

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. _____ OF 2026
[SPECIAL LEAVE PETITION (C) NO. 20124 OF 2025]

M/S. JYOTI INFRATECH COMPANY

Appellant(s)

VERSUS

STATE OF MADHYA PRADESH & ORS.

Respondent(s)

O R D E R

1. Leave granted.
2. This appeal is filed against the Judgment and Order dated 07.07.2025 passed by the High Court of Madhya Pradesh at Indore in Writ Petition No. 21720 of 2025 filed against the directions in the letter dated 03.06.2025 issued by Respondent No. 2 herein, directing payment of the penalty of Rs. 10,27,34,401/- within 15 days.
3. Briefly stated, the relevant facts are that the appellant, a registered partnership firm being the successful bidder, was awarded the work for the construction of bridges on State Highway and Major District Roads in Ujjain District, Madhya Pradesh, under the New Development Bank (NDB) Projects. The timeline for completion of the work, as per the agreement, was 20.12.2018. Alleging slow progress of work, respondent no. 2 terminated the contract by letter dated 06.06.2023. Aggrieved by the unilateral termination, the appellant approached the Madhya Pradesh Madhyastham Adhikaran by filing a reference, which is pending.

4. Subsequently, the Respondent Authorities also imposed a penalty of Rs. 10,27,34,401/- for failure of the appellant in completing the work in time as well as the substandard quality of the work. The appellant was called upon to pay the amount within 15 days, failing which appropriate action as per the agreement and revenue rules of the State Government would be taken. Aggrieved, the appellant filed a Writ petition before the High Court. By the order impugned before us, the High Court dismissed the writ petition on the ground that the remedy lies in challenging the order before the Madhyastham Adhikaran.

5. While issuing notice on 28.07.2025, this Court directed that *"pending disposal of the Special leave Petition, no coercive steps shall be taken against the appellant for recovery of the amount."*

6. Learned counsel appearing for the appellant relies on the ratio laid down by this Court in *Tulsi Narayan Garg Vs. M.P.Road Development Authority, Bhopal*,¹ wherein it was held that as long as the adjudication of dispute remained pending, it was not justified to initiate recovery proceedings invoking the procedure under the Land Revenue Act without awaiting the outcome of the arbitral proceedings.

7. Having heard learned counsel for the appellant and the respondents and in the facts and circumstances of the case, we are of the opinion that interests of justice will be subserved if we direct that the interim order passed by this Court to

continue till the Tribunal takes up and disposes of the Arbitration proceedings, being Reference Case No. 51/2024. Ordered accordingly.

8. Needless to say, the interim order passed by us will merge with the passing of the final award of the Tribunal.

9. These directions are intended to operate only as an interim measure in the facts of the present case and shall not be treated as a precedent in any other case.

10. In view of the above, the civil appeal stands disposed of.

11. Pending interlocutory application(s), if any, is/are disposed of.

.....J.
[PAMIDIGHANTAM SRI NARASIMHA]

.....J.
[ALOK ARADHE]

NEW DELHI;
APRIL 27, 2026.

ITEM NO.44

COURT NO.6

SECTION IV-C

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(s) for Special Leave to Appeal (C) No(s). 20124/2025

[Arising out of impugned final judgment and order dated 07-07-2025 in WP No. 21720/2025 passed by the High Court of Madhya Pradesh at Indore]

M/S. JYOTI INFRATECH COMPANY

Petitioner(s)

VERSUS

STATE OF MADHYA PRADESH & ORS.

Respondent(s)

Date : 27-04-2026 This petition was called on for hearing today.

CORAM : HON'BLE MR. JUSTICE PAMIDIGHANTAM SRI NARASIMHA
HON'BLE MR. JUSTICE ALOK ARADHE

For Petitioner(s) : Ms. Aastha Mehta, Adv.
Mr. Jawahar P. Purohit, Adv.
Ms. Prerana Mohapatra, Adv.
Ms. Prina Sharma, Adv.
Mr. Anshuman Srivastava, AOR

For Respondent(s) : Ms. Mrinal Gopal Elker, AOR
Mr. Srajan Yadav, Adv.

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

1. Leave granted.
2. The civil appeal is disposed of in terms of the signed order.
3. Pending interlocutory application(s), if any, is/are disposed of.

(JAYANT KUMAR ARORA)
ASTT. REGISTRAR-cum-PS

(NIDHI WASON)
ASSISTANT REGISTRAR

(Signed order is placed on the file)