



IN THE HIGH COURT OF HIMACHAL PRADESH
AT SHIMLA

Arbitration Case No:351 of 2025
Decided on : 26th November, 2025

Sandesh Kumar Deceased through his LRs
...Petitioners

Versus

National Highway Authority of India
and another
...Respondents

Coram:
Hon'ble Mr. Justice Ranjan Sharma, Judge
¹ *Whether approved for reporting? Yes*

For the petitioner : Mr. Ashir Kaith, Advocate.
For the respondents : Mr. Karan Sharma, Advocate, for
respondent No.1-NHAI.
Ms. Ayushi Negi, Deputy Advocate
General for respondent No.2-State.

Ranjan Sharma, Judge

Petitioner-Rajiv Salwan and three other, being
the legal heirs of late Shri Sandesh Kumar (since
deceased) have come up before this Court in instant
petition filed under Section 29-A of the Arbitration and
Conciliation Act, 1996, seeking following relief(s):-

“That the period since the pendency of
the Arbitration Case No.49/16 titled
Sandesh Kumar deceased through Legal

¹ *Whether reporters of Local Papers may be allowed to see the judgment?*

Representatives Vs. NHAI and others may be regularized and the mandate of the Arbitrator may be extended for a reasonable time as deemed proper by this Hon'ble Court."

FACTUAL MATRIX:

2. Case as setup by Learned Counsel is that pursuant to Notification under Section 3(A) of the National Highways Act, 1956, the Central Government published a Notification to acquire the stretch of land from 106.0002 to 155.800 Kms. (Solan-Shimla Section), for four lanning etc. in State of Himachal Pradesh. Consequently, the land in 22 villages of Tehsil Shimla [Rural], including the lands of the predecessor of the petitioners were acquired by Competent Authority/Land Acquisition [referred to as CALA] Award No.4, dated 25.05.2015.

2(i). Feeling aggrieved against the Award dated 25.05.2015, passed by CALA, the predecessor of the petitioners filed a reference petition before Learned Arbitrator-cum-Divisional Commissioner, Shimla, which

was registered as Reference Petition No.49/2016, upon which, the Learned Arbitrator commenced arbitral proceedings and these proceedings continued but surprisingly, the Learned Arbitrator passed a common order on 13.03.2023 [*Annexure P-3*], closing the arbitral proceedings on the ground that the mandate of Arbitrator stood terminated, as the arbitral proceedings could not be completed within the time schedule as prescribed under Section 29A(1) and Section 29A(3) of the Arbitration and Conciliation Act.

2(ii). Feeling aggrieved against the order passed by the Learned Arbitrator on 13.03.2023 [*Annexure P-3*], the petitioner approached this Court under Section 29A(4)2(5) by filing Arbitration Case No. 03 of 2016. *Rajiv Salwan and others versus National Highway Authority of India and another*, seeking extension of mandate of an arbitrator and the same was granted by this Court on 24.08.2023 [*Annexure P-4*]. After grant of extension by this Court, the petitioner appeared

before the arbitrator on 12.09.2023 and presented the copy of order granting extension. On 01.03.2024, the petitioner inquired about the status of the case but with no response. However, the petitioner was told that though other connected arbitration cases have been decided but since the copy of order dated 24.08.2023 [Annexure P-4] has been misplaced, he shall seek fresh extension from this Court. Moreover, the Learned Arbitrator order passed the judgment on 14.05.2025 [Annexure P-5] closing the arbitral proceeding on the ground that while passing the common order on 13.03.2023 [Annexure P-3 in Arbitration Case No. 03/2016], the name of predecessor of the petitioner was shown as Sandeep Kumar instead of Sandesh Kumar inadvertently and for this the petitioner was directed to seek correction of clerical mistake/typographical error.

In this backdrop, the petitioner has come up before this Court, for seeking extension of mandate of Arbitrator, so that the arbitral proceedings could be

concluded expeditiously.

STAND OF RESPONDENT- NHAI IN REPLY:

3. Notice was issued in these proceedings on 11.11.2025, with direction to file reply, if any. Upon listing of the case today, Mr. Karan Sharma, Learned Counsel for the Respondent-NHAI, has filed the Reply-Affidavit.

3(i). In Reply-Affidavit, the *factum* that arbitral proceedings continued in Reference Petition No. 49 of 2016 till passing of Impugned Orders on 14.05.2025 [Annexure P-5] was not disputed. The Reply-Affidavit indicates that no fault lies with NHAI but Learned Arbitrator had failed to decide the claim within the stipulated time and had continued with the proceedings thereafter. In the Reply-Affidavit, even the Respondents-National Highway Authority of India has admitted that while passing the common order of closing the arbitral proceedings on 13.03.2023 [Annexure P-3], the description of the predecessor in interest of the petitioner

in Reference Petition No. 49 of 2016 and Serial No. 148 was shown as Sandeep Kumar versus National Highway Authority of India, *whereas*, the name of predecessor in interest of the petitioner was Sandesh Kumar versus National Highway Authority of India. It is further averred that though the order giving incorrect description was passed on 13.03.2023 [Annexure P-3], but the instant application has been filed by the petitioner in the year 2025 after an unexplained delay. It is further averred that granting the prayer for extension will result in heavy loss to public exchequer also. In this backdrop, the prayer was made for discussing the present application.

