IN THE HIGH COURT OF HIMACHAL PRADESH, SHIMLA

Arb. Case No. : 59 of 2026

Decided on : 17.04.2026

Piar Chand ...Applicant

Versus

Union of India and others ...Respondents

Coram

The Hon'ble Mr. Justice Virender Singh, Judge.

Whether approved for reporting?[1]

For the applicant : Ms. Anchal Sharma, Advocate.

For the respondents : Mr. Harish Sharma, Senior Panel Counsel, for respondent No. 1.

Mr. Vikrant Thakur, Advocate, for respondent No. 2.

Mr. Mohinder Zharaick and Mr. H.S. Rawat, Additional Advocates General, assisted by Ms. Avni Kochhar Mehta and Ms. Ayushi Negi, Deputy Advocates General, for respondents No. 3 and 4.

Virender Singh, Judge. *(Oral)*

Applicant-Piar Chand has filed the present application, under Section 29A (4) of the Arbitration and

[1] *Whether Reporters of local papers may be allowed to see the judgment? Yes.*

Conciliation Act, 1996 (hereinafter referred to as 'the Act'), seeking indulgence of this Court to extend the time to conclude the arbitration proceedings in Case No. 76 of 2023, titled as Piar Chand versus Union of India & others, before the Divisional Commissioner, Kangra at Dharamshala, exercising the power as Arbitrator under National Highways Act, 1956 (hereinafter referred to as the 'Arbitrator').

2. Brief facts, leading to the filing of the present application, before this Court, may be summed up, as under:

3. The land, measuring 00-22-98 Hectares, bearing khasra Nos. 1063, 1064, 1066 and 1461/1130, situated in Mohal Gummer, Tehsil Jawalamukhi, District Kangra (H.P.), in which, the applicant is owner, was acquired by the respondents for widening/four laning, maintenance, management and operation of National Highway No. 88 (new, National Highways No. 303). The award, in this regard, was passed on 11th March, 2022, bearing Award No. 13 of 2022, by respondent No. 2, however, according to the applicant, the same was passed,

at the back of the applicant, without associating him and affording an opportunity of being heard to him.

4. Dissatisfied from the said award, the applicant approached the learned Arbitrator, by way of Case No. 76 of 2023, titled as Piar Chand versus Union of India & others, for enhancement of compensation, under Section 3-G (5) of the National Highways Act, 1986 read with Sections 26-30 of the Right to Fair Compensation and Transparency in Land Acquisition and Rehabilitation and Resettlement Act, 2013. However, the learned Arbitrator, vide order, dated 18th March, 2025, closed the arbitral proceedings, due to the termination of the mandate, as provided, under Section 29A (1), with liberty to the parties, to seek extension of time, if permissible under the law. Hence, the instant application.

5. The extension of time has been sought under Section 29A (5) of the Act, on the ground, that the matter was pursued, by both the parties sincerely and with due diligence, however, those proceedings could not be concluded due to administrative reasons, as, the learned Arbitrator also happens to be the Divisional Commissioner,

Kangra at Dharamshala, and the requisite time, as per Section 29A (1) of the Act, for passing the award, has already elapsed, due to administrative exigencies.

6. On the basis of the above facts, a prayer has been made to extend the time, for a period of six months, for completion of the arbitral proceedings, before the learned Arbitrator.

7. Issue notice. Mr. Harish Sharma, learned Senior Panel Counsel; Mr. Virkant Thakur, Advocate; and Mr. Mohinder Zharaick, learned Additional Advocate General, appear and waive service of notice on behalf of respondent No. 1; respondent No. 2; and respondents No. 3 & 4, respectively.

8. The factual position, as asserted in the application, has not been disputed.

9. Heard.

10. As per the documents, annexed with the application, after completion on the the pleadings, on 25th September, 2023, the following issues were framed, by the learned Arbitrator:

> *"1. Whether the award No. 13 Dated 11-03-2022 of revenue village Gummer Tehsil*

Jawalamukhi District Kangra H.P. passed by Sub-Divisional Officer (Civil) Jwalamukhi District Kangra is not in consonance with the prevailing Law? OPP

2. Whether the petitioner is entitled for enhanced compensation amount as alleged? OPP

3. Whether the petition for arbitration is not maintainable as alleged? OPR"

11. Thereafter, the parties were directed to adduce the evidence. Subsequently, on 18th March, 2025, the learned Arbitrator, passed the following order:

"The matter taken up today. From the perusal of the case file it transpired that mandate had terminated in this case. Keeping in view the fact that the mandate of this Authority has already been expired, therefore, these proceedings are terminated. The case file be consigned to the GRR with further direction to requisition it as and wen the extension in time is granted by the Hon'ble competent Court. Announced."

