



ARBITRATION AND CONCILIATION

# Arbitrator's Administrative Engagements Constitute Sufficient Cause for Extension Under Section 29A: Himachal Pradesh High Court

**AUTHOR** Tannya Baranwal, Priyanshi Dubey

**PUBLISHED** 27 May 2026

The Himachal Pradesh High Court has held that the administrative preoccupations of an arbitrator who simultaneously holds a senior government office constitute sufficient cause for extending the time limit for passing an arbitral award under Section 29A of the Arbitration and Conciliation Act, 1996. Justice Virender Singh extended the mandate of the Divisional Commissioner acting as Arbitrator and directed that the award be passed by July 27, 2026.

Table of contents

- [Background](#)
- [The Legal Framework](#)
- [The Court's Reasoning](#)

## Background

---

The applicant, Sanjeev Kumar, is co-owner of a parcel of land measuring 00-15-50 Hectares in Tehsil Nadaun, District Hamirpur, Himachal Pradesh. The land was acquired by the respondents for widening and four-laning of National Highway No. 88. An award was passed on October 31, 2022 bearing Award No. 17 of 2022 by the competent authority. The applicant, aggrieved by the award and alleging that it was passed without associating him or giving him a hearing, approached the Divisional Commissioner, Mandi Division, who was exercising powers as Arbitrator under the National Highways Act, 1956. The proceedings were registered as Case No. 148 of 2023 seeking enhancement of compensation under Section 3-G(5) of the National Highways Act, 1956, read with the relevant provisions of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.

The pleadings were completed on August 14, 2024 and the Arbitrator framed three issues, namely whether the compensation paid was inadequate and required enhancement, whether the applicant was entitled to interest on any enhanced amount, and the question of relief. The parties were thereafter directed to adduce evidence. On July 18, 2025, the Arbitrator closed the evidence of the respondents but simultaneously noted that the mandate to decide the case had already expired on June 11, 2025, and directed the parties to approach the competent court for extension if permissible under law. The application before the High Court followed.

## The Legal Framework

---

Section 29A(1) of the Act requires that in matters other than international commercial arbitration, the award shall be made within twelve months from the date of completion of pleadings. Section 29A(3) allows the parties by consent to extend this period by a further six months. Section 29A(4) provides that if the award is not made within the period under sub-sections (1) or (3), the mandate of the arbitrator terminates unless the Court extends the period, either before or after its expiry. Section 29A(5) provides that such extension may be granted only for sufficient cause and on such terms and conditions as the Court may impose.

The Court relied on the Supreme Court's judgment in *Rohan Builders (India) Private Limited v. Berger Paints India Limited*, reported in (2025) 10 Supreme Court Cases 802, which conclusively settled that an application for extension 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. The Supreme Court in that case held that the power of the court to grant extension is to be exercised only where sufficient cause is made out, that it is not to be granted mechanically, and that the court can impose terms and conditions while granting extension. It was also held that the second proviso to Section 29A(4) continues the mandate of the Arbitral Tribunal during the pendency of an extension application.

## The Court's Reasoning

---

The Court found that the delay in the present case was caused by the fact that the Arbitrator also held the office of Divisional Commissioner, Mandi, and on various dates the proceedings could not be conducted on account of the Arbitrator's prior engagement in administrative matters. The Court observed that the term 'sufficient cause' has not been defined in the Act but means a situation or reason that is beyond the ordinary control of the litigant or the parties to the proceedings. The absence of the Arbitrator on listed dates due to administrative exigencies was held to be beyond the ordinary control of the parties, and therefore fell squarely within the meaning of sufficient cause under Section 29A(5).

The Court allowed the application and directed the Arbitrator to conclude the proceedings and pass the award by July 27, 2026.

For further details write to [contact@indialaw.in](mailto:contact@indialaw.in)

## Related Practice Areas

---

Arbitration