



\$~61

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Date of Decision: 16.04.2025

+ **O.M.P.(MISC.)(COMM.) 282/2025**

ENERGY EFFICIENCY SERVICES LIMITEDPetitioner

Through: Mr. Samdarshi Sanjay, Mr. Manoj Kumar, Mr. Ashish Kumar, Ms. Monika Sharma, Advs.

versus

SUNMEGA VENTURES PRIVATE LIMITEDRespondent

Through: Mr. Abhinay Sharma, Mr. Pooran Chand Roy, Ms. Deeksha Prakash, Advs.

CORAM:

HON'BLE MR. JUSTICE JASMEET SINGH

: **JASMEET SINGH, J (ORAL)**

1. This is a petition filed under Section 29A of the Arbitration and Conciliation Act, 1996 seeking extension of the mandate of the Arbitral Tribunal.
2. The Arbitral Tribunal was appointed on 11.07.2022.
3. On 27.09.2024, this Court extended the mandate of the Arbitral Tribunal by a period of 6 months.
4. On 28.11.2024, there was change in the counsel for the respondent and an adjournment was requested on their behalf.
5. It is stated that the arguments were partly heard by the Arbitral Tribunal and since the extended period of 6 months elapsed on 16.03.2025, the present petition has been filed.
6. On 30.12.2024, the Arbitral Tribunal permitted the petitioner to file a



detailed affidavit with regard to the claims to which the respondent sought time to file a response.

7. On 30.01.2025, an adjournment was sought by the petitioner for filing the detailed affidavit. Thereafter, on 13.02.2025, the affidavit was filed and 2 weeks time was granted to the respondent to file their response.
8. The mandate of the Arbitral Tribunal expired on 16.03.2025.
9. It is stated by Mr. Sharma, learned counsel for the respondent that Section 29A of the Arbitration and Conciliation Act, 1996 does not contemplate a second extension by the Arbitral Tribunal.
10. My attention has been drawn to the judgment of Hon'ble High Court of Calcutta in "***Senbo Engineering Ltd. Versus Hoogly River Bridge Commissioners***"(AP/482/2019) wherein it has been held that there is no bar on extending the mandate of the Arbitral Tribunal by second period of 6 months. The same reads as under:
 20. ".....Substantial change in arbitration law was brought about by the Act of 1996. Arbitration Act, 1940 had section 28 providing for extension of time to conclude the reference, as could be made by Court from 'time to time'. The 1996 Act did not have in it a provision for extension of time to conclude the reference. Interpretation on this can well be that the Legislature thought fit to do away with procedure of repeated approach to Court for extension of time, to leave the Tribunal to conclude the reference without limitation of period, in which to do it. Instead, the omission would have to be taken into consideration for purpose of interpreting section 29A, later incorporated by amendment of 2015 with further amendments made to it. **Such consideration does not lead to conclusion that approach to Court for extension of time can be only once.**"



11. Similarly, the High Court of Madras in the judgment of ***“Powergear Limited versus Anu Consultants Hyderabad”***(Application No. 101 of 2025) held as under:

“7. Section 29A intends to ensure a timely completion of arbitral proceedings while allowing the Courts flexibility to grant extension when warranted. Prescribing a prohibition by the Court restricting the number of times a party can approach seeking for extension of the Arbitrator's mandate, though the statute does not contain such a prohibition, will lead to penal and fatal consequences resulting in grave injustice. A restrictive interpretation of Section 29A will cause disservice to the objects of introducing such a provision by the legislature, which has been introduced only to meet the ends of justice whenever a need arises for extending the mandate of the Arbitrator by giving sufficient reasons. A narrow interpretation of Section 29A should not be given by Courts, which may result in injustice to one of the parties to the dispute. If the intention of the legislature was to restrict the filing of Section 29A application under the Act, the legislature would have thought it fit to do so. Section 29A(5) of the Act only stipulates as to how such an application seeking for extension of the mandate of the Arbitrator will have to be considered by the Court and it has not restricted a party to seek for further extension, even though one extension was granted by the Court earlier. The only requirement for a party seeking extension of the Arbitrator's mandate is to show sufficient cause for filing such an application.

8. As seen from the dates and events before the Arbitrator, which have been highlighted in the preceding paragraphs of this order, it is clear that the applicant is not at fault for



causing delay in concluding the arbitration. The Arbitrator is also not a cause for the delay in pronouncing the arbitral award. As seen from the dates and events, the respondent has chosen not to participate in the arbitration during certain dates, which have also been recorded by the Arbitrator, and they had also informed the Arbitrator that they will be filing an application seeking to recall the earlier order passed by this Court, through which, this Court had granted extension of time for the Arbitrator to pronounce arbitral award. There was a delay on the part of the respondent to prosecute the said application, which, ultimately, came to be dismissed by this Court. The order dismissing the respondent's application seeking to recall the earlier order passed by this Court under Section 29A of the Act has also attained finality. As seen from the proceedings recorded by the Arbitrator, which have been highlighted by the applicant in this application, it is clear that only due to the conduct of the respondent in delaying the proceedings, the Arbitrator was unable to pronounce arbitral award within the prescribed time.

