came to know that Respondent No.1 was allegedly dealing with the property in question and was attempting to create third-party rights on the said property in violation of Clause 2.2.7 of the Memorandum of Family Settlement. It is stated that despite repeated requests and communications, Respondent No.1 allegedly failed to provide any assurance or undertaking to safeguard the Petitioner's agreed share and continued to take steps towards alienation of the property.

5. Apprehending that the actions of Respondent No.1 would irreversibly prejudice his rights and render the agreed arbitral mechanism infructuous, the Petitioner has filed the present Petition under Section 9 of the Arbitration and Conciliation Act, 1996, with the following prayers:

“a. Pass an ex-parte ad-interim injunction restraining Respondent No.1 and Respondent No. 5, including their agents, affiliates, transferees, nominees or any person claiming through or under them from creating any third-party rights, alienating, selling, transferring, mortgaging, charging, or otherwise encumbering or dealing with the subject property owned by Respondent No. 5, admeasuring 10 acres bearing Khasra No. 84, Village Bijwasan, Kapashera District, South West Delhi, to the extent of Respondent No.1's 10% share, till the conclusion and final adjudication of the arbitration proceedings;



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b. Direct Respondent No. 1 and Respondent No. 5 to maintain status quo with respect to the title, possession, revenue/municipal records, and all dealings concerning the subject property admeasuring 10 acres, bearing Khasra No. 84, Village Bijwasan, Kapashera, District South-West Delhi, till the conclusion and final adjudication of the arbitration proceedings.

c. Directing Respondent No.1 and 5 to deposit into an escrow account the net sale consideration, if any, arising from any pending sale or transfer relating to Respondent No. 1's 10% share in the subject property admeasuring 10 acres bearing Khasra No. 84, Village Bijwasan, Kapashera District, South West Delhi owned by Respondent No.5, or, alternatively, to furnish an undertaking and security sufficient to secure the Petitioner's claim of 40% share in the subject property, pending arbitration or in the alternative, direct that the title documents of the subject property be deposited before this Hon'ble Court or placed in escrow to secure the Petitioner's claim pending arbitration.

d. Pass any such other or further Order (s) as may be deemed fit and proper in the facts and circumstances of the case.”

6. On a pointed question to the learned Counsels for the parties that since disputes have arisen between the parties who are closely related to each other and there is an Arbitration Clause in the Memorandum of Family Settlement and the seat of Arbitration is in Delhi, would it not be prudent that rather than deciding the present Petition this Court appoints an Arbitrator to adjudicate on the disputes between the parties, the learned Counsels for the parties state that they have no objection if this Court appoints an Arbitrator for adjudication of disputes.



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7. Accordingly, Justice Kurian Joseph, former Judge of the Supreme Court of India (Mobile No. 9999775444) is appointed as Arbitrator to adjudicate upon the disputes between the Parties.
8. The present petition filed under Section 9 of the Arbitration and Conciliation Act, 1996 would be treated as one under Section 17 of the Arbitration and Conciliation Act, 1996 and the same be decided within two weeks from the date of entering reference.
9. The arbitration would take place under the aegis of the Delhi International Arbitration Centre (DIAC) and would abide by its rules and regulations. The learned Arbitrator shall be entitled to fees as per the Schedule of Fees maintained by the DIAC.
10. The learned Arbitrator is also requested to file the requisite disclosure under Section 12(2) of the 1996 Act within a week of entering reference.
11. It is expected the Ld. Arbitrator will decide the Section 17 application on the weight of the merits, contentions raised by both sides and on the documents being adduced by both sides without being influenced by this Order.
12. The Apex Court in Central Organisation for Railways Electrification (CORE) v. ECI SPIC SMO MCML (JV) A Joint Venture Company, **2024 SCC OnLine 3219**, had referred all the parties to Arbitration and had left it on the parties to make their submission before the learned Arbitrator as to whether the non-signatories to the Agreement would be an integral part of the arbitration proceedings or not. In the present case, since the parties are closely related, adopting the approach of the Apex Court, this Court directs the parties to make appropriate application before the learned Arbitrator to



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decide as to whether the non-signatories to the Memorandum of Family Settlement are necessary party to the Arbitration or not.

13. The petition is disposed of, along with pending application(s), if any.

14. It is made clear that this Court has not made any observations on the merits of the case.

SUBRAMONIUM PRASAD, J

DECEMBER 8, 2025

Rahul