

ITEM NO.2

COURT NO.12

SECTION XI

S U P R E M E C O U R T O F I N D I A  
RECORD OF PROCEEDINGS

Petition(s) for Special Leave to Appeal (C) No(s). 4654/2022

(Arising out of impugned final judgment and order dated 10-12-2021 in MUA227 No. 7330/2021 passed by the High Court Of Judicature At Allahabad)

M/S CHOPRA FABRICATORS AND MANUFACTURERS PVT. LTD. Petitioner(s)

VERSUS

BHARAT PUMPS AND COMPRESSORS LTD. & ANR.

Respondent(s)

([TOP OF THE BOARD] ...FOR ADMISSION and I.R. and IA No.37757/2022-EXEMPTION FROM FILING O.T. )

Date : 28-04-2022 This petition was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE M.R. SHAH  
HON'BLE MRS. JUSTICE B.V. NAGARATHNA

For Petitioner(s)    Mr. Rakesh U. Upadhyay, Asd.  
                                 Ms. Aarti Upadhyay Mishra, AOR  
                                 Mr. Rishabh Kumar Pandey, Adv.

For Respondent(s)    Ms. Madhavi Divan, Adv.  
                                 Mr. Ashim Vachher, Adv.  
                                 Mr. Nitin Mishra, AOR  
                                 Mr. Pawash Piyush, Adv.  
                                 Mr. Ayush Puri, Adv.  
                                 Mr. Apoorv Shukla, Adv.

UPON hearing the counsel the Court made the following  
O R D E R

Pursuant to the earlier order of this Court dated 01<sup>st</sup> April, 2022, the High Court of Judicature at Allahabad through its Joint Registrar (Judicial) (Litigation) has filed the Status Report with respect to the pending execution petitions pending in various Districts in the State of Uttar Pradesh, to execute the Awards, both under the Arbitration Act, 1940 (*for short, "1940 Act"*) and under the Arbitration and Conciliation Act, 1996 (*for short, "1996*

Act") as well as the statement showing the total number of applications pending under Section 34 of the Act, 1996 pending in the District Courts in the State of Uttar Pradesh as well as the statement showing the total number of execution petitions to execute the Award both under Section 37 of the Arbitration Act, 1940 and under the 1996 Act pending in the Commercial Courts in the State of Uttar Pradesh.

The statement, so placed before this Court, shows a very sorry state of affairs insofar as the disputes under the 1940 Act and under the 1996 Act are concerned.

From the statement it appears that, 30,154 execution petitions are pending with various Districts Courts/ Regular Courts in the State of U.P. and the oldest one is of the year 1981.

Similarly, in the Commercial Courts, in the State of Uttar Pradesh, 13,367 execution petitions/ applications are reported to be pending and the oldest one seems to be of the year 2002.

So far as the number of execution petitions/ applications under Section 34 of the Arbitration Act pending with the various District Courts in the State of Uttar Pradesh as on 31.03.2022 is concerned, approximately 10,436 execution petitions/ applications are reported to be pending before the Regular Courts (non-commercial courts) with the oldest one of the year 1987 ( District -Deoria) and 1,209 execution petitions/ applications are pending before the Commercial Courts and the oldest one seems to be of the year 1998.

It cannot be disputed that the Arbitration Act was brought into force and has been enacted for speedy disposal of the

commercial disputes, as because the pendency of cases before the ordinary Civil Courts for number of years, the commercial disputes used to remain pending.

With the similar object and purpose, the Parliament came up with the Commercial Courts Act, 2015. The Parliament, in its wisdom and with a view to see that the commercial litigations are decided and disposed of at the earliest, even came out with an amendment in the Arbitration Act as well as in the Commercial Courts Act, by which it is mandated that the arbitration proceedings and the proceedings pending before the Commercial Courts are decided and disposed of at the earliest preferably within a period of one year from such institutions.

The statement which has been received from the High Court of of Judicature at Allahabad, Lucknow Bench, shows a very sorry state of affairs and delay in disposal of Commercial disputes, for whatever reasons, may frustrate the object and purpose the enactment of the Arbitration Act as well as the Commercial Courts Act.

At present, we do not propose to enter into the reasons as to why such a large number of execution petitions and the proceedings under Section 34 of the 1996 Act are pending. However, at the same time, a day has come to take some further corrective measures and for that purpose the concerned High Court has to prepare a road-map and to take a call as to how the problem of the pendency of the execution petitions/ applications to execute the Awards passed under the 1940 Act and 1996 Act and the applications under Section 34 are decided/disposed of at the earliest, so that the ultimate

object and purpose of the Arbitration Act and Commercial Courts Act is achieved.

If, the commercial disputes are not decided/ disposed of at the earliest, it may ultimately affect the economy of the country and may spoil the business relations between the parties.

Before this Court passes any further orders, we propose to have the response from the Chief Justice of the High Court of Judicature at Allahabad, Lucknow Bench as to how the High Court proposes to deal with the pendency of the execution petitions/ applications under Section 34 of the 1996 Act at the earliest and within some stipulated time period.

The High Court has to prepare a road-map for early disposal of the commercial disputes if the faith of the litigants in the Institution as a whole is to be maintained and the faith in the Institution is not shaken.

This Court directs the Registrar General of the High Court of Judicature at Allahabad and the Lucknow Bench to place the present Status Report before the Hon'ble Chief Justice of the High Court of Judicature at Allahabad.

We request the Chief Justice of the High Court to constitute a Special Arrears Committee of the Judges of the High Court and invite the suggestions and formulate a mechanism to tackle with the problem of arrears.

We request the Chief Justice of the High Court to prepare a road-map and make suggestions to this Court on or before the next date of hearing on how the High Court proposes to deal with such a situation and huge pendency in disposing the execution

petitions/ applications under Section 34 in the State of Uttar Pradesh.

The suggestions and road-map, so formulated/ suggested, be placed before this Court through the Registrar General of the High Court of Judicature at Allahabad and the Lucknow Bench on or before the next of hearing.

At this stage, we may observe the present status report has been filed by the Joint Registrar (Judicial) (Litigation) of the High Court of Judicature at Allahabad which ought to have been filed by the Registrar General of the High Court.

For further orders and directions, list the matter on 18<sup>th</sup> May, 2022.

(NISHA KHULBEY)  
(SENIOR PERSONAL ASSISTANT)

(NISHA TRIPATHI)  
BRANCH OFFICER