

**IN THE HIGH COURT FOR THE STATE OF TELANGANA:
HYDERABAD**

* * *

Civil Revision Petition No.3701 of 2025

Between:

M/s.ESI Corporation, having its registered office at
#5-9-23, Hill Fort Road, Adarshnagar,
Hyderaabd – 500 063, Rep. by its
State Medical Commissioner.

Appellant / Respondent

VERSUS

M/s.Quality Care India Limited (care hospitals),
having its registered office at #6-3-248/2,
Road No.1, Banjara Hills, Hyderabad – 500 0034,
Rep. by its Senior Legal Manager,
Syed Khaja Rahmatullah, and another

Respondent / Petitioner

ORDER PRONOUNCED ON: 21.11.2025

THE HON'BLE SRI JUSTICE P.SAM KOSHY

1. Whether Reporters of Local newspapers
may be allowed to see the Judgments? : Yes
2. Whether the copies of judgment may be
marked to Law Reporters/Journals? : Yes
3. Whether His Lordship wishes to
see the fair copy of the Judgment? : **Yes**

P.SAM KOSHY, J

*** THE HON'BLE SRI JUSTICE P.SAM KOSHY**

+ Civil Revision Petition No.3701 of 2025

% 21.11.2025

Between:
M/s.ESI Corporation

Appellant / Respondent

VERSUS

M/s.Quality Care India Limited (care hospitals),
and another

Respondent / Petitioner

! Counsel for Petitioner(s) : Mr.G. Pavan Kumar

^Counsel for the Respondent(s) : Mr.S. Ravi, learned Senior Counsel
representing M/s.R.S. Associates

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? Cases referred

¹ O.M.P. (MISC.) (COMM.) 695 OF 2024, dated 13.11.2024,
of the High Court of Delhi, at New Delhi

² AP-COM – 296 of 2025, dated 13.09.2025, of the
High Court at Calcutta, Commercial Division, Original Side

³ Writ Petition No.88 of 2024, dated 07.08.2024, (Division Bench),
Of the High Court of Bombay at Goa.

⁴ 2024 INSC 889

THE HONOURABLE SRI JUSTICE P. SAM KOSHY**Civil Revision Petition No.3701 of 2025****ORDER :**

The present Civil Revision Petition is filed by the petitioner under Article 227 of the Constitution of India and Section 29A(4) of the Arbitration and Conciliation Act, 1996 aggrieved by the Judgment and Decree dated 24.03.2025 in Arbitration O.P.No.172 of 2023 passed by the XXIV Additional Chief Judge, City Civil Court, at Hyderabad **(for short, ‘the impugned order’)**.

2. Heard Mr. G. Pavan Kumar, learned counsel for the petitioner; and Mr. S. Ravi, learned Senior Counsel representing M/s.R.S. Associates, learned counsel for the respondents.

3. *Vide* the impugned order, the Trial Court allowed the above A.O.P. by granting extension of period of (08) months from the date of order for completion of arbitral proceedings by the learned Arbitrator subject to payment of costs of Rs.5,000/- payable to the District Legal Services Authority.

4. The above A.O.P. was filed by respondent No.1 under Section 29A(4) of the Arbitration and Conciliation Act, 1996 read with Section 151 of Civil Procedure Code, 1908 praying the Trial Court

to pass an order directing respondent No.2-Arbitral Tribunal to extend the period of arbitration proceedings in Arbitration Case No.1 of 2019 for a further period of one year from the date of order by duly setting aside the impugned proceedings dated 16.01.2021 whereby the arbitration proceedings stood terminated between the petitioner and the respondent from 31.12.2020.

5. The operative portion of the impugned order is reproduced as under, viz.,

“21. The arbitral proceedings were terminated at the stage of cross-examination of respondent’s witnesses which goes to show that most of the proceedings were completed. If the proceedings not permitted to continue further the interest of petitioner would be put to jeopardy.

22. In view of the above discussion and reasons mentioned, it is a fit case to grant extension of period of (08) months from the date of this order for completion of arbitral proceedings by the same Hon’ble Arbitrator. The petitioner shall pay costs of Rs.5,000/- to DLSA. Accordingly, this point is answered.

In the result, petition is allowed extending of time of (08) months from the date of this order for completion of arbitral proceedings subject to payment of costs of Rs.5,000/- to DLSA.”

