HIGH COURT OF JUDICATURE FOR RAJASTHAN
BENCH AT JAIPUR

S.B. Civil Writ Petition No. 16033/2024

Hcl Infosystems Limited, 806, Siddharth, 96 Nehru Place, New Delhi- 110019 Through Its Authorised Signatory Mr. Arif Jamal.

----Petitioner

Versus

1. Jaipur Vidyut Vitran Nigam Limited, Old Power House, Banipark, Jaipur, Rajasthan Through Its Managing Director.
2. Jodhpur Vidyut Vitran Nigam Limited, New Power House, Jodhpur Rajasthan Through Its Managing Director.
3. Ajmer Vidyut Vitran Nigam Limited, Opposite 220 Kv Gss Naka Mandir, Ajmer, Rajasthan Through Its Managing Director.

----Respondents

Connected With

S.B. Civil Writ Petition No. 7066/2026

1. Jaipur Vidyut Vitran Nigam Limited, Old Power House, Banipark, Jaipur, Rajasthan, Through Its Managing Director
2. Jodhpur Vidyut Vitran Nigam Limited, Near Power House, Jodhpur, Rajasthan Through Its Managing Director
3. Ajmer Vidyut Vitran Nigam Limited, Opposite 220 Kv Gss Naka Mandir, Ajmer, Rajasthan Through Its Managing Director

----Petitioners

Versus

Hcl Infosys. Limited, Registered Office At- 806, Siddharth, 96, Nehru Place, New Delhi - 110019, Through Its Authorized Signatory Sh. Arif Jamal

----Respondent

For Petitioner(s)	:	Mr. Rajendra Prasad, Advocate General (for petitioners in SBCWP No.7066/2026 and for respondent in SBCWP No.16033/2024) assisted by Mr. Kartik Seth Ms. Shilpa Saini Ms. Dhriti Laddha
For Respondent(s)	:	Mr. RN Mathur, Senior Counsel (for petitioner in SBCWP No.16033/2024 and for respondent in SBCWP No.7066/2026) assisted by Mr. Shailesh Kapoor Mr. Lokesh Atrey Ms. Sakshi Chaturvedi

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HON'BLE MR. JUSTICE SAMEER JAIN

Judgment

1	Arguments concluded on	14/05/2026
2	Judgment Reserved on	14/05/2026
3	Full Judgment or Operative Part Pronounced	Full Judgment
4	Pronounced on	27/05/2026

REPORTABLE :

1. In view of the intrinsically intertwined nature of the controversy at hand, coupled with the strikingly identical factual substratum permeating the present batch of petitions, and upon express consent of the learned counsel appearing for the respective parties, this Court, being persuaded by the congruence of the issues involved and in furtherance of the cause of expeditious and efficacious adjudication, proceeds to determine the instant petitions by way of this composite and common judgment. The *ratio decidendi* rendered herein shall, accordingly, govern the connected matters *mutatis mutandis*, subject to contextual adaptation on facts. For the purposes of maintaining factual coherence and narrative forbearance, the pleadings and averments as delineated in **S.B. Civil Writ Petition No.7066/2026 (Jaipur Vidyut Vitran Nigam Limited & Ors. vs. HCL Infosys Limited)** are hereby treated as the lead case and adopted as the foundational factual matrix for adjudication of the present *lis*. For the sake of reference and procedural lucidity, the tabular depiction *ad infra* delineates the constituent segments into which the present judgment stands bifurcated, thereby facilitating analytical

coherence and navigational convenience.

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A. <u>PRAYERS AND RELIEFS CANVASSED BY THE PETITIONER(S) IN THE RESPECTIVE PETITIONS:</u>

2. **SBCWP No. 7066/2026** is filed under Article 227 of the Constitution of India, invoking the supervisory jurisdiction of this

Court over subordinate courts and tribunals, assailing the legality, propriety, and tenability of the order dated 24.02.2026 passed by the Commercial Court No.1, Jaipur Metropolitan-II, in Case No.34/2026 (CIS No.68/2025), whereby the mandate of the Arbitral Tribunal has been extended till 30.09.2026; and **SBCWP No. 16033/2024** has been filed assailing the impugned order dated 17.09.2024, pertaining to the initial extension granted under Section 29A of the Arbitration and Conciliation Act, 1996 (hereinafter referred to as "the Act of 1996"), on an application moved by the respondents–complainants therein, which came to be allowed subject to certain stipulated terms and conditions. Both matters, being inextricably interlinked and resting upon a common legal and factual foundation, have, with the concurrence of learned counsel for the respective parties, been taken up for conjoint and final adjudication.

3. In the present matters, the following prayers have been made:

> ***"SBCWP No.7066/2026:***
>
> *1. Allow the present Petition and set aside the order dated 24.02.2026 passed by the Commercial Court No.1, Jaipur Metropolitan-II, Jaipur, in CMNC NO.34/2026 (CIS No.68/2025), whereby the mandate of the Arbitral Tribunal has been extended from 30.04.2025 up to 30.09.2026.*
>
> *2. In the alternative, and without prejudice, suitable modify the Impugned Order by:*
>
> *directing that, for any period beyond 30.04.2025, (a) the Respondent shall bear the full additional fees of the Arbitral Tribunal; (b) no further interest shall accrue in favour of the Petitioner on any eventual award; and/or (c) such order cost-related conditions*

as this Hon'ble Court may deem fit, in line with Sections 29A(5), 29A (8) , 31(8) and 31A of the Act and the principles laid down in ONGC v. Afcons.

SBCWP No.16033/2024:

i. issue an appropriate writ/order thereby setting aside the directions issued by the Ld. Commercial Court No.1, Jaipur Metropolitan-II, Jaipur in para 64 to 68 of its order dated 17.09.2024 in CMNC No.255/2024, CIS No.258/2024, CNR NO.RJJT1 A0009882024;

ii. issue an appropriate writ/order thereby setting aside the directions issued by the Ld. Commercial Court No.1, Jaipur Metropolitan-II, Jaipur in para 63 of its order dated 17.09.2024 in CMNC No.255/2024, CIS No.258/2024, CNR NO.RJJT1 A0009882024 to the extent of imposing exemplary cost of Rs.1,00,000/- to be paid by the Petitioner to the Litigants Welfare Fund Maintained by the Registrar General, Hon'ble High Court Rajasthan, Jodhpur within 7 days from the date of the order;

iii. issue an appropriate writ/order thereby directing the refund of the exemplary cost of Rs.1,00,000/- paid by the Petitioner under protest to the Litigants Welfare Fund maintained by the Registrar General, Hon'ble High Court Rajasthan, Jodhpur under protest;

iv. to issue any other writ, order or direction which this Hon'ble Court may deem fit and proper under the facts and circumstances of the case, so that justice be met.

B. THE FACTUAL NARRATIVE AND THE CHRONOLOGICAL PARTICULARS WHICH CULMINATED IN THE INSTANT *LIS*:

a. Proceedings before the learned arbitral tribunal:

4. The petitioner-DISCOMs herein are statutory electricity

distribution companies, wholly owned by the State Government, having been incorporated under the provisions of the Companies Act, and are entrusted with the sovereign and public function of distribution and supply of electricity to consumers across the State, and the respondent is a private limited company engaged in the domain of information technology and system integration, undertaking large-scale infrastructural and technological projects. The genesis of the arbitral proceedings emanates from a composite reference arising out of the Restructured Accelerated Power Development and Reforms Programme (hereinafter referred to as 'RAPDRP'), approved by the Ministry of Power, Government of India (in its 11th Five Year Plan) under which contracts were awarded in the year 2009, to the respondent company-HCL, with the primary objective of reduction of the AT&C loss for the project areas to 15%; wherein the said program was divided into two parts, i.e. Part A and Part B, wherein Part A included project for establishment of Base Line Data and IT Application like meter data acquisition system, metering, billing, collection, GIS, Energy Audit , New Connection etc. and Part B was for distribution strengthening projects, and allied smart infrastructure across the State of Rajasthan. The project, of a substantial financial magnitude approximating Rs. 528.20 crores, envisaged an extensive rollout spanning 87 towns and 534 distinct locations, thereby entailing multifarious operational, technical, and logistical components, which now form the substratum of the present dispute. The principal issues which fell for consideration before the learned Arbitral Tribunal pertained to the gamut of work orders in question,

and more particularly to the alleged irregularities, lapses, and deviations in their execution, which are asserted to have culminated in inordinate delays and consequent non-performance and/or deficient performance of the contractual obligations incumbent upon the parties. The details of the work orders is reproduced hereinbelow:

No.	DISCOM	WORK ORDER NUMBERS	VALUE
1	AVVNL	Work Order number AVVNL/SE (IT)/TN-33/D.135 dated 30.09.2009.	421,227,349
2	AVVNL	Work Order number AVVNL/SE (IT)/TN-33/D.136 dated 30.09.2009.	836,531,421
3	JVVNL	Work Order number JPD/SE (IT &CRP)IT/F.TN-33/D.727 dated 30.09.2019.	1,81,80,26,969.55
4	JVVNL	Work Order number JPD/SE (IT &CRP)IT/F.TN-33/D.728 dated 30.09.2019.	51,89,62,589.99
5	JdVVNL	Work Order number JdVVNL/SE (M&P_PC)/IT/JPD TN 33/D 1484 dated 30.09.2009.	71,31,48,294.43
6	JdVVNL	Work Order number JdVVNL/SE (M&P_PC)/IT/JPD TN 33/D 1485 dated 30.09.2009.	97,40,61,672.45

5. Consequently, being aggrieved thereof the petitioners instituted substantial claims before the learned Arbitral Tribunal, asserting that certain deductions had been effected in an arbitrary and unsubstantiated manner, devoid of any contractual or legal basis. In this backdrop, a notice dated 27.09.2019 invoking the provisions of Section 11 of the Arbitration and Conciliation Act, 1996, read with Clause 8.2 of the GCC for appointment of arbitrator and for reference of disputes between the parties, came

to be served upon the petitioner-DISCOMs. The arbitral proceedings were set into motion with the first preliminary hearing convened on 27.07.2020, whereupon the matter was posted before the learned Arbitral Tribunal for 20.08.2020. Subsequently, a three-member Arbitral Tribunal came to be duly constituted, comprising one nominee arbitrator from each of the contesting parties, and a Presiding Arbitrator appointed by mutual concurrence. Owing, however, to the unprecedented disruption occasioned by the COVID-19 pandemic, and by virtue of a consensual understanding inter-se the parties, the commencement of claims was reckoned, in conformity with the stipulations enshrined under Section 23(4) of the Arbitration and Conciliation Act, 1996. The initial reckoning of the arbitral timeline, in terms of Section 29A governing the mandate of the Tribunal, was determined to expire on 28.02.2023. However, by mutual consent of the parties, the mandate stood extended up to 31.08.2023. Prior to the expiry thereof, on 14.07.2023, the respondent-HCL invoked the provisions of Section 29A (4 and 5) of the Act of 1996 and moved an application before the learned Commercial Court seeking a further extension of one year beyond 31.08.2023.

6. The petitioners, being dissatisfied with the prayer for extension, raised manifold objections assailing the same on diverse grounds. However, upon affording an extensive hearing to the parties and after due deliberation on the rival submissions, the learned Commercial Court, vide impugned order dated 17.09.2024, proceeded to allow the application for extension, being satisfied as to the existence of sufficient cause. Such satisfaction was

predicated, inter alia, upon the inherent complexity of the dispute, the voluminous documentary record, the breadth of evidentiary material, and the multiplicity of proceedings reflected in the order sheets. Consequently, the mandate of the Arbitral Tribunal came to be extended for a further period of 20 months, i.e., from 01.09.2023 to 30.04.2025. Notwithstanding the grant of extension, the learned Commercial Court unequivocally recorded a finding that the delay was primarily attributable to the respondent-claimant therebefore.

7. In that backdrop, and with a view to ensuring expeditious culmination of the arbitral proceedings, specific directions were issued mandating disposal of the matter within 14 sittings, preferably through oral submissions, save and except at the discretion of the Arbitral Tribunal. Furthermore, an exemplary cost of Rs. 1,00,000/- was imposed upon the claimant; it was directed that the arbitral fees accruing post 17.12.2023 shall be borne exclusively by the claimant; and a further stipulation was incorporated restraining the grant of interest in favour of the claimant for the period subsequent to 12.02.2024.

b. The procedural trajectory and the contentions advanced before this court in the present petition(s), assailing the proceedings before the learned Arbitral Tribunal:

8. Thus being further aggrieved by the aforesaid order dated 17.09.2024, the respondent–claimant-HCL instituted a writ petition before this Court, being **S.B. Civil Writ Petition**

No.16033/2024. This Court, upon a *prima facie* consideration of the matter, vide interim order dated 22.10.2024, granted an interim order to stay the operation of the conditions imposed by the learned Commercial Court, save and except the grant of extension of the arbitral mandate, thereby rendering the ancillary directions, including those pertaining to costs, fee liability, and embargo on interest, inoperative during the pendency of the said proceedings.

