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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Date of decision: 20th July, 2026
Uploaded on: 22nd July, 2026

\+ **FAO (COMM) 170/2026 & CM APPL. 39834/2026**

M/S G.R. SHEETGRAH PVT.LTD. & ORS. .....Appellants

Through: Mr. Yogendra Singh, Adv.

versus

SMALL FARMERS AGRI-BUSINESS CONSORTIUM (SFAC) .....Respondent

Through: Mr. Anshul Gupta, Mr. Rishabh Darida and Mr. Aditya Tainguriya, Advs.

CORAM:
JUSTICE PRATHIBA M. SINGH
JUSTICE VIKAS MAHAJAN

O R D E R

% **20.07.2026**

Prathiba M. Singh, J. (Oral)

1. This hearing has been done through hybrid mode.

2. The present appeal arises out of order dated 11th March, 2026 *(hereinafter, 'the impugned order')* passed by the ld. District Judge, (Commercial Court-03), Patiala House Courts, New Delhi, in ***OMP (COMM) No. 118/2025*** titled as ***M/s G.R. Sheetgrah Pvt. Ltd. & Ors. v. Small Farmers Agri-Business Consortium (SFAC).***

3. The said order was passed in a petition filed by the Appellant challenging the award of the Sole Arbitrator dated 7th July, 2025. *Vide* the impugned order, ld. District Judge had upheld the award dated 7th July, 2025,

and had accordingly dismissed the petition filed by the Appellant u/s 34 of the Arbitration & Conciliation Act, 1996.

4. The short issue that the ld. Arbitrator decided in its award was whether the claims of the Respondent were filed within the limitation period or not. In respect thereof, the ld. Arbitrator in award dated 7th July, 2025 had held as under:

> *"5. I have carefully considered the submissions of both parties and the record of the proceedings.*
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> ***6. It is undisputed that the cause of action arose on 31.12.2020. Therefore, in the ordinary course, the limitation period would end on 31.12.2023. However, the Order dated 10.01.2022 passed by the Hon'ble Supreme Court in Suo Motu Writ Petition {C) No. 3 of 2020, which is still binding, categorically held that the period between 15.03.2020 and 28.02.2022 shall stand excluded for the purposes of limitation for all judicial 'and quasi-judicial proceedings, including arbitration.***
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> *7. The order specifically provides that, for cases where the limitation would have expired between 15.03.2020 and 28.02.2022, an additional period of 90 days from 01.03.2022 was to be granted. However, in cases where the limitation had not expired before 28.02.2022, the balance period of limitation was to commence from 01.03.2022.*
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> ***8. In the present case, as the limitation had not expired by 28.02.2022 (since it was due to expire on 31.12.2023), the Claimant clearly falls in the latter category. Thus, in terms of the Hon'ble Supreme Court's Order, the limitation period stood paused till 28.02.2022 and resumed from 01.03.2022 for the entire remaining duration of three years.***

> ***<u>9. Accordingly, the Claimant had time up to 28.02.2025 to file the present claim. The claim having been filed on 01.08.2024 is therefore, clearly within the limitation period.</u>***
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> *10. The reliance placed by the Respondent on the judgment in DDA vs Tejpal [(2024) 5 SCR 1211] is misplaced. In that judgment, the Hon'ble Supreme Court reiterated that only those cases where the limitation had expired between 15.03.2020 and 28.02.2022 would get the benefit of the additional 90 days from 01.03.2022. However, it also reaffirmed that in cases where limitation had not expired before 28.02.2022, the period stood extended, and the balance limitation recommenced from 01.03.2022 – precisely as in the present case.*
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> ***<u>11. Thus, the present claim has been filed within the limitation period as per the binding directions of the Hon'ble Supreme Court.</u>***
>
> *12. In view of the above analysis, I hold and declare that the present claim filed by the Claimant is not barred by limitation and is maintainable."*

5. The said award dated 7th July, 2025 was challenged before the ld. District Judge, Commercial Court, and *vide* the impugned order dated 11th March, 2026, the award has been upheld.

6. The background of the case is that the Small Farmers Agri-Business Consortium had given a loan for a sum of Rs.37.70 lakhs in the form of Venture Capital Assistance to M/s G.R. Sheetgrah Pvt. Ltd. and the Directors thereof, who are Appellants herein.

7. In terms of the said assistance, initially the final date for re-payment was agreed to be 31st December, 2019.

8. However, owing to the outbreak of Covid pandemic and other reasons, the Appellant had sought an extension of the payment time and the same was extended to 31st December, 2020.

9. The Appellants had also issued cheques to secure the Respondent, however, there were no subsequent payments by the Appellants, leading to complaints being filed under the Negotiable Instruments Act. In addition, the Respondent also commenced arbitration before the ld. Sole Arbitrator seeking recovery of the outstanding amount of Rs.32,12,531/-.

