



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

Arb. Case No. 719 of 2024
Reserved on: 06.06.2025
Announced on: 10.07.2025

Inder Pal

...Petitioner

Versus

Land Acquisition Officer & Another

...Respondents

Coram

Hon'ble Mr. Justice Ranjan Sharma, Judge

¹ *Whether approved for reporting ?* No.

For the appellants: Mr. Varun Rana, Advocate.

For the respondents: Ms. Shreya Chauhan, Advocate,
for respondent No.1-NHAI
Mr. Sidharth Jalta, Deputy
Advocate General, for
respondent No.2-State.

Ranjan Sharma, Judge [Oral]

Pursuant to the orders dated 26.12.2022,
the proceedings in the instant petition were stayed,
in view of the judgment passed by the Punjab
and Haryana High Court, in case of **Sohan Lal
and Others Versus Union of India and Others**
[CWP No.19799-2023, on 20.03.2025]. Now, since
the Hon'ble Supreme Court has stayed the

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



operation of the aforesaid judgment on 30.05.2025 in SLP(c) Diary No. 26933 of 2025 titled as M/s Riar Builders Pvt. Ltd. and another versus Union of India and others directing the continuance of arbitral proceedings. Accordingly, the instant petition is taken up today.

2. Instant petition has been filed seeking the following reliefs:

“It is, therefore, respectfully prayed that in view of the facts stated above, this application may kindly be allowed and the time limit for completing the Arbitration proceedings in Arbitration Reference No. 1386 of 2017 titled as Inder Pal versus NHAI and other pending before Divisional Commissioner-cum-Arbitrator, Mandi, District Mandi, H.P. may kindly be extended for a further period of six months or any other orders or directions which this Hon’ble Court may deem fit be passed in the interest of justice.

3. The grievance of the petitioner is that pursuant to passing of Award by CALA concerned, the parties offered themselves for arbitral proceedings. The Arbitrator-cum-Divisional Commissioner, Mandi, commenced the arbitral proceedings vide Case No.1386/2018 on 13.07.2017, which is clear from Annexure P-1. Pursuant to the arbitral proceedings, the parties participated therein, but the Arbitrator



concerned passed an order on 26.12.2022 [Annexure P-2], whereby the arbitral proceedings were kept in abeyance on the plea that since the Award could not be passed within the permissible period therefore, the mandate of Arbitrator had expired. It is in this background, the present petition has been filed by invoking Section 29A(4) of Arbitration and Conciliation Act, seeking quashing of the order dated 26.12.2022 [Annexure P-2], with the prayer to direct Learned Arbitrator to conclude the arbitral proceedings, within a stipulated period.

4. Pursuant to issuance of notice on 20.08.2024, the contesting respondent -National Highway Authority of India was granted time to file reply. Accordingly, Respondent No.1-NHAI filed the reply-affidavit on 20.09.2024 of Project Director, National Highway Authority of India, PIU-Mandi, stating therein that the land of the petitioner was acquired for development and maintenance of NH-21 leading to the passing of Award on 16.01.2017. Reply-Affidavit further indicates that



Section 29A of Arbitration and Conciliation Act came into force w.e.f. 30.08.2019. It is further averred that since the Arbitral proceedings, which had commenced before insertion of Section 29A were to be concluded by the Arbitrator-cum-Divisional Commissioner, Mandi, in Petition No. 1386 of 2017 within one year but due to non-completion of Arbitral proceedings the mandate of the Arbitrator stood elapsed on completion of one year. It is further averred that no application was filed by either of the parties for continuance/extension of Arbitral proceedings. Plea with respect to delay and laches in approaching this Court has also been taken.

5. Heard, Mr. Varun Rana, Advocate, Advocate for the petitioner and Ms. Shreya Chauhan, Advocate for respondent No.1-National Highway Authority of India and Mr. Sidharth Jalta, Deputy Advocate General for the State.

