GAHC040019932025 2026:GAU-AP:587

THE GAUHATI HIGH COURT
(HIGH COURT OF ASSAM, NAGALAND, MIZORAM AND ARUNACHAL PRADESH)

Case No. : IA(C)/80/2026
in
Arb.A. /4/2025

M/s Monyul Enterprises
Age: 0
Occupation :
Address:represented by its proprietor
Tenzin Phuntsok residence near Little Star School
Old Bazar Line
Tawang
PO and PS Tawang
District Tawang
Arunachal Pradesh 790104

VERSUS

The Union of India and Anr
Age: 0
Occupation :
Address:represented by the Secretary
Govt of India
Ministry of Defence
New Delhi 110011
2:Military Engineer Services
Age: 0
Occupation :
Address:represented by HQ
CWE-Tenga
West Kameng District
C/o 99 APO 900194

BEFORE

HON'BLE MR. JUSTICE KALYAN RAI SURANA

For the petitioner : Mr. S.V. Krishnam Raju, Adv.

For the respondent : Mr. M. Kato, DSGI.

Date on which judgment is reserved : 10.06.2026.

Date of pronouncement of judgment : 12.06.2026.

Whether the pronouncement is of the operative part of the judgment? : No

Whether the full judgment has been Pronounced : Yes

JUDGMENT AND ORDER

(*CAV*)

Heard Mr. S.V. Krishnam Raju, learned counsel for the applicant. Also heard Mr. M. Kato, learned DSGI for the Opposite Parties.

2) The Opposite Parties are the appellants in Arb. Appeal No.4/2026 and the applicant is the sole respondent in the said appeal. Thus, in this order, the parties herein are referred to as the appellants and respondent as per the status of the parties in the said Arb. Appeal No.4/2026.

3) The connected appeal filed on 03.12.2025, is a common appeal filed by the appellants against two orders, being (i) the order dated 09.09.2025, passed by the learned District Judge, West Kameng District, Bomdila in I.A. (Civil) No. 7/2025 in Civil Appeal No. 1/2025, thereby allowing the application under Order VII, Rule 11(a) of the CPC for rejection of the appeal, being an application under Section 34 of the Arbitration and Conciliation Act, 1996; and (ii)the order dated 13.09.2025, passed by the Lok Adalat, held at the District and Sessions Judge Court building at Bomdila, West Kameng District.

4) Upon issuance of notice, the respondent has entered appearance and has filed an application under Order VII, Rule 11 CPC for rejection of the appeal filed by the appellants, which has been registered as I.A. (C) No. 80/2026.

5) The learned counsel for the respondent has submitted that disputes arose between the parties in connection with and/or out of the contract work, namely, CESZ/Tenga/09 of 2018-19 Provn of OTM Accn (PH-II) at Dahung (Tenga). The said contract work was entered between the Chief Engineer, Shillong Zone and the respondent.

6) The matter was referred to a Sole Arbitral Tribunal of Sri Satish Chandra, Retired Director General (MES), who was appointed by the Engineer-In-Chief, IHQ of MoD (Army), New Delhi.The said Arbitral Tribunal, by an award passed on 20.10.2023, allowed the claim of the respondent to the following extent:

a.	Amount due under the final bill:	Rs.7,85,232.00
b.	Additional Security Deposit:	Rs.9,31,000.00
c.	Work done security deposit amount:	Rs.86,675.00
d.	Idle losses on men, machinery and	

establishment:	Rs.4,00,000.00
e. Materials left at site:	Rs.Nil.
f. Quality control tests:	Rs. Nil.
g. Loss of profit:	Rs. 95,64,500.00
h. Interest claimed at 18%: (Interest awarded at the rate of 9% From 19.11.2022 till date of award) Future interest at the rate of 10% From date of award till payment)	
i. Cost of Arbitration:	Rs.4,77,000.00
j. Counter-claim:	
(i) Extra expenditure:	Rs. NIL.
(ii) non return of classified document (direction was to return the documents failing which the appellants herein shall retain Rs.10,000/- from award.)	
(iii) Cost of Reference:	Rs. NIL.
(iv) Interest at the rate of 18%	Rs. NIL.