12. From the above facts, it appears that the proceedings might be at advance stage, by the time, when the order, terminating the proceedings on account of expiry of the mandate was passed on 18th March, 2025, by the learned Arbitrator.

13. The applicant is before this Court, under Section 29A (4) of the Act. The relevant provisions of Section 29A of the Act, are reproduced, as under:

> *"**29A. Time limit for arbitral award.** — (1) The award in matters other than international commercial arbitration shall be made by the arbitral tribunal within a period of twelve months from the date of completion of pleadings under sub-section (4) of section 23.*
>
> *Provided that the award in the matter of international commercial arbitration may be made as expeditiously as possible and endeavor may be made to dispose of the matter within a period of twelve months from the date of completion of pleadings under sub-section (4) of section 23.*
>
> *(2) If the award is made within a period of six months from the date the arbitral tribunal enters upon the reference, the arbitral tribunal shall be entitled to receive such amount of additional fees as the parties may agree.*
>
> *(3) The parties may, by consent, extend the period specified in sub-section (1) for making award for a further period not exceeding six months.*
>
> *(4) If the award is not made within the period specified in sub-section (1) or the extended period specified under sub-section (3), the mandate of the arbitrator(s) shall terminate unless the Court has, either prior to or after the expiry of the period so specified, extended the period:*
>
> *Provided that while extending the period under this sub-section, if the Court finds that the proceedings have been delayed for the reasons attributable to the arbitral tribunal, then, it may order reduction of fees of*

arbitrator(s) by not exceeding five per cent. for each month of such delay:

Provided further that where an application under sub-section (5) is pending, the mandate of the arbitrator shall continue till the disposal of the said application:

Provided also that the arbitrator shall be given an opportunity of being heard before the fees is reduced.

(5) The extension of period referred to in sub-section (4) may be on the application of any of the parties and may be granted only for sufficient cause and on such terms and conditions as may be imposed by the Court.

(6) While extending the period referred to in sub-section (4), it shall be open to the Court to substitute one or all of the arbitrators and if one or all of the arbitrators are substituted, the arbitral proceedings shall continue from the stage already reached and on the basis of the evidence and material already on record, and the arbitrator(s) appointed under this section shall be deemed to have received the said evidence and material.

(7) In the event of arbitrator(s) being appointed under this section, the arbitral tribunal thus reconstituted shall be deemed to be in continuation of the previously appointed arbitral tribunal.

(8) It shall be open to the Court to impose actual or exemplary costs upon any of the parties under this section.

(9) An application filed under sub-section (5) shall be disposed of by the Court as expeditiously as possible and endeavour shall be made to dispose of the matter within a period of sixty days from the date of service of notice on the opposite party."

14. The bare perusal of sub-clause (4) of Section 29A of the Act demonstrates that the period can be extended either prior to or after the expiry of the period, so specified. Meaning thereby, the time limit for passing the arbitral award can be extended by this Court, even after the expiry of the period, so specified, in Section 29A (1) and (3) of the Act

15. The provisions of Section 29A (4) and (5) have elaborately been discussed by the Hon'ble Supreme Court in its recent decision in **Rohan Builders (India) Private Limited versus Berger Paints India Limited,** reported in **(2025) 10 Supreme Court Cases 802.** Relevant paras-19 to 23 of the said judgment, are reproduced, as under:

> *"19. Rohan Builders (India) (P) Ltd. v. Berger Paints India Ltd. 2023 SCC OnLine Cal 2645, highlights that an interpretation allowing an extension application post the expiry period would encourage rogue litigants and render the timeline for making the award inconsequential. However, it is apposite to note that under Section 29-A(5), the power of the court to extend the time is to be exercised only in cases where there is sufficient cause for such extension. Such extension is not granted mechanically on filing of the application. The judicial discretion of the court in terms of the enactment acts as a deterrent against any party abusing the process of law or espousing a frivolous or vexatious application. Further, the court can impose terms and conditions*

while granting an extension. Delay, even on the part of the Arbitral Tribunal, is not countenanced {H.P. Singh v. Northern Railways, 2023 SCC OnLine J&K 1255}. The first proviso to Section 29-A(4) permits a fee reduction of up to five per cent for each month of delay attributable to the Arbitral Tribunal.