9. As the extended mandate of the Arbitral Tribunal was approaching its terminus on 30.04.2025, the respondent–claimant once again invoked the jurisdiction of the learned Commercial Court by moving a successive and second application under Section 29A of the Act of 1996 on 22.04.2025, seeking a further extension of the learned Arbitral Tribunal's mandate for an additional period of one year beyond i.e. 30.04.2025. The petitioners herein stoutly opposed the said application, inter alia, on the grounds of maintainability, contending that such successive extensions were impermissible in law and contrary to the legislative intent underlying Section 29A of the Act of 1996, particularly in the absence of demonstrable and sufficient cause attributable to circumstances beyond the control of the claimant.

10. Notwithstanding the aforesaid objections, the learned Commercial Court, vide the impugned order dated 24.02.2026, proceeded to extend the mandate of the learned Arbitral Tribunal till 30.09.2026. The said extension, however, is assailed as being couched in vague and indeterminate terms, bereft of a cogent articulation of reasons or a discernible application of judicial mind

to the objections raised by the petitioners. It was contended that the impugned order neither adequately addresses the issue of delay attributable to the respondent–claimant-HCL nor delineates any compelling or exceptional circumstances warranting such further prolongation of the arbitral proceedings. The extension is thus alleged to suffer from the vice of arbitrariness, lack of reasoned justification, and non-adherence to the statutory discipline envisaged under Section 29A of the Act of 1996, thereby rendering it susceptible to interference in exercise of the supervisory jurisdiction of this Court.

C. <u>SUBMISSIONS BY THE LEARNED COUNSEL APPEARING ON BEHALF OF AND FOR THE PETITIONER-DISCOMs</u>

11. At the outset, it was averred that that the present petition is maintainable under Article 227 of the Constitution of India as it confers express jurisdiction upon this Court to regulate, extend, or terminate the mandate of the Arbitral Tribunal. The present proceedings are confined to issues of delay, procedural discipline, and compliance with statutory timelines, and do not trench upon the merits of the dispute. It was further submitted that the principle of minimal judicial interference under Section 5 does not operate as a bar in the present case, as the intervention sought is statutorily sanctioned and aimed at effectuating the legislative mandate of expeditious adjudication. Thus, when there is apparent errors in the order(s) impugned, the supervisory jurisdiction of the High Court, is ought to be invoked, in order to curtail the deficiencies and errors which the learned Tribunal might do.

12. In the aforesaid factual conspectus, learned Advocate

General, ably assisted by Shri Kartik Seth, unanimously submitted that by way of the present petitions the orders dated 24.02.2026 and 17.09.2024 have been assailed, on the grounds noted, *inter alia, ad infra:*

12.1 That the successive application moved under Section 29A of the Arbitration and Conciliation Act, 1996, read conjointly with the provisions of Sections 23 and 29A thereof, is *ex facie* not maintainable, particularly in light of the fact that a prior extension had already been granted upon due consideration and judicial scrutiny vide order dated 17.09.2024. Moreover, the impugned order is vitiated by an over-reliance on the request made by the learned Arbitral Tribunal qua its internal administrative difficulties, and the interim order of this Court staying certain conditions of the earlier order dated 17.09.2024, without independently evaluating the statutory requirements under Section 29A of the Act of 1996.

12.2 That post 31.08.2023, the petitioner-DISCOMs have not expressed any consent, at any stage, qua grant of extension for the *lis* pending before the learned Arbitral Tribunal; as vide order dated 19.12.2022 the parties have mutually extended the mandate of the Arbitral Tribunal only up to 31.08.2023; the same is also recorded in the learned Commercial Court's order dated 17.09.2024.

12.3 That the petitioner-DISCOMs have consistently objected the plea of grant of time extensions, as and when made by the respondents-HCL. The first objection being recorded in the reply dated 07.09.2023, qua the application moved by the respondent-HCL; second in the reply dated 15.05.2025, as submitted in the

application moved by the respondent-HCL on 22.04.2025; third in the application dated 13.09.2025 moved under the provisions of Section 151 of CPC, before the learned Arbitral Tribunal itself.

12.4 That the expression "sufficient cause" as contemplated under Section 29A (5) of the Act of 1996 stands authoritatively expounded in a catena of judgments, inter alia, **M/s. Ajay Protech Pvt. Ltd. vs. General Manager & Anr.: 2024 INSC 889** and **Rohan Builders (India) Pvt. Ltd. vs. Berger Paints Ltd.: (2025) 10 SCC 802.** It was submitted that the order dated 17.09.2024 had already made a categorical finding attributing the delay primarily to the respondent-claimant-HCL, taking into account repeated adjournments sought by its counsel, the indulgent approach adopted by the learned Arbitral Tribunal, the voluminous and complex nature of evidence, multiplicity of claims, and the alleged *force majeure* elements.

12.5 That in such a scenario, subsequent factors such as allegations of mala fides, recurring arbitral fees, non-determination of fee structure in advance, pendency of objections relating to fees, issues arising under Section 31(6) of the Act of 1996, and the passing of an interim award qua bank guarantees during the pendency of the extension proceedings, cannot, by any stretch, constitute "sufficient cause." It was further submitted that the learned Commercial Court, in effect, has undertaken a review of its earlier order dated 17.09.2024 on identical facts and circumstances, which is impermissible in law.

12.6 That the impugned order places undue reliance upon interim orders passed by this Court, whereby certain terms and conditions

imposed vide order dated 17.09.2024 had been stayed. It was contended that the said interim order cannot be construed as a final adjudication on merits, the earlier order still being *sub judice*, and thus could not have been relied upon to dilute or override the findings recorded therein.

12.7 That the learned Commercial Court was bound to adhere to the principles of judicial discipline, including the doctrine of *res judicata* and consistency in judicial decision-making, and could not have reviewed, modified, or diluted its own earlier reasoned order while adjudicating a subsequent application under Section 29A of the Act of 1996, in the absence of any statutory sanction or emergent grounds justifying such deviation.

13. Learned counsel appearing on behalf of the petitioner have additionally contended that the impugned order is vitiated by a grave jurisdictional error, inasmuch as it reflects a complete erosion of judicial control envisaged under Section 29A of the Act of 1996. It was urged that arbitral proceedings are inherently litigant-centric, premised upon cost-efficiency, party autonomy, and procedural diligence. However, in the present case, the learned Arbitral Tribunal is alleged to have adopted a manifestly casual and lackadaisical approach since inception, granting protracted adjournments and fixing distant dates, in derogation of the mandate of Section 24 of the Act of 1996, which contemplates day-to-day hearings. It was further contended that the learned Arbitral Tribunal have disregarded the binding directions contained in the order dated 17.09.2024, resulting in pendency of arbitration proceedings, involving a claim of approximately Rs. 528 crores, for

a period exceeding five years.

14. Additionally, it was contended that the petitioners being State Public Sector Undertakings (DISCOMs), have been subjected to undue prejudice, particularly when the delay is predominantly attributable to the respondent–claimant-HCL, and the learned Arbitral Tribunal is alleged to be misusing the arbitral process, thereby occasioning serious procedural improprieties. In this regard, learned Advocate General further emphasized that the legislative intent underpinning the introduction and subsequent amendment of Section 29A in the year 2019, pursuant to the recommendations of the Law Commission, was to render time the essence of arbitral adjudication, and to impose stringent checks on routine and mechanical extensions. It was contended that the prolonged continuation of arbitration proceedings for over five years, coupled with the imposition of exorbitant arbitral fees, including reading fees, administrative expenses, and venue charges, cannot be construed as implied consent on the part of the petitioners, particularly when such extensions have been consistently opposed, and an application for reduction of costs, in light of the ratio encapsulated in **ONGC vs. Afcons Gunanusa JV: (2024) 4 SCC 481.**

15. Furthermore, it was argued that the mandate of Section 24 of the Act of 1996, which envisages expeditious, preferably day-to-day hearings, has been rendered otiose in the present case, and thus the foundational objective of the Act namely, the speedy and efficient resolution of disputes through a time-bound arbitral mechanism stands wholly frustrated. It was also argued that the

impugned order fails to adequately consider the prejudice and financial burden imposed upon them, being public DISCOM entities, on account of recurring arbitral fees beyond the statutorily prescribed period under Section 29A of the Act of 1996; and that the interim award purportedly passed under Section 31(6) of the Act of 1996, during the pendency of the extension application is *non est* in the eyes of law, and is tainted by bias and mala fide exercise of authority, as the continued pendency of fee-related issues since 2022, coupled with the imposition of recurring charges such as reading fees and expenses at the rate of 10%, is alleged to reflect a pre-determined and prejudicial stance, particularly in light of payments being made by the respondent-claimant-HCL. Nevertheless, the convenience or preference of the learned Arbitral Tribunal cannot be the determinative factor for extension of mandate under Section 29A of the Act of 1996, which mandates the existence of cogent and sufficient reasons. The earlier order dated 17.09.2024 had duly appreciated these considerations, whereas the impugned order dated 24.02.2026 reflects a contradictory and impermissible review by the successor Commercial Court. It was apprised to the Court that an amount of approximately Rs. 13 crores, half of which has been borne by the petitioner-DISCOMs constitutes a substantial and unwarranted financial burden, resulting in improper utilization of public funds under compulsion.

16. It was further urged that the impugned order has failed to take into account the adverse findings recorded against the respondent–claimant-HCL in the earlier order dated 17.09.2024,

including delay attributable to it, failure to conclude proceedings within the prescribed timeframe, and the grant of extension beyond the period prayed for. Thus, it can be derived that the subsequent extension has been granted without imposing any conditions, solely on the basis of the Tribunal's request and internal constraints, while disregarding the conduct of the claimant, the resultant prejudice, and the status of the petitioners as public sector entities.

17. Lastly, it was contended that the notion of a *de novo* hearing, purportedly necessitated on account of changes within the learned Arbitral Tribunal, cannot constitute a valid ground for extension, inasmuch as Section 29A of the Act of 1996 contemplates substitution of arbitrators with continuity of proceedings as the governing norm, rather than recommencement. In support of the submissions made, learned Advocate General placed reliance upon the a catena of judgments, inter alia, **Rohan Builders (India) Pvt. Ltd. vs. Berger Paints India Ltd., 2025 (10) SCC 802; Skylark Cagers India Pvt. Ltd. vs. The Institute of Liver and Biliary Sciences (OMP (Misc.) No.14/2019, decided on 01.03.2023 by the Hon'ble Delhi High Court); NBCC Ltd. Vs. J.G. Engineering Pvt. Ltd.: (2010) 2 SCC 385; Union of India vs. Singh Builders Syndicate, (2009) 4 SCC 523; Oil and Natural Gas Corporation Ltd. vs. Afcons Gunanusa JV, (2024) 4 SCC 481; IFFCO V. Bhadra Products : (2018) 2 SCC 534; Mohan Lal Fatehpuria Vs. Bharat Textiles & Ors. : 2025 SCC OnLine SC 2754; Lancor Holdings Limited Vs. Prem Kumar Menon and Ors. : 2025 SCC OnLine SC 2319; Regenta Hotels Private Limited Vs. Hotel Grand Centre Point & Ors.:**

2026 SCC OnLine SC 35; C.Velusamy Vs. K. Indhera : 2026 SCC OnLine SC 142; 76th Law Commission of India Report on Arbitration Act, 1940.

18. In light of the foregoing submissions, it was fervently prayed that the impugned order dated 24.02.2026 be set aside as being vitiated by patent jurisdictional error; that the conditions imposed in the order dated 17.09.2024 be restored and maintained in consonance with the mandate of Section 29-A(4 and 5) of the Act of 1996; that the arbitral costs be suitably reduced in view of the alleged non-conduct and delay attributable to the Arbitral Tribunal; and that the Tribunal itself be substituted in the interest of justice and to secure the expeditious culmination of the arbitral proceedings.

