
JUDICIAL DIVERGENCE ON SECTION 29A OF THE ARBITRATION AND CONCILIATION ACT, 1996: A CRITICAL ANALYSIS

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Introduction

Arbitration, a flexible alternative dispute resolution process where a third-party arbitrator's binding decision resolves disputes, is a cornerstone of efficient legal recourse in India. However, the efficacy of this process, particularly concerning the timely conclusion of proceedings, has been subject to evolving judicial interpretations. This document critically analyzes recent judicial pronouncements, specifically focusing on the divergent applications of Section 29A of the Arbitration and Conciliation Act, 1996, which governs the extension of arbitral mandates. The aim is to highlight the complexities and uncertainties currently embedded within this crucial aspect of Indian arbitration law.¹

Arbitration has steadily emerged as an important mechanism for resolving commercial disputes in India, offering parties a faster, less formal and more cost-efficient alternative to traditional court litigation. The Arbitration and Conciliation Act, 1996, which was largely based on the UNCITRAL Model Law, was enacted to bring India's dispute resolution framework closer to international standards. Over time, a series of amendments and judicial pronouncements have attempted to strengthen this framework and reinforce arbitration as a reliable choice for both domestic and international parties. One of the most significant reforms was the introduction of timebound arbitration through Section 29A in the 2015 Amendment, which reflected the legislature's intent to address delays that often hampered the effectiveness of the process.²

Section 29A sets clear timelines for the completion of arbitration proceedings. It requires that an arbitral award be delivered within twelve months from the date the tribunal enters upon reference, with a further sixmonth extension available through the mutual agreement of the

¹Supreme Court on Expiry of Mandate, IBC Law, <https://ibclaw.in/stanceofsupremecourtonexpiryofmandateofarbitratoranddecodingofsection29a4ofarbitrationactbyadvsahilarora/>, Last Visited on 11th July, 2025.

²Power of Arbitral Tribunal, SCC Online, <https://www.sconline.com/blog/post/2021/10/02/whetherlimitationfallswithinthepowerofthearbitraltribunalorulconitsownjurisdictionrnfarnimansjudgmentinindianfarmers/>, Last Visited on 14th July 2025.

parties. If this period lapses, the mandate of the tribunal automatically comes to an end unless a court grants an extension. While this provision was designed to ensure efficiency and discipline, its implementation has led to differing interpretations by courts, which has created uncertainty for both arbitrators and parties involved.

The core challenge has been to identify the correct forum for seeking extensions, to determine the scope of judicial powers under this section, and to clarify whether extensions may be granted even after the mandate has expired. Some courts have taken a pragmatic approach, permitting extensions beyond the stipulated period to prevent the collapse of proceedings. Others have adopted a stricter reading, holding that once the mandate ends, there is no scope for revival.

These conflicting approaches have led to a lack of consistency in arbitral practice and have often pushed parties into additional litigation on procedural issues. This undermines the very purpose of arbitration, which is meant to be swift and efficient. In this context, it becomes crucial to examine recent judicial developments around Section 29A, as they carry significant implications not only for ongoing cases but also for India's broader aspiration to be recognized as an arbitration friendly jurisdiction.

Cases Where Extension was Held Maintainable

DDA v. Tara Chand Sumit Construction Co

The Delhi High Court received a plea under Section 29A of the Arbitration Act in DDA v. Tara Chand Sumit Construction Co³, which was later challenged on maintainability grounds. In the case, the respondent argued that only the District Court could sustain the petition under Section 29A. The Delhi High Court looked at the definition of "court" as it appears in Section 2(1)(e) of the Arbitration Act and concluded that it would seem reasonable to assume that the Principal Civil Court of Original Jurisdiction in a district would have the authority to extend the Arbitral Tribunal's mandate. The Delhi High Court, however, concluded after a thorough examination that such an interpretation would cause issues and be in conflict with the courts' authority under Section 11 of the Arbitration Act. Accordingly, the Delhi High Court stated that the question of whether the term "court" can be construed differently in relation to Sections 29A and 11 of the Arbitration Act is moot. In situations where the Arbitral Tribunal is appointed under Section 11 of the Arbitration Act, the Delhi High Court determined that an application under Section 29A

³ 2020 SCC OnLine Del 2501

seeking an extension of the Arbitral Tribunal's mandate could only be maintained before the same court that initially handled the application under Section 11.

The Indicus Case

In the Indicus case, the Bombay High Court also cited the DDA case's ruling to hold that the Delhi High Court shared the Bombay High Court's perspective. It reaffirmed that when the High Court names an Arbitral Tribunal in an application filed under Section 11 of the Arbitration Act, an application under Section 29A requesting an extension of the Arbitral Tribunal's mandate should be filed before the aforementioned High Court.

