2026 INSC 1167

REPORTABLE

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO(S). OF 2026
(ARISING OUT OF SLP (C) NO. 14005 of 2026)

M/S ROYAL CONSTRUCTION COMPANY PVT. LTD. ...APPELLANT(S)

VERSUS

M/S NATIONAL PROJECTS CONSTRUCTION CORPORATION ...RESPONDENT(S)

AND

MISCELLANEOUS APPLICATION @ DIARY NO. 48152 OF 2026 IN CIVIL APPEAL NO. 1991 OF 2019

J U D G M E N T

VIKRAM NATH, J.

Civil Appeal @ SLP (C) No. 14005 of 2026

1. Leave granted.
2. Heard Mr. Rishabh Sancheti, learned counsel appearing for the appellant, and Mr. Vikramjit Banerjee, learned Additional Solicitor General appearing for the respondent.
3. The present appeal assails the interim order dated 16th February, 2026, passed by the High Court of Delhi at

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Date: 2026.10.28 16:49:47 IST
Reason:

New Delhi[1] in Execution First Appeal (Original Side) No. 17 of 2018, whereby the parties were granted liberty to seek clarification from this Court as to why the fact that the principal amount had already been paid in Indian Rupees in 2009, pursuant to the orders passed by the High Court, had not been brought to its notice on an earlier occasion when this Court had the opportunity to consider and answer the substantial question of law framed by the High Court under Article 134-A read with Article 133(1)(a) of the Constitution of India.

4. The brief facts relevant to the disposal of the present appeal are as follows:

4.1. The appellant is the award-holder, while the respondent is the award-debtor. Pursuant to an internationally seated arbitration, an arbitral award dated 10th August, 2002, was rendered in favour of the appellant, with the amounts awarded denominated in Iraqi Dinars.

4.2. The award was challenged before the Indian courts, culminating in proceedings before this Court. By judgment dated 24th February, 2015, this Court underscored the principle of minimal judicial intervention in arbitral awards, holding that the courts ought not to substitute their own subjective

[1] Hereinafter, referred to as "High Court".

satisfaction for that of the arbitral tribunal unless the statutory grounds for interference under Sections 34 and 37 of the Arbitration and Conciliation Act, 1996, are made out. Accordingly, this Court restored the directions contained in the award dated 10th August, 2002.

4.3. Thereafter, the appellant initiated execution proceedings before the High Court. By order dated 26th July, 2017, the High Court directed that the award-debtor could discharge its liability in Indian currency, with the conversion to be made at the exchange rate prevailing on the date of the underlying agreement, i.e., 26th September, 1982.

4.4. Aggrieved by the aforesaid order, the appellant preferred an appeal before the Division Bench of the High Court. By order dated 17th December, 2019, the Division Bench set aside the order passed by the Single Judge and certified a substantial question of law of general importance under Articles 134-A and 133(1)(a) of the Constitution of India for consideration by this Court. The question, being germane to the controversy, is reproduced hereinbelow: -

> "In terms of the agreement dated 29th June, 1982, between the parties and in light of the judgment dated 24th February, 2015 of the Supreme Court of India in Civil Appeal Nos. 2543-44/2015, what

should be the relevant date for conversion of awarded sum from USD to Indian rupees?"

4.5. By judgment dated 10th October, 2023, this Court answered the aforesaid question in the negative, holding that no occasion arose for determining or fixing a date for conversion of US Dollars into Indian Rupees (INR). This Court further cautioned that the terms of the agreement, the arbitral award, and the directions contained in its judgment dated 24th February, 2015, ought not to be disturbed.

4.6. Thereafter, the appellant continued to pursue the execution proceedings before the High Court. While those proceedings were pending, the respondent contended that the principal amount had already been paid in 2009 pursuant to the orders passed by the High Court. By an interim order dated 16th February, 2026, the High Court granted liberty to the parties to seek clarification from this Court in that regard.

5. Hence, the appellant is before us.

6. We have perused the material on record and considered the submissions advanced on behalf of the parties.

7. In our considered opinion, the Division Bench has fallen into error in appreciating the scope of the controversy previously adjudicated by this Court. A perusal of the judgment dated 10th October, 2023,

makes it evident that this Court, while exercising appellate jurisdiction, was called upon to answer the substantial question of law of general importance certified by the High Court. The scope of consideration was, therefore, confined to answering the question so referred, without undertaking an examination of factual matters beyond its ambit.

8. Having held that no occasion arose for determining or fixing a date for conversion of the amount into Indian Rupees and that payment was to be made in foreign currency, this Court had no occasion to issue any further clarification on factual questions concerning the amounts deposited or their subsequent withdrawal.

