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

**FAO-4626-2025 (O&M)  
Date of decision: 30.07.2025**

**M/S ALLEYR VENTURES PVT. LTD.**

**...Appellant(s)**

**VERSUS**

**JAGMOHAN GARG AND OTHERS**

**...Respondent(s)**

**CORAM: HON'BLE MR. JUSTICE JASGURPREET SINGH PURI**

Present:- Mr. Puneet Bali, Senior Advocate with  
Mr. Sumit Roy, Advocate,  
Mr. Sidharth Mahajan, Advocate and  
Mr. Reshabh Bajaj, Advocate  
for the appellant.

Ms. Mrinmoi Chaterjee, Advocate and  
Mr. Piyush Aggarwal, Advocate  
for respondent No.1.

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**JASGURPREET SINGH PURI, J. (Oral)**

1. The present appeal has been filed under Section 37(1)(b) of the Arbitration and Conciliation Act, 1996 for setting aside the order dated 16.07.2025 passed by the learned Additional District Judge, Gurugram, whereby the petition under Section 9 of the Arbitration and Conciliation Act, 1996 preferred by respondent No.1 was allowed and the appellant was directed to release an amount equivalent to the unpaid salary of respondent No.1 from 01.10.2024 to 15.03.2025.

2. Learned Senior Counsel appearing on behalf of the appellant submitted that it is a case where the appellant is the employer-company and



respondent No.1 was an employee and also a shareholder of the company. He further submitted that there is an arbitration agreement *inter se* between the parties which has been attached along with the present appeal as Annexure A-1 to the effect that in case any dispute arises then a Sole Arbitrator can be appointed. He further submitted that respondent No.1 instead of resorting to the aforesaid remedy of invoking the arbitration clause straightaway filed a petition under Section 9 of the Arbitration and Conciliation Act, 1996 before the learned Additional District Judge, Faridabad for release of the disputed amount, which was the subject matter of the dispute, if at all. He further submitted that respondent No.1 had claimed unpaid salary for the period of dispute and in this way, the petition under Section 9 of the Arbitration and Conciliation Act, 1996 was decided and partly allowed by directing the appellant to pay the unpaid salary of respondent No.1 for the period from 01.10.2024 to 15.03.2025 and as of now, the arbitration proceedings have not yet commenced.

3. Learned Senior Counsel appearing on behalf of the appellant further submitted that by way of an interim relief under Section 9 of the Arbitration and Conciliation Act, 1996, the entire amount has been directed to be paid to respondent No.1, which rather amounts to adjudication of the arbitral dispute by the learned Court, which is not permissible under the law. He also submitted that the purpose of Section 9 of the Arbitration and Conciliation Act, 1996 is limited which has been so provided in the provisions of Section 9 of the aforesaid Act and in the present case, under Section 9(1)(b) of the Arbitration and Conciliation Act, 1996, an order can be passed for securing the amount in dispute in the arbitration proceedings but the learned Additional District Judge,



Gurugram by way of the impugned order has rather granted the part of the amount, which was the subject matter of the dispute.

4. Learned Senior Counsel further submitted that he has clear instructions from the appellant to state that the appellant is ready and willing to deposit the aforesaid amount i.e. the unpaid salary from 01.10.2024 to 15.03.2025, which has been so directed to be paid to respondent No.1 by way of the aforesaid impugned order in the Court, within a period of two weeks from today, subject to the condition so imposed by the learned Court by way of the aforesaid impugned order that respondent No.1 shall initiate arbitration proceedings in accordance with the dispute resolution clause contained in the employment agreement within a period of 90 days in accordance with Section 9(2) of the Arbitration and Conciliation Act, 1996. He further submitted that in this way, the amount stands secured in accordance with Section 9(1)(b) of the Arbitration and Conciliation Act, 1996.

5. Notice of motion.

6. Ms. Mrinmoi Chaterjee, Advocate, who is present in the Court, accepts notice on behalf of respondent No.1 and submitted that considering the aforesaid statement made by the learned Senior Counsel appearing on behalf of the appellant that the appellant shall deposit the amount which has been awarded by way of the aforesaid impugned order i.e. unpaid salary from 01.10.2024 to 15.03.2025 in the Court, she has no objection in case the aforesaid impugned order is modified to that limited extent and has prayed that the aforesaid amount may be deposited in an account on which interest also accrues. She further submitted that so far as the remaining part of the impugned



order pertaining to the subject to initiation of arbitration proceedings in accordance with the dispute resolution clause contained in the employment agreement within a period of 90 days is concerned, the same can be kept intact and respondent No.1 will initiate the arbitration proceedings, within a period of 90 days from the date of passing of the impugned order.

7. Learned counsel for respondent No.1 further submitted that the present order and the order passed under Section 9 of the Arbitration and Conciliation Act, 1996 may not be prejudicial to the basic claim which respondent No.1 intends to make by way of initiation of the arbitration proceedings. She also submitted that it may be clarified that the aforesaid deposit of the amount by the appellant as per the impugned order is only for the purpose of securing the amount to that extent only but should not have any effect on the merits of the arbitration proceedings, if any.

8. After hearing the learned counsels for the parties and no objection from the learned counsel for respondent No.1 with regard to deposit of the aforesaid unpaid salary from 01.10.2024 to 15.03.2025, the present appeal is partly allowed. The impugned order dated 16.07.2025 is modified to the limited extent only that the aforesaid amount i.e. unpaid salary for a period from 01.10.2024 to 15.03.2025, which has been directed to be paid by the appellant to respondent No.1 shall instead be now deposited by the appellant before the Court of learned Additional District Judge, Gurugram, who passed the aforesaid impugned order, within a period of two weeks from today, as per the statement made by the learned Senior Counsel appearing on behalf of the appellant. The remaining conditions of the impugned order shall remain intact. It is further



directed that the amount which is to be deposited by the appellant shall be kept in any scheme/fixed deposit from which interest can be accrued. It is further directed and also clarified that the present order shall have no effect upon the respective rights, contentions and liabilities of the respective parties before the learned Arbitrator, if any.

**30.07.2025**  
Chetan Thakur

**(JASGURPREET SINGH PURI)**  
**JUDGE**

Whether speaking/reasoned : Yes/No  
Whether reportable : Yes/No