# Legal Case Summary

Case Title: Delhi Metro Rail Corporation Ltd. vs Delhi Airport Metro Express Pvt. Ltd.

Citation: 2024 INSC 292

Date of Judgment: 10 April 2024

Bench: CJI D.Y. Chandrachud, Justice B.R. Gavai, Justice Surya Kant

Author of Judgment: CJI D.Y. Chandrachud

## Parties Involved

Petitioner: Delhi Metro Rail Corporation Ltd. (DMRC)

Respondent: Delhi Airport Metro Express Pvt. Ltd. (DAMEPL)

## Background / Facts of the Case

DAMEPL, a JV led by Reliance Infra, was awarded a contract by DMRC to build and operate the Delhi Airport Metro Express Line. Due to alleged construction defects by DMRC, DAMEPL issued a cure notice and terminated the concession agreement. DMRC initiated arbitration; the tribunal ruled in favor of DAMEPL awarding ₹2782.33 Cr plus interest. DMRC challenged the award. The High Court upheld it, then partly reversed it. The Supreme Court restored the award, but DAMEPL’s curative petition led to review due to miscarriage of justice.

## Legal Issues Raised

1. Whether curative jurisdiction under Article 142 can be invoked for arbitration awards.

2. Whether the arbitral award suffered from patent illegality and ignored vital evidence.

3. Whether the CMRS certificate was relevant to the termination clause under the concession agreement.

## Judgment / Decision

The Supreme Court held that the arbitral tribunal's award was patently illegal and perverse. The tribunal ignored the term 'effective steps' in the termination clause and failed to consider vital evidence such as the CMRS safety certificate and joint application by both parties. The award imposed an undue liability on a public body. Curative petitions were allowed and the Division Bench’s judgment was restored.

## Final Order

• Curative petitions allowed.

• Supreme Court's earlier judgment set aside.

• Arbitral award quashed and execution proceedings discontinued.

• DMRC to be refunded any coercively recovered amount.

## Case Timeline

• 2008: Concession agreement signed

• July 2012: Operations halted by DAMEPL due to defects

• Oct 2012: DAMEPL issues termination notice

• 2013: Arbitration begins; AMEL handed over to DMRC

• May 2017: Tribunal awards ₹2782.33 Cr to DAMEPL

• 2018–2021: Legal challenges before High Court and Supreme Court

• Nov 2021: Review petition dismissed

• Apr 2024: Curative petition allowed by Supreme Court

## Relevant Legal Principles & Precedents

• Article 142 – Inherent powers of Supreme Court

• Sections 34 & 37 – Arbitration & Conciliation Act

• Metro Railways (O&M) Act, 2002 – CMRS safety protocol

• Precedents: Rupa Hurra, Associate Builders, Ssangyong Engineering

## Key Takeaways

- Arbitral tribunals must interpret clauses reasonably and consider all material evidence.

- 'Effective steps' in termination clauses must be given proper meaning.

- CMRS safety certification is crucial in public transport disputes.

- Curative petitions are allowed only in rarest cases of gross injustice.