Decided On: 07.11.2024

1. Aslam Ismail Khan Deshmukh Vs. Asap Fluids Pvt. Ltd. and Ors.

Judgements

: MANU/SC/1180/2024

Para 41, 43, 44

* 41:

“In view of the above discussion, we must restrict ourselves to examining whether the Section 11 petitions made before us are within limitation. The Petitioner herein issued a notice invoking arbitration on 23.01.2017 and the same was delivered to both the respondents on 24.01.2017. However, the respondents failed to reply to the said notice within a period of 30 days i.e. within 23.02.2017. Therefore, the period of limitation of three years, for the purposes of a Section 11(6) petition, would begin to run from 23.02.2017 i.e., the date of failure or refusal by the other party to comply with the requirements mentioned in the notice invoking arbitration. The present petitions Under Section 11(6) were filed on 09.04.2019. Even including the period during which the parties proceeded before the Bombay High Court … these petitions are well within the bounds of limitation.”

* ¶ 43:

“All other submissions made by the parties regarding the entitlement of the petitioner to 4,00,000 and 2,00,010 equity shares … are concerned with the merits of the dispute which squarely falls within the domain of the arbitral tribunal.”

* ¶ 44:

“It is now well settled law that, at the stage of Section 11 application, the referral Courts need only to examine whether the arbitration agreement exists – nothing more, nothing less. … However, some parties might take undue advantage … especially in instances … where the claimant canvasses either ex facie time-barred claims …”

These paragraphs clearly show the Court’s position on:

* When the limitation period begins for a Section 11(6) petition (¶ 41)
* The limited role of the referral court in examining the merits or time-bar aspects of the underlying claim (¶ 43 & ¶ 44)

2. Decided On: 04.01.2023

Sabarmati Gas Limited Vs. Shah Alloys Limited

: MANU/SC/0008/2023

Judgement

Para 34 & 34.1

The Court reaffirmed that the limitation period of 3 years (as per Article 137 of the Limitation Act) applies and starts from the date of default, not from any later event.  
It clarified that delay can only be condoned under Section 5 of the Limitation Act, if sufficient cause is shown.

Relevance: Establishes when the limitation clock starts — i.e., from the date of default, not from notice, petition, or Code enforcement.

🔹 Para 38 & 38.1

The Supreme Court criticized the NCLAT’s view that limitation begins from 1-12-2016 (date of IBC enforcement).  
It said there is nothing in law to suggest limitation starts from the commencement of the Code.  
It reiterated that the trigger point is the date of default only.

Relevance: Confirms court reference or enforcement date is irrelevant for limitation start — only default date matters.

🔹 Para 23

States that for applications under Section 9 of IBC, limitation is 3 years from the date when the right to apply accrues (as per Article 137).  
The right to apply arises when default occurs, and it’s extendable only under Section 5 (condonation).

Relevance: Directly defines “when right to apply” = “date of default”, which controls limitation counting.

🔹 Para 24

Reiterates the 3-year period under Article 137 begins from date of default, not from IBC’s commencement.  
It also emphasizes that if the application is beyond 3 years, the authority must consider Section 5 condonation.

Relevance: Clarifies how courts should treat delayed filings — condonation only if “sufficient cause” exists.

Para 25

Explains what qualifies as ‘sufficient cause’ under Section 5 — situations where a party was legally disabled from filing earlier (e.g., SICA protection).

Relevance: Helps you understand when limitation can be paused or extended — important for any reference order delay reasoning.

3. Decided On: 10.01.2025

My Preferred Transformation & Hospitality Pvt. Ltd. and Ors. Vs. Faridabad Implements Pvt. Ltd.

: MANU/SC/0054/2025

**Para 2 & 3.1 – Starting point of limitation**

“The Appellants received a scanned copy of the award by email on 04.02.2022 itself, and later received a signed hard copy of the award on 14.02.2022, from which day limitation must be calculated.”

“The limitation period commenced from 14.02.2022, when the Appellants received a signed copy of the award. Under Section 34(3), an application to set aside the award must be made within a period of 3 months from the receipt of the award…”

**Para 3.2 – When extension/holidays are considered**

“Section 4 of the Limitation Act applies only to cases where the ‘prescribed period’ of limitation expires on a date when the court is closed. However, it does not apply when the 30-day condonable period expires on a court holiday.”

**Clarifies that Section 4 benefit applies only to the prescribed 3-month period — not to the extra 30 days.**

Para 6.2 – Prescribed vs condonable period

“Sagufa Ahmed (supra) clearly distinguishes the prescribed period and condonable period. The wording of Section 4 only makes it applicable to the 3-month period and not the 30-day condonable period, which cannot be extended any further.”

Supports how limitation runs after the reference/award date — the 3 months + 30 days structure is rigid.

Para 9 (via Section 29(2)) – Import of Limitation Act

“Section 29(2) imports the provisions of the Limitation Act to special and local laws that prescribe a different period of limitation, unless there is an express exclusion contained in such law.”

