

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION**

**ARBITRATION APPEAL (ST) NO. 40145 OF 2025
WITH
INTERIM APPLICATION NO. 38610 OF 2025
IN
ARBITRATION APPEAL (ST) NO. 40145 OF 2025**

M/s Sai Utility Contractors Pvt Ltd
through its Director

Mr Hindkumar Shrikant Yadav

... Appellant

Versus

1. Municipal Corporation for city of Vasai Virar

2. Municipal Commissioner

Vasai Virar Municipal Corporation

3. Deputy Municipal Commissioner

... Respondents

Mr. Atul Damle, Senior Advocate *a/w. Mr. A.S.Rao, for Appellant.*

None for Respondents.

CORAM : SOMASEKHAR SUNDARESAN, J.

Date : December 18, 2025

ORDER :

1. This is a petition filed under Section 37 of the Arbitration and Conciliation Act, 1996 ("***the Act***") and has been moved as a matter of extreme urgency in view of developments that are said to have taken place in the matter after the Section 9 Court was moved for urgent

interlocutory reliefs in connection with an Agreement dated December 15, 2023 between the parties. The Agreement contains an arbitration clause.

2. Mr. Atul Damle, Learned Senior Advocate for the Appellant would submit that the Agreement is a 20-year contract. Disputes and differences have broken out between the parties, based on which, initially, the Appellant received a show cause notice notice dated December 3, 2025, which is said to have been received on December 11, 2025, even while that was the date on which, a hearing had been scheduled. The Appellant sought time to be able to deal with the notice and the hearing scheduled for December 11, 2025 is said to have been adjourned.

3. Meanwhile, the Appellant filed a petition under Section 9 of the Act. After it was served on the Respondents, a hearing appears to have been scheduled for today, i.e., December 18, 2025 by issuance of a notice dated December 16, 2025. However, it also transpires that today, at the work site, a termination notice dated December 12, 2025, has been served upon the Petitioner, terminating the Agreement. This is brought on record by way of an additional affidavit.

4. These developments indicate that even before the hearing scheduled for today could be convened (on December 16, 2025) for

being held (on December 18, 2025), a decision to terminate had already been taken (on December 12, 2025).

5. The Section 9 Petition has simply been registered with notice being issued to the Respondents on December 12, 2025. This Appeal has been filed under Section 37 of the Act treating the order issuing notice without relief, as a denial of relief.

6. Having examined the material brought on record and facts and circumstances presented, purely as an emergent *pro tem* and *ad-interim* measure, as a matter of urgent protection, the effect and operation of the termination notice dated December 12, 2025 is hereby stayed.

7. The Appellant shall file a reply to the notice issued by the Respondents within a period of one week from today and the Respondent No. 2 shall fix a hearing and hear the Appellant on merits at its earliest possible convenience. The Section 9 Court shall be apprised of the same.

8. The parties shall draw the attention of this *pro tem* arrangement to the Section 9 Court forthwith. The Section 9 Court shall convene at its earliest convenience to hear the matter on merits at the earliest also taking into account any potential outcome from the proceedings being conducted by the Respondents and shall be entitled

to consider any reliefs on the potential outcome or the actual outcome of the proceedings on merits and in accordance with law.

9. Needless to say, the effect of the stay of the termination would need to be respected by the Respondents by not fettering access to the Appellant. The sequence of events as they have transpired do not inspire confidence about due process being followed and that is the ground on which this *pro tem* arrangement is being made. The Section 9 Court shall take over the matter from this stage and the Appellant shall move that Court for any further reliefs on subsequent developments.

10. With the aforesaid directions, nothing survives in this Appeal. The Appeal is *disposed of*. In view of disposal of the Appeal, attendant Interim Application shall also stand *disposed of*.

11. All actions required to be taken pursuant to this order, shall be taken upon receipt of a downloaded copy as available on this Court's website.

[SOMASEKHAR SUNDARESAN, J.]