7) Aggrieved by the award, the appellants had filed an application under Section 34 of the Arbitration and Conciliation Act, 1996 before the learned Commercial Court, Siliguri, West Bengal. The said learned Court, upon hearing both sides on an application filed under Order VII, Rule 10 CPC, by order dated 20.01.2025, passed in Misc. Arb. (Com) No. 20/2024, returned the application to the appellants for filing the same either at Bomdila or at Shillong. Thereafter, the application under Section 34 of the Arbitration and Conciliation Act, 1996 was filed by the appellants before the District Judge, Bomdila on 24.02.2025, which was registered as Misc. (Arb.) No. 1/2025. However, by an order dated 27.02.2025, the said learned Court allowed the prayer of the appellants to withdraw the said application and to file again. Accordingly, a fresh application was filed on 12.03.2025.

8) The respondent filed an application under Order VII, Rule 11(a)

and (d) CPC, for rejection of the said Section 34 application raising the plea of maintainability on account of being barred by limitation prescribed under Section 34(3) of the Arbitration and Conciliation Act, 1996, which was registered as IA(Civil) No. 7/2025.It may be stated that in the body of the said Section 34 application, which is annexed as Annexure-5, the said application is registered as Misc. Arbitration No. 1/2025, however, in the impugned order dated 09.09.2025, the said application is referred to as Civil Appeal No. 01/2025. Therefore, as Section 34 application is not an appeal, in this order, the application is referred to as Misc. Arb. No. 1/2025.

9) The learned District Judge, West Kameng District, Bomdila, by an order dated 09.09.2025, passed in IA(Civil) No. 7/2025, arising out of Misc. Arb. No. 1/2025, allowed the said interlocutory application, and held that the application filed under Section 34 of the Arbitration and Conciliation Act, 1996 to be barred by limitation prescribed under Sub-Section (3) of Section 34. This is one of the orders assailed in the present appeal.

10) In the meantime, the respondent had filed an execution petition before the Court of the learned District Judge, Bomdila, which was registered as Execution Petition No. 1/2024.

11) The said execution petition was referred before the Lok Adalat held on 13.09.2025 and both the parties to the dispute arrived at a negotiated settlement and it was recorded that the judgment debtor, represented by Mr. Zakir Hussain, Assistant Engineer, Military Engineering Services, GETenga, agreed to pay the awarded amount of Rs.1,17,67,407/- (Rupees One crore seventeen lakh sixty seven thousand four hundred seven only) along with interest as mentioned in the award within a period of five months from the date

of order. Accordingly, on settlement, the execution petition was disposed of.

12) With the said background facts, the learned counsel for the respondent had submitted that on maintainability of application under Section 34 of the Arbitration and Conciliation Act, 1996, the same was barred by limitation because the application that was returned by the learned Commercial Court, Siliguri, was not presented before the learned District Judge, Bomdila, but on withdrawal of first application, a fresh application was filed again before the said learned Court. Thus, it was submitted that having presented a fresh application under Section 34, the appellant would not be entitled the benefit of Section 14 of the Limitation Act, 1963 and the application was rightly held to be barred by Sub-Section (3) of Section 34 of the Arbitration and Conciliation Act, 1996.

13) It was submitted that as the execution petition was disposed of after negotiated settlement at the Lok Adalat held at Bomdila, no appeal against the Lok Adalat Award would be maintainable on facts and in law.

14) It was also submitted that the application under Section 34 of the Arbitration and Conciliation Act, 1996, which was registered as Misc. Arb. No.1/2025 was filed by the Garrison Engineer, GE Tenga, which would be evident from the affidavit appended to the said application at page 116 of the present appeal memo. However, the respondents are now attempting to project that only the HQ Chief Engineer was the competent authority to settle the matter in Lok Adalat.