Explains statutory basis for applying Sections 4–24 to the Arbitration Act unless expressly excluded.

4. Decided On: 25.10.2021

Gokul Krishna Construction Projects Ltd. vs. State of Chhattisgarh and Ors. (25.10.2021 - CGHC)

: MANU/CG/1023/2021

#### Para 20 — Principle of “cause of arbitration”

“Russell on Arbitration by Anthony Walton (19th Edn.) at pp. 4–5 states that the period of limitation for commencing an arbitration runs from the date on which the ‘cause of arbitration’ accrued… from the date when the claimant first acquired either a right of action or a right to require that an arbitration take place upon the dispute concerned…”

🔹 *This paragraph is a strong authority explaining when limitation begins for arbitration — from the date the cause of arbitration accrues, not from later correspondence.*

#### Para 21–22 — Application of Section 14 of Limitation Act

“Section 14… deals with exclusion of time of proceeding bona fide in a court without jurisdiction…  
(1) Both the prior and subsequent proceedings are civil proceedings prosecuted by the same party;  
(2) The prior proceeding had been prosecuted with due diligence and in good faith;  
(3) The failure of the prior proceeding was due to defect of jurisdiction or other cause of like nature;  
(4) The earlier and the latter proceedings must relate to the same matter in issue; and  
(5) Both the proceedings are in a court.  
… It is intended to provide relief against the bar of limitation in cases of mistaken remedy or wrong forum.”

*You should quote these two paras whenever arguing that time spent in bona fide litigation before wrong forums (like a writ court or SLP) should be excluded.*

#### Para 23 — Reinforcing that Section 14 applies to Arbitration Act proceedings

“In *Shakti Tubes Ltd. v. State of Bihar* … the same principle has been laid down that provisions of Section 14 of the Limitation Act shall be applicable to the proceeding arising under Section 34 of the Arbitration and Conciliation Act….”

*Use this to support the broader applicability of Section 14 in arbitration contexts.*

#### Para 24 — On doctrine of merger and pending SLP

“Once a special leave petition has been granted, the doors for exercise of appellate jurisdiction of this Court have been let open… the subject-matter of the lis unless determined by the last court, cannot be said to have attained finality.”

*Relevant when limitation computation is affected by pendency before appellate courts — helpful to justify exclusion till final disposal of higher appeal.*

#### Para 28 (Case Note conclusion)

“There was lapse of time which could not be accounted for exclusion as provided under Section 14 of the Act — Arbitration Tribunal has not committed any error in holding that reference made to Arbitration Tribunal was barred by limitation — Petition dismissed.”

**5. :** *Dakshin Haryana Bijli Vitran Nigam Ltd. v. Navigant Technologies Pvt. Ltd.*  
**Citation:** MANU/SC/0135/2021

#### Para 23 – 24

“Section 31(1) requires that an arbitral award shall be in writing and signed by the members of the arbitral tribunal.  
Section 31(5) further provides that after the arbitral award is made, a signed copy shall be delivered to each party.  
These provisions are mandatory, and the delivery of the signed award to the parties is a requirement that gives effect to the award and sets the limitation clock under Section 34(3).”

#### Para 25

“The limitation period under Section 34(3) would commence only from the date on which the party making the application had received a signed copy of the award as required under Section 31(5).  
Any other interpretation would defeat the legislative intent of ensuring that a party is made aware of the contents of the final, binding, and signed award before being required to challenge it.”

🔹 **Relevance:** Confirms that the **signed copy delivery date** is the *starting point* — matching the principle in *My Preferred Transformation (2025)*, Paras 2 & 3.1, where limitation begins from the signed hard copy’s receipt.

#### Para 26 – 27

“The delivery of a draft or unsigned copy of the award, or the pronouncement of the award in the absence of delivery of a signed copy, would not constitute receipt of the award within the meaning of Section 34(3).  
The word ‘delivered’ in Section 31(5) cannot be substituted by ‘pronounced’, ‘communicated’ or ‘made known’.”

#### Para 30

“It is the receipt of the signed copy of the award, and not the date of pronouncement, which gives rise to the ‘right to apply’ for setting aside the award.  
The expression ‘right to apply’ in Article 137 of the Limitation Act must therefore be read harmoniously with Section 31(5) of the Arbitration Act.”

#### Para 33 – 34

“In the present case, the signed copy of the award was received by the appellant on 19.05.2018.  
The period of limitation for filing a petition under Section 34(3) would begin to run from that date.  
The High Court erred in holding that the limitation began from 27.04.2018, the date on which the award was pronounced.  
The application filed by the appellant on 19.08.2018 was therefore within limitation.”

**Relevance:**  
Confirms that:

* Limitation starts **only upon receipt of signed copy** (like *My Preferred Transformation*, Para 3.1).
* Earlier procedural or pronouncement events **do not trigger** limitation (like *Sabarmati Gas*, Para 38 — “enforcement date irrelevant”).
* Reinforces precision in limitation counting — akin to *Aslam Ismail Khan Deshmukh*, where limitation began *post 30-day failure* to respond.