



2026:DHC:7307-DB



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IN THE HIGH COURT OF DELHI AT NEW DELHI

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Judgment reserved on: 10.08.2026***Judgment pronounced on: 01.09.2026******Judgment uploaded on: 01.09.2026***

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CNR No. DLHC010985012025

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FAO (COMM) 340/2025, CM APPL. 77498/2025, CM APPL. 77499/2025, CM APPL. 77500/2025, CM APPL. 77501/2025 and CM APPL. 77502/2025

DELHI TRANSPORTATION AND TOURISM
DEVELOPMENT CORPORATIONAppellantThrough: Mr. Prashanto Chandra Sen, Sr.
Adv. with Mr. Umang Tyagi,
Mr. Siddharth Sharma, Mr.
Zuber Ali, Ms. Rajlakshmi
Singh, Mr. Sayantan Chanda,
Advs.

versus

SUNEHARI BAGH BUILDERS PVT. LTD.Respondent

Through: Mr. Avinash Trivedi, Mr. Rahul
Aggarwal, Mr. Anurag
Kaushik, Advs.**CORAM:****HON'BLE MR. JUSTICE ANIL KSHETARPAL****HON'BLE MR. JUSTICE HARISH VAIDYANATHAN
SHANKAR****J U D G M E N T****ANIL KSHETARPAL, J.:**

1. Through the present Appeal filed under Section 37 of the Arbitration and Conciliation Act, 1996 [hereinafter referred to as the 'A&C Act'], the Appellant assails the correctness of the Judgment dated 08.09.2025 [hereinafter referred to as the 'Impugned Judgment'] passed by the Commercial Court, whereby the Commercial Court

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partly set aside the Award of the Arbitral Tribunal [hereinafter referred to as the 'Award'] in respect of Claim No. 5 (Watch and Ward Expenses), while upholding the remaining part of the Award.

2. Pertinently, before the Section 34 Court, the Appellant had pressed only two submissions, namely, that the invocation of arbitration by the Respondent was barred by limitation and that the award of Watch and Ward Expenses under Claim No. 5 was erroneous. As noted above, the Section 34 Court has partly set aside the Award in respect of Claim No. 5. Consequently, the only surviving issue in the present Appeal is with regard to limitation.

FACTUAL MATRIX:

3. The facts, insofar as relevant for adjudication of the present controversy, may briefly be noticed.

4. The Appellant, a wholly owned company of the Government of the National Capital Territory of Delhi, invited online bids on 20.09.2014 for construction/creation of a Disaster Management and Training Centre at Rajokari, New Delhi. The Respondent submitted its bid on 07.10.2014, which was accepted on 28.10.2014 for a tendered value of Rs.3,73,98,625/-. The work order, governed by the General Conditions of Contract [hereinafter referred to as the 'GCC'], stipulated a completion period of 120 days commencing from 12.11.2014.

5. Though the Respondent commenced the work on 12.11.2014, the same was completed only on 07.03.2016. A Completion

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Certificate was issued on the same date, while reserving the Appellant's right to claim damages for the delay. Subsequently, the Respondent sought extension of time on 01.12.2016, which was granted on 09.01.2017, subject to protest. Under Clause 9 of the GCC, the final bill was required to be submitted within three (03) months of physical completion or within one (01) month of the date of the Final Certificate of Completion, whichever was earlier. The Respondent, however, submitted its final bill only on 31.01.2018.

6. Clause 25 of the GCC prescribed a step-by-step mechanism for resolution of disputes before invocation of arbitration. The Contractor was first required to approach the Superintendent Engineer, who was required to give his decision within one (01) month. If dissatisfied, the Contractor could appeal to the Chief Engineer, who was required to decide the appeal within thirty (30) days. Thereafter, if the Contractor remained dissatisfied, it could approach the Dispute Redressal Committee [hereinafter referred to as the 'DRC'], which was required to give its decision within ninety (90) days. Only thereafter could the Contractor give notice to the Chief Engineer for appointment of an Arbitrator.

7. On 12.04.2019, the Respondent addressed a letter to the Engineer-in-Chief raising claims amounting to Rs.1,53,73,024/-. The Respondent thereafter addressed a letter to the Superintendent Engineer on 22.05.2019, followed by a letter to the Chief Engineer on 05.07.2019. Subsequently, the Respondent addressed a letter to the Managing Director on 15.11.2019, requesting appointment of an Arbitrator. The Appellant disputed the invocation of arbitration as

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being beyond the period of limitation.

8. Upon consent of the parties, Mr. N.K. Sinha was appointed as the Sole Arbitrator. *Vide* Award dated 13.08.2022, the Arbitral Tribunal awarded a sum of Rs.1,42,06,630/- in favour of the Respondent. The Arbitral Tribunal, *inter alia*, held that the period of limitation did not commence from 07.03.2016, as contended by the Appellant, having regard to the contractual mechanism prescribed under Clause 25 of the GCC and the subsequent events.