D. <u>SUBMISSIONS BY THE LEARNED COUNSEL APPEARING ON BEHALF OF AND FOR THE RESPONDENT-HCL :</u>

19. Per contra, learned Senior Counsel, Mr. R.N. Mathur, ably assisted by learned counsel Mr. Shailesh Kapoor and Mr. Lokesh Atrey, have opposed the present petition with considerable vehemence, contending at the threshold that the invocation of supervisory jurisdiction under Article 227 of the Constitution of India is misconceived and not maintainable in view of the statutory embargo engrafted under Section 5 of the Arbitration and Conciliation Act, 1996, which circumscribes judicial interference in arbitral proceedings. In support of the said submission, reliance was placed upon the ratio encapsulated in **Radhey Shyam & Anr. vs. Chhabi Nath & Ors., (2015) 5 SCC 423.**

20. It was contended that the learned Commercial Court, upon

a due and comprehensive evaluation of the factual matrix, including attribution of delay, has exercised its jurisdiction in accordance with law, and no case for supervisory interference is made out. It was further urged that, in view of Section 4 of the Act of 1996 and the cardinal principle of party autonomy underpinning arbitral jurisprudence, this Court ought to exercise restraint and refrain from interdicting the arbitral process; and that arbitration, being an alternate dispute resolution mechanism, is fundamentally predicated upon mutual consent and party autonomy. Further, it was contended that in the present case, no allegations pertaining to mala fides, exorbitant arbitral fees, or maintainability of successive applications were ever raised before the learned Arbitral Tribunal, at the appropriate stage. Thus, learned Advocate General has transgressed the contours of the pleadings in the writ petition by advancing arguments beyond the scope thereof, rendering such submissions untenable.

21. Learned Senior Counsel had also drawn attention to the intrinsic technical complexity and voluminous nature of the dispute, submitting that the learned Arbitral Tribunal comprising one former Judges of the Hon’ble Supreme Court and two former Judges of the High Court, has, till date, conducted as many as 162 sittings. It was urged that the delay is substantially attributable to the unprecedented disruption caused by the COVID-19 pandemic, and the recalibration of timelines was undertaken with the consent of the parties. It was further submitted that even the Hon’ble Supreme Court has taken judicial notice of and granted extensions in limitation and timelines during the pandemic period. It was

further contended that the existence of "sufficient cause" stood recognized even in the earlier order dated 17.09.2024, albeit subject to imposition of conditions, which, however, have been stayed by this Court. It was contended that both the first and second extensions are amply justified, having regard to the magnitude and complexity of the dispute involving claims of approximately Rs. 528 crores, spanning 47 distinct heads across multiple locations, with pleadings extending to approximately 1,500 pages and accompanied by a voluminous documentary.

22. It was further urged that the arbitral proceedings have entailed examination and cross-examination of as many as 22 witnesses, involving intricate technical issues, and that till date, 162 sittings have already been conducted and that the final arguments on behalf of the respondent–claimant-HCL stand concluded after exhaustive consideration of evidence and documentation. It was contended that the conduct of the petitioners themselves has contributed to the delay, inasmuch as they initiated the arbitral process and have, on record, sought documents over prolonged durations. Thus, the petitioners' portrayal of delay is asserted to be factually inaccurate and misleading. It was also submitted that the determination of "sufficient cause" is necessarily contingent upon the prevailing circumstances, and the learned Commercial Court has rightly exercised its discretion in light of the complexity of the dispute, the reasons reflected in the order sheets, and the governing judicial precedents, **including Rohan Builders (India) Pvt. Ltd. (supra), C. Veluswamy (supra), and Oil and Natural Gas**

Corporation Ltd. (supra), wherein extensions have been upheld in appropriate cases.

23. Learned Senior Counsel had further submitted that the interim order passed under Section 31(6) of the Act of 1996 was delivered consequent upon completion of certain works, which is not in dispute, and the issue pertaining to performance guarantees no longer retains material significance. It was thus contended that the interim measures granted by the Arbitral Tribunal under Section 17 of the Act of 1996 are lawful and justified. Subsequently, it was argued that neither the statutory framework nor judicial precedent prescribes any rigid outer limit for extension of time under Section 29A of the Act of 1996, and that the Court is required to exercise a balanced and circumspect approach, harmonizing the rights of all stakeholders.

24. In support of the contentions made insofar, learned counsel have placed reliance upon the ratio encapsulated *inter alia,* **AMR India Ltd. Vs. NTPC Ltd.: OMP (Misc.) (COMM.) 389/2019; Bareilly Highway Project Limited Vs. National Highway Authority of India: OMP (Misc.) (COMM.) 144/2023 ; Infosys Ltd. Vs. Software Technology Parks of India: OMP (Misc.) (COMM.) 493/2019; Whirlpool Corporation Vs. Registrar of Trade Marks: (1998) 8 SCC 1 ; Harbanslal Sahnia Vs. Indian Oil Corporation Ltd.: (2003) 2 SCC 107; L. Chandra Kumar Vs. Union of India & Ors. : (1997) 3 SCC 261; Rohitash Prasad & Ors. Vs. Saifuddin & Anr.: Civil Appeal No.5115/2007**; **Patil Rail Infrastructure Pvt. Ltd. vs. Ministry of Railways (S.B. Civil Misc. Application**

No.125/2019).

25. It was auxiliary urged that, in the absence of any express statutory prohibition, successive applications for extension are maintainable, and that the conditions imposed by the learned Commercial Court in its earlier order dated 17.09.2024 qua the costs, restriction on interest, and limitation on hearings, are contrary to the statutory scheme, particularly Sections 31A and 18 of the Act of 1996, which respectively govern costs and mandate equal treatment and fairness to parties; specially when the delay, at this stage, is attributable to the petitioner-DISCOMs.

26. Learned Senior Counsel had further submitted that the arbitral proceedings are at a highly advanced stage and are on the verge of culmination, subject only to cooperation from the petitioner-DISCOMs. It was contended that the requirements of Section 24 of the Act of 1996 stand duly complied with, and that the timelines have been mutually adjusted under the principle of party autonomy embodied in Section 4 of the Act; thus once such rights stand waived and no timely objection has been raised, the petitioner-DISCOMs cannot be permitted to resile therefrom. It was further urged that day-to-day hearing is not an inflexible mandate under Section 24(1), and the same must yield to practical considerations such as availability of parties, health conditions, witness availability, and other bona fide constraints. It was further submitted that the allegations of mala fides, bias, and pre-determination, having been raised for the first time during oral submissions, before this Court, are clearly an afterthought. Nevertheless, qua the said issue, if any, the petitioners had

adequate statutory remedies under Sections 12, 13, and 14 of the Act of 1996 to raise such grievances before the Arbitral Tribunal, and the present proceedings under Section 29A of the Act, do not constitute the appropriate forum for adjudication of such issues.

27. Additionally, it was contended that the plea seeking substitution of the learned Arbitral Tribunal is wholly untenable in the facts of the case, particularly in light of the advanced stage of proceedings and the complexity involved, and the stipulation in the order dated 17.09.2024 regarding completion of proceedings within 14 sittings was not mandatory, being qualified by the expression "unless the learned Arbitral Tribunal itself permits/asks for the same." Learned Senior Counsel had also cautioned that substitution of the learned Arbitral Tribunal, at this juncture would lead to grave prejudice, unnecessary duplication, and unwarranted delay, thereby defeating the very object of arbitration, especially when the proceedings are at the fag end. It was further submitted that no costs have been incurred on account of non-effective adjournments or cancelled hearings, and that the conduct of proceedings at various venues, including Jaipur, Jodhpur, and Delhi, whether in physical or virtual mode, was undertaken with mutual consent and without objection, at that time.

28. It was also submitted that the arbitral fees, including reading fees and allied expenses, were determined in advance and were never objected to by the petitioner-DISCOMs, as no application for re-determination or recalculation of fees was pressed, and therefore, the present challenge is devoid of merit. Thus, summarizing the legal propositions advanced, it was contended

that:

28.1 The successive applications for extension under Section 29A are maintainable;

28.2 Upon demonstration of sufficient cause, extensions are not circumscribed by any rigid outer limit;

28.3 Imposition of conditions relating to interest, costs, and fee structure is contrary to the principle of party autonomy and the scheme of Section 31A;

28.4 Issues concerning independence and impartiality of arbitrators do not fall within the ambit of Section 29-A proceedings; and

28.5 *Ad hoc* arbitral tribunals operate distinctly from institutional arbitration, and statutory fee schedules are not strictly applicable, the determination of fees being governed by party autonomy.

29. In support of the aforesaid submissions, reliance was placed upon a catena of judgments, inter alia, **Kranti Associates Pvt. Ltd. & Anr. vs. Sh. Masood Ahmed Khan & Anr., MANU/SC/0682/2010; Raviraj Udupa vs. United India Insurance Company Ltd. & Ors., MANU/SC/1003/2011; Cycle Equipments (P) Ltd. vs. Municipal Corporation of Delhi, MANU/DE/0166/1982; Mekaster Trading Corporation vs. Union of India, MANU/DE/0701/2003; Siemens Ltd. vs. Jindal India Thermal Power Ltd.: 2018 SCC OnLine Del 7158; and Patel Engineering Ltd. vs. Himachal Pradesh Power Corporation Ltd.: 2021 SCC OnLine Del 4481.** In light of the aforesaid submissions, it was fervently prayed that the present petition, being devoid of merit and not maintainable, be dismissed

with exemplary cost, and the reliefs as prayed by the respondent-HCL in the connected petition, be awarded.

E. CONSIDERATION OF THE WRITTEN SUBMISSIONS FURNISHED BY THE LEARNED INTERVENERS VIA E-MAIL :

30. During the course of arguments, and in compliance with the principles of natural justice and the mandate of Section 29A(4) of the Act of 1996, this Court had directed the Registrar (Judicial) to notify the learned Arbitral Tribunal and its members, affording them an opportunity of hearing in the present proceedings. The parties were likewise directed to intimate the Arbitral Tribunal. It is noted that pursuant thereto, the learned Arbitral Tribunal vide an application dated 05.05.2026, sought time of thirty days to file its response and to participate in the proceedings, which request was duly allowed, and liberty was granted by this Court, including facilitation through video conferencing. However, it was pointed out by the learned counsel representing the parties, that despite such opportunity, and notwithstanding continuous hearings conducted by this Court, none of the members of the Arbitral Tribunal have entered appearance, either in person or through counsel, whether physically or virtually; however, a brief submission was submitted by the learned Arbitral Tribunal on 07.05.2026, wherein they have submitted the time-line of the proceedings.

31. Upon a cautious perusal and consideration thereof, it is observed that the submissions encompass the scope of limited response furnished by the Arbitral Tribunal, the factual matrix underlying the arbitral proceedings, and a request seeking liberty to file additional submissions.

F. DISCUSSION OF THE RIVAL ARGUMENTS AND ADJUDICATORY FINDINGS OF THIS COURT

a. Relevant excerpts from the impugned orders and the relevant provisions from the Arbitration and Conciliation Act, 1996:

32. Having accorded careful consideration to the rival submissions advanced by learned counsel for the parties, and ante-proceeding to advert to the merits of the instant *lis*, this court deemeth it apposite to reproduce the relevant excerpts from the impugned orders, along with the pertinent statutory provisions of the arbitration and conciliation act, 1996, upon which the present controversy hinges:

Relevant excerpts from the impugned order dated 24.02.2026:

> "*"37. बहस उभयपक्ष विद्वान अधिवक्तागण सुनी गई। पत्रावली का अध्ययन, अवलोकन तथा उभयपक्षों की ओर से प्रस्तुत लिखित बहस एवं प्रस्तुत किये गये न्यायिक दृष्टान्तों पर मनन किया जाकर न्यायालय का निष्कर्ष निम्न प्रकार से है कि-*
>
> *38. यह सही एवं स्वीकृत है कि मध्यस्थता अधिनियम, 1996 का मूल उद्देश्य समयबद्ध प्रकिया है। लेकिन समयबद्ध प्रकिया में हमको यह देखना होगा कि वह समय कैसे, क्यों लग रहा है और क्या लगा हुआ समय वाजिब है या नहीं। यहां प्रकरण में प्रार्थी/वादी ने प्रत्येक पेशी वार अपना स्पष्टीकरण दिया है जो सही एवं उचित प्रतीत होता है। समयबद्धता का मूल्यांकन परिस्थितियों के संदर्भमें किया जाना आवश्यक है। मात्र समय व्यतीत हो जाना स्वतः घातक नहीं है। न्यायालय को यह देखना होगा कि विलंब असम्यक है या न्यायोचित कारणों से हुआ। यह पत्रावली से स्पष्ट है कि प्रत्येक तिथि पर प्रार्थी*

