



CR-4991 of 2024

-1-

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

120

CR-4991 of 2024

Date of decision:24.10.2024

M/s Dharam Pal Madhar

...Petitioner

Versus

Union of India

...Respondent

CORAM: HON'BLE MR. JUSTICE SUVIR SEHGAL

Present: Mr. Dheeraj Mahajan, Advocate
for the petitioner.

SUVIR SEHGAL, J.

1. Instant revision petition has been filed under Article 227 of the Constitution of India for modification of order dated 19.03.2024, Annexure P-12, passed by the learned Additional District Judge, Amritsar, whereby awarded amount has been ordered to be released to the petitioner on furnishing of a bank guarantee.

2. Counsel for the petitioner submits that petitioner was allotted work of providing quarters at Jaintipur on Amritsar-Pathankot section and an agreement was executed between the parties on 26.06.2007. He submits that some disputes arose between the parties, which were referred to an Arbitrator and the proceedings culminated in passing of an award dated 09.05.2016, Annexure P-1, in favour of the petitioner. Respondent filed objections, Annexure P-2, under Section 34 of the Arbitration and Conciliation Act, 1996 (for short “the Arbitration Act”) and on an

application moved by the petitioner, objections were rejected by the learned



CR-4991 of 2024

-2-

Additional District Judge, Ferozepur, on 27.09.2018, Annexure P-4, for want of territorial jurisdiction, granting liberty to the respondent to pursue the objections before the appropriate Court at Amritsar. The time spent before the Courts at Ferozepur was ordered to be condoned. Fresh objections filed before the learned Additional District Judge, Amritsar, were dismissed vide order dated 02.08.2023, Annexure P-6, holding that the Court at Delhi had the jurisdiction to entertain the objections. Counsel submits that during the course of execution initiated by the petitioner, respondent filed an application on 12.03.2024, Annexure P-10, depositing an amount of Rs.93,92,611/- and requested that the amount be disbursed after taking indemnity from the petitioner, which has been accepted vide order impugned herein. Placing reliance upon the judgments of the Supreme Court in **Manish Vs. Godawari Space Marathawada Irrigation Development Corporation Law Finder Doc. ID #1954128** and **Toyo Engineering Corporation and another Vs. Indian Oil Corporation Ltd. Law Finder Doc. ID #1863471**, Mr. Mahajan submits that after the dismissal of Section 34 of the objection petition, the judgment-debtor has to deposit the entire awarded amount, which is to be released to the decree-holder on furnishing of security. Reliance has also been placed by him upon judgment of this Court in CR-3361-2024 titled as **Prem Kaur and another Vs. Union of India and others** decided on 14.10.2024.

3. Issue notice of motion to the respondent.
4. Ms. Bharti, Advocate for Mr. Shivoy Dhir, Senior Panel Counsel, accepts notice on behalf of the respondent-UOI.



CR-4991 of 2024

-3-

5. I have heard counsel for the parties and considered their respective submissions.

6. There is no dispute about the factual position. The objections preferred by the respondent under Section 34 of the Arbitration Act, have been rejected by two different Courts vide orders, Annexures P-4 and P-6. Although, the respondent claims that fresh objections have been filed at the Courts at Rohini, but this fact has been disputed by counsel for the petitioner by stating that no notice has been received. Respondent has not brought on record the copy of the objection petition or any interim order passed by the Courts at Rohini. Undisputedly, award was passed in favour of the petitioner in May, 2016 and he has been denied the benefit ensuing thereunder despite a lapse of more than 08 years. The amount under the award has been deposited by the respondent before the Executing Court and it has been ordered to be disbursed to the petitioner, but on the furnishing of a bank guarantee, which is an unjust condition.

7. This Court in ***Prem Kaur's case (supra)*** observed as under:-

“6. Having heard counsel for the parties, this Court is of the view that the condition of furnishing bank guarantee imposed by the learned Additional District Judge is harsh and oppressive. Imposition of such a condition by the Court, practically amounts to deposit of cash, which cannot be approved of. Moreover, in similar circumstances, Hon'ble Supreme Court while modifying the order passed by this Court in Teja Singh's case (supra), has permitted the landowners to withdraw 50%



of the deposited amount, subject to their furnishing adequate security to the satisfaction of the Court concerned.

7. Accordingly, order dated 04.05.2024, Annexure P5, passed by learned Additional District Judge is modified. Instead of furnishing bank guarantee, it is directed that the landowners shall furnish adequate security for the amount released to them to the satisfaction of the Executing Court. The other conditions imposed by the learned Additional District Judge shall remain intact.”

8. Imposition of condition of furnishing of bank guarantee is restrictive and the decree-holder, who is a small businessman, may not be in a position to deposit adequate cash for furnishing of a bank guarantee. Keeping in mind, the observations reproduced above, this Court is of the view that the impugned order deserves to be altered.

9. Accordingly, order dated 19.03.2024, Annexure P-12, is modified. Instead of a bank guarantee, it is directed that the petitioner shall furnish adequate security to the satisfaction of the Executing Court for the amount to be released to it.

10. With the above modification, revision petition is disposed of.

24.10.2024
sheetal

(SUVIR SEHGAL)
JUDGE

Whether Speaking/reasoned	Yes/No
Whether Reportable	Yes/No