15) In support of his submissions, the learned counsel for the respondent has cited the following cases, viz., (i) *Dilip Mehta v. Rakesh Gupta & Ors., 2025 LiveLaw (SC) 1188*, (ii*) K. Srinivasappa v. M. Mallamma, Civil Appeal*

No.3486-3488 of 2022, decided on 18.05.2022, (iii) *S.A.M. Seyed Ali Akbar v. The District Legal Services Authority, W.P.(MD) No. 1512/2020, decided on 19.01.2022 (Madras High Court)*.

16) Per contra, the learned DSGI for the appellants has submitted that due to some inadvertence, the application under Section 34 of the Arbitration and Conciliation Act, 1996 in respect of arbitral award dated 20.10.2023 was filed before the Commercial Court at Siliguri, West Bengal and on the question of maintainability on account of lack of territorial jurisdiction being raised, the said learned Court by order dated 20.01.2025 had permitted return of the application to the appellants with liberty to approach the appropriate forum. Accordingly, an application under Section 34 of the Arbitration and Conciliation Act, 1996 was filed before the Court of learned District Judge, Bomdila on 24.02.2025. However, the said application was withdrawn with liberty to file afresh vide order dated 27.02.2025 and accordingly, a fresh application under Section 34 of the Arbitration and Conciliation Act, 1996 was filed before the Court of learned District Judge, Bomdila on 12.03.2025. Accordingly, it is submitted that the appellants would be entitled to the benefit of Section 14 of the Limitation Act, 1963 for the entire period from 20.01.2025 to 12.03.2025 as well as for the period from 20.10.2023, the date of the award till 20.01.2025 as time bona fide spent before the Court without jurisdiction.

17) It was submitted that before the application under Section 34 of the Arbitration and Conciliation Act, 1996 was filed, the respondent had already filed an execution petition which was registered as Ex. Pet. No. 1/2024 before the Court of learned District Judge, Bomdila. The learned District Judge,

Bomdila by an order dated 09.09.2025, allowed the prayer made in I.A.(C) 7/2025 and accordingly, rejected the application under Section 34 of the Arbitration and Conciliation Act, 1996. Few days thereafter the execution proceeding of Ex. Pet. No. 1/2024 was referred to Lok Adalat and Asstt. Engineer, who did not have any authority on behalf of the appellants, unauthorizedly agreed to pay the awarded amount of Rs.1,17,67,407/- (Rupees crore seventeen lakh sixty-seven thousand four hundred seven only) along with awarded interest within a period of five months from the date of the Lok Adalat award. Accordingly, it is submitted that the Lok Adalat award pursuant to a settlement recorded vide order dated 13.09.2025 was liable to bee set aside and quashed and as the Lok Adalat award is not sustainable as consent of an officer who has no delegated power had given his consent in the absence of any authorization.

18) Considered the submissions made at the Bar and also considered the cases cited by the learned counsel for the respondent.

19) The learned DSGI had cited the case of *Kripal Singh v. Govt. of India & Ors., 2024 INSC 944: 2024 Supreme(SC) 1153*. It would be appropriate to quote paragraph nos. 6, 9 and 12, on which heavy reliance was placed. The said paragraphs are quoted hereinbelow: -

> "*6. Mr. Gaurav Agarwal, learned Senior Advocate appearing for the appellant has submitted that his client is entitled to the exclusion of period from 20.10.2011 to 20.01.2012 under Section 14 of the Limitation Act. For this purpose, he relied on the judgment of this Court in Consolidated Engineering Enterprises vs. Principal Secretary, Irrigation Department and Others. The relevant portion of the judgment is quoted hereunder:*
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> *"23. At this stage it would be relevant to ascertain whether there is any express*

provision in the Act of 1996, which excludes the applicability of Section 14 of the Limitation Act. On review of the provisions of the Act of 1996 this Court finds that there is no provision in the said Act which excludes the applicability of the provisions of Section 14 of the said Act…..