4. Heard, Mr. Ashir Kaith, Advocate for the petitioner and Mr. Karan Sharma, Advocate for the Respondents-National Highway Authority of India and Ms. Ayushi Negi, Learned Deputy Advocate General for respondent No.2.

STATUTORY PROVISIONS:

5. For appreciating the claim of the parties herein, it is necessary to have a recap of the statutory provision of Section 29-A of the Arbitration and Conciliation Act, 1996 [hereinafter referred to as 'Act'], reads 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 subsection (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.”

MANDATE OF LAW ON EXTENSION:

6. Notably, the parameters governing extension of arbitral proceedings have been spelt out by the Hon’ble Supreme Court, which are detailed here-in-below:

6(i-a). While dealing with a similar fact-situation, the Hon’ble Supreme Court in ***TATA Sons Pvt. Ltd. (Formerly TATA Sons Ltd.) vs. Siva Industries and Holdings Ltd. and others, 2023 (1) SCALE 793,*** held that the mandate of an Arbitrator is liable to be extended by the Court, under Section 29A(4) and 29A(5)

of the Act, in the following terms:-

“24 The provisions of Section 29A, as originally introduced into the statute, mandated that all awards shall be made within a period of twelve months from the date on which the arbitral tribunal enters upon the reference. The explanation clarified when the arbitral tribunal would be deemed to have entered upon the reference, namely, the date on which the arbitrator has received written notice of the appointment. The mandatory nature of the provisions of Section 29A(1) and their application to all arbitrations conducted under the Act, domestic or international commercial, was evident from the use of the word “shall”. **In terms of Section 29A(4), in case the arbitral award was not rendered within the twelve or eighteen month period as the case may be, the mandate of the arbitrator(s) would stand terminated, unless on an application made by any of the parties, the court extended time on sufficient cause being shown.....**

26. Sub-section (3) of Section 29A empowers parties, by consent, to extend the period specified in sub-section (1) for making the award by a further period not exceeding six months. Thereafter, if the award is not made within the period which is specified in sub-section (1) or the extended period specified in sub-section (3), the mandate of the arbitrator shall terminate unless the court has extended the period either prior to or after the expiry of the period so specified. **In other words, the**

timeline of twelve months for making the award (in matters other than international commercial arbitration), is qualified by the consensual entrustment to the parties under sub-section (3) to extend the period by six months after which the court is empowered in terms of sub-section (4) to extend the period for making the award. The submission of the second respondent is that the provisions of sub-section (3) and sub-section (4) must also apply to an international commercial arbitration. This would merit close scrutiny. The legislature has not expressly excluded the applicability of sub-sections (3) and (4) of Section 29A to an international commercial arbitration. **But, at the same time, it must be noticed that the rationale underlying sub-section (3) is to ensure that despite the stipulation of twelve months for the making of an arbitral award in the domestic context, parties may by consent agree to an extension of time by a further period of six months. Such an extension of six months is envisaged in the case of a domestic arbitration since there is a mandate that the award shall be made within a period of twelve months. A further extension has, however, been entrusted to the court in terms of sub-section (4) of Section 29A.** However, insofar as an international commercial arbitration is concerned, the statutory regime is clear by the substantive part of sub-section 1 of Section 29A in terms of which the timeline of twelve months for making an arbitral award is not applicable

to it. In an international commercial arbitration, the legislature has only indicated that the award should be made as expeditiously as possible and that an endeavour may be made to dispose of the matter within a period of twelve months from the completion of pleadings.”

(emphasis supplied)

6(i-b). While dealing with a similar situation, the Hon'ble Supreme Court, in **Rohan Builders (India) Private Limited versus Berger Paints India Limited, 2024 SCC OnLine SC 2494**, has reiterated that the mandate of an Arbitrator liable to be extended on an application made, either prior to or after the period for completing the arbitral proceedings had expired *and* such extension may be granted only for sufficient cause shown to the satisfaction of the Court, in the following terms:-

“15. Rohan Builders (India) Pvt. Ltd. (supra) 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 29A(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. The first proviso to Section 29A(4) permits a fee reduction of up to five percent for each month of delay attributable to the arbitral tribunal.