द्वारा स्पष्टीकरण दिया गया था तथा स्थगन के कारण आदेश-पत्रों में दर्ज हैं। इसलिए विलंब को एकपक्षीय रूप से अनुचित नहीं कहा जा सकता। इसलिए उक्त आक्षेप अप्रार्थी का स्वीकार नहीं किया जाता है।

*39. पत्रावली के अवलोकन से यह स्पष्ट है कि अप्रार्थीगण का आक्षेप यह भी है कि अधिनियम, **1996** का उद्देश्य समयबद्ध निस्तारण है। इस तथ्य से न्यायालय पूर्णतः सहमत है। तथापि यहां यह भी स्वीकृत तथ्य है जो प्रार्थी एवं अप्रार्थीगण ने किया है कि इस विचाराधीन मध्यस्थता की प्रक्रिया के समक्ष भारी विवाद है, जो कि **6** कार्य आदेश के भारी प्रकरण हैं, जो लगभग **530** करोड रूपये की राशि के संबंध में विचाराधीन हैं, इसलिए इतने बड़े प्रकरण को ऐसा नहीं कहा जा सकता कि शीघ्र ही निस्तारित कर दिया जाए। शीघ्रता के नाम पर न्यायिक संतुलन से समझौता नहीं किया जा सकता। अधिदेश समाप्त करने से पूरी प्रक्रिया पुनः प्रारंभिक अवस्था में जाएगी। इससे न्यायिक समय और संसाधनों का अपव्यय होगा। धारा **29A** न्यायालय को पर्याप्त कारण होने पर विस्तार का अधिकार देती है। उक्त वर्तमान परिस्थितियों में पर्याप्त कारण विद्यमान हैं। ऐसी स्थिति में उक्त तर्क भी अप्रार्थी का स्वीकार नहीं है। प्रार्थी को ओर से माननीय राजस्थान उच्च न्यायालय में रिट अभी विचाराधीन है। यह अप्रार्थी का तर्क भी कि स्थगन 'दूसरी समय बढ़ाने का प्रार्थना पत्र नहीं लग सकता, क्योंकि ना तो अधिनियम और ना ही माननीय उच्च न्यायालय ने अधिदेश बढ़ाने के संबंध में दूसरा प्रार्थना पत्र पर कोई मनाही की है।*

*40. यहां यह भी उल्लेखनीय है कि जहां तक कि बहस के दौरान प्रार्थी की ओर से कथन किया गया कि वे पिछले जून, **2025** में ही अपनी बहस पूरी कर चुके हैं, अनावश्यक समय अप्रार्थी की ओर से ही लिया जा रहा है। अब हम आज वर्तमान में फरवरी, **2026** में है, जिसमें यथासम्भव प्रार्थी के द्वारा **2023, 2024** व **2025** में सुनवाई होना बताया गया है। ऐसी स्थिति में प्रार्थी की बहस जून, **2025** में ही पूर्ण हो चुकी है। अब तो अप्रार्थी की बहस ही हाकर प्रकरण का निस्तारण होना ही बाकी रहा है।*

41. अप्रार्थीगण का दूसरा आक्षेप यह है कि 05 वर्षों से लंबित प्रक्रिया को समाप्त कर पुनः प्रारंभ करना उचित होगा। न्यायालय इस तर्क से सहमत नहीं है, क्योंकि वर्तमान में कार्यवाही उन्नत अवस्था में है। प्रार्थी की अंतिम बहस जून, 2025 में पूर्ण हो चुकी है, केवल अप्रार्थीगण की बहस शेष है। इस स्तर पर अधिदेश समाप्त करने से पुनः जटिलता उत्पन्न होगी। विशाल अभिलेख का पुनर्पाठ आवश्यक होगा। इससे समय और संसाधनों की और अधिक हानि होगी। अतः यह आपत्ति इस न्यायालय के समक्ष अस्वीकार्य है।

42. इस न्यायालय के विनम्र मत में अधिनियम, 1996 की धारा 5 के अनुसार न्यायिक हस्तक्षेप सीमित है। धारा 14 (1) (क) में असम्यक विलंब की स्थिति का उल्लेख है। न्यायालय को यह देखना है कि क्या ऐसा विलंब सिद्ध हुआ है। अभिलेख में ऐसा कोई स्पष्ट संकेत नहीं है कि न्यायाधिकरण निष्क्रिय रहा हो। कई अवसरों पर स्थगन न्यायाधिकरण के कारण भी हुआ हुआ है। कुछ स्थगन पक्षकारों की व्यक्तिगत कठिनाइयों से संबंधित थे। ऐसी स्थिति में असम्यक विलंब का निष्कर्ष नहीं निकाला जा सकता। अतः अधिदेश समाप्ति का आधार नहीं बनता।

***43.** पत्रावली के अवलोकन से यह भी स्पष्ट है कि अप्रार्थीगण द्वारा न्यायाधिकरण की निष्पक्षता पर संदेह व्यक्त किया गया। किन्तु इस संबंध में कोई ठोस दस्तावेज पत्रावली पर प्रस्तुत नहीं किया गया। धारा **29A** की कार्यवाही चुनौती का मच नहीं है। यदि पक्षपात का वास्तविक आधार हो तो पृथक विधिक उपाय उपलब्ध हैं। केवल संदेह मात्र पर्याप्त नहीं है। प्रार्थी का न्यायिक अधिकरण पर गम्भीर संदेह उत्पन्न करना, किस कारण हुआ, जो भी उचित प्रतीत नहीं हो रहा है, जबकि ऐसा कोई ठोस कारण अप्रार्थी की ओर से नहीं बताया गया कि उनको संदेह है। अभिलेख में न्यायाधिकरण द्वारा पक्षपातपूर्ण आचरण का संकेत नहीं है। कार्यवाही दोनों पक्षों को सुनकर संचालित की गई। अतः अप्रार्थीगण का यह आक्षेप भी निरस्त किये जाने योग्य है।*

*44. इस न्यायालय के विनम्र मत में दिनांक **17.09.2024** के आदेश में **07** सत्रों की शर्त अधिरोपित की गई थी। उक्त शर्तों पर माननीय*

*राजस्थान उच्च न्यायालय द्वारा स्थगन प्रदान किया गया है। स्थगन आदेश का प्रभाव व्यापक है। इससे पूर्व शर्तों का क्रियान्वयन स्थगित माना जाएगा। अप्रार्थीगण का यह तर्क कि 07 सत्रों में ही कार्यवाही पूर्ण होनी चाहिए, स्वीकार्य नहीं है। उच्च न्यायालय के आदेश के आलोक में शर्ते प्रभावी नहीं हैं। अतः इस आधार पर विस्तार अस्वीकार नहीं किया जा सकता। यह आपत्ति भी अप्रार्थीगण की अस्वीकार की जाती है। साथ ही अप्रार्थी का यह तर्क कि मध्यस्थ की फीस / शुल्क कम की जावे। इस संबंध में धारा **29A(4)** के परंतुक में प्रावधान है कि फीस को कम करने से पूर्व मध्यस्थ को सुनवाई का मौका दिया जाएगा। यहां उक्त प्रकरण में ऐसा कोई आधार प्रतीत नहीं है जिससे मध्यस्थ की फीस को कम किया जावे। अप्रार्थीगण की उक्त आपत्ति भी अस्वीकार की जातीं है।*

45. उपरोक्त समस्त कारणों के आधार पर अप्रार्थीगण की सभी आपत्तियाँ निरस्त की जाती हैं। यह न्यायालय पाता है कि माध्यस्थम कार्यवाही अंतिम चरण में है, केवल अप्रार्थीगण की बहस शेष है। 'प्रकरण की जटिलता और परिमाण विस्तार की मांग करते हैं। इसलिए धारा 29A (5) के अंतर्गत प्रार्थना पत्र स्वीकार किये जाने योग्य है।

-: आदेश :-

***46**. अतः उपरोक्त तथ्य एवं परिस्थितियों में प्रार्थी द्वारा प्रस्तुत प्रार्थना पत्र अन्तर्गत धारा 29 ए माध्यस्थम एवं सुलह अधिनियम, 1996 बाबत विद्वान मध्यस्थ न्यायाधिकरण के अधिदेश का विस्तार किये जाने हेतु, स्वीकार किया जाकर आदेशित किया जाता है कि-*

***i.** प्रार्थी द्वारा अपने प्रार्थना पत्र के माध्यम से अधिदेश विस्तार दिनांक **01.05. 2025** से **30.04.2026** तक मांगा गया है। वर्तमान में माह फरवरी, **2026** चल रहा है तथा मांगी गई अवधि अप्रैल, **2026** तक सीमित है। अतः पूर्व में व्यतीत अवधि को समाविष्ट करते हुए तथा कार्यवाही को प्रभावी रूप से पूर्ण कराने के उद्देश्य से मध्यस्थ अधिकरण का अधिदेश दिनांक **30.04. 2025** से बढाकर **30.09.2026** तक विस्तारित किया जाता है।*

*ii. मध्यस्थ अधिकरण को निर्देशित किया जाता है कि वह दिनांक **30.09. 2026** तक समस्त माध्यस्थम कार्यवाहियाँ पूर्ण कर अंतिम अधिनिर्णय पारित करने का प्रयास किया जावे।*

iii. पक्षकार अनावश्यक स्थगन से परहेज करेंगे तथा कार्यवाही में पूर्ण सहयोग प्रदान करेंगे।

iv. प्रार्थना पत्र का व्यय पक्षकारान स्वयं वहन करेंगें।"

(Emphasis supplied)

Relevant excerpts from the impugned order dated 17.09.2024:

"56. However, unfortunately the hearing on the dates fixed in the month of August and September (from 01.09.2024 to 03.09.2024) could not be resumed on account of different reasons and now hearing is fixed for 28.09.2024 onwards.

57. Therefore, it is amply clear that reasons of delay in conclusion of arbitral tribunal are largely attributable to the applicant/claimant, if not solely.

58. In the considered opinion of this court the applicant/claimant alone cannot be blamed for the delay in the teeth of the hard fact that neither learned tribunal declined to accede to the unreasonable requests of adjournments made from applicant/claimant's side, nor even non-applicant/respondents objected to the same.

59. Be that as it may, the applicant/claimant side nevertheless has to face some befitting consequences for the delay occurred in conclusion of arbitration proceedings on account of his active role, ignoring the passive role of learned arbitral tribunal and non-applicant/respondents, if this court forms its opinion in favor of extension of learned arbitral

tribunal's mandate.

60. Although, as discussed herein above, the reasons for delay concluding the arbitration proceedings have been found largely attributable to the applicant/claimant.

61. However, looking to the advance stage at which the arbitration proceedings are presently pending (final arguments) ***and considerable time as well as expenses already invested by the parties, treating these factors as constituting sufficient cause for further extension of learned arbitral tribunal's mandate for another 20 months from 31.08.2023, this court is inclined to extend the mandate accordingly, subject however to imposing exemplary costs on applicant/claimant side and laying certain terms and conditions to be abided by all concerned in discharge of obligations imposed on the court under Section 29A (5) & (8) of the Act.***

62. Thus, in view of the opinion formed while adverting to Point Nos. 1 to 4, this court is inclined to extend the mandate for further 20 months time period from 31.08.2023 on payment of exemplary costs by applicant/claimant side and laying certain terms and condition as envisaged under Section 29A (5) & (8) of the Act in order to ensure timely conclusion of arbitration proceedings.

ORDER

63. Therefore, the mandate of learned arbitral tribunal in this matter is hereby extended for further 20 months time period from 31.08.2023, i.e. uptil 30th April 2025, subject to payment of Rs. 1,00,000/- (one lac only) as exemplary costs by the applicant/claimant.

64. The applicant/claimant shall deposit the amount of

exemplary costs in the 'Litigants Welfare Fund' maintained by the Registrar General, Hon'ble Rajasthan High Court Jodhpur and submit the 1 receipt thereof in this court within 07 days from today, else the instant application shall stand dismissed without extension of the mandate of learned arbitral tribunal.

*65**. Each side shall be afforded a maximum of 07 hearings (14 sessions)** in all for addressing **verbal arguments** (except permitted otherwise by learned arbitral tribunal) and thereafter no written submissions shall be accepted on behalf of the party availing opportunity of verbal hearing, unless learned arbitral tribunal itself permits/asks for the same.*

66. Entire expenses in arranging meetings of arbitral tribunal as well as entire fees payable to the members of learned arbitral, tribunal, for the hearings post 17.12.2023 onwards, shall be exclusively borne/paid by the applicant/claimant alone (otherwise required to be shared by both the sides).

