



ARBITRATION AND CONCILIATION

Section 29A Extension Maintainable Even After Mandate Termination, Parties Not to Blame for Arbitrator's Failure to Pronounce Award: Himachal Pradesh High Court

Ramesh Chand v. National Highways Authority of India and Anr. | Himachal Pradesh High Court | Decided on May 19, 2026 The Himachal Pradesh High Court has allowed applications filed under Section 29A(5) of the Arbitration and Conciliation Act, 1996 for extension of time to conclude arbitration proceedings, holding that an application for such extension [...]

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The Himachal Pradesh High Court has allowed applications filed under Section 29A(5) of the Arbitration and Conciliation Act, 1996 for extension of time to conclude arbitration proceedings, holding that an application for such extension is maintainable even after the mandate of the arbitral tribunal has terminated by operation of law.

The Court extended the time for the learned Arbitrator to conclude the proceedings till July 20, 2026.

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Background

The applicants' land was acquired by the National Highways Authority of India for widening and four-laning of National Highway No. 154 on the Pathankot-Mandi stretch. An award was passed by the competent authority on August 12, 2022. Dissatisfied with the award, the applicants approached the Divisional Commissioner, Mandi, who was exercising the powers of Arbitrator under the NHAI.

Arguments in the matter were heard and reserved on April 7, 2025. However, the Arbitrator who had reserved the matter was transferred without pronouncing the award. His successor, upon joining on August 4, 2025, noted that the award had not been pronounced and passed an order on August 5, 2025, closing the arbitral proceedings on the ground that the mandate had already stood terminated on June 13, 2025 by operation of law under Section 29A(4) of the Act. Liberty was granted to the parties to approach the competent court for extension of time.

The applicants thereafter filed the present applications before the High Court under Section 29A(5) of the Act seeking extension of the time to conclude the arbitration proceedings for a period of six months.

Contentions

The applicants contended that the matter was pursued by both parties sincerely and with due diligence but could not be concluded due to administrative reasons, specifically the transfer of the Arbitrator without pronouncement of the award. The respondents, while not disputing the factual position, opposed the grant of extension.

Court's Analysis

The Court noted the clear position under Section 29A(4) of the Act that the period for passing the arbitral award can be extended by the Court either prior to or after the expiry of the period specified under Section 29A(1) and (3) of the Act.

The Court placed reliance on the Supreme Court's decision in Rohan Builders (India) Private Limited v. Berger Paints India Limited, reported in (2025) 10 SCC 802, which had categorically held that an application for extension of the time period for passing an arbitral award under Section 29A(4) read with Section 29A(5) is maintainable even after the expiry of the twelve-month or the extended six-month period, as the case may be. The Supreme Court had further observed that the judicial discretion of the court is a deterrent against abuse of process, and that extensions are granted only for sufficient cause and not mechanically.

Applying these principles, the Court found that neither party had any role to play after the arguments were addressed, and that the mandate stood terminated solely on account of the Arbitrator's failure to pronounce the award after his predecessor had reserved it. Nothing could be attributed to the applicants in this regard.

The Court accordingly held that the applicants had made out sufficient cause for extension of time and allowed the applications.

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