Hence, Section 43 incorporating the Limitation Act will apply to the proceedings in the arbitration as it applies to the proceedings of a suit in the court. Sub-section (4) of Section 43, inter alia, provides that where the court orders that an arbitral award be set aside, the period between the commencement of the arbitration and the date of the order of the court shall be excluded in computing the time prescribed by the Limitation Act, 1963, for the commencement of the proceedings with respect to the dispute soc submitted. If the period between the commencement of the arbitration proceedings till the award is set aside by the court, has to be excluded in computing the period of limitation provided for any proceedings with respect o the dispute, there is no good reason as to why it should not be held that the to provisions of Section 14 of the Limitation Act would be applicable to an application submitted under Section 34 of the Act of 1996, more particularly d where no provision is to be found in the Act of 1996, which excludes the applicability of Section 14 of the Limitation Act, to an application made under Section 34 of the Act. It is to be noticed that the powers under Section 34 of the Act can be exercised by the court only if the aggrieved party makes an application. The jurisdiction under Section 34 of the Act, cannot be exercised suo motu. The total period of four months within which an application, for setting aside an arbitral award, has to be made is not unusually long. Section 34 of the Act of 1996 would be unduly oppressive, if it is held that the provisions of Section 14 of the Limitation Act are not applicable to it, because cases are no doubt conceivable where an aggrieved party, despite exercise of due diligence and good faith, is unable to make an application within a period of four months. From the scheme and language of Section 34 of the Act of 1996, the intention of the legislature to exclude the applicability of Section 14 of the Limitation Act is not manifest. It is well to

remember that Section 14 of the Limitation Act does not provide for a fresh period of limitation but only provides for the exclusion of a certain period. Having regard to the legislative intent, it will have to be held that the provisions of Section 14 of the Limitation Act, 1963 would be applicable to g an application submitted under Section 34 of the Act of 1996 for setting aside an arbitral award."

9. Having considered the matter in detail, we are of the opinion that the issue is covered by the decision of this court in Consolidated Engg. Enterprises v. Principal Secretary, Irrigation Dept.5 (supra).

10. We may hasten to add that when the substantive remedies under Sections 34 and/or 37 of the Arbitration Act are by their very nature limited in their scope due to statutory prescription6, it is necessary to interpret the limitation provisions liberally, or else, even that limited window to challenge an arbitral award will be lost. The remedies under Sections 34 and 37 are precious. Courts of law will keep in mind the need to secure and protect such a remedy while calculating the period of limitation for invoking these jurisdictions."

20) In the present case in hand, it is seen from the memo of appeal that it has been admitted by the appellants in paragraph 4 to the effect that the appellants had filed an application under Section 34 of the Arbitration and Conciliation Act, 1996 before the learned District Judge, Bomdila on 24.02.2025. It is also admitted that the said application was withdrawn with liberty to file afresh. Accordingly, a fresh application under Section 34 was again filed on 12.03.2025 before the same learned Court.

21) In this regard, it is noted that the appellants had not presented the same Section 34 application that was returned by the learned Commercial Court, Siliguri, by order dated 20.01.2025. If the appellants had presented the same application before the Court of learned District Judge, West Kameng

District, Bomdila, having jurisdiction, it would have been open to the appellants to successfully show that they were entitled to the benefit of Section 14 of the Limitation Act, 1963 so as enable the Court to liberally consider the time spent from the date when Misc. Arbitration (Com) 20/2024 was filed before the learned Commercial Court, Siliguri till the date when Section 34 application, which was returned, was presentation before the learned District Judge, Bomdila, as time spent *bona fide* before the Court not having jurisdiction.