67. Consequentially, the applicant/claimant shall refund to non-applicant/respondents their share, if already paid by them qua on or before the arbitration proceedings are reserved for passing the award by the learned arbitral tribunal, else the mandate of learned arbitral tribunal shall stand expired on the date when arbitration proceedings are reserved for passing the award.

68. No interest from 18.02.2024 till award is passed shall be awarded to applicant/claimant by learned arbitral tribunal, in case its claim(s) is/are allowed.

69. Instant application filed by applicant/claimant is hereby disposed of accordingly."

(Emphasis supplied)

XXXX

Relevant excerpts from the provisions of the Arbitration and Conciliation Act, 1996:

***Section 2. Definitions**.—(1) In this Part, unless the context otherwise requires,-*

a) ....

b) ....

c) "arbitral award" includes an interim award;

***Section 4. Waiver of right to object**.—A party who knows that—*

(a) any provision of this Part from which the parties may derogate, or

(b) any requirement under the arbitration agreement,

has not been complied with and yet proceeds with the arbitration without stating his objection to such non-compliance without undue delay or, if a time limit is provided for stating that objection, within that period of time, shall be deemed to have waived his right to so object.

***Section 5. Extent of judicial intervention.**— Notwithstanding anything contained in any other law for the time being in force, in matters governed by this Part, no judicial authority shall intervene except where so provided in this Part.*

Section 8. Power to refer parties to arbitration where there is an arbitration agreement.-

(1) ..

(2) ..

(3) Notwithstanding that an application has been made under sub-section (1) and that the issue is pending

before the judicial authority, an arbitration may be commenced or continued and an arbitral award made.

***Section 11. Appointment of arbitrators**-*

XXXX

14. The arbitral institution shall determine the fees of the arbitral tribunal and the manner of its payment to the arbitral tribunal subject to the rates specified in the Fourth Schedule.

Explanation. - For the removal of doubts, it is hereby clarified that this sub-section shall not apply to international commercial arbitration and in arbitration's (other than international commercial arbitration) where parties have agreed for determination of fees as per the rules of an arbitral institution.] [Substituted by Act No. 33 of 2019, dated 9.8.2019.]

Section 12. Grounds for challenge

(1) XXXXX

(2) XXXXX

(3) ***An arbitrator may be challenged only if—***

(a) circumstances exist that give rise to justifiable doubts as to his independence or impartiality, or

(b) he does not possess the qualifications agreed to by the parties.

(4) A party may challenge an arbitrator appointed by him, or in whose appointment he has participated, only for reasons of which he becomes aware after the appointment has been made.

(5) XXXX

***Section 13. Challenge procedure**.—(1) Subject to*

sub-section (4), the parties are free to agree on a procedure for challenging an arbitrator.

(2) Failing any agreement referred to in sub-section (1), a party who intends to challenge an arbitrator shall, within fifteen days after becoming aware of the constitution of the arbitral tribunal or after becoming aware of any circumstances referred to in sub-section (3) of section 12, send a written statement of the reasons for the challenge to the arbitral tribunal.

(3) Unless the arbitrator challenged under sub-section (2) withdraws from his office or the other party agrees to the challenge, the arbitral tribunal shall decide on the challenge.

(4) If a challenge under any procedure agreed upon by the parties or under the procedure under sub-section (2) is not successful, the arbitral tribunal shall continue the arbitral proceedings and make an arbitral award.

(5) Where an arbitral award is made under sub-section (4), the party challenging the arbitrator may make an application for setting aside such an arbitral award in accordance with section 34.

(6) Where an arbitral award is set aside on an application made under sub-section (5), the Court may decide as to whether the arbitrator who is challenged is entitled to any fees.

***Section 14. Failure or impossibility to act.**—(1) The mandate of an arbitrator shall terminate and he shall be substituted by another arbitrator, if-*

(a) he becomes de jure or de facto unable to perform his functions or for other reasons fails to act without undue delay; and

(b) he withdraws from his office or the parties agree to the termination of his mandate.

(2) If a controversy remains concerning any of the grounds referred to in clause (a) of sub-section (1), a party may, unless otherwise agreed by the parties, apply to the Court to decide on the termination of the mandate.

(3) If, under this section or sub-section (3) of section 13, an arbitrator withdraws from his office or a party agrees to the termination of the mandate of an arbitrator, it shall not imply acceptance of the validity of any ground referred to in this section or sub-section (3) of section 12.

***Section 18. Equal treatment of parties**—The parties shall be treated with equality and each party shall be given a full opportunity to present this case.*

***Section 19. Determination of rules of procedure-** (1) The arbitral tribunal shall not be bound by the Code of Civil Procedure, 1908 (5 of 1908) or the Indian Evidence Act, 1872 (1 of 1872).*

(2) Subject to this Part, the parties are free to agree on the procedure to be followed by the arbitral tribunal in conducting its proceedings.

(3) Failing any agreement referred to in sub-section (2), the arbitral tribunal may, subject to this Part, conduct the proceedings in the manner it considers appropriate.

(4) The power of the arbitral tribunal under sub-section (3) includes the power to determine the admissibility, relevance, materiality and weight of any evidence.

***Section 20. Place of arbitration-**(1) The parties are free to agree on the place of arbitration.*

(2) Failing any agreement referred to in sub-section

(1), the place of arbitration shall be determined by the arbitral tribunal having regard to the circumstances of the case, including the convenience of the parties.

(3) Notwithstanding sub-section (1) or sub-section (2), the arbitral tribunal may, unless otherwise agreed by the parties, meet at anyplace it considers appropriate for consultation among its members, for hearing witnesses, experts or the parties, or for inspection of documents, goods or other property.

Section 23. Statement of claim and defense-

1)...

2)...

3)..

4) The statement of claim and defence under this section shall be completed within a period of six months from the date the arbitrator or all the arbitrators, as the case may be, received notice, in writing of their appointment.

Section 24. Hearings and written proceedings -

(1) Unless otherwise agreed by the parties, the arbitral tribunal shall decide whether to hold oral hearings for the presentation of evidence or for oral argument, or whether the proceedings shall be conducted on the basis of documents and other materials:

Provided that the arbitral tribunal shall hold oral hearings, at an appropriate stage of the proceedings, on a request by a party, unless the parties have agreed that no oral hearing shall be held:

Provided further that the arbitral tribunal shall, as far as possible, hold oral hearings for the presentation of evidence or for oral argument on day-to-day basis, and not grant any adjournments unless sufficient cause is made

out, and may impose costs including exemplary costs on the party seeking adjournment without any sufficient cause.

(2) The parties shall be given sufficient advance notice of any hearing and of any meeting of the arbitral tribunal for the purposes of inspection of documents, goods or other property.

(3) All statements, documents or other information supplied to, or applications made to the arbitral tribunal by one party shall be communicated to the other party, and any expert report or evidentiary document on which the arbitral tribunal may rely in making its decision shall be communicated to the parties.

Section 29A. 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*:*

Provided that the award in the matter of international commercial arbitration may be made as expeditiously as possible and endeavor may be made to dispose of the matter 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 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.

Section 29B. Fast track procedure.**—(1) **Notwithstanding anything contained in this Act, the parties to an arbitration agreement, may, at any stage either before or at the time of appointment of the arbitral tribunal, agree in writing to have their dispute resolved by fast track procedure specified in sub-section (3).

(2) The parties to the arbitration agreement, while agreeing for resolution of dispute by fast track procedure, may agree that the arbitral tribunal shall consist of a sole arbitrator who shall be chosen by the parties.

(3) The arbitral tribunal shall follow the following procedure while conducting arbitration proceedings under sub-section (1):—

(a) The arbitral tribunal shall decide the dispute on the basis of written pleadings, documents and submissions filed by the parties without any oral hearing;

(b) The arbitral tribunal shall have power to call for any further information or clarification from the parties in addition to the pleadings and

documents filed by them;

(c) An oral hearing may be held only, if, all the parties make a request or if the arbitral tribunal considers it necessary to have oral hearing for clarifying certain issues;

(d) The arbitral tribunal may dispense with any technical formalities, if an oral hearing is held, and adopt such procedure as deemed appropriate for expeditious disposal of the case.

(4) The award under this section shall be made within a period of six months from the date the arbitral tribunal enters upon the reference.

(5) If the award is not made within the period specified in sub-section (4), the provisions of sub-sections (3) to (9) of section 29A shall apply to the proceedings.

(6) The fees payable to the arbitrator and the manner of payment of the fees shall be such as may be agreed between the arbitrator and the parties.

Section 31. Form and contents of arbitral award-

1)....

(6) The arbitral tribunal may, at any time during the arbitral proceedings, make an interim arbitral award on any matter with respect to which it may make a final arbitral award

***Section 31A. Regime for costs**.—(1) In relation to any arbitration proceeding or a proceeding under any of the provisions of this Act pertaining to the arbitration, the Court or arbitral tribunal, notwithstanding anything contained in the Code of Civil Procedure,1908 (5 of 1908), shall have the discretion to determine—*

(a) whether costs are payable by one party to another;

(b) the amount of such costs; and

(c) when such costs are to be paid.

Explanation.—For the purpose of this sub-section, "costs" means reasonable costs relating to—

(i) the fees and expenses of the arbitrators, Courts and witnesses;

(ii) legal fees and expenses;

(iii) any administration fees of the institution supervising the arbitration; and

(iv) any other expenses incurred in connection with the arbitral or Court proceedings and the arbitral award.

(2) If the Court or arbitral tribunal decides to make an order as to payment of costs,—

(a) the general rule is that the unsuccessful party shall be ordered to pay the costs of the successful party; or

(b) the Court or arbitral tribunal may make a different order for reasons to be recorded in writing.

(3) In determining the costs, the Court or arbitral tribunal shall have regard to all the circumstances, including—

(a) the conduct of all the parties;

(b) whether a party has succeeded partly in the case;

(c) whether the party had made a frivolous counterclaim leading to delay in the disposal of the arbitral proceedings; and

(d) whether any reasonable offer to settle the dispute is made by a party and refused by the other party.

(4) The Court or arbitral tribunal may make any order under this section including the order that a party shall pay—

(a) a proportion of another party's costs;

(b) a stated amount in respect of another party's costs;

(c) costs from or until a certain date only;

(d) costs incurred before proceedings have begun;

(e) costs relating to particular steps taken in the proceedings;

(f) costs relating only to a distinct part of the proceedings; and

(g) interest on costs from or until a certain date.

(5) An agreement which has the effect that a party is to pay the whole or part of the costs of the arbitration in any event s

hall be only valid if such agreement is made after the dispute in question has arisen.

THE FOURTH SCHEDULE

[See section 11(14)]

Sr.No.	Sum in dispute	Model fee
(1)	(2)	(3)
1.	*Up to Rs. 5,00,000*	*Rs. 45,000*
2.	*Above Rs. 5,00,000 and up to Rs. 20,00,000*	*Rs. 45,000 plus 3.5 per cent. of the claim amount over and above Rs. 5,00,000*
3.	*Above Rs. 20,00,000 and up to Rs. 1,00,00,000*	*Rs. 97,500 plus 3 per cent. of the claim amount over and above Rs. 20,00,000*
4.	*Above Rs.1,00,00,000 and up to Rs. 10,00,00,000*	*Rs. 3,37,500 plus 1 per cent. of the claim amount over and above Rs. 1,00,00,000*
5.	*Above Rs. 10,00,00,000 and up to Rs. 20,00,00,000*	*Rs. 12,37,500 plus 0.75 per cent. of the claim amount over and above Rs. 1,00,00,000*
6.	*Above Rs. 20,00,00,000*	*Rs. 19,87,500 plus 0.5 per cent. of the claimamount over and above Rs. 20,00,00,000 with a ceiling of Rs.*

		30,00,000

Note:—In the event, the arbitral tribunal is a sole arbitrator, he shall be entitled to an additional amount of twenty-five per cent. on the fee payable as per the table set out above."

