

HIGH COURT OF JUDICATURE FOR RAJASTHAN
BENCH AT JAIPUR

S.B. Civil Writ Petition No. 6884/2025

The State Of Rajasthan

-----Petitioner

Versus

M/s Advent Envirocare Technology Pvt. Ltd.

-----Respondent

Connected With

S.B. Civil Writ Petition No. 3279/2025

Rajendra Kumar Jeendgar, S/o Late Shri Ram Chandra Jeendgar

-----Petitioner

Versus

M/s Advent Envirocare Technology Pvt. Ltd.

-----Respondent

S.B. Civil Writ Petition No. 4846/2025

Sanganer Kapada Rangai Chapai Association

-----Petitioner

Versus

M/s Advent Envirocare Technology Pvt. Ltd.

-----Respondent

For Petitioner(s)	:	Mr. Rajendra Prasad, AG assisted by Ms. Dhriti Ladha & Mr. Tanay Goyal Mr. R.P. Singh, Sr. Adv. Assisted by Mr. Jaivardhan Singh Shekhawat Mr. R.K. Agarwal, Sr. Adv. Assisted by Mr. Punit Singhvi, Mr. Ayush Singh & Ms. Shraddha Mehta
For Respondent(s)	:	Mr. Ashok Mehta, Sr. Adv. Assisted by Mr. Mudit Singhvi, Mr. Arjun Seth & Ms. Priya Mr. N.K. Maloo, Sr. Adv. Assisted by Mr. Ajay Singh Rajawat, Mr. Harsh Pratap Singh & Mr. Pratyush Sharma Mr. Hemant Kotwani

HON'BLE MR. JUSTICE SAMEER JAIN
Order

19/08/2025

1. At the outset, learned Advocate General, Sh. Rajendra Prasad, has drawn the attention of the Court to Annexure-8 i.e.

the arbitral award dated 03.09.2021 and has submitted that in the matter at hand the claimant and the respondent were confined and the respondent's liability was to the tune of Rs. 32.66 Crores only and towards the interest of a sum of Rs. 18.76 Crores till 30.09.2021, as specified in terms of Micro, Small and Medium Enterprises Development Act, 2006.

2. It is submitted that qua the said award, respondents have traveled up to the Hon'ble Supreme Court even challenging the provisions but on account of non-deposition of the requisite pre-deposit, he was not able to argue the case on merits and the same was dismissed. Therefore, the award has become binding in nature qua the respective parties. It is further submitted that the said award was passed by the Chairman/Commissioner MSME at Gujarat. However, in the facts and circumstances, when the contract was executed in the State of Rajasthan and when the subject matter of claimant along with the assets were also in the State of Rajasthan, execution proceedings were order by the learned Commercial Court at Jaipur, Rajasthan.

3. Learned Counsel further submitted that the learned Commercial Court whilst dealing with the execution petition has exceeded the jurisdiction, for the reason that it has applied the execution provision qua the State Government, different units and the Directors in their personal capacities, which is *dehors* the settled position of law, and the concept of corporate liability was to be made applicable.

4. Learned Advocate General has submitted that the formation of special purpose vehicle to get 50 per cent subsidy from the

Central Government, 25 per cent subsidy from the State Government, and 25 per cent from the units/members, and the breakup of which was 10 per cent bank finance and 15 per cent from the industries. The special purpose vehicle was formed under Section 8 of the Companies Act, 2013 wherein there is no liability of unlimited/limited liability nature.

5. The purpose of the company which is created herein, is charitable, with a specified object along with specified conditions statutorily prescribed. Learned counsel further submitted that the application of lifting of corporate veil which is applied by the learned Execution Court is a misconceived notion and specifies complete non-application of mind. Further, it is contended that the learned Commercial Court was not in their domain to travel beyond the award which was passed.

6. It is further submitted that the concept of company limited liability and company liability by guarantee is fractured by the State order. It is submitted that the learned Commercial Court is a special Court and not a Court of equity or a Court which has extraordinary jurisdiction. The learned Commercial Court has acted without jurisdiction ultra vires to the provisions of relevant Act. In the light of above, learned counsel has submitted that the impugned order should be set aside.

7. *Per contra*, learned counsel for the respondents has submitted that on account of environmental reasons, a public interest litigation was filed titled as **Vijay Punia v. State**. Considering the violation, caused by industries at Sanganer and nearby areas directions were given to various wings of the Centre

as well as State Government. It is submitted that considering the facts & circumstances when the due amount of respondent is not paid by stake-holders the Commercial Court in execution with the aim and object has acted upon the doctrine of corporate lifting of veil which is permissible as per the order dated 06.09.2016 passed in **Bhatia Industries and Infrastructure Ltd. V. Asian Natural Resources (India) Ltd. And anr.: (2017) 201 Comp Cas 46**. Learned counsel has also placed reliance upon the provisions of Sections 2(21), 2(22) and Section 3 of the Companies Act, 2013 to support his contentions that lifting of corporate veil in the present set of facts is warranted.

8. Arguments at length are heard however due to paucity of time the same shall be continued on the next date of hearing.

9. The petitions are marked as part-heard and are admitted.

10. List the matter tomorrow i.e. 20.08.2025 in the supplementary cause list.

11. Till then, interim order, if any, to continue.

(SAMEER JAIN),J