16. Lastly, Section 29A(6) does not support the narrow interpretation of the expression “terminate”. It states that the court while deciding an extension application under Section 29A(4) may substitute one or all the arbitrators. Section 29A(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 29A(8) and 29A(9). The court in terms of Section 29A(8) has the power to impose actual or exemplary costs upon the parties. Lastly, Section 29A(9) stipulates that an application for extension under sub-section (5) must be disposed of expeditiously, with the endeavor of doing so within sixty days from the date of filing.

17. As per the second proviso to Section 29A(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 Section 29A(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 29A(4) of the A & C Act.
18. **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. 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.”

6(i-c). While dealing with the claim for extension of the arbitral proceedings, the Hon’ble Supreme Court in **M/s Ajay Protech Pvt. Ltd. versus General Manager & Another, 2024 SCC OnLine SC 3381**, held as under:

12. The issue before us is not whether the application under Section 29A(4) is filed within the permissible time for seeking extension, i.e., 12 months, followed by another 6 months at the consent of the parties. ***The real issue is whether there is a sufficient cause for the Court to extend the period for making of the award.*** For considering whether there is a sufficient cause or not, it is necessary to take into account the following events. As indicated earlier, even before expiry of the period of 12 months under Section 29A(1), commencing from 09.10.2019 (date of completion of pleadings), the COVID pandemic had started. The period between 15.03.2020 and 28.02.2022 is anyways mandated to be excluded from periods of limitation. Therefore, from the date of completion of pleadings till 15.03.2020, only a period of 5 months is taken. If the remainder of the 18 months period is reckoned from 28.02.2022, the said period

would expire on 31.03.2023. In other words, the appellant would have been within the period specified under Section 29A(1) read with Section 29A(3) had it filed the application by such date. However, the problem arose because the application was filed on 01.08.2023. Really speaking, it is the period commencing from 31.03.2023 to 01.08.2023 that the Court is to take into account for considering whether there is sufficient cause to exercise the power under Section 29A(5) to extend the period.

13. In view of the above, it is clear that the reasoning adopted by the High Court in holding that there is a delay of 2 years, 4 months in filing the application is erroneous.

14. We will have to *consider if there is sufficient cause for not filing the application* before 31.03.2023. In the application for extension, the appellant has submitted that the reasons for extension of time are as follows:

- (i) the Arbitral Tribunal proceeded with online hearings in 2022, but was required to adjourn the proceedings on several occasions at the request of the respondents' counsel as the panel from which the arbitrator was appointed had been changed.
- (ii) That the dispute involved technical and legal questions, and the record of the case is bulky.
- (iii) That the delay is neither attributable to the parties, nor to the Arbitral Tribunal, who have

acted in a prompt and cautious manner.

- (iv) The hearing is complete, and only the award needs to be declared, thereby leading to hardship to the parties if the time for making the award is not extended. On these grounds, the appellant prayed for a one month extension under Section 29A(4).

15. Efficiency in the conduct of arbitral proceedings is integral to the effectiveness of the dispute resolution remedy through arbitration. **Efficiency is inextricably connected with expeditious conclusion of arbitral proceedings.** While the statute incorporates party autonomy even with respect to the conduct and conclusion of arbitral proceedings, **there is a statutory recognition of the power of the Court to step in wherever it is necessary to ensure that the process of resolution of the dispute is taken to its logical end, if according to the Court, the circumstances so warrant.** It is in this context that the Arbitration and Conciliation Act adopts the well-known language of limitation statutes and provides that the **Court can extend the time if it finds that there is sufficient cause.**

16. The meaning of '**sufficient cause**' for extending the time to make an award must take colour from the underlying purpose of the arbitration process. The primary objective in rendering an arbitral award is to resolve disputes through the agreed dispute resolution mechanism as

contracted by the parties. Therefore, ***'sufficient cause' should be interpreted in the context of facilitating effective dispute resolution.***

ANALYSIS IN INSTANT CASE:

7. Perusal of the Statute prescribes that the arbitral proceedings are to be completed within a period of 12 months from the date of completion of pleadings. This period was extendable with consent of parties by 6 months. In instant case, the arbitral proceedings commenced in the year 2016 and the same continued without any objection by either of the parties. The material on record reveals that the arbitral proceedings were delayed due to procedural and administrative delays. The adversial effect of COVID led to non-conclusion of such proceedings. Even parties to arbitral proceedings did not object to the continuance of arbitral proceedings beyond the permissible period. Nothing has been placed on record to show that the non-conclusion of arbitral proceedings was attributable solely to the petitioner(s). Record reveals that arbitral