(Emphasis supplied)

This Court, having regard to the facts and circumstances of the case, has tabulated the relevant dates for the sake of clarity and convenience, which are reproduced hereunder for ready reference:

Date	Particulars of Order/Proceedings	Hearing No.	Delay Attributable to
STAGE-I- Pre-Arbitration & Constitution of Tribunal			
27.09.2019	Notice u/S. 11 of the Arbitration & Conciliation Act, 1996, Invoking Arbitration by Claimant	-	
20.08.2020 (VC)	1st Order passed by Arbitral Tribunal, Time to file Statement of Claim granted till 31.10.2020 NDOH: 06.11.2020	1st Hearing	
STAGE-II-Pleadings			
31.08.2021 (VC)	Pleadings Complete NDOH: 27.11.2021 (For recording of evidence)	7th Hearing	**Pleadings Completed**
STAGE V - 1st Mandate Expiry (28.02.2023) & Continued Proceedings			
28.02.2023	Mandate of Arbitral Tribunal Expired for the first time (12-months statutory period)	-	**1st Mandate Expiry**
14.07.2023	1st Application seeking extension of Mandate filed before the Rajasthan High Court	-	**1st S.29A Application filed by Claimant**
31.08.2023	Mandate of Arbitral Tribunal expired for the second time (by consent till 31.08.2023)	-	**2nd Mandate Expiry**
STAGE VII - Commerical Court Order (S.29A) Dated 17.09.2024 & Post-Extension Proceedings			
17.09.2024	Order passed by Commercial Court: Mandate of Tribunal extended from 31.08.2023 to 30.04.2025 (20 Months)	-	**S.29A Extension on 1st Application (2nd)**
11.10.2024	Arguments heard on S.17 Application filed by Claimant; NDOH: 28.10.2024	105th Hearing	-
28.10.2024	At order (para 7): 'From NDOH, de novo hearing of the matter would commence.' *Arbitrator J. VL Gupta's mandate terminated; Hon'ble Mr. Justice N. Kumar nominated as Co-Arbitrator* NDOH: 20-22.12.2024, 16-18.01.2025	106th Hearing	**Tribunal reconstituted de novo hearing orders**
22.04.2025	2nd Application seeking extension	-	**2nd S.29A**

	of Mandate filed before the Commercial Court		**Application filed by Claimant**
30.04.2025	Mandate of Arbitral Tribunal Expired for the Third Time	-	**3rd Mandate Expiry**
16-18.06.2025	Final Arguments on behalf of Claimant Completed on 17.06.2025. Final Arguments on behalf of DISCOMs to commence. *Total for Claimant: 27 hearing-dates/ 50 Sessions.*	145th -150th Hearing (50 Sessions Total)	**Claimant's final arguments concluded**
STAGE VIII - Respondents' Final Arguments & Interim Award			
25.09.2025	Interim Award passed by Arbitral Tribunal (during pendency of S.29A application before Commercial Court) NDOH: 06.10.2025		
24-26.02.2026	Final Arguments on behalf of DISCOMs commenced NDOH: 28.04.2026	157th - 162nd Hearing	**Petitioners Arguments Commenced**
24.02.2026	Order passed by the Hon'ble Commercial Court Jaipur to extend the mandate till 30.09.2026	-	**2nd Application granting Extension**

b. The issues arising for determination in the instant *lis :*

33. Upon according solicitous consideration to the rival contentions advanced by the learned counsel qua the substantive particulars delineated supra, and upon a meticulous scrutiny of the documentary evidence in conjunction with the governing legal tenets, and the judgments cited at the Bar, this court proceedeth to record its opinion, noteworthy record, qua the undisputed facts and adjudicatory determinations on the issues framed, ad-seriatim.

34. Before adverting to the rival contentions and the issues framed for determination, it would be apposite to delineate the undisputed factual matrix emerging from the record, which forms the foundational backdrop of the present lis, as:

34.1 That it is an admitted position that disputes arose between the parties, pursuant to which a notice invoking arbitration dated 27.09.2019 was issued. The relevant clause i.e. Clause 8.2 of the GCC which empowered the aggrieved party, to proceed with the

arbitration proceedings, is reproduced hereinbelow:

" Clause 8:

8.1 XXXXX

8.2 The formal mechanism for the resolution of disputes shall be:

If the parties fail to resolve such a dispute or difference by mutual consultation within twenty-eight (28) days from the commencement of such dispute and difference, either party may require that the dispute be referred for resolution to the formal mechanisms, described below (The date of commencement of the dispute shall be taken from the date when this clause reference is quoted by either party in a formal communication clearly mentioning existence of dispute or as mutually agreed):

a. The mechanism for resolution of disputes for bidders shall be in accordance with the Indian Arbitration and Conciliation Act of 1996. The Arbitral Tribunal shall consist of 3 (Three) Arbitrators. Each Party shall nominate an Arbitrator and the two nominated Arbitrators shall mutually agree and nominate a third Presiding Arbitrator.

b. ***The Arbitrators shall necessarily be retired High Court Judges and the umpire shall be a retired Chief Justice.***

C. The place for arbitration shall be the state of Rajasthan."

(Emphasis supplied)

34.2 That the arbitral proceedings commenced, and the first preliminary hearing was conducted on 27.07.2020, with the first effective date before the Arbitral Tribunal fixed as 20.08.2020. A

three-member Arbitral Tribunal was duly constituted, comprising one nominee arbitrator from each side and a Presiding Arbitrator appointed with mutual consent.

34.3 That owing to the COVID-19 pandemic and with mutual understanding between the parties, the timeline for commencement of claims was reckoned from 01.03.2022 in terms of Section 23(4) of the Arbitration and Conciliation Act, 1996. It is also not in dispute that the arbitral proceedings involve claims of approximately Rs. 528 crores, accompanied by voluminous pleadings and documents, and that approximately 162 hearings have been conducted by the learned Arbitral Tribunal.

34.4 That the mandate of the Arbitral Tribunal, in terms of Section 29A, was initially determined to expire on 28.02.2023, which was subsequently extended by mutual consent of the parties till 31.08.2023.

34.5 That an application seeking further extension of the mandate was filed by the respondent-claimant on 14.07.2023 before the competent Commercial Court under Section 29A(4) of the Act of 1996.

34.6 That vide a conditional order dated 17.09.2024, the Commercial Court extended the mandate of the Arbitral Tribunal for a further period of 20 months, i.e., from 01.09.2023 to 30.04.2025, while imposing certain conditions including costs and restrictions on fee and interest. However, the said conditions, except the grant of extension, were stayed by this Court in SB Civil Writ Petition No.16033/2024 vide order dated 22.10.2024.

34.7 That prior to the expiry of the extended mandate on

30.04.2025, a second application for extension under Section 29A was moved by the respondent-claimant-HCL on 22.04.2025; and the petitioner-DISCOMs have opposed the maintainability of the said successive application.

34.8 That the learned Commercial Court, vide impugned order dated 24.02.2026, further extended the mandate of the Arbitral Tribunal till 30.09.2026.

34.9 That as on date, it is an admitted position that the arbitral proceedings have reached an advanced stage, with evidence having been recorded and final arguments substantially concluded.

35. In light of the aforesaid undisputed factual matrix, and having regard to the rival submissions advanced at the Bar, this Court now deems it apposite to proceedth an issue-wise analysis for the purpose of an effective and comprehensive adjudication of the matter at hand.

Issue No. 1 : Whether the present petition is maintainable under the provisions of Article 227 of the Constitution of India, before this Court?

36. At the outset, it is well settled that though the Arbitration and Conciliation Act, 1996 is a self-contained code, the constitutional remedies under Articles 226 and 227 of the Constitution of India remain available in exceptional circumstances. The Hon'ble Supreme Court in **SBP & Co. v. Patel Engineering Ltd., (2005) 8 SCC 618**, categorically held that orders passed by courts or judicial authorities including the Tribunals under the Act are amenable to judicial review under Article 227, albeit within a narrow compass. This position has been further clarified and

reinforced in **Deep Industries Ltd. v. Oil and Natural Gas Corporation Ltd., (2020) 15 SCC 706**, wherein the Hon'ble Supreme Court, while cautioning against excessive interference, held that petitions under Articles 226/227 would be maintainable against orders passed in arbitration proceedings, provided that the Court exercises such jurisdiction sparingly, in cases of patent lack of jurisdiction, perversity, or manifest injustice. The Court observed that though Section 37 of the Act of 1996 provides for limited appeals, it does not completely bar constitutional remedies. The relevant extract from **Deep Industries Ltd. (supra)** is reproduced hereinbelow:

> *"15.* ***Most significant of all is the non- obstante clause contained in Section 5 states that notwithstanding anything contained in any other law, in matters that arise under Part I of the Arbitration Act, no judicial authority shall intervene except where so provided in this Part.*** *Section 37 grants a constricted right of first appeal against certain judgments and orders and no others. Further, the statutory mandate also provides for one bite at the cherry, and interdicts a second appeal being field.*
> *16. This being the case, there is no doubt whatsoever that if petitions were to be filed under Articles 226/227 of the Constitution against orders passed in appeals under Section 37, the entire arbitral process would be derailed and would not come to fruition for many years.* ***At the same time, we cannot forget that Article 227 is a constitutional provision which remains untouched by the non-obstante clause of Section 5 of the Act. In these circumstances, what is important to note is that though petitions can be filed under Article 227 against judgments allowing or dismissing first appeals under Section 37 of the Act, yet the High Court would be extremely circumspect in interfering with the same, taking into account the statutory policy as adumbrated by us herein above so that interference is restricted to orders that are passed which are patently***

lacking in inherent jurisdiction."

(Emphasis supplied)

37. Further, in the ratio encapsulated in **Bhaven Construction v. Executive Engineer, Sardar Sarovar Narmada Nigam Ltd., (2022) 1 SCC 75,** the Hon'ble Supreme Court authoritatively held that while the legislative policy is to minimize judicial interference, recourse to Articles 226/227 is not absolutely barred. However, such intervention is warranted only in rare and exceptional cases where one party is left remediless under the statute or where there is a clear bad faith, arbitrariness, or jurisdictional error. The Court emphasized that the High Court must be circumspect and should not entertain petitions which can be effectively addressed within the arbitral framework.

38. Thus, applying the aforesaid settled principles to the facts of the present case, it is evident that the impugned order passed by the Commercial Court under Section 29A, extending the mandate of the Arbitral Tribunal in an allegedly ambiguous and legally unsustainable manner, is not amenable to any statutory appeal under Section 37 of the Act of 1996. Consequently, the petitioners are left without an efficacious alternative remedy under the statute. In such circumstances, where (i) the impugned order is alleged to suffer from jurisdictional infirmities, (ii) the statutory scheme does not provide for an appellate mechanism against such an order, and (iii) grave prejudice is stated to have been caused to the petitioners, the invocation of the extraordinary jurisdiction of this Court cannot be said to be barred. Therefore, in view of the law laid down by the Hon'ble Supreme Court in the aforesaid judgments,

this Court holds that the present petition is maintainable under Article 227 of the Constitution of India, albeit within the self-imposed limitations governing the exercise of such jurisdiction in arbitral matters.

Issue No. 2 : Whether the subsequent second application under Section 29A of the Act of 1996 is maintainable?

39. A careful and purposive interpretation of Section 29A of the Arbitration and Conciliation Act, 1996, when read in light of the evolving jurisprudence of the Hon'ble Supreme Court, makes it abundantly clear that while the provision does not expressly prohibit successive applications for extension of the mandate of the Arbitral Tribunal, the same cannot be permitted in a routine or mechanical fashion so as to defeat the very object of the statute. The Hon'ble Supreme Court in the dictum enunciated in **Associate Builders v. Delhi Development Authority**: **(2015) 3 SCC 49,** though in a different context, emphasized that arbitral proceedings must adhere to the principles of efficiency, expedition, and minimal judicial interference, which form the backbone of the Act of 1996; and that procedural provisions under the Act must be construed in a manner that advances the cause of justice rather than defeats it, while simultaneously cautioning that statutory timelines are not to be rendered otiose.

