



**IN THE HIGH COURT OF HIMACHAL PRADESH
AT SHIMLA**

Arbitration Case No:352 of 2025
Decided on : 26th November, 2025

Ratti Ram 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? No*

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-Mohinder Singh and three other,
being the legal heirs of late Shri Ratti Ram (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.159/16 titled **Ratti
Ram Vs. NHAI and others** may be regularized

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



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.159/2016, 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-4*], 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.

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). 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.

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.**

7. Even a perusal of the Statute prescribes that arbitral proceedings are to be completed within 12 months and the same were extendable by 6 months with consent of parties. Though, the arbitral proceedings were to be completed within 18 months, but they continued



from 2016 till the passing impugned order on 13.03.2023

[Annexure P-4 Colly], whereby, the mandate of the Learned Arbitrator stood terminated and the arbitral proceedings were kept in abeyance. Material on record suggests that, even after expiry of 18 months period, the arbitral proceedings were delayed primarily at the instance of respondent; and due to procedural delays and due to administrative delays, for which parties cannot be made to suffer. The parties have neither objected to the continuance of arbitral proceedings beyond permissible period nor placed any material to show that any of the parties had prayed or was granted extension in arbitral proceedings by this Court, earlier.

8. Respondents-NHAI cannot be permitted to take the plea of delay and laches when, indisputably similar extension was given to other similarly placed landowners. Once the parties to arbitral proceedings, including the Respondents-NHAI had participated in the arbitral proceedings beyond the permissible period, therefore, the



mandate of the Statute, [*i.e. Arbitration and Conciliation Act*] was to be given a meaningful life, so as to make it workable and practicable. Further, once the non-conclusion of the arbitral proceedings was not attributable to the petitioner; therefore, the Respondents-NHAI cannot be permitted to raise the plea of delay and laches, so as to defeat the object and intent of the Enactment but efforts should be to make it practical and pragmatic, so as to enable the parties to settle their disputes by alternative resolution, in an effective, efficient and expedient manner by arbitration. In these circumstances, sufficient cause for enlargement of time for concluding the arbitral proceedings is made out, in facts of instant case.

ANALYSIS IN INSTANT CASE:

9. Material on record indicates that the Arbitral proceedings could not be concluded by the Arbitrator, without any cogent and convening reason attributable to the petitioner. Records reveal that the matter was



adjourned on couple of occasions due to administrative exigencies by the Arbitrator, who happens to be Divisional Commissioner also. Even the parties to the Arbitral proceedings have participated in the proceedings for the last about two years. The intent and object of Arbitral proceedings should be effort to take the proceedings to a logical end and that too in a practical and pragmatic manner. The intent of the Arbitration is to facilitate the effective conclusion of arbitral proceedings, so that the rights of the parties to Arbitration are adjudicated expeditiously in accordance with law.

10. The averments in the petition, indicates sufficient cause which is not at all attributable to the petitioner. In these circumstances, in order to balance the rights of the parties and to safeguard the interest, this Court based on sufficient cause as discussed herein above, allows the instant application with directions to Learned Arbitrator to conclude the arbitrarily proceedings expeditiously, to meet the ends of justice,



when arbitral proceedings originating from same acquisition notice and relating to the same Award stood adjudicated by Learned Arbitrator. Treating petitioner differently without any fault shall certainly deprive the petitioner of the right for an effective, practical and pragmatic conclusion of arbitral proceedings, which are at final stages, in instant case.

DIRECTIONS:

11. In view of above discussion and for the reasons recorded herein-above coupled with “sufficient cause” having been made out; and in order to facilitate expeditious and logical conclusion of arbitral proceedings, 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. 159 of 2016 *In re: Ratti Ram [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