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CRP.Nos.1956 & 1957 of 2026



IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on:09.07.2026

Pronounced on:24.07.2026

CORAM

THE HONOURABLE MR.JUSTICE P.B.BALAJI

**CRP. Nos.1956 & 1957 of 2026
and CMP. Nos.8744 & 8745 of 2026**

M/s.Suraj Precision Engg. Works Private Limited,
Represented by Managing Director, Mr.Suraj Sushil,
No.26, B-7, SIDCO Industrial Estate,
Ambattur, Chennai – 600 098.

Petitioner in both CRPs

Vs

M/s.S.S.S. Engineering Works,
Plot No.5, Gopal Reddy Estate,
Milk Colony Road, Kodungaiyur,
Chennai - 600 118.

Respondent in both CRPs

COMMON PRAYER: This Civil Revision Petition is filed under Section 115 of the Civil Procedure Code, to set aside the order dated 25.03.2026 made in E.P. Nos.4211 & 4209 of 2023 in MSEFC/CR/166/2020 & MSEFC/CR/167/2020 passed by the learned XXV Assistant Judge, City Civil Court, Chennai.

For Petitioner : Mr.ARL.Sundaresan,
Senior Counsel for
Mr.M.Mathan Raj

For Respondent : Mr.M.Jaisingh



COMMON ORDER

The Judgment debtor is the revision petitioner in both these revision petitions.

2. I have heard Mr.ARL.Sundaresan, learned Senior Counsel for Mr.M.Mathanraj, learned counsel for the petitioner and Mr.M.Jaisingh, learned counsel for the respondent in both the revisions.

3. The learned Senior Counsel Mr.ARL.Sundaresan, would at the outset, state that the petitioner Company alone suffered an award and the order of arrest which is impugned in these revision petitions could not have been passed against the Managing Director and Director, who were admittedly not parties in their individual capacity to the proceedings before MSME Council or even the Executing Court. The learned Senior Counsel would also invite my attention to the order passed by the Executing Court dismissing the Section 47 CPC application and the reasoning assigned by the Executing Court for dismissing the Section 47 Petition on the ground that all contentions could be raised in the main Execution Petition.



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4. The said order in the Section 47 CPC Application was challenged by the Petitioner Company and its Managing Director in CRP. Nos.1548 and 1553 of 2025, and this Court finding that the Managing Director not being a party to the *lis* cannot seek relief under Section 47 CPC and also taking note of liberty granted by the Executing Court, directed the Executing Court to decide and all legal issues involved in the case, including as to whether the award is a nullity and whether such an award is enforceable or not.

5. The learned Senior Counsel therefore states that in the absence of any evidence adduced by the respondent, especially in the nature of implicating the Managing Director to any liability, the Executing Court ought not to have gone to the extent of ordering arrest of the Director and Managing Director. The learned Senior Counsel would however fairly concede to the position that the Executing Court could have at best permitted the respondent/decreed holder to proceed against the assets of the Company if any, after deciding the objections of the revision petitioner with regard to the award being a nullity.

6. The learned Senior Counsel would also state that even otherwise, for the liability of the Private Limited Company, the Executing



Court ought not to have ordered arrest of the Director and Managing Director, who admittedly, had not given any personal guarantee in favour of the respondent/award holder. The learned Senior Counsel would therefore prays for the revisions being allowed.

7. Per contra, Mr.M.Jaisingh, learned counsel for the respondent/decree holder states that the petitioner has not challenged the award under the provisions of the Act, in a manner known to law and was therefore dis-entitled to question the executability of the award at the stage of execution. The learned counsel would further state that the Managing Director himself has represented the petitioner Company in writ proceedings and admitted liability and therefore, no error can be pointed out in the order passed by the Executing Court warranting interference in revisions. He would further state that despite being successful in obtaining the awards, the respondent is unable to realize huge monies due and payable to him.

8. The learned counsel has also relied on the following decisions in support of his contentions:-

(i) *Maurice W. Innis Vs. Lily Kazrooni @ Lily Arif Shaikh*, reported in (2026) SCC Online SC 554; and



(ii) *G-Tech Stone Limited and Ors Vs. BFIL Finance Limited*,
reported in 2020 (4) CTC 770.

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The learned counsel for the respondent therefore prays for dismissal of the revisions.