40. Qua the matter at hand, it is noteworthy that as per the ratio encapsulated in **Rohan Builders (supra),** and the above cited dictum; the jurisprudential thread running through these authorities is that while the Court retains the power to extend the

mandate, even more than once, such power is circumscribed by the requirement of "sufficient cause," which must be construed strictly. The expression "sufficient cause" cannot be elastic to the extent of accommodating indolence, tactical delays, or procedural laxity on the part of the claimant or the tribunal. Rather, the Court must adopt a calibrated approach, balancing the need for expeditious resolution with the demands of substantive justice, particularly in complex, document-heavy arbitrations. In this context, it is also apposite to note that the scheme of Section 29A(4) and (5) contemplates judicial intervention only as an exception, and not as the norm. Repeated recourse to extensions risks undermining the statutory discipline envisaged under Section 23(4) and Section 29A, thereby converting arbitration into a time-consuming process akin to traditional litigation, an outcome that the legislature consciously sought to avoid. The relevant extract from **Rohan Builders (supra),** is reproduced hereinbelow:

> "*18.* ***The legislature vide the 2015 Amendment envisions arbitration as a litigant-centric process by expediting disposal of cases and reducing the cost of litigation. A narrow interpretation will be counterproductive.*** *The intention is appropriately captured in the following observations made in the 176th Report of the Law Commission of India :*
> *2.21.1 (...)But the omission of the provision for extension of time and therefore the absence of any time limit has given rise to another problem, namely, that awards are getting delayed before the arbitral tribunal even under the 1996 Act. One view is that this is on account of the absence of a provision as to time limit for passing an award.*

xx xx xx

2.21.3 (...) ***The time limit can be more realistic subject to extension only by the court. Delays ranging from five years to even fourteen years in a single arbitration have come to the Commission's notice. The Supreme Court of India has also referred to these delays of the arbitral tribunal. The point here is that these delays are occurring even in cases where there is no court intervention during the arbitral process. The removal of the time limit is having its own adverse consequences. There can be a provision for early disposal of the applications for extension, if that is one of the reasons for omitting a provision prescribing a time limit, say one month. Parties can be permitted to extend time by one year.*** *Pending the application for extension, we propose to allow the arbitration proceedings to continue.*

xx xx xx

2.21.4 It is, therefore, proposed to implement the recommendation made in the 76th Report of the Law Commission with the modification that an award must be passed at least within one year of the arbitrators entering on the reference. ***The initial period will be one year. Thereafter, parties can, by consent, extend the period upto a maximum of another one year. Beyond the one year plus the period agreed to by mutual consent, the court will have to grant extension. Applications for extension are to be disposed of within one month. While granting extension, the court may impose costs and also indicate the future procedure to be followed by the tribunal.*** *There will, therefore, be a further proviso, that further extension beyond the*

period stated above should be granted by the Court. ***We are not inclined to suggest a cap on the power of extension as recommended by the Law Commission earlier. There may be cases where the court feels that more than 24 months is necessary. It can be left to the court to fix an upper limit. It must be provided that beyond 24 months, neither the parties by consent, nor the arbitral tribunal could extend the period.*** *The court's order will be necessary in this regard. But in order to see that delay in disposal of extension applications does not hamper arbitration, we propose to allow arbitration to continue pending disposal of the application.*

2.21.5 ***One other important aspect here is that if there is a delay beyond the initial one year and the period agreed to by the parties (with an upper of another one year) and also any period of extension granted by the Court, there is no point in terminating the arbitration proceedings. We propose it as they should be continued till award is passed.*** *Such a termination may indeed result in waste of time and money for the parties after lot of evidence is led. In fact, if the proceedings were to terminate and the claimant is to file a separate suit, it will even become necessary to exclude the period spent in arbitration proceedings, if he was not at fault, by amending Section 43(5) to cover such a situation. But the Commission is of the view that there is a better solution to the problem.*

The Commission, therefore, proposes to see that an arbitral award is ultimately passed even if the above said delays have taken place. In order that there is no further delay, the Commission proposes that after the period of initial one year

and the further period agreed to by the parties (subject to a maximum of one year) is over, the arbitration proceedings will nearly stand suspended and will get revived as soon as any party to the proceedings files an application in the Court for extension of time. *In case none of the parties files an application, even then the arbitral tribunal may seek an extension from the Court. From the moment the application is filed, the arbitration proceedings can be continued. When the Court takes up the application for extension, it shall grant extension subject to any order as to costs and it shall fix up the time schedule for the future procedure before the arbitral tribunal. It will initially pass an order granting extension of time and fixing the time frame before the arbitral tribunal and will continue to pass further orders till time the award is passed. This procedure will ensure that ultimately an award is passed.*

19. ***Rohan Builders 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 29-A(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. The first proviso to Section 29-A(4) permits a fee reduction of up to five percent for each month of delay attributable to the Arbitral Tribunal.

21. As per the second proviso to Section 29-A(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.

22. 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.

23. ***In view of the above discussion, we hold that an application for extension of the time period for passing an arbitral award Under Section 29-A(4) read with Section 29-A(5) is***

maintainable even after the expiry of the twelve-month or the extended six-month period, as the case may be. The court while adjudicating such extension applications will be guided by the principle of sufficient cause and our observations in para 19 of the judgment."

(Emphasis supplied)

41. In order to draw strength to this stance, this Court deems it apposite to place reliance upon the ratio encapsulated in **C. Veluswamy (supra).** The relevant extract of which is reproduced hereinbelow:

"13. Section 29A, as explained in recent decisions of this Court in Rohan Builders (supra), Lancor Holdings (supra) and Jagdeep Chowgule v. Sheela Chowgule can be formulated as under:

(I) ***Sub-section (1) of Section 29A mandates that the award shall be made within 12 months of the completion of pleadings before the Arbitral Tribunal. While Sub-section (2) incentivises expeditious making of the Award, proviso to Sub-section (4) and Sub-section (8) authorises the Court to impose penalty for delay in making the award.***

(II) ***Sub-section (3) enables parties, by consent, to extend the period of 12 months for making the award by a further period not exceeding 6 months.***

(III) ***If the award is not made within the stipulated period of 12 months or the extended period of 6 months, the mandate of the arbitrator(s) shall terminate.***

(IV) This termination is subject to the power of the Court to extend the period.

(V) The 'Court' Under Section 29A shall be the Civil Court of ordinary original jurisdiction in a district and includes the High Court in exercise of its original civil jurisdiction Under Section 2(1)(e), and shall not be the High Court or the Supreme Court Under Section 11(6) of the Act. Section 42 of the Act relating to jurisdiction for applications will also not apply to Section 11 of the Act.

(VI) ***There is no statutory prescribed time limit for the Court to exercise the power Under Section 29A(4) for extending the period, except for its own discretion. The Court can exercise the power before or after the expiry of the period Under Sub-sections 29A(1) or (3). Further, there is no prescription of an outer limit for extending the time for the conclusion of arbitral proceedings. Given this power, the Court will exercise it with circumspection, balancing the remedy with the rights of other stakeholders.***

(VII) The power of the Court to extend the time Under Sub-section (4) may be exercised on an application by any of the parties. Once such an application for extension of time is pending, the mandate of the arbitrator shall continue till the disposal of such application Under Sub-section (9). The Court shall endeavour to dispose of such an application within 60 days.

(VIII) Delay in the delivery of an arbitral award, by itself, is not sufficient to set aside that award. It is only when the effect of the undue delay in the delivery of an arbitral award is explicit and adversely reflects on the findings therein, such delay and, more so, if it remains unexplained, can be construed to result in the award being in conflict with the public

policy of India.

(IX) Under Section 29A (6), while exercising the power of extension, it shall be open to the Court to substitute one or all the arbitrators. This is a discretionary power that the Court would exercise in the facts and circumstances of the case. Upon substitution, the reconstituted tribunal shall be deemed to be in continuation of the previously appointed tribunal as per Section 29A(7) and shall continue from the stage already reached and on the basis of evidence already on record. The newly appointed arbitrators shall be deemed to have received the evidence and materials.

(X) Vesting of the power of substitution, Under Section 29A(6), is on the "Court" and this Court is the "Court" as defined in Section 2(1)(e). The text, as well as the context for identifying the Court in Section 29A(6), as well as in Section 29A(4), is the Court in Section 2(1)(e). The expression 'Court' in other provisions must be guided by the meaning given in Section 2(1)(e).

18. Intention of the Parliament to secure the arbitral proceedings and to ensure that they are taken to their logical conclusion of a binding award is evident from provisions such as, enabling Courts to exercise the power of extension before or after the expiry of the 18 month period [Section 29A(4)], declaring continuation of the proceedings till the application for extension is pending [proviso to 29A(4)], declaring that upon extension, the existing proceedings would continue uninterruptedly [Section 29A(6) & (7)]. These provisions make it evident that the intention of

the Parliament is to safeguard the conduct and conclusion of arbitral proceedings.

20. *Vesting of power and jurisdiction in the Court, in our opinion, is a complete answer to any apprehension that extension of time, even in cases where an 'award' is passed, could introduce a culture of indiscipline, as arbitrator(s) and/or counsels could become indifferent to the mandatory timelines. This apprehension is not true.* ***There is no automatic extension of time. The Court will and must exercise its discretion only after evaluating the facts and circumstances after close scrutiny. Section 29A, in terms, enables the court to adopt distinct measures to ensure dynamic and efficient conduct of arbitral proceedings with integrity and expedition.*** *The following empowerments are in the nature of instruments in the toolkit of Section 29A, enabling the courts to deploy them as and when the factual matrix demands:*

i) ***Court has the power to extend the time before or after the expiry of the statutorily stipulated period. [Section 29A(4)]***

ii) Court is empowered to take measures to reduce the fee of the arbitrators if the Court is of the opinion that the proceedings are delayed for the reasons attributable to the Arbitrators. [Proviso to Section 29A(4)]

iii) ***Court can grant an extension of the time period upon a finding that there is sufficient cause for such extension. [Section 29A(5)]***

iv) Court, while extending the mandate even when there is sufficient cause, is empowered to impose such terms and conditions as it thinks fit for

efficiency and integrity of the arbitral proceedings. [Section 29A(5)]

v) Courts are specifically empowered to substitute any one or all the arbitrators, if in the opinion of the Court the facts demand. This is a discretion that the Court would exercise with caution and circumspection15. [Section 29A(6)]

vi) The Court is empowered not only to grant costs but also to impose exemplary and actual costs upon any of the parties, if the situation so demands. [Section 29A(8)]

23. In conclusion, we hold that an application Under Section 29A(5) for extension of the mandate of the arbitrator is maintainable even after the expiry of the time Under Sections 29A(1) and (3) and even after rendering of an award during that time. Such an award is ineffective and unenforceable. But the power of the court to consider extension is not impaired by such an indiscretion of the arbitrator. While considering the application, the Court will examine if there is sufficient cause for extending the mandate, and in the process, it may impose such terms and conditions as the situation demands. The Court will also take into account other factors such as reduction of the fee of the arbitrator under proviso to Section 29A(4) and also impose costs on parties if the fact situation so demands. *Substitution is an option for the Court as the provision itself says, "it shall be open for the Court to substitute", and it will be exercised carefully. If the mandate is extended, the arbitral tribunal will pick up the thread from where it was left, and seamlessly continue the*

proceeding from the stage at which the mandate had expired, and conclude within the time granted."

(Emphasis supplied)

42. In view of the aforesaid legal position, this Court is of the considered opinion that successive applications under Section 29A are not barred per se and may, in appropriate cases, be held to be maintainable. However, such maintainability is not automatic and must be tested on the touchstone of demonstrable, compelling, and bona fide reasons warranting extension of the arbitral mandate. In the peculiar facts and circumstances of the present case, having regard to the complexity of the dispute, the voluminous record, and the procedural history, this Court holds that the second application seeking extension is maintainable in law. At the same time, this Court cannot remain oblivious to the fact that the conduct of the Arbitral Tribunal, coupled with the approach adopted by the learned counsel appearing therein, reflects an easy and convenience-based approach in the conduct of proceedings. Such an approach has had direct and adverse consequences upon the parties, who are ultimately burdened with the escalating costs of litigation and arbitral expenses. This runs contrary to the litigant-centric framework underlying the Arbitration and Conciliation Act, 1996, particularly the mandate of Section 24, which envisages expeditious and effective hearings.

43. The material on record clearly indicates that the delay in the proceedings is substantially, if not entirely, attributable to the Arbitral Tribunal. The primary objective of the Act of 1996 is to facilitate efficient, cost-effective dispute resolution and to prevent

absurd or unjust results arising from procedural laxity. Therefore, while the extension application is held to be maintainable, but the grant of such extension cannot be mechanical or unconditional. It must be balanced by imposing appropriate terms and conditions, so as to ensure adherence to the statutory mandate and to safeguard the interests of the parties, in consonance with the spirit and object of the Act.

Issue No. 3 : Whether sufficient cause existed in the instant matter for extension of mandate, and whether the orders dated 17.09.2024 and 24.02.2026 satisfy the requirements of Section 29A(4) of the Arbitration and Conciliation Act, 1996, and are in consonance with the conduct of the parties and the Arbitral Tribunal, both in letter and spirit?

44. Section 29A(4) of the Act of 1996 empowers the Court to extend the mandate of the Arbitral Tribunal upon being satisfied that "sufficient cause" exists. The provision, read with the scheme of Sections 23(4) and 29A, reflects a clear legislative intent to ensure that arbitral proceedings are conducted with expedition and procedural discipline, and that extensions are granted only in exceptional and justified circumstances. In the factual conspectus of the present case, it is not in dispute that the arbitration pertains to a large-scale infrastructure project under the RAPDRP scheme, involving a contract value of approximately Rs. 528.20 crores, spanning 87 towns and 534 locations, with voluminous documentary evidence and technical complexities. The constitution of a three-member Arbitral Tribunal, the disruption caused by the

COVID-19 pandemic, and the deferment of effective proceedings till 01.03.2022 are all relevant considerations which legitimately contributed to delay in the initial stages.

