IN THE HIGH COURT OF HIMACHAL PRADESH, SHIMLA

Arb. Cases No. : 103 to 105 of 2026

Decided on : 19.05.2026

Arb. Case No. 103 of 2026
Ramesh Chand ...Applicant

Versus

National Highways Authority of India and another ...Respondents

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Arb. Case No. 104 of 2026
Narvada Devi ...Applicant

Versus

National Highways Authority of India and another ...Respondents

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Arb. Case No. 105 of 2026
Shesh Ram ...Applicant

Versus

National Highways Authority of India and another ...Respondents

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

Whether approved for reporting?[1]

Arb. Cases No. 103 to 105 of 2026
For the applicants : Mr. Surya Chauhan and Ms. Abhidha Bhardwaj, Advocates.

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

For the respondents : Mr. Vikrant Thakur, Advocate, for respondent No. 1.

Mr. Tejasvi Sharma and Mr. H.S Rawat, Additional Advocate General, assisted by Mr. Rohit Sharma, Deputy Advocate General, for respondent No. 2.

Virender Singh, Judge. *(Oral)*

The above-titled applications are being decided by this common order, as, these applications have been filed by the applicants, under Section 29A (5) of the Arbitration and Conciliation Act, 1996 (hereinafter referred to as 'the Act'), seeking indulgence of this Court to extend the time to conclude the arbitration proceedings, before the learned Divisional Commissioner, Mandi, exercising the powers of Arbitrator, under the National Highways Authority of India (hereinafter referred to as 'the Arbitrator').

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

3. The land, comprised in khasra Nos. 205/1, 220/2, 239/1, 239/2, 241 and 202/1, situated in Mohal

Matha Neval/625, Tehsil and District Mandi, H.P., of which, the applicants are the owners-in-possession, was acquired by the respondents for widening/four laning, maintenance, management and operation of National Highway No. 154, on the stretch of land from Pathankot-Mandi Section. The award, in this regard, was passed on 12th August, 2022, by the competent authority.

4. Dissatisfied with the said award, the applicants approached the learned Arbitrator. According to the applicants, the arguments were heard and the matter was reserved on 7th April, 2025. However, the learned Arbitrator, vide order, dated 5th August, 2025, closed the arbitral proceedings, due to the termination of the mandate, with liberty to the parties, to approach the Competent Court of law, seeking extension of time. Hence, the instant application.

5. The extension of time has been sought, 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, Mandi, 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. Vikrant Thakur, Advocate; and Mr. Tejasvi Sharma, learned Additional Advocate General, appear and waive service of notice on behalf of respondent No. 1 and respondent No. 2, respectively.

8. The factual position, as asserted in the applications, has not been disputed. However, the prayer, so made, in the applications, has been opposed, tooth and nail.

9. The applicants have annexed copy of order, dated 5th August, 2025, passed by the learned Arbitrator, which is reproduced, as under:

> *"These cases are put up before me by the reader of NHAI Branch. From the perusal of case file, it is revealed that my predecessor in office had reserved the Award on 07-04-2025 after hearing the arguments but in the files, no Award is found meaning thereby that Award*

> *which was reserved has not been pronounced. I have joined as Divisional Commissioner Mandi on 04-08-2025, on account of my transfer and the then Divisional Commissioner-cum-Arbitrator has now left the office.*
>
> *Section 29 (4) of the Arbitration and Conciliation Act 1996 casts duty on the Arbitration that even after extension of time, the award must be announced within stipulated time otherwise mandate to decide the applications stands terminated by operation of law. This Authority is of the considered opinion that the mandate to decide these cases stand terminated on 13-06-2025. Since the Authority has no mandate to decide the above-mentioned arbitration cases, therefore, the parties are at liberty to approach the Competent Court of law for extension of time. Parties be informed accordingly.*

10. Perusal of the said order demonstrates that the cases were taken up on 5th August, 2025, by the learned Arbitrator, when the same were presented before him by his Reader, disclosing therein, that the arguments were heard on 7th April, 2025, but, award has not been passed. The learned Arbitrator, who passed the order, dated 5th August, 2025, had joined only on 4th August, 2025. His predecessor-in-office has relinquished the charge on his transfer, that too, without the pronouncement of the award. However, the learned Arbitrator has closed the

proceedings, on the ground, that the mandate has already terminated by operation of law.

11. From the above facts, it is crystal clear that the parties to the present applications have no role to play in the decision of the matter, after addressing the arguments. The mandate was terminated on account of non-pronouncement of award, by the learned Arbitrator, as such, nothing can be attributed to the parties, especially, the applicants.

12. The applicants are 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."*

13. 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

14. 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."*
>
> *(self emphasis supplied)*

15. 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), in the considered opinion of this Court, there is no role or fault on the part of the applicants, as, the arguments were heard on 7th April, 2025 and the award has not been pronounced. This fact was highlighted by the learned Arbitrator, when, he joined on 4th August, 2025. In such situation, this Court is of the view that the applicants are able to make out a case, which falls within the definition of 'sufficient cause' for extending the time.

16. Consequently, the applications are allowed and the learned Arbitrator is directed to culminate the proceedings by or before 20th July, 2026.

17. The applications stand disposed of, in above terms.

(Virender Singh)
Judge

May 19, 2026
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