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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**% **Date of decision: 27.02.2026**+ **O.M.P.(MISC.)(COMM.) 186/2026 & I.A. 4706/2026 (Ex.
From filing certified copy of the document)****AVG LOGISTICS LIMITED**PetitionerThrough: **Mr. Aditya Jain, Mr. Satyam
Shivaach and Mr. Mohit
Miglani, Advocates.**

versus

MS SHREE SHYAM PALACERespondentThrough: **Mr. Sanjay Agarwal, Partner of
Respondent-Firm, in person.****CORAM:****HON'BLE MR. JUSTICE HARISH VAIDYANATHAN
SHANKAR****JUDGEMENT (Oral)**

1. The present Petition has been filed under Section 29A(4) and (5) of the **Arbitration and Conciliation Act, 1996**¹, read with Section 7 of the Commercial Courts Act, 2015, seeking a second extension of the mandate of the learned Sole Arbitrator in arbitral proceedings, bearing Case Ref no. DIAC/6898/10-23, for a further period of six months beyond 27.02.2026.

2. The material on record indicates that the parties entered into a **Sub-lease Agreement dated 15.09.2018**². Subsequently, since disputes arose between the parties, the Petitioner invoked the Arbitration Clause 6 as per the terms of the Agreement, *vide* Notice dated 17.02.2022.

¹ Act² Agreement



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3. Accordingly, *vide* Order dated 25.09.2023, a learned Sole Arbitrator was appointed, and the arbitral proceedings commenced in October 2023. Subsequently, the pleadings were completed on 08.02.2024.

4. It is noted that the proceedings have not concluded within the stipulated period on account of circumstances stated to be beyond the control of the Petitioner, including repeated requests for adjournments and extensions on behalf of the Respondent, as well as the ill health of the Respondent's aged witness (approximately 75 years), whose cross-examination remains incomplete. Consequently, final arguments are yet to be addressed.

5. The learned Sole Arbitrator had earlier extended the mandate for a period of six months with effect from 28.02.2025 till 28.08.2025 *vide* Order dated 16.01.2025. Thereafter, this Court *vide* order dated 04.08.2025 extended the mandate of the learned Arbitral Tribunal up to 27.02.2026.

6. It is submitted that despite diligent efforts, the arbitral proceedings could not be concluded within the extended period for the reasons aforesaid. In these circumstances, the Petitioner seeks a further extension of the mandate of the learned Arbitral Tribunal for a period of six months beyond 27.02.2026 to enable completion of the pending cross-examination, hearing of final arguments, and conclusion of the arbitral proceedings.

7. Learned counsel appearing for the Petitioner submits that the extension of the mandate of the learned Sole Arbitrator may be extended for a further period of 6 months.

8. Mr. Sanjay Agarwal, who is stated to be a partner of the



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Respondent-Partnership Firm, submits that he has no objection to the said extension as is sought for.

9. This Court has heard learned counsel for both parties and perused the record of the present petition.

10. It is necessary to note the relevant statutory provision. Section 29-A of the Act prescribes the timeline for making an arbitral award and stipulates the consequences of non-compliance. For clarity, Section 29-A of the Act is reproduced below:

“29-A. 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 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



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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.”

11. The Hon’ble Supreme Court, in ***Rohan Builders (India) Private Limited v. Berger Paints India Limited***³, examined Section 29-A in detail and clarified its scope, ambit, and mandate thereof.

12. In view of the foregoing discussion, the present petition is allowed. The mandate of the learned Sole Arbitrator, which was to expire today, is extended for a further period of six months beyond 27.02.2026.

13. Accordingly, the present Petition, along with pending application(s), if any, is disposed of in the aforesaid terms.

HARISH VAIDYANATHAN SHANKAR, J.
FEBRUARY 27, 2026/rk/kr/jk

³ 2024 SCC OnLine SC 2494