22) In this case, instead of presenting the returned Section 34 application, the appellants had presented a fresh Section 34 application before the Court of learned District Judge, West Kameng District, Bomdila. Therefore, in the considered opinion of the Court,as a fresh application under Section 34 of the Arbitration and Conciliation Act, 1996 has been filed by the applicantbefore the learned District Judge, Bomdila, it is not permissible for the learned District Judge, West Kameng District, Bomdila to treat the said fresh application as the application that was returned by the learned Commercial Court, Siliguri.

23) It would be pertinent to mention that the respondent, in his affidavit-in-opposition on 30.03.2026, had stated the list of events: -

a. Award was passed by the Sole Arbitrator on 20.10.2023.

b. Signed copy of award was received by the appellants on 31.10.2023.

c. On 27.02.2024, the appellants had filed an application under Section 34 of the Arbitration and Conciliation Act, 1996 before the learned Commercial Court, Siliguri. Thus, the filing of the said application was beyond 90 days from the date of the award.

d. On 20.01.2025, the learned Commercial Court, Siliguri, West Bengal,

had passed an order to return the application.

e. On 24.02.2025, the appellants had filed an application under Section 34 of the Arbitration and Conciliation Act, 1996 before the Court of learned District Judge, West Kameng District, Bomdila.

f. Fresh application under Section 34 of the Arbitration and Conciliation Act, 1996 that was filed before the Court of learned District Judge, West Kameng District, Bomdila on 24.02.2025, was permitted to be withdrawn vide order dated 27.02.2025.

g. Thereafter, another fresh application under Section 34 was filed on 12.03.2025 before the same learned Court.

24) Therefore, from the date of service of signed copy of the award dated 20.10.2023 on 31.10.2023, the 90 (ninety) days' time allowed to file application under Section 34 of the Arbitration and Conciliation Act, 1996, expired on 27.01.2024.On 27.02.2024, the appellants had filed an application under Section 34 of the Arbitration and Conciliation Act, 1996 before the learned Commercial Court, Siliguri. Thus, the said application was filed on 119th day from the date of the award or 118 days after excluding the date of the award.On 24.02.2025, the date when the appellants had filed a fresh application under Section 34 of the Arbitration and Conciliation Act, 1996 before the Court of learned District Judge, West Kameng District, Bomdila, the same was filed on 482nd day from the date when signed copy of award was served on 31.10.2023, or 481 days excluding the date of 31.10.2023, then the signed copy of the award dated 20.10.2023 was received by the appellants. Upon withdrawal of application filed on 24.02.2025, vide order dated 27.02.2025, the fresh

application under Section 34 was filed on 12.03.2025. It appears that only the period between 24.02.2025 and 12.03.2025, would be saved by Section 14 of the Limitation Act, 1963 and not the time from 31.10.2023 to 24.02.2025.

25) Therefore, the cited case of *Kirpal Singh (supra)*, is not found to help the appellants in any way.

26) Therefore, in respect of the challenge to the order dated 09.09.2025 passed by the learned District Judge, Bomdila in I.A.(C) No. 7/2025in Civil Appeal No. 1/2025, is not found sustainable.

27) In one appeal, the appellants have assailed not only the order dated 09.09.2025, passed by the learned District Judge, West Kameng District, Bomdila, but in this appeal, the appellants have assailed an independent order dated 13.09.2025, passed by the Lok Adalat, held at the District and Sessions Judge Court building at Bomdila, West Kameng District in connection with Execution Petition No. 1/2024.

28) There is no statement that the signature of the person appearing for the appellants before the Lok Adalat was fraudulently obtained in the settlement sheet-cum- award dated 13.09.2025. There is also no statement in this writ petition that the said representative of the appellants was compelled to sign the settlement sheet-cum- award dated 13.09.2025 due to threat or coercion and nor any protest was lodged on that account.

