



**IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH**

CR-3044-2025 (O&M)

Date of Decision:10.09.2025

Gujarat Rural Industries Marketing Corporation Ltd.

.....Petitioner

Versus

Vishal Cycles Pvt. Ltd. And another

.....Respondent

CORAM: HON'BLE MR. JUSTICE JASGURPREET SINGH PURI

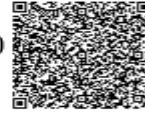
Present:- Mr. Akshay Bhan, Sr. Advocate with
Mr. Ish Puneet Singh, Advocate for the petitioner.

Mr. Zorawar Singh Chauhan, Advocate for respondent.

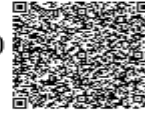
JASGURPREET SINGH PURI J.(Oral)

1. The present revision petition has been filed under Article 227 of the Constitution of India seeking quashing of the impugned order dated 13.05.2025 (Annexure P-1) passed by learned Additional District Judge, Ludhiana in EXE/466/2023 titled *Vishal Cycle Pvt. Ltd. vs. Gujarat Rural Industries Marketing Corporation Limited*, as well as the order dated 13.05.2025 (Annexure P-2) passed by learned Additional District Judge, Ludhiana in ARB/29/2024 titled *Gujarat Rural Industries Marketing Corporation Limited vs. Vishal Cycles Pvt. Ltd. and another*.

2. Learned Senior Counsel appearing on behalf of the petitioner submitted that it is a case where an award was passed under Section 18 of the Micro, Small and Medium Enterprises Development Act, 2006 (in short



‘MSMED Act’) against the present petitioner. Thereafter, objections under Section 34 of the Arbitration and Conciliation Act, 1996, (in short ‘the Act’) read with Section 19 of the Micro, Small and Medium Enterprises Development Act, 2006, were filed before learned Additional District Judge, Ludhiana, which are pending since 2024. He further submitted that along with the aforesaid objections, applications were also filed for condonation of delay and under Section 36(2) of the Act, seeking stay of the execution proceedings. However, since there is a provision under Section 19 of the MSMED Act for the pre-deposit of 75% of the award amount, the petitioner has already deposited an amount of Rs.18,12,793/- before learned Court hearing the objections under Section 34 of the Act. In addition to that, the bank account of the petitioner has also been attached by learned Executing Court to the extent of Rs.32,82,000/-. He submitted that an amount of Rs.32,82,582/- also stands deposited before the learned Executing Court and in this way, the total amount of about Rs.50,00,000/- has already been deposited by the petitioner in the aforesaid two Courts, whereas the total award amount was only Rs.24,00,000/- and there was no provision for the grant of interest. He further submitted that now by way of the present two impugned orders Annexures P-1 and P-2 passed by the learned Additional District Judge, Commercial Court, Ludhiana, who is exercising not only the powers of the Executing Court but also powers under Section 34 of the Act, has directed the disbursal of the amount to the respondent-DH. Learned Senior Counsel further submitted that the aforesaid orders are erroneous and therefore no such amount can be disbursed to the DH. The amount already stands deposited and therefore the decretal amount, if any, stands secured and unconditional disbursal is



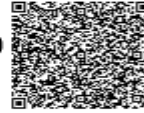
not in accordance with law because there will be difficulty for restitution of the same in case the objections are decided in favour of the petitioner and acute prejudice would be caused to it.

3. The learned Senior Counsel also submitted that at the most, the aforesaid amount may be disbursed to the respondent-decree holder only after furnishing of adequate bank guarantee and therefore, the petitioner is also wishing to make an alternative prayer that the aforesaid orders (Annexures P-1 and P-2) be modified so that the aforesaid amount may be disbursed only upon furnishing of adequate bank guarantee.

4. On the other hand, learned counsel appearing on behalf of respondent submitted that so far as the total decretal amount is concerned although it was total Rs.24,00,000/- but after accumulation of interest the decretal amount is now about Rs.4,50,00,000/-. He also submitted that it is factually correct that the application under Section 36(2) of the Act is still pending before learned Additional District Judge, Ludhiana.

5. He submitted that he has now sought instructions from Mr. Ashok Bawa, General Manager, Vishal Cycles Pvt. Ltd., who is present in the Court, to state that he has no objection if both the aforesaid impugned orders dated 13.05.2025 are modified to the limited extent that the aforesaid amounts of Rs.18,12,793/- and Rs.32,82,582/- respectively are disbursed to the respondent-decree holder only upon furnishing of adequate bank guarantee but this is in view of the fact that the application under Section 36(2) of the Arbitration and Conciliation Act, 1996 is still pending adjudication.

6. After hearing learned counsel for the parties and considering their submissions, the present petition is disposed of. In view of the factual



position as stated by both sides, the impugned orders dated 13.05.2025 passed by the learned Additional District Judge, Ludhiana in the execution proceedings as well as in the proceedings under Section 34 of the Arbitration and Conciliation Act, 1996, are modified to the limited extent that the aforesaid amounts, if disbursed to the respondent–decree holder, shall be released only upon furnishing of an adequate bank guarantee.

7. Accordingly, the petition is disposed of in the above terms.

(JASGURPREET SINGH PURI)
JUDGE

10.09.2025

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Whether speaking/reasoned : Yes/No

Whether reportable : Yes/No