20. Lastly, Section 29-A(6) does not support the narrow interpretation while deciding an of the expression "terminate". It states that the court extension application under Section 29-A(4) - may substitute one or all the arbitrators. Section 29-A(7) states that if a new arbitrator(s) is appointed, the reconstituted Arbitral Tribunal shall be deemed to be in continuation of the previously appointed Arbitral Tribunal. This obliterates the need to file a fresh application under Section 11 of the A&C Act for the appointment of an arbitrator. In the event of substitution of arbitrator(s), the arbitral proceedings will commence from the stage already reached. Evidence or material already on record is deemed to be received by the newly constituted tribunal. The aforesaid deeming provisions underscore the legislative intent to effectuate efficiency and expediency in the arbitral process. This intent is also demonstrated in Sections 29-A(8) and 29-A(9). The court in terms of Section 29-A(8) has the power to impose actual or exemplary costs upon the parties. Lastly, Section 29-A(9) stipulates that an application for extension under sub-section (5) must be disposed of expeditiously, with the endeavour of doing so within sixty days from the date of filing.

21. As per the second proviso to Section 29-A(4), the mandate of the Arbitral Tribunal continues where an application under sub-section (5) is pending. However, an application for extension of period of the Arbitral Tribunal is to be decided by the court in terms of sub-section (5), and sub-sections (6) to (8) may be invoked. The power to extend time period for making of the award vests with the court, and

> *not with the Arbitral Tribunal. Therefore, the Arbitral Tribunal may not pronounce the award till an application under d Section 29-A(5) of the A&C Act is sub judice before the court. In a given case, where an award is pronounced during the pendency of an application for extension of period of the Arbitral Tribunal, the court must still decide the application under sub-section (5), and may even, where an award has been pronounced, invoke, when required and justified, sub-sections (6) to (8), or the first and third proviso to Section 29-A(4) of the A&C Act.*
>
> *22. While interpreting a statute, we must strive to give meaningful life to an enactment or rule and avoid cadaveric consequences that result in unworkable or impracticable scenarios. 26 An interpretation which produces an unreasonable result is not to be imputed to a statute if there is some other equally possible construction which is acceptable, practical and pragmatic.*
>
> *23. In view of the above discussion, we hold that an application for extension of the time period for passing an arbitral award under Section 29-A(4) read with Section 29-A(5) is maintainable even after the expiry of the twelve-month or the extended six-month period, as the case may be. The court while adjudicating such extension applications will be guided by the principle of sufficient cause and our observations in para 19 of the judgment."*

16. If, the facts and circumstances of the present case, are seen, in the light of the decision of the Hon'ble Supreme Court in **Rohan Builders'** case (supra), there is no hesitation for this Court to hold that the award, in the

present case, could not be passed, by the learned Arbitrator, on account of the fact that the mandate of the learned Arbitrator has already expired and the delay has been caused on account of administrative exigencies, as, the learned Arbitrator is also the Divisional Commissioner, Kangra at Dharamshala and on various dates, the proceedings might not be conducted due to the pre-engagement of the learned Arbitrator in other administrative matters.

17. The term 'sufficient cause' has nowhere been defined in the Act, however, 'sufficient cause' means the situation or the reason, which is beyond the ordinary control of the litigant/parties to the proceedings. The absence of the learned Arbitrator, on the dates, when the case was listed before it and the proceedings could not be conducted, on account of administrative exigencies, is beyond the ordinary control of the parties and would fall within the definition of the term 'sufficient cause', as mentioned in Section 29A (5) of the Act.

18. Consequently, the application is allowed and the learned Arbitrator is directed to culminate the proceedings by or before 27th July, 2026.

19. The application stands disposed of, in above terms.

(Virender Singh)
Judge

April 17, 2026
(rajni)