Indian Farmers Fertiliser Cooperative Ltd. v. Bhadra Products

In Indian Farmers Fertiliser Cooperative Ltd. v. Bhadra Products, the Supreme Court explained that awards given after the 12month period may not always be void, particularly in cases where parties have consented to the continuation of proceedings, despite Section 29A's stringent 12month deadline.⁴

Nikhil H. Malkhan & Ors. v. Standard Chartered Investment and Loans (India) Limited⁵

It was noted that Section 29A gives the courts the authority to issue suitable directions to guarantee that arbitration procedures are carried out in a logical manner. The High Court added that if it were decided that the court could only exercise its authority to extend the mandate if the application was submitted before the arbitral tribunal's mandate expired, the High Court would have defeated the purpose of the phrase "either prior to or after the expiry of the period so specified" under Section 29A. As a result, the court cannot be rendered helpless simply because the application under Section 29A was filed after the mandate expired.⁶

Cases where Extension was Denied

Rohan Builders (India) Private Limited v. Berger Paints India Limited⁷

The Hon'ble Calcutta High Court adopted a different stance in the recent case of Rohan Builders (India) Private Limited v. Berger Paints India Limited, noting that Section 29A (4) must be strictly interpreted in light of the legislative intent and the language used in the

⁴Power of Arbitral Tribunal, SCC Online, <https://www.scconline.com/blog/post/2021/10/02/whetherlimitationfallswithinthepowerofthearbitraltribunaloruleonitsownjurisdictionfnarimansjudgmentinindianfarmers/>, Last Visited on 14th July 2025.

⁵ Arbitration Petition (Lodging) No. 28255 Of 2023

⁶ Extention of Mandate, CAMBlogs,

https://disputeresolution.cyrilamarchandblogs.com/2024/01/extensionofmandateofarbitraltribunalundersection29a4ofthearbitrationandconciliationact1996aprimerforpractitioners/#_ftn10, Last Visited on 14th July 2025.

⁷ 2023 SCC OnLine Cal 2645

provision. The Ld. Single Judge relied on the Law Commission of India's 176th Report, which recommended the creation of a time restriction for the conclusion of arbitration procedures and proposed the term "suspension of arbitral proceedings" (instead of the word "terminate"). The Ld. Single Judge pointed out that in spite of the aforementioned, the legislature had wisely chosen the word "terminate," suggesting that it was used intentionally to ensure that the tribunal's mandate would unavoidably end and not remain in suspension once all deadlines had passed and neither party had requested an extension: expediency in the conduct of arbitration proceedings. Notably, Rohan Builders is the target of a Special Leave Petition, or SLP, which is currently pending before the Honorable Supreme Court.⁸

Vrindavan Advisory Services L.L.P. v. Deep Shambhulal Bhanushali

The Hon'ble High Court of Calcutta also upheld the ruling in Rohan Builders in Vrindavan Advisory Services L.L.P. v. Deep Shambhulal Bhanushali also known as "Vrindavan Advisory"), rejecting the extension plea submitted outside the allotted time under Section 29A. Notably, the Hon'ble Supreme Court stayed the Hon'ble Calcutta High Court's decision after receiving an SLP against Vrindavan Advisory (given via order dated November 06, 2023).⁹

Analysis

The intricacies and uncertainties included in Section 29A of the Arbitration Act are highlighted by the analysis of these judicial patterns. To guarantee consistency and predictability in arbitration processes in India, the Supreme Court's final decision or legislative explanation is required due to the disparity in court interpretations. The disparity in judicial viewpoints highlights an inherent tension between the goal of completing arbitral processes quickly and definitively and the necessity of flexibility in order to accommodate unanticipated circumstances that might call for time extensions. The fact that the Supreme Court is currently considering Special Leave Petitions pertaining to the Rohan Builders and Vrindavan Advisory rulings marks a significant turning point. This suggests the Supreme Court is poised to render a conclusive interpretation of Section 29A, which is critically required to foster uniformity and predictability in India's arbitration framework. A definitive pronouncement from the Supreme Court or a legislative amendment would considerably bolster India's credibility and attractiveness as a hub for arbitration by mitigating the legal ambiguities presently encountered by litigants and legal professionals.

⁸Supra Note 5.

⁹ SLP (C) No. 24489 of 2023

Conclusion

The judicial interpretation of Section 29A of the Arbitration and Conciliation Act, 1996 highlights a fluid yet unresolved aspect of Indian arbitration law. While the Delhi and Bombay High Courts have adopted a more flexible approach allowing the extension of arbitral mandates even after expiry to safeguard the progress of proceedings the Calcutta High Court has adhered to a strict reading of the statute, stressing the deliberate use of the term “terminate” by the legislature. This divergence reflects the ongoing struggle to balance speedy resolution with the practical need for adaptability in arbitration.¹⁰

Such contrasting views have created uncertainty, thereby weakening arbitration’s key objective of predictability. Although enforcing rigid timelines ensures efficiency, excessive rigidity may obstruct justice in complex disputes where additional time is genuinely required. The pending Special Leave Petitions in *Rohan Builders* and *Vrindavan Advisory* present a pivotal moment for the Supreme Court to provide conclusive guidance on Section 29A. A uniform interpretation whether judicially pronounced or legislatively clarified will be vital to strike equilibrium between efficiency and fairness while preserving arbitral independence. Clear and consistent rules on Section 29A would not only simplify arbitral practice but also enhance India’s global credibility as an arbitration friendly jurisdiction. Such certainty would reassure both domestic and international parties, strengthening confidence in India’s arbitration regime and advancing its goal of becoming a leading arbitration hub.¹¹

¹⁰ Soumyadutta Shyam, S.29A, Arbitration and Conciliation Act, iBlog Pleadings, <https://blog.ipleaders.in/section-29a-of-arbitration-and-conciliation-act-1966/>, Last Visited on 15th July, 2025.

¹¹ Consequence of No Consent in Extension of Mandate of Arbitral Tribunal under Section 29 of The Arbitration and Conciliation Act, 1996, <https://sandalawoffices.com/consequence-of-no-consent-in-extension-of-mandate-of-arbitral-tribunal-under-section-29-of-the-arbitration-and-conciliation-act-1996-2/>, Last Visited on 15th July, 2025.