10. As per ld. Counsel for the Appellant, in respect of two cheques, the offence has been compounded and the payment has been made. In respect to the remaining cheques, arbitration proceedings were initiated.

11. In the arbitral proceedings, the Appellant raised an issue of limitation on the ground that the claims were time barred.

12. The ld. Arbitrator decided the said objection and held that the claims filed were well within the period of limitation. This order has also been upheld by the learned District Judge in the impugned judgment, wherein it has been observed as under:-

> *"18. In the present case, admittedly the cause of action arose on 31.12.2020. In view of the decision of the Hon'ble Supreme Court in Re: Cognizance for extension of limitation (supra) which was also followed by the Hon'ble Supreme Court in case of Arif Azim (supra), the entire period commencing from 15.03.2020 to 28.02.2022 has to be excluded for the purposes of computation of limitation. It may be noted that in the case of M/s. Saipem Triune (supra) also the Hon'ble Delhi High Court while computing the period of limitation in light of the decision of the Hon'ble Supreme Court in that regard had excluded the entire period between 15.03.2020 to 28.02.2022 for the purposes of*

calculating the period of limitation. Accordingly, in the present case, the limitation for the purposes of filing the claim would commence on01.03.2022 and hence, the claim filed by the claimant / respondent on 01.08.2024, would be within limitation.

19. A perusal of the impugned order dated 07.07.2025 reveals that the Ld. Arbitrator has duly considered the effect of the aforesaid directions issued by the Hon'ble Supreme Court and has computed the limitation after excluding the period from 15.03.2020 till 28.02.2022.

20. In view of the binding judicial precedents and the material placed on record, this Court finds that the Ld. Arbitrator has rightly applied the law laid down by the Hon'ble Supreme Court while rejecting the objection of the petitioners regarding limitation."

13. Ld. Counsel for the Appellant submits that in terms of the order dated 08th March, 2021 in ***SUO MOTU WRIT PETITION (C) NO. 3 OF 2020,*** titled ***Re: Cognizance for extension of limitation,*** passed by the Supreme Court, the claims would be barred by limitation.

14. He further submits that since the period between 15th March, 2020 and 02nd October, 2021 alone was to be excluded, the claim petition filed on 1st August, 2024 is time barred.

15. On the other hand, ld. Counsel for Respondent argues to the contrary and submits that the last date for re-payment itself was during the Covid pandemic period *i.e.* 31st December, 2020, therefore, the period till 28th February, 2022 automatically gets excluded and only thereafter, the limitation period would commence.

16. A reading of the two orders dated 08th March, 2021 and 10th January,

2022 passed by the Supreme Court in ***SUO MOTU WRIT PETITION (C) NO. 3 OF 2020,*** titled ***Re: Cognizance for extension of limitation,*** would clearly show that the period between 15th March, 2020 to 28th February, 2022 is fully excluded. Relevant portions of the said orders are extracted below:

Order dated 8th March, 2021 passed in *SUO MOTU WRIT PETITION (C) NO. 3 OF 2020*, titled *Re: Cognizance for extension of limitation*

> *"1. Due to the onset of Covid-19 pandemic, this court took suo motu cognizance of the situation arising from difficulties that might be faced by the litigants across the country in filing petitions/applications/suits/appeals/all other 'proceedings within the period of limitation prescribed under the general law of limitation or under any special laws (both Central or State). By an order dated 23.03.2020 this Court extended the period of limitation prescribed under the general law or special laws whether compoundable or not with effect from 15.03.2020 till further orders. The order dated 23.03.2020 was extended from time to time. Though, we have not seen the end of the pandemic, there is considerable improvement. The lockdown has been lifted and the country is returning to normalcy. Almost all the Courts and Tribunals are functioning either physically or by prescribed under Sections 23 (4) and 294 of the Arbitration and Conciliation Act, 1996, Section 12A of the Commercial Courts Act, 2015 and provisos (b) and (c) of Section 138 of the Negotiable instruments Act, L881 and any other laws, which prescribe period(s) of limitation for instituting proceedings, outer limits (within which the court or tribunal can condone delay) and termination of proceedings."*

Order dated 10th January, 2022 passed in *SUO MOTU WRIT PETITION (C) NO. 3 OF 2020*, titled *Re: Cognizance for extension of limitation*

5. Taking into consideration the arguments advanced by learned counsel and the impact of the surge of the virus on public health and adversities faced by litigants in the prevailing conditions, we deem it appropriate to dispose of the M.A. No. 21 of 2022 with the following directions:

I. ***The order dated 23.03.2020 is restored and in continuation of the subsequent orders dated 08.03.2021, 27.04.2021 and 23.09.2021, it is directed that the period from 15.03.2020 till 28.02.2022 shall stand excluded for the purposes of limitation as may be prescribed under any general or special laws in respect of all judicial or quasi-judicial proceedings.***

II. Consequently, the balance period of limitation remaining as on 03.10.2021, if any, shall become available with effect from 01.03.2022.