29) It would be relevant to quote the provisions of Section 21 of the Legal Services Authorities Act, 1987, which is extracted hereunder: -

> "*21. Award of Lok Adalat.—1[(1) Every award of the Lok Adalat shall be deemed to be a decree of a civil court or, as the case may be, an order of any other court and where a compromise or settlement has*

been arrived at, by a Lok Adalat in a case referred to it under sub-section(1) of section 20, the court-fee paid in such case shall be refunded in the manner provided under the Court-fees Act, 1870 (7 of 1870).]

(2) Every award made by a Lok Adalat shall be final and binding on all the parties to the dispute, and no appeal shall lie to any court against the award."

30) In the case of *P.T. Thomas v. Thomas Job, (2005) 6 SCC 478*, the Supreme Court of India had held to the effect that the award by the Lok Adalat is an order by the Lok Adalat under the consent of the parties and it shall be deemed to be a decree of the Civil Court and therefore, appeal shall not lie from the award of the Lok Adalat as provided under Section 96(3) of the Civil Procedure Code. Thus, finality has been attached to the award of the Lok Adalat.

31) In the case of *K. Srinivasappa v. M. Mallamma, AIR 2022 SC 2381: (2022) 0 Supreme(SC) 472*, the Supreme Court of Indiahad expressed that it recognizes that a writ petition would be maintainable against an award of the Lok Adalat, especially when such writ petition is filed alleging fraud in the manner of obtaining the award of compromise and that a writ court, cannot, in a casual manner, *de hors* any reasoning, set aside the order of the Lok Adalat. It was held that the award of a Lok Adalat cannot be reversed or set aside without setting aside the facts recorded in such award as being fraudulently arrived at.

32) In this case, it has been projected by the appellants that the person who had signed the settlement sheet-cum- award dated 13.09.2025 was not the authorized person to make any settlement. It may be mentioned that the officer of the appellants, who had signed the Settlement sheet-cum- Lok Adalat Award on 13.09.2025, was the then Assistant Engineer, Military

Engineering Services, GE Tenga.

33) The learned counsel for the respondents has been able to demonstrate from the recordsthat:

a. The application under Section 34 of the Arbitration and Conciliation Act, 1996, which was registered as Misc. Arb. No.1/2025 before the learned Court of District Judge, West Kameng District, Bomdila, was filed by the then Garrison Engineer, GE Tenga, which would be evident from the affidavit appended to the said application at page 116 of the present appeal memo.

b. Moreover, the affidavit filed in support of the instant memo of appeal has been sworn on 27.11.2025 and filed by the Executive Engineer in Garrison Engineer, GE Tenga.

34) However, the respondents are now attempting to project that only the HQ Chief Engineer was the competent authority to settle the matter in Lok Adalat. Moreover, there is no statement in the writ petition to the effect that the Lok Adalat award was obtaining fraudulently.

35) Therefore, as it is well settled that as per the mandate of Sub-Section (2) of Section 21 of the Legal Services Authorities Act, 1987, every award made by a Lok Adalat shall be final and binding on the parties and no appeal shall lie to any Court against the award, the Court is inclined to hold that the present appeal which has been filed under Section 37(1)(c) of the Arbitration Conciliation Act, 1996 would not be maintainable.

36) Resultantly, the prayer for rejection of appeal, made by the respondent in I.A.(Civil) 80(AP)/2026 is allowed. Resultantly, the appeal, being

Arb. Appeal No. 4(AP)/2025, stands rejected.

37) Under the circumstances, there shall be no order as to cost.

EPILOGUE

38) Before parting with the records, having noticed the manner in which the appellants had proceeded in the matter, perhaps the appellants would consider whether it would be of any benefit to the appellants to have some legal awareness or training programmes for personnel in the Engineering Departments of the Armed Forces, who are engaged in contract works and have to deal with various legal issues relating to contract and arbitration. This is a mere observation and shall not be construed to be a direction or order of the Court.

JUDGE

Comparing Assistant