9. The Appellant challenged the Award under Section 34 of the A&C Act. The Commercial Court, *vide* the Impugned Judgment, partly set aside the Award in respect of Claim No.5, while upholding the remaining claims and the finding on limitation. The present Appeal is, accordingly, confined to the surviving controversy relating to limitation.

CONTENTIONS OF THE PARTIES:

10. Heard learned senior counsel representing the Appellant and learned Counsel representing the Respondent and, with their able assistance, perused the record.

11. Learned senior counsel representing the Appellant submits that the Respondent was required to complete the work by 11.03.2015, whereas the work was actually completed on 07.03.2016. Thereafter, as per Clause 9 of the GCC, the final bill was required to be submitted within a period of three (03) months from the date of physical completion of the work or within a period of one (01) month from the

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date of the Final Certificate of Completion furnished by the Engineer-in-Charge, whichever was earlier. Learned senior counsel submits that the period of limitation, therefore, commenced on 07.04.2016 and expired on 07.04.2019, whereas arbitration was invoked only on 15.11.2019.

12. *Per contra*, learned counsel representing the Respondent supports the Impugned Judgment and submits that the findings returned by the Arbitral Tribunal and affirmed by the Commercial Court with regard to limitation are based on a proper appreciation of the contractual provisions and the facts on record. It is submitted that the Respondent had invoked arbitration within the period of limitation and, therefore, no interference is warranted in the present Appeal.

13. No other submissions have been made by the learned senior counsel and learned counsel representing the respective parties at this stage.

ANAYSIS AND FINDINGS:

14. As already noticed, the Respondent's application seeking extension of time for completion of the work was approved on 09.01.2017. It was thereafter that the Respondent submitted the final bill on 31.01.2018. Further, even if the Respondent had failed to submit the final bill within a period of one (01) month from the date of issuance of the Completion Certificate, as contemplated under the GCC, it was incumbent upon the Appellant to prepare the final bill. Admittedly, no such final bill was prepared by the Appellant.

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15. Moreover, Clause 25 of the GCC prescribed a step-by-step mechanism for resolution of the Respondent's grievance. The Respondent, at the initial stage, addressed a letter to the Engineer-in-Chief on 12.04.2019, followed by a letter dated 22.05.2019 to the Superintendent Engineer. Thereafter, the Respondent addressed a letter to the Chief Engineer on 05.07.2019 and subsequently to the Managing Director on 09.10.2019. Finally, the arbitration clause was invoked by requesting the Chief Engineer to appoint an Arbitrator on 15.11.2019.

16. The period of limitation, therefore, cannot be held to have commenced on 07.03.2016, as contended by learned senior counsel representing the Appellant. The pre-final bill had been paid by the Respondent on 30.03.2016. Thereafter, the Respondent's application seeking extension of time for completion of the work was approved on 09.01.2017, following which the final bill was submitted on 31.01.2018.

17. Learned senior counsel representing the Appellant relies upon Article 18 of the Schedule to the Limitation Act, 1963, to contend that the period of limitation commences when the work is done. In the facts of the present case, Article 18 would not be applicable, particularly since the time for completion of the work was subsequently extended and such extension was approved on 09.01.2017. The period of limitation, therefore, cannot be reckoned from the original date of completion of the work.

18. Additionally, the Respondent was contractually required to

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follow the procedure prescribed under Clause 25 of the GCC for resolution of its dispute. The Respondent was required to proceed through the stipulated stages before invoking arbitration. Having addressed a letter to the Managing Director of the Appellant on 09.10.2019, the Respondent invoked arbitration on 15.11.2019, i.e. after a period of one (01) month and six (06) days. In these circumstances also, Article 18 of the Schedule to the Limitation Act, 1963 has no application.

19. The present case is consequently governed by Article 137 of the Schedule to the Limitation Act, 1963 and not by Article 18 thereof. Article 137 provides that the period of limitation commences from the date when the right to apply accrues. Under Clause 25 of the Contract, the Respondent could seek appointment of an Arbitrator only after following the prescribed mechanism for resolution of its grievance, including the proceedings before the DRC.

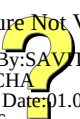
20. In the present case, the Respondent addressed a letter to the Chief Engineer on 05.07.2019 and thereafter proceeded in accordance with the contractual mechanism. Subsequently, the Respondent addressed a letter to the Managing Director on 09.10.2019 and invoked the arbitration clause on 15.11.2019. Thus, the right to apply for appointment of an Arbitrator did not accrue on the date of completion of the work, i.e. 07.03.2016.

CONCLUSION:

21. In view of the aforesaid discussion, this Court finds no merit in the present Appeal. The same is, accordingly, dismissed.

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22. Pending applications shall stand closed.

ANIL KSHETARPAL, J.

HARISH VAIDYANATHAN SHANKAR, J.

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