

IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. OF 2026
(arising out of SLP(C) No. 839 of 2026)

MUNICIPAL CORPORATION, MOGA APPELLANT(S)

VERSUS

M/S. JITF URBAN WASTE MANAGEMENT RESPONDENT(S)
(FEROZEPUR) LTD. & ORS.

with

CIVIL APPEAL NO. OF 2026
(arising out of SLP(C) No. 924 of 2026)

O R D E R

Leave granted.

Challenge in these appeals is to the orders dated 09.12.2025 passed by a Division Bench of the High Court of Punjab and Haryana at Chandigarh in FAO-CARB-9-2024 (O&M) and FAO-CARB-10-2024 (O&M). By the said orders, the High Court confirmed the orders dated 08.01.2024 passed by the learned Additional District Judge, Chandigarh, exercising the power of a Commercial Court, dismissing the applications filed by the appellant-Corporation under Section 34 of the Arbitration and Conciliation Act, 1996¹, on the ground that the appellant-Corporation had failed to comply with the condition imposed in the orders dated 23.08.2023, staying the

1 “Arbitration Act”, for short

operation of the arbitral awards, subject to deposit of 100% of the amounts due and payable thereunder. The Division Bench was of the same opinion that once the appellant-Corporation failed to abide by the conditional stay orders dated 23.08.2023, by depositing 100% of the awarded amount, it was not open to it to continue with its challenge to the awards under Section 34 of the Arbitration Act.

We are unable to agree with this construction placed upon the scheme of the Arbitration Act by the Commercial Court and the High Court. Challenge to an arbitral award under Section 34 of the Arbitration Act is independent of compliance or non-compliance with a conditional stay order passed in relation to the award under Section 36(2) and (3) of the Arbitration Act. In the event a party fails to abide by a conditional stay order passed under the aforesaid provision, it would no longer have the benefit of protection against execution of the award, but that would not, by itself, adversely impact the challenge that such party wants to maintain against the award under Section 34 of the Arbitration Act.

Therefore, the orders passed by the learned Additional District Judge, Chandigarh/Commercial Court, dated 08.01.2024 in Arbitration Petition Nos. 496/2022 and 497/2022, as confirmed by the Division Bench of the High Court, *vide* the orders dated 09.12.2025 passed in FAO-CARB-9-2024 (O&M) and FAO-CARB-10-2024 (O&M), are set aside and Arbitration Petition Nos. 496/2022 and 497/2022 are restored to the file of the Commercial Court/learned Additional District Judge, Chandigarh.

We may, however, make it clear that restoration of the arbitration petitions filed by the appellant-Corporation under Section 34 of the Arbitration Act would have no impact on the pending execution proceedings, which would necessarily have to proceed, taking into account the fact that the orders granted earlier, staying the operation of the arbitral awards, no longer hold the field.

The appeals are disposed of in the aforestated terms.

Pending application(s), if any, stand disposed of.

.....J.
(SANJAY KUMAR)

.....J.
(K. VINOD CHANDRAN)

NEW DELHI;
FEBRUARY 20, 2026.

ITEM NO.49

COURT NO.9

SECTION IV-B

S U P R E M E C O U R T O F I N D I A
R E C O R D O F P R O C E E D I N G S

Petition for Special Leave to Appeal (C) No. 839/2026

[Arising out of impugned final judgment and order dated 09-12-2025 in FAOCARB No. 9/2024 passed by the High Court of Punjab & Haryana at Chandigarh]

MUNICIPAL CORPORATION, MOGA

Petitioner(s)

VERSUS

M/S. JITF URBAN WASTE MANAGEMENT
(FEROZEPUR) LTD & ORS.

Respondent(s)

(IA No. 7480/2026 - EXEMPTION FROM FILING C/C OF THE IMPUGNED JUDGMENT and IA No. 7483/2026 - PERMISSION TO FILE ADDITIONAL DOCUMENTS/FACTS/ANNEXURES)

WITH

SLP(C) No. 924/2026 (IV-B)

(IA No. 8476/2026 - EXEMPTION FROM FILING C/C OF THE IMPUGNED JUDGMENT and IA No. 8482/2026 - PERMISSION TO FILE ADDITIONAL DOCUMENTS/FACTS/ANNEXURES)

Date : 20-02-2026 These matters were called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE SANJAY KUMAR
HON'BLE MR. JUSTICE K. VINOD CHANDRAN

For Petitioner(s) :

Mr. Ritin Rai, Sr. Adv. (N/P)
Mr. Shadan Farasat, Sr. Adv.
Mr. Anmol Rattan Sidhu, Sr. Adv.
Ms. Mandeep Kaur, D.A.G.
Mr. Rajat Bhardwaj, A.A.G.
Ms. Prachi Kohli, Adv.
Ms. Astha Goyal, Adv.
Mr. Kamal Gupta, Adv.
Mr. Harshit Anand, Adv.
Ms. Sama, Adv.
Mr. Alok Tripathi, AOR

For Respondent(s) :

Dr. Abhishek Manu Singhvi, Sr. Adv.
Mr. Badri Prasad Singh, AOR
Mr. Nilava Bandhyopadhyay, Adv.

Mr. Himanshu Dubey, Adv.
Mr. Rahul Saraswat, Adv.
Mr. Shashwat Singh, Adv.
Mr. Kushagra Kaul, Adv.

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

Leave granted.

The appeals are disposed of in terms of the signed order.

Pending application(s), if any, stand disposed of.

(DEEPAK GUGLANI)
AR-cum-PS

(PREETI SAXENA)
COURT MASTER (NSH)

(signed order is placed on the file)