9. The order of the executing court was assailed before the Division Bench of the High Court, which, upon certifying a substantial question of law of general importance under Articles 134-A and 133(1)(a) of the Constitution, referred the question to this Court. The jurisdiction exercised by this Court was confined to answering that question. This Court cannot be called upon, in the guise of seeking clarification, to assume a supervisory role over the continuing execution proceedings or to adjudicate upon every issue that may arise therein. It is for the competent court seized of the execution proceedings, and the appellate court exercising jurisdiction over its orders, to determine the questions arising in accordance with law.

10. Once the substantial question of law referred to this Court stood answered, the scope of the earlier appellate proceedings stood exhausted. It would be impermissible to enlarge the scope of that adjudication by seeking answers to questions that are distinct from, and unconnected with, the *lis* previously decided.

Epilogue:

11. Before parting, we deem it appropriate to express our concern at the protracted course which the present proceedings have taken. The arbitration in the present case was invoked when the Arbitration Act, 1940 held the field. We are now approaching three decades under the Arbitration and Conciliation Act, 1996, enacted, *inter alia*, in furtherance of the UNCITRAL Model Law and with the objective of facilitating the expeditious resolution of disputes through minimal judicial intervention. However, more than twenty-four years after the arbitral award was rendered, the parties continue to litigate over its enforcement. Such a state of affairs strikes at the very rationale underlying the adoption of arbitration as an effective alternative to conventional civil litigation.

12. The efficacy of an arbitral regime cannot be measured merely by the expedition with which an award is rendered or the circumscribed grounds upon which it may be challenged. It must equally be assessed by the

ability of the successful party to realise the fruits of the award within a reasonable time. The promise of arbitration remains unfulfilled if a party, having traversed the arbitral process, is compelled to embark upon another protracted course of litigation to secure the benefit of the award.

13. While the statutory framework governing arbitration has sought to address delays in arbitral proceedings, challenges to awards and the grant of stays on their enforcement, the process of actual execution warrants equally serious consideration. Section 36 of the Arbitration and Conciliation Act, 1996 provides for enforcement of an arbitral award in the same manner as a decree of the Court, thereby drawing upon the ordinary machinery of execution under the Code of Civil Procedure, 1908. The experience of cases such as the present one calls for a closer examination of whether this framework adequately serves the objectives of arbitration. In particular, the identification and disclosure of the award-debtor's assets, the coordination of different modes of execution, the disposal of repetitive or dilatory objections, and the time taken to conclude execution proceedings merit focused scrutiny. Comparative legal systems may offer useful insights into more effective and coordinated enforcement mechanisms, while preserving the

legitimate procedural safeguards available to judgment-debtors.

14. In these circumstances, we request the Law Commission of India to undertake a focused study of the statutory and procedural framework governing the enforcement and execution of arbitral awards. The study may identify the practical impediments to timely recovery, examine the experience of other jurisdictions, and consider whether domestic and foreign arbitral awards warrant distinct enforcement procedures or a common framework with appropriate safeguards. The Commission may, upon such examination, make such legislative or procedural recommendations as it considers necessary to strengthen the execution regime and ensure that the enforcement of arbitral awards is commensurate with the objectives of the Arbitration and Conciliation Act, 1996 and India's commitment to establishing itself as an arbitration-friendly jurisdiction.

15. The appeal is disposed of in the above terms.

16. The Registry shall forward a copy of this judgment to the Hon'ble Chairman of the Law Commission of India.

17. All pending application(s), if any, stand disposed of.

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18. M.A @ Dairy No. 48152 of 2026 is taken on board.

19. The present Miscellaneous Application has been filed by the appellant in the disposed of civil appeal, seeking modification of the judgment dated 10th October, 2023, on the ground that the amounts deposited by it, in its capacity as the award-debtor, in Indian rupees pursuant to the order of the High Court had already been withdrawn by the respondent, the award-holder, in 2009.

20. As already observed, the *lis* in the earlier appeal was confined to the interpretation of the substantial question of law of general importance. This Court was, therefore, not called upon to adjudicate upon factual questions concerning the amounts so deposited or their subsequent withdrawal.

21. In view of the above, the Miscellaneous Application is dismissed.

22. Needless to state, the applicant shall be at liberty to raise all objections and contentions concerning the

adjustment or set-off of the aforesaid amounts before the executing court, in accordance with law.

.....J.
[VIKRAM NATH]

.....J.
[SANDEEP MEHTA]

.....J.
[APARESH KUMAR SINGH]

NEW DELHI;
OCTOBER 28, 2026