

## Application To Extend Mandate Under Section 29A Of The Arbitration Act Is Maintainable Even After An Award Is Rendered Post-Expiry Of Time Limits: Supreme Court of India

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### Introduction

In *C. Velusamy vs K. Indhera* [2026 INSC 112], the Supreme Court addressed a practical issue increasingly encountered by Courts and practitioners regarding proceedings initiated under Section 29A of the Arbitration and Conciliation Act, 1996 ("**Arbitration Act**"/ "**the Act**"). The moot question was what happens when an arbitral tribunal issues an award after its mandate has expired, and the party seeking to preserve the arbitration approaches the Court only afterwards.

The Madras High Court had taken a strict view. It held that once the statutory period (including the parties' consensual extension) expires, an award passed thereafter is a nullity, and the Court cannot entertain a Section 29A(5) application for extension once an award has already been rendered.

The Supreme Court reversed this approach. It held that the Court's power and jurisdiction under Section 29A(4) and (5) of the Act are not denuded merely because an arbitrator has, by indiscretion, delivered an award after expiry of mandate.

While such an award is ineffective and unenforceable, the Court can still entertain a Section 29A application, consider whether sufficient cause exists, and pass appropriate orders, including imposing terms, reducing fees, awarding costs, and, where warranted, substituting the arbitrator.

### Facts

The parties' contractual relationship was governed by three agreements to sell. Disputes arose amongst the parties, and the High Court appointed a sole arbitrator on 19 April 2022.

The arbitrator issued notice on 04 May 2022, convened the first meeting on 28 May 2022, and pleadings were completed on 20 August 2022. This completion of pleadings triggered the twelve-month period under Section 29A(1) of the Act. Before the initial twelve months expired, the parties filed a joint memo under Section 29A(3) of the Act, extending the mandate by a further six months, bringing the outer limit to 20 February 2024. Arguments concluded, and the matter was reserved for award on 9 September 2023.

Thereafter, the arbitration did not progress in a linear way. On the parties' representations that settlement talks were ongoing, the proceedings were reopened and adjourned, including to facilitate discussions. When the settlement did not fructify, the arbitrator again reserved the matter for award on 30 January 2024. Despite that, discussions continued for months. A tripartite agreement was entered into in March 2024 with a third party, but it was not placed before the arbitrator. The matter was again adjourned, and the arbitrator eventually passed an award on 11 May 2024, which was

later stamped and issued on 25 June 2024. By then, the arbitrator's mandate had already terminated on 20 February 2024.

The respondent filed a petition under Section 34 of the Act, contending that the proceedings had terminated with the expiry of the mandate and therefore the award was liable to be set aside. The appellant, on 12 November 2024, filed an application under Section 29A of the Act seeking an extension of the tribunal's mandate.

The High Court dismissed the Section 29A application on 24 January 2025 as not maintainable, and then allowed the Section 34 petition on 14 February 2025, relying on its earlier order.

The High Court held that prior Supreme Court authority did not cover a post-award scenario. It took the view that ***Rohan Builders (India) Pvt. Ltd. v. Berger Paints India Ltd.*** [2024 SCC Online SC 2494] settled only that a Section 29A application can be filed even after expiry of the time limits, but did not permit extension after an award has been delivered. It also relied on decisions suggesting that, unlike the 1940 Act, the 1996 Act has no provision allowing post-award enlargement of time, and that an award passed after expiry of mandate is a nullity.

### **Purpose of Section 29A**

The Supreme Court begins its analysis by emphasising why timelines exist in arbitration law and how Section 29A must be understood as a remedial provision, introduced to cure endemic delays and to ensure that arbitration remains an effective alternative remedy rather than a parallel forum that merely replicates the delays of litigation.

Under the 1940 Act, Courts had an express statutory power to enlarge time for making an award, "*whether the time has expired or not and whether the award has been made or not*". The 1996 Act, in its original form, did not prescribe statutory timelines and instead relied on party autonomy, with recourse through provisions like Section 14 where an arbitrator fails to act without undue delay.