6. Learned Counsel for Respondent No.1-NHAI, Ms. Shreya Chauhan, does not dispute the factual matrix that arbitral proceedings commenced



in the year 2017 and since then, the parties have participated in these proceedings. It is not disputed that in other identical cases, relating to same subject-land, the mandate of the Arbitrator was terminated and arbitral proceedings were kept in abeyance but consequent upon the intervention of this Court, the time for conclusion of the arbitral proceedings was extended and the arbitral process are underway and/or in some case the same have been concluded.

7. As per the mandate of the Hon'ble Supreme Court in **TATA Sons Pvt. Ltd.(Formerly TATA Sons Ltd.) vs. Siva Industries and Holdings Ltd. and others**, reported in **2023(1) SCALE 793**, 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.**

XXXX.

XXX...

XXX..

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)



7(i). While dealing with a similar situation, the Hon'ble Supreme Court, in **Civil Appeal No. 10620 of 2024 [Arising out of Special Leave Petition (Civil) No.23320 of 2023]** titled as **Rohan Builders (India) Private Limited versus Berger Paints India Limited**, decided on 12.09.2024, has reiterated that mandate of an Arbitrator is liable to be extended in view of sufficient cause 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.²⁸ 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 endeavour 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.”**

8. Perusal of the Statute prescribes that arbitral proceedings are to be completed within 12 months and thereafter, with the consent of parties within 6 months of extendable period.



Accordingly, the proceedings were to be completed within 18 months. The Arbitrator passed an order that the arbitral proceedings were terminated till the same were revived by either of the parties in accordance with law. Perusal of impugned order 26.12.2022 [Annexure P-2] 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 delay, for which the parties cannot be made to suffer. The parties have not objected to the continuance of arbitral proceedings before the Arbitrator and have also not objected to the grant of extension in arbitral proceedings even before this Court.

8(i). Respondent No.1-NHAI cannot be permitted to take the plea of delay and laches when, indisputably similar extension was given to other similarly placed landowners, and therefore, once the parties to arbitral proceedings, including Respondent-NHAI had participated in arbitral proceedings beyond



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. In such a scenario, it is not in dispute that the non-conclusion of arbitral proceedings was not attributable to the petitioner; therefore, the Respondent No.1-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 in concluding the arbitral proceedings is made out, in facts of instant case.

9. Parties are *ad idem* that the matter is squarely covered by the judgment of this Court in Arbitration Case No. 22 of 2025, titled as **Ghanshyam Mahajan Versus Land Acquisition Officer-cum-Competent Authority & Ors.**, decided



on 07.03.2025. Likewise, Learned Counsel for the petitioner places reliance on the judgment Arbitration Case No.811 of 2024, titled as **Hari Ram Versus Collector Land Acquisition National Highways Authority of India & Others**, decided on 20.06.2025. Further, he also places reliance on an order in Arbitration Case No. 126 of 2025 titled as **Hari Singh Saini & Another Versus Land Acquisition Officer & Another**, decided on 27.06.2025, whereby, the mandate of arbitrator was extended by this Court with directions to conclude the arbitral proceedings within six months from the date of receipt of copy of the judgement.

10. Taking into account the entirety of the facts and circumstances, and the object and intent of arbitral proceedings, this Court disposes of the instant petition, in the following terms:-

- (i) Order dated 26.12.2022, Annexure P-2, in Petition No. 1386 of 2017 passed by the Learned Arbitrator-cum-Divisional Commissioner, Mandi, in case titled as **Inder Pal Versus National Highway Authority of India and another**, is quashed and set aside;



- (ii) Learned Arbitrator- cum- Divisional Commissioner, Mandi, is mandated to complete the arbitral proceedings and to pass the Award, in accordance with law within six months from the date of receipt of copy of this judgment; and
- (iii) Costs made easy for respective parties.

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

10th July, 2025
(tm)

(Ranjan Sharma)
Judge