6. The brief facts of the case is that respondent No.1 herein had preferred two arbitration applications, viz., Arbitration Application Nos.112 and 126 of 2017 under Section 11(6) of the above Act before the High Court for the State of Telangana, at Hyderabad. *Vide* common order dated 20.06.2019 in Arbitration Application

Nos.112 and 126 of 2017, a learned Single Judge of this Court had passed orders by appointing Sri Justice K.C. Bhanu, Retired Judge, High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh, residing at Villa No.43, Aditya Royal Palms, Gated Community, Road Opp. To 7 Tombs Gate, Shaikpet, Hyderabad, as the sole Arbitrator for resolution of dispute between the applicant company (respondent No.1 herein) and the respondent corporation (petitioner herein) arising out of Agreements dated 03.05.2013 and 19.06.2014 in accordance with the provisions and mandate of Act of 1996.

7. Thereafter, the period of arbitration proceedings stood expired w.e.f. 31.12.2020. However, on account of COVID Pandemic, the Hon'ble Supreme Court passed orders in Writ Petition No.3 of 2020, dated 08.03.2021, holding that : *"the period from 15.03.2020 till 14.03.2021 shall stand excluded in computing the periods prescribed under Section 23(4) and 29A of the Arbitration and Conciliation Act, 1996, ..."*. Subsequent thereto, respondent No.1 had also filed Writ Petition No.9061 of 2021 which was however withdrawn on 19.04.2021, and thereafter, the above arbitration applications were filed under Section 29A of the Act seeking for extension of time in the light of exclusion of the

COVID period from 15.03.2020 till 14.03.2021 for computing the periods prescribed under Section 23(4) and 29A of the Arbitration and Conciliation Act, 1996.

8. The solitary contention raised by the learned counsel for the petitioner was that the above arbitration application, viz., A.O.P.No.172 of 2023, could not have been filed before the Trial Court as the learned Trial Court did not have jurisdiction to decide the above arbitration petition. According to him, the appointment of an Arbitrator having been done by this High Court vide common order dated 20.06.2019 in Arbitration Application Nos.112 and 126 of 2017 in terms of Section 11(6A) of the amended Act of 1996, the Trial Court ought not to have granted extension; and for this reason, the impugned order passed by the Trial Court deserves to be set aside.

9. In support of his contentions, learned counsel for the petitioner relied on the following decisions of various High Courts, viz., (a) **Ovington Finance Pvt. Ltd. vs. Bindiya Nagar**¹, (b) **Best Eastern Business House Pvt. Ltd. vs. Mina Pradhan**², and (c) **Sheela Chowgule vs. Vijay V. Chowgule and others**³.

¹ O.M.P. (MISC.) (COMM.) 695 OF 2024, dated 13.11.2024, of the High Court of Delhi, at New Delhi

² AP-COM – 296 of 2025, dated 13.09.2025, of the

10. *Per contra*, learned Senior Counsel, appearing on behalf of respondents, contended that there is no illegality or any error of jurisdictional issue in the course of passing of the impugned order by the Trial Court in an petition under Section 29A(4) of Act of 1996. According to him, the Trial Court derives power to decide an application for extension of time in view of Section 2(1)(e) of the Act which defines the term ‘Court’ as under, viz.,

“(i) in the case of an arbitration other than international commercial arbitration, the principal Civil Court of original jurisdiction in a district, and includes the High Court in exercise of its ordinary original civil jurisdiction, having jurisdiction to decide the questions forming the subject-matter of the arbitration if the same had been the subject matter of a suit, but does not include any Civil Court of a grade inferior to such principal Civil Court, or any Court of Small Causes.”

11. In view of above, learned Senior Counsel appearing on behalf of the respondents contended that the principal Civil Court of original jurisdiction in a District retains the exclusive power to extend or terminate the mandate of the Arbitrator; and therefore, prayed that the instant Civil Revision Petition may be dismissed.

12. Having heard the contentions put forth on either side and on a perusal of the record, the only ground of challenge assailing the impugned order whereby the Trial Court had granted extension of time in an arbitration proceedings was on the “jurisdiction” part. Therefore, the question of law to be considered is :: *whether* in an arbitration petition seeking for extension of time under Section 29A(4) of Act of 1996, would it be the High Court for the State of Telangana (which had allowed the Arbitration Application Nos.112 and 126 of 2017 under Section 11(6) of the Act) to decide such questions forming the subject-matter of the arbitration; or would it be the concerned jurisdictional Civil Court in the District which has the power to decide matters relating to grant of extension of time under Section 29A(4) of Act of 1996 ?