Over time, the absence of timelines led to arbitrations dragging on for years without any Court intervention, defeating the purpose of arbitration. This real-world problem led to the Law Commission's recommendations to introduce structured timelines, limited consensual extension, and thereafter Court-supervised continuation, with a clear policy that the process should be taken to its logical end rather than aborted after years of evidence and costs.

It is in that statutory and policy background that Section 29A was introduced. The Apex Court notes that Section 29A is not merely a "deadline" provision. It is also a "continuation" provision. It gives the Court a supervisory toolkit to drive the arbitration to completion, through extension, costs, fee reduction, and substitution of arbitrators where necessary, and it contains deeming provisions designed to avoid wasting the work already done when substitution occurs.

Against that context, the Supreme Court held that Section 29A does not contain any threshold bar against entertaining an extension application merely because an award has been rendered after expiry of mandate.

The Supreme Court accepted the premise that an award rendered after expiry of mandate is *non est* in the sense that it is ineffective and does not partake the character of a decree for enforcement and is therefore unenforceable. It further stated that such an award need not even be challenged under Section 34 of the Act, since it is ineffective in law. However, the Apex Court clarified that the arbitrator's unilateral act of rendering such an award cannot control or extinguish the Court's statutory powers under Section 29A. The Court's jurisdiction stands on its own footing.

In doing so, the Supreme Court approves and builds upon the observations in ***Rohan Builders (supra)***, which had indicated that even where an award is pronounced during the pendency of a Section 29A(5) application, the Court must still decide the application and may pass appropriate orders, including substitution and costs.

### **The Meaning of "If An Award Is Not Made" and "Terminate" in Section 29A(4)**

A substantial part of the judgment addressed statutory interpretation. The Supreme Court explained that the expression "*if an award is not made*" in Section 29A(4) was used to trigger termination of mandate, subject to the Court's power to extend time either prior to or after expiry. The phrase was not intended to deal with the separate eventuality of an arbitrator delivering an award after mandate expiry. It was, instead, the statutory bridge that enabled the Court to extend time even after expiry, and thereby revive and continue the process.

The Supreme Court also reaffirmed that "*termination*" under Section 29A(4) was not absolute. It was transitory and was subject to the Supreme Court's extension power. This reading was supported by the design of Section 29A(6) and (7), which allowed substitution and declared that the reconstituted tribunal was a continuation of the previously appointed tribunal, with evidence and material already on record deemed to be received by the substituted tribunal.

This was also why the Supreme Court rejected the apprehension that allowing post-award extension would encourage indiscipline. The Supreme Court held that there was no automatic extension. The Court must scrutinise the factual matrix, grant extension only on sufficient cause, and may impose appropriate terms and conditions. Section 29A's own internal safeguards, including fee reduction, costs, and substitution, were intended to deter casual delay and to maintain integrity in conduct.

The Supreme Court's analysis included a comparative discussion showing that rigid invalidation of late awards was not the only approach. The Supreme Court noted that many legal systems preserved a judicial power to extend time even after expiry, precisely to prevent the arbitral process from collapsing on technical non-compliance. The judgment referred to examples where Courts had retroactively extended timelines to preserve justice and avoid frustrating arbitration, while also recognising that substantial and unjustified delays may still warrant annulment in appropriate cases.

Accordingly, the Supreme Court allowed the appeal and set aside the Madras High Court's order dismissing the Section 29A application as not maintainable. The Supreme Court restored the Section 29A application to its original number and directed the High Court to proceed with it and dispose it of in accordance with the principles laid down.

## Comment

The judgment makes two propositions clear. *First*, a belated award passed after expiry of mandate is ineffective and unenforceable, but it does not strip the Courts of power to entertain and decide a Section 29A application. Parties are not left remediless merely because the arbitrator has delivered an award without mandate. *Secondly*, Courts are expected to exercise Section 29A discretion in a structured way. The focus is on securing a binding award through a process that is efficient and disciplined. Courts can extend time, impose terms, reduce fees, award costs, and, if needed, substitute the arbitrator, while ensuring that the arbitration continues from the stage already reached rather than being reset.

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