9. This Court, after giving due consideration to the contents of the affidavit filed in support of this application, is of the considered view that sufficient cause has been shown by the applicant for extending the mandate of the Arbitrator by another period of six months as prayed for in this application. The objections raised by the learned counsel for the respondent without a counter affidavit are rejected by this Court, since this Court is having the power to entertain more than one application filed under Section 29A(5) of the Act, if the applicant is able to show sufficient cause for seeking extension. Since sufficient cause has been shown by the applicant, this Court will have to necessarily allow the application as prayed for. Accordingly, this application is allowed by extending the mandate of the Arbitrator for a period of six months from the



date of receipt of a copy of this order, and the learned Arbitrator is directed to pronounce arbitral award by then.”

12. The Hon’ble Supreme Court in the case of ***Rohan Builders (India) Private Limited v. Berger Paints India Limited in SLP. (C) No. 23320/2020*** observed as under: -

13. An interpretive process must recognize the goal or purpose of the legal text.22 Section 29A intends to ensure the timely completion of arbitral proceedings while allowing courts the flexibility to grant extensions when warranted. Prescribing a limitation period, unless clearly stated in words or necessary, should not be accepted. Bar by limitation has penal and fatal consequences. This Court in North Eastern Chemicals Industries (P) Ltd. and Another v. Ashok Paper Mill (Assam) Ltd. and Another23 observed:

“When no limitation stands prescribed it would be inappropriate for a Court to supplant the legislature’s wisdom by its own and provide a limitation, more so in accordance with what it believes to be the appropriate period.”

Courts should be wary of prescribing a specific period of limitation in cases where the legislature has refrained from doing so.24 If we give a narrow and restrictive meaning to Section 29A(4), we would be indulging in judicial legislation by incorporating a negative stipulation of a bar of limitation, which has a severe annulling effect. Such an interpretation will add words to widen the scope of legislation and amount to modification or rewriting of the statute. If the legislature intended such an outcome, it could have stated in the



statute that – “the Court may extend the period only if the application is filed before the expiry of the mandate of the arbitrator, not after”. Indeed, there would have been no need to use the phrase “after the expiry of the period” in the statute. In other words, a rigid interpretation would amount to legislating and prescribing a limitation period for filing an application under Section 29A, when the section does not conspicuously so state. Rather, the expression and intent of the provision are to the contrary.

14. In our opinion, a restrictive interpretation would lead to rigour, impediments and complexities. A party would have to rush to the court even when the period of arbitral mandate of twelve months has not expired, notwithstanding the possibility of a consent-based extension of six months under Section 29A(3). Narrow interpretation presents an additional challenge by relegating a faultless party to a fresh reference or appointment of an arbitrator under the A & C Act²⁵, thereby impeding arbitration rather than facilitating it.²⁶ The legislature vide the 2015 Amendment envisions arbitration as a litigant-centric process by expediting disposal of cases and reducing the cost of litigation.²⁷ A narrow interpretation will be counterproductive.....

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.

13. To my mind, reliance on the above judgments by learned counsel for the petitioner are well placed. Additionally, the observations of the Hon'ble Supreme Court in *Rohan Builders (supra)* are binding on this Court. If parties are restricted from approaching the court for extension of the mandate of the Arbitral Tribunal, more than once, it would cause grave injustice. It would be reading into the Section "a limitation" which the Section itself does not provide. If sufficient cause has been shown by the applicant, and the court is satisfied, the mandate of the Tribunal can be and should be extended.
14. It is to be borne in mind that the parties before the Arbitral Tribunal spend valuable resources in terms of time, effort, energy and legal fee thus to appoint another Arbitral Tribunal would be putting the parties to unnecessary strain.
15. In the extended period of 6 months, there was an adjournment by the respondent, and detailed affidavit and response was required to be filed. Hence, I am satisfied that sufficient cause has been shown.
16. For the said reasons, the petition is allowed.



17. The Arbitral Tribunal is requested to conclude the hearing within this extended period of 6 months from 16.03.2025.
18. The petitioner shall file inform the Arbitral Tribunal immediately regarding the extension of the period of 6 months for concluding the hearing and the Arbitral Tribunal shall fix the date.
19. The petition is disposed in aforesaid terms.

JASMEET SINGH, J

APRIL 16, 2025/sp

(Corrected and released on 25.04.2024)

Click here to check corrigendum, if any