9. I have carefully considered the submissions advanced by the learned counsel on either side.

10. The executability of the award was put to challenge by taking out a Section 47 CPC Application by both the Petitioner Company as well as the Managing Director. However, the said Section 47 Application was dismissed, granting liberty to the petitioner to raise all objections in the main Execution Petition. The said order was challenged before this Court in CRP. Nos.1548 and 1553 of 2025 and by order dated 04.08.2025, this Court, prima facie found that there was a procedural irregularity in not referring the disputes to arbitration, after conciliation had failed and even found that the awards were not in tune with the Micro Small and Medium Enterprises Development Act, 2006 (in short 'MSMED Act'). This Court taking note of the fact that the Managing Director was not a party before the MSME Council, held that the Section 47 application filed by him was not maintainable and could not be



entertained. However, the revision petitioner was given liberty to raise all objections by filing counter in the main Execution Petition and the Executing Court was directed to decide all legal issues, including the enforceability of the award itself.

11. It is thereafter that the Executing Court has ordered arrest of the Director/Managing Director. It is trite law that a Private Limited Company has a separate legal entity, unless and until the Director/Managing Director had given any personal guarantee or stood surety, they cannot be saddled with any liability. The award can be executed only against the petitioner, subject to ofcourse, it being enforceable in a manner known to law. When this Court specifically directed the Executing Court to go into the all legal issues and decide whether the award was vitiated or enforceable, unfortunately, the Executing Court has shirked its duty, despite directions of this Court, by merely falling back on the settled legal position that the role of the Executing Court is only limited to enforcing the award and it cannot go behind the decree or the award.

12. The Executing Court, also, without any material or evidence adduced by the decree holder, has proceeded to render unsustainable and



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unwarranted findings that the Managing Director and Director are also personally liable and that the Court can lift the corporate veil. The reasoning of the Executing Court for ordering arrest of the Managing Director and the Director is wholly unsustainable and is liable to be set aside. The core issues that were relegated to the Executing Court, especially with regard to the award being a nullity and not enforceable, have been skipped by the Executing Court and instead the Executing Court has proceeded in an entirely different direction and eventually ordered arrest of the Managing Director and the Director, which is again impermissible in the eye of law.

13. Insofar as the argument of Mr.M.Jaisingh, learned counsel for the respondent that the Managing Director has admitted liability in writ proceedings, on going through the affidavit filed in support of the W.P. No.23871 of 2018, I find that the Managing Director has only represented the petitioner Company before the Writ Court and nowhere in the affidavit, he has admitted to be personally liable to pay any monies to the respondent herein. In such view of the matter, I do not see how mere representation of the Company in the Writ Court would be sufficient to fasten liability on the Managing Director individually.



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14. In *Maurice W. Innis's* case (referred herein supra), it has been held that the Executing Court cannot go behind or vary the terms of the decree. There is no quarrel with regard to the said proposition. However, even in the said decision, the Hon'ble Supreme Court has held that when the decree is a nullity, then the Executing Court can refuse execution. This exercise is exactly what this Court in the earlier revision petitions, directed the Executing Court to undertake. This decision will therefore not come to the aid of the respondents in the present case.

15. In *G.Tech Stone Limited's* case (referred herein supra), the Hon'ble Division Bench of this Court, the Managing Director appeared in person before the Executing Court and bound himself personally liable and in such circumstances, this Court held that the Managing Director, can be proceeded against. This decision therefore will not apply to the facts of the present case.

16. For all the above reasons, these Civil Revision Petitions are **allowed**. The orders dated 25.03.2026, in E.P. Nos.4211 & 4209 of 2023 in MSEFC/CR/166/2020 & MSEFC/CR/167/2020 passed by the XXV



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Assistant Judge, City Civil Court, Chennai are set aside. The matters are remitted to the Executing Court for fresh consideration, after giving opportunity to both parties and to decide the Execution Petition in line with the findings and directions rendered in CRP. Nos.1548 & 1553 of 2025. It is needless to state that in the event of the respondents succeeding in establishing that the award is enforceable and not a nullity, it is open to the respondent/decreed holder to proceed only against the assets of the petitioner Company and not against the assets of the Director or the Managing Director or against them individually. Consequently, connected Miscellaneous Petitions are also closed. No costs.

24.07.2026

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Neutral Citation Case : Yes/No
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To:

The XXV Assistant Judge, City Civil Court, Chennai.



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P.B.BALAJI, J.,

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Pre-delivery order in
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