III. ***In cases where the limitation would have expired during the period between 15.03.2020 till 28.02.2022. notwithstanding the actual balance period of limitation remaining, all persons shall have a limitation period of 90 days from 01.03.2022. In the event the actual balance period of limitation remaining, with effect from 01.03.2022 is greater than 90 days, that longer period shall apply.***

IV. It is further clarified that the period from 15.03.2020 till 28.02.2022 shall also stand excluded in computing the periods prescribed under Sections 23 (4) and 29A of the Arbitration and Conciliation Act, 1996, Section 12A of the Commercial Courts Act, 2015 and provisos (b) and (c) of Section 138 of the Negotiable Instruments Act, 1881 and any other laws, which prescribe period(s) of limitation for instituting proceedings, outer limits (within which the court or tribunal can condone delay) and termination of proceedings.

17. In the present case, the limitation period did not commence prior to 28th December, 2020 and therefore, the period till 28th February, 2022 would be

fully excluded. The issue stands, therefore, decided correctly by the ld. Sole Arbitrator.

18. In fact, the ld. District Judge, in the impugned order has considered other judgments passed thereafter by the Supreme Court and by the ld. Single Judge of this Court in ***M/s. Arif Azim Co. Ltd. vs. M/s Aptech Ltd.*** [***Arbitration petition no. 29 of 2023]*** and ***M/s Saipem Triune Engineering Pvt. Ltd. v. Indian Oil Petronas Pvt. Ltd. [IA No. 11505/2023 in CS (OS) 2340/2008]*** respectively. Relevant portions of the said decisions are extracted hereunder:

M/s. Arif Azim Co. Ltd. vs. M/s Aptech Ltd. [Arbitration petition no. 29 of 2023]

> *"82. Thus, in ordinary circumstances, the limitation period available to the petitioner for raising a claim would have come to an end after an expiry of three year, that is, on 27.03.2021. However, in March 2020, the entire world was taken under the grip of the deadly Covid-19 pandemic bringing everyday life and commercial activity to a complete halt across the globe. Taking cognisance of this unfortunate turn of events, this Court vide order dated 23.03.2020 passed in Suo Mon Civil Writ Petition No. 03/2020 directed the period commencing from 15.03.2020 to be excluded for the purposes of computation of limitation. The said extension of limitation was extended from time to time by this Court in view of the continuing pandemic.* ***As a result the period from 15.03.2020 to 28.02.2022 was finally determined to be excluded for the computation of limitation. It was provided that the balance period of limitation as available on 15.03.2020 would become available from 01.03.2022."***

M/s Saipem Triune Engineering Pvt. Ltd. v. Indian Oil Petronas Pvt. Ltd.

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Signing Date:22.07.2026
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[IA No. 11505/2023 in CS (OS) 2340/2008] order dated 07.10.2024

> *"39. Clearly, in the context of the present case, since the limitation under the ordinary circumstances would have expired on 31.07.2022 i.e. beyond the period of exclusion, the entire period from 15.03.2020 to 28.02.2022 will have to be excluded altogether for computing the period of limitation. In other words, the limitation would cease to run from 15.03.2020 to 28.02.2022 or the period between the said two cut-off dates will be additionally available over and above the prescribed period of three years.*
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> *40. Thus computed, the period of limitation that lapsed from 01.08.2019 till 15.03.2020 would be 07 months and 14 days. The balance period of limitation remaining on 15.03.2020 comes to 02 years, 04 months and 16 days. This period of 02 years, 04 months and 16 days becomes available to the plaintiff from 01.03.2022, which means that the limitation period will expire on 17.07.2024 whereas the present application for restoration was filed on 01.06.2023. Therefore, the present application has been filed well within the period of limitation."*

19. From a conjoint reading of the above orders as also the rationale behind the same, it is clear that in a case where the limitation commenced during the pandemic, the said period would run only after 28th February 2022. During the pandemic, limitation ought not to run. The limitation in this case having fallen on 31st December, 2020 i.e., during the COVID-19 pandemic, the limitation would begin to run only from 28th February, 2022 and not before.

20. Under these circumstances, the view of the ld. Arbitrator as also the Commercial Court do not warrant any interference under Section 37 of the Arbitration & Conciliation Act, 1996.

21. The appeal is accordingly dismissed. Pending applications if any, are also disposed of.

PRATHIBA M. SINGH
JUDGE

VIKAS MAHAJAN
JUDGE

JULY 20, 2026/dss/ss