proceedings were closed in 157 cases by a common order on 13.03.2023 [*Annexure P-3*] and while passing the common orders on 13.03.2023, the description [name] of the predecessor-in-interest of the petitioner was shown as Sandeep Kumar instead of Sandesh Kumar [at Serial No. 158 at Page 17 of paper book]. Thereafter an application for extension was filed by petitioners [Arb. Case no. 3 of 2016] which was allowed by this Court on 24.08.2023 [*Annexure P-4*]; and the extension order was submitted to Learned Arbitrator. Pursuant to this, Learned Arbitrator continued with the arbitral proceedings in other connected cases which had originated from the same Acquisition Notification and the common Award and their respective references were decided on 01.03.2024 while the case of the petitioner remained secluded, by directing the petitioner to seek correction of incorrect particular mentioned in earlier orders. These facts reveals that the description of incorrect name of the predecessor-in-interest of the

petitioner in the common order dated 13.03.2023 [Annexure P-3 at Serial No. 148 at page 17 of paper book] cannot be invoked as a ground, when, the predecessor-in-interest [namely Sandesh Kumar] had died on 27.04.2021 [Annexure P-1 herein] and thereafter the present petitioners being legal heirs were brought on record till the passing of an order giving erroneous details on 13.03.2023 [Annexure P-3] which was attributable to Learned Arbitrator and when the present petitioners had participated in the proceedings till the passing of Impugned Order on 14.05.2025 [Annexure P-5].

8. Respondents-NHAI cannot be permitted to take the plea of delay and laches when, in cases of other similarly placed landowners extension was given by this Court and proceedings were concluded except in case of the petitioner where matter was delayed as the copy of the extension order was misplaced by the arbitrator concerned and the incorrect description of name of the predecessor of petitioner which was recorded

by the arbitrator, by which time the extension time also expired. Further, once the parties to arbitral proceedings, including the Respondents-NHAI had participated in arbitral proceedings for last about 09 years [since 2016 till 2025] therefore, the Statute, *i.e. Arbitration and Conciliation Act* was to be given a meaningful life so as to make it workable and practicable. Moreover, non-conclusion of arbitral proceedings was not solely attributable to petitioners. In this instant extension, Respondents-NHAI cannot be permitted to raise the plea of delay and laches, so as to defeat the object and intent of the Enactment. Efforts should be to take the arbitral proceedings to its logical end in its practical and pragmatic manner, so as to enable the parties to settle their disputes by alternative resolution, in an effective, efficient and expedient manner by arbitration. Even COVID and other relatable issues arising due to administrative reasons, as the Arbitrator happens to be the Divisional Commissioner is good enough for carve out

“sufficient cause”, for enlargement of time, which are at a final stage [when other cases stand decided] so as to ensure that these proceedings are taken to the logical end, expeditiously.

9. Reference to the peculiar situation reveals that though the Arbitrator had passed an order 13.03.2023 [*Annexure P-3*] [at serial No.148], in Reference Case No.49 of 2016, giving the incorrect description of the name of the predecessor of the petitioner as **Sandeep Kumar** versus **National Highway Authority of India** and this discrepancy was liable to be corrected by Arbitrator himself, which has now been rectified-corrected by Arbitrator on 14.05.2025 [*Annexure P-5*]. Thus, once the clerical mistake/typographical error in the orders dated 13.03.2023 [*Annexure P-3*] was attributable to the concerned Arbitrator, which stand corrected on 14.05.2025 [*Annexure P-5*] therefore, the action of Learned Arbitrator in keeping the proceedings pending since 13.03.2023 [*Annexure P-3*] till passing of

Impugned Order on 14.05.2025 [Annexure P-5], establishes “sufficient cause”, entitling the petitioner(s) for an effective and logical conclusion of the arbitral proceedings, by extending the mandate of Learned Arbitrator-cum-Divisional Commissioner, in the teeth of the mandate of the Hon’ble Supreme Court in the cases of **TATA Sons, Rohan Builders and Ajay Protech (supra)**, when the other similar reference(s) [connected with case of petitioner] stands adjudicated by Learned Arbitrator concerned.

DIRECTIONS:

10. In view of above discussion and for the reasons recorded herein-above and in view of the “sufficient cause” having been made out; and to facilitate the conclusion of arbitral proceedings expeditiously the instant petition is ***allowed, in the following terms:-***

- (i) Mandate of Learned Arbitrator-cum-Divisional Commissioner, Shimla is extended and the adversial orders, if any, closing the proceedings or keeping the proceedings in abeyance are rendered inoperative, qua the petitioner(s);

- (ii) Arbitrator-cum-Divisional Commissioner, Shimla is directed to conclude the arbitral proceedings *and* decide the case no. **49** of 2016 *In re: Sandesh Kumar [now deceased] and others vs NHAI and Others*, by passing the Award in accordance with law; within six months from the date of receipt of copy of this judgment; and
- (iii) Parties to bear respective costs.

In aforesaid terms, the instant petition is allowed and all pending miscellaneous application(s), if any, shall also, stand disposed of, accordingly.

November 26, 2025

[himani]

(Ranjan Sharma)
Judge