13. For proper understating of the above question of law, it would be necessary at the first instance to read proviso to Section 11(6), which for ready references is being reproduced as under, viz.,

“(6) Where, under an appointment procedure agreed upon by the parties,—

(a) a party fails to act as required under that procedure; or

(b) the parties, or the two appointed arbitrators, fail to reach an agreement expected of them under that procedure; or

(c) a person, including an institution, fails to perform any function entrusted to him or it under that procedure, a party may request [the Supreme Court or, as the case may be, the High Court or any person or institution designated by such Court] to take the necessary measure, unless the agreement on the appointment procedure provides other means for securing the appointment.”

14. Next, we proceed to also consider the proviso to Section 29A of the Act which again for ready reference is reproduced hereunder, viz.,

[**29A.** Time limit for arbitral award.— 3 [(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.”

15. A plain reading of the above two provisions would make it clear that when it comes to appointment of an Arbitrator at the first instance, Section 11(6) prescribes that only the High Court has the inherent jurisdiction and power to decide the same; whereas, when we read Sub-Section (4) of Section 29A of the Act, it is the principal Civil Court which has been referred to and not the Court which had appointed the Arbitrator. Thus, the framers of the law had clearly drawn the distinction while exercising powers under Section 11(6) of the Act vis-à-vis Section 29A of Act of 1996.

16. Keeping in view the aforesaid provision of law, it would be relevant at this juncture to refer to definition of the word “Court” as is defined under Section 2(1)(e), which again for ready reference is being reproduced hereunder, viz.,

“(i) in the case of an arbitration other than international commercial arbitration, the principal Civil Court of original jurisdiction in a district, and includes the High Court in exercise of its ordinary original civil jurisdiction, having jurisdiction to decide the questions forming the subject-matter of the arbitration if the same had been the subject matter of a suit, but does not include any Civil Court of a grade inferior to such principal Civil Court, or any Court of Small Causes.”

17. In the teeth of aforesaid definition, if we read Section 29A of the Act keeping in mind the definition of “Court” as defined in Section 2(1)(e) of the Act, this Court has no hesitation in reaching to the conclusion that when it comes to proceedings under Section 29A, it would be the jurisdictional District Court which would have the power for exercising the same and which is distinct to Section 11(6) of the Act. Whereas, it is only the High Court or the notified Judge of the High Court who has the power to decide the same.

18. As regards the decisions relied upon by the learned counsel for the petitioner (referred supra), this Court is of the considered opinion that those decisions were rendered by the respective High Courts where the High Court simultaneously had original side jurisdiction unlike the High Court for the State of Telangana; therefore, the decisions relied upon by the learned Counsel for the petitioner (referred supra) are in itself distinguishable on its own facts.

19. So far as facts in the instant case and the provisions of Section 29A of the Act are concerned, what needs to be understood is that if the law makers were of the view that the extension or termination of the mandate was to be done by the

same Court which had allowed a petition under Section 11(6) of the Act at the time of appointment of an Arbitrator, then the provision of law would have been to simply confer power to grant extension or power to terminate the mandate with the same court which had appointed the arbitrator rather than specifically mentioning the power being with the principal Civil Court of original jurisdiction in a District.

20. For all the aforesaid reasons, this Court finds it difficult to accept the arguments advanced by the learned counsel for the petitioner when it questions the power of a Civil Court in deciding the petition under Section 29A(4) of the Act. Another reason which this Court is not inclined to interfere with the impugned order is that the issue of jurisdiction was not the focal point of contention while deciding the above A.O.P.No.172 of 2023 by the Trial Court. The points for consideration by the Trial Court before passing the impugned order were that : (a) could a petition which was filed for extension of time for completion of arbitral proceedings which were terminated on 31.12.2020 be entertained at the first instance; and (b) after a considerable period of time had got lapsed from the period the mandate got terminated, such a petition can be entertained or not. Both these points have been

answered by the Trial Court by giving elaborate reasons and also taking note of the recent decision of the Hon'ble Apex Court in the case of **M/s.Ajay Protech Pvt. Ltd. vs. General Manager & another**⁴ wherein the Hon'ble Apex Court had held that extension of time can be entertained and granted even after expiry of statutory extendable period.

21. For all the aforesaid reasons, this Court does not find any strong case made out by the learned counsel for the petitioner calling for interference to the impugned order passed by the Trial Court. The Civil Revision Petition being devoid of merit deserves to be and is accordingly dismissed. No costs.

22. As a sequel, miscellaneous applications pending if any, shall stand closed.

P. SAM KOSHY, J

Date: 21.11.2025
Ndr

⁴ 2024 INSC 889