44.1 **Qua Order dated 17.09.2024:** The Commercial Court, while passing the order dated 17.09.2024, appears to have undertaken a detailed examination of the material on record and recorded reasons pertaining to the complexity of the dispute, volume of evidence, and multiplicity of hearings required. Importantly, the learned Court did not grant an unqualified extension; rather, it imposed structured conditions, including, limiting the extension to a defined period (till 30.04.2025); directing expeditious conclusion within 14 sessions; imposing exemplary costs of Rs. 1,00,000/-; fixing financial consequences upon the claimant (including bearing tribunal fees post a specified date); and curtailing entitlement to interest beyond a particular stage. These conditions clearly demonstrate that the Court was alive to the statutory mandate of expedition and sought to balance the equities by penalizing delay attributable primarily to the respondent-claimant. The order, thus, satisfies the requirement of "sufficient cause" within the meaning of Section 29A(4), as it is reasoned, conditional, and structured to ensure time-bound completion.

44.2 **Qua Order dated 24.02.2026**: In contrast, the subsequent order dated 24.02.2026 extending the mandate till 30.09.2026 does not appear to meet the same threshold of judicial scrutiny. From the material placed on record, it emerges that, the extension has been granted in a comparatively ambiguous and

unstructured manner, without adequately addressing whether the earlier conditions imposed (including timelines and cost consequences) were complied with; there is no detailed attribution of delay, particularly in light of the earlier categorical finding that the delay was primarily attributable to the claimant; the order does not sufficiently examine whether the proceedings progressed in accordance with the directions to conclude within 14 sittings; the impact of the interim order dated 22.10.2024 passed by this Court (staying substantive conditions of the earlier order) has not been meaningfully reconciled while assessing "sufficient cause."; the requirement of "sufficient cause" under Section 29A(4) is not a mere formality, it casts a duty upon the Court to undertake a rigorous and reasoned evaluation of the conduct of the parties and the Tribunal. Applying these principles, the second extension order appears to dilute the rigour envisaged under Section 29A. The absence of cogent reasoning, lack of accountability for prior non-compliance, and failure to impose corrective or deterrent conditions render the satisfaction of "sufficient cause" questionable. Consequently, while the power to grant successive extensions is not in dispute, its exercise in the present instance, qua the second extension, appears to be legally unsustainable, being inconsistent with the legislative intent of ensuring time-bound and efficient arbitral adjudication.

45. In consonance with the aforesaid analysis, this Court is constrained to observe that the learned Arbitral Tribunal has adopted an ordinary, casual, and convenience-driven approach in the conduct of proceedings, which is in clear derogation of the

mandate of Section 24 of the Act of 1996, requiring expeditious and continuous hearings. The record reflects that the Tribunal has neither adhered to the discipline imposed by the earlier order dated 17.09.2024 nor accorded due weight to the structured conditions contained therein. On the contrary, the subsequent order dated 24.02.2026, in effect, revisits and dilutes the earlier order, amounting to an impermissible review, which is not contemplated within the scheme of Act. The categorical directions for time-bound disposal i.e. within sixty days, including the requirement of adherence to specified timelines, have been rendered otiose.

46. It is further evident that despite the prayer for extension being confined to a limited duration of one year, the extension granted travels beyond the scope of such prayer, without recording cogent reasons justifying such enlargement. Withal, the order also fails to prescribe any definitive upper limit or structured framework for completion of proceedings, thereby leaving the adjudication open-ended and contrary to the legislative intent of finality within a stipulated timeframe. Such an approach not only undermines the discipline envisaged under Section 29A but also defeats the objective of preventing indefinite prolongation of arbitral proceedings.

Issue No. 4 : Whether the conduct of the Arbitral Tribunal and the parties adhered to the statutory mandate of Sections 24 and 29A of the Act of 1996?

47. Sections 24 and 29A of the Arbitration and Conciliation Act,

1996, when read conjointly, cast a positive and continuous obligation upon the Arbitral Tribunal to ensure that proceedings are conducted in an efficient, expeditious, and time-bound manner. Section 24 mandates that hearings be conducted with procedural economy, avoiding unnecessary adjournments, while Section 29A introduces a statutory timeline, thereby transforming expedition from a mere guideline into a binding legislative command. In the present factual matrix, the record of proceedings, as borne out from the order sheets, unmistakably reveals a pattern of protracted adjournments and discontinuous hearings. Hearings were not conducted on a day-to-day or even proximate basis; rather, they were spaced out over intervals ranging from one to five months. This pattern persisted even after the expiry of the original mandate and during the subsistence of extended timelines. Such gaps cannot be countenanced in a statutory regime that mandates strict adherence to timelines.

48. The explanation of complexity and volume of documents, though relevant at the stage of initial extension (as reflected in the order dated 17.09.2024), cannot indefinitely justify procedural laxity. The earlier order had, in fact, specifically directed conclusion of proceedings within 14 effective sittings, preferably through oral arguments, and imposed monetary and procedural consequences upon the claimant to counterbalance delays attributable to it. However, the subsequent conduct of proceedings does not reflect meaningful compliance with these directions. This indicates not merely delay, but a systemic failure to internalize and implement judicial directions aimed at expedition. The conduct of the Arbitral

Tribunal, therefore, reflects a departure from the statutory discipline envisaged under Sections 24 and 29A. Equally, the parties, particularly the respondent-HCL, to whom delay had already been attributed, cannot be absolved, as repeated adjournments appear to have been either sought or acquiesced to, thereby contributing to the prolongation of proceedings.

49. In the considered opinion of this Court, the conduct of the Arbitral Tribunal, coupled with the acquiescent approach of the parties, particularly the claimant, has fallen short of the statutory mandate under Sections 24 and 29A of the Act of 1996. The repeated and prolonged adjournments, absence of continuity in hearings, and non-adherence to earlier judicial directions constitute a clear deviation from the legislative intent of expeditious dispute resolution. Such deviation, therefore, justifies corrective judicial intervention, both to restore procedural discipline in the present proceedings and to uphold the sanctity of the arbitral framework as envisaged under the Act.

50. For the sake of convenience and ready reference, the relevant extracts from the order sheets, reflecting the lackadaisical and dilatory approach adopted by the learned Arbitral Tribunal, are reproduced hereinbelow:

Order dated 20.08.2020 i.e. First Preliminary Hearing:

> *"3. At the outset, the Arbitral Tribunal declared u/s 12 (1) of the Arbitration and Conciliation Act, 1996 (for short the Act) that it has no financial or other interest in the Parties to Arbitral proceeding and it is in a position to act independently and impartially. The Presiding Arbitrator further informed the Parties that*

he is a nominated Arbitrator for HCL Technologies Ltd. in one arbitration. However, both the Parties informed that they have no objection to the appointment of the Presiding Arbitrator as the Claimant, HCL Infosysteins Ltd., is a different company and separate legal entity from HCL Technologies Ltd.

4. ***The time for pronouncement of the Award shall commence after pleadings of the parties are completed within 6 months from the first date of Hearing.*** *Today Ld. Counsel for Claimant prayed for time till 31st October 2020 to file its Statement of claim together with the documents, on which it places its reliance. Further timeline and dates of hearing shall be decided after such date when the Claimant would submit its Statement of Claim.* ***The Claimant shall strictly adhere to the time requested and it is clarified that no extension shall be granted as Claimant has specifically agreed to abide by it, failing which serious consequences would follow against the Claimant.***

5 Learned Counsel/Authorised Representatives of the parties explained their respective cases in brief.

6 The Arbitrators fees will be determined after exchange of pleadings. In the meantime, each party will deposit Rs. Five Lakh, for each Arbitrator as on account payment, within a month, to be adjusted in the determination of the fees on filing of Statement of Claims and Counter Claims, if any. *Both parties will. deposit the Arbitrators fees for each Arbitrator by Cheque/RTGS with a covering letter with details of TDS deducted.* ***In other words, both parties have to deposit Rs. 10 lakh with each of the Arbitrator.***

7. In addition to the Fee, an amount

calculated @ 10% of fee will be payable to the Presiding Arbitrator, for administrative expenses, by both the Parties as mentioned herein above. The fees and expenses of the Arbitrators have to be shared equally by both the parties at all times. The exact proportion of the fees and expenses to be finally borne by the Claimant or Respondents will be decided in the Award."

Order dated 19.12.2022 (Hearing No. 60th and 61st @ Delhi)

"4. In consultation with the Ld. Counsel for the Parties, following new dates have been appointed for further meetings of the Tribunal:-

March 20, 21 and 22, 2023 from 11:00 A.M. to 4:00 P.M.

April 20, 21 and 22, 2023 from 11:00 A.M. to 4:00 P.M.

*5. In the Tribunal's Order dt. 13.11.2022, read with the Order dt. 12.11.2022**, it was observed that the period in terms of Section 29A of the Arbitration & Conciliation Act, 1996 shall be expiring on 28th February 2023. Today, Ld. Counsel for both the Parties, upon instructions submit that the parties are agreeable for extension of six months from 1st March 2023 of the period for completion of these proceedings in terms of Section 29A (Supra). Accordingly, based on the aforesaid agreement of the parties and with their consent, the period for the completion of the proceedings now stands extended uptil 31st August 2023 in terms of Section 29A (supra).***

*6. The Tribunal also takes this opportunity of observing that **looking to the present schedule of***

dates and the likely time to be taken for completion of proceedings, after April 2023, there is a strong possibility of further extension being required beyond 31st August 2023, for which application would need to be made before the competent Court. *The Ld. Counsel accordingly are requested to obtain instructions from their respective clients."*

Minutes of 81st and 82nd Meeting, dated 19.05.2023 @ Jaipur

"*5.* ***In consultation with the learned counsel for both the parties*** *the following new dates are appointed for further meetings of the tribunal :-*

Dates

23.09.2023 from 11.00 AM to 4.00 PM
24.09.2023 from 11.00 AM to 4.00 PM
25.09.2023 from 11.00 AM to 4.00 PM
06.10.2023 from 11.00 AM to 4.00 PM
07.10.2023 from 11.00 AM to 4.00 PM
08.10.2023 from 11.00 AM to 4.00 PM
31.10.2023 from 11.00 AM to 4.00 PM
01.11.2023 from 11.00 AM to 4.00 PM
02.11.2023 from 11.00 AM to 4.00 PM

6. ***It is further agreed to and consented by both the parties that the aforesaid meeting shall be held in physical mode at New Delhi.***

7. Vide order dated 19.12.2022 passed by this Tribunal recording the fact of the consent of the parties in terms of sub section (3) of Section 29-A of the Arbitration and Conciliation Act, 1996, ***the time period for completion of these arbitration proceedings by the tribunal stood extended uptill 31.08.2023. In view of the fact that the schedule of dates has been fixed in para 5 above***

whereby the recording of the evidence of the parties is most likely to be over, it becomes imperative that a further extension of time is granted by the Hon'ble Court in terms of sub section (4) of Section 29-A of the Arbitration and Conciliation Act, 1996. The claimant undertakes to file such an application before a competent jurisdictional court as soon as possible, preferably within 6 weeks from today. *Even though Mr. Bipin Gupta, learned counsel for the respondent today submitted that in the absence of specific instruction from his client on the subject* ***he shall not be in a position to give the consent of the respondent for not opposing such an application in the court, as and when filed, the tribunal nonetheless request the respondent to cooperate with the claimant with respect to the aforesaid application so that the parties are able to obtain a favourable order.***

11. Shri Justice Deepak Verma, the learned presiding Arbitrator shall participate in tomorrow's meeting in virtual mode. The claimant is directed to arrange link for this meeting and provide the same to Shri Justice Verma latest by 8.00 AM tomorrow morning.

12. The meetings of the Tribunal scheduled in September 2023 in Delhi shall be held at D-19, Geetanjali Enclave, Malviya Nagar, New Delhi."

Order dated 28.10.2024 (Hearing No. 106) – Through Video Conferencing:

"13. ***We have also been informed that the Order has been passed by the Ld. Commercial Court on 17.09.2024 whereby and wherein the term of the Tribunal has been extended upto 30.04.2025 for pronouncement of the Award by the Tribunal.***

14. It has also been informed that on account of certain conditions, which have been imposed by the Ld. Commercial Court, matter has been taken up in the Hon'ble High Court of Rajasthan Jaipur Bench, that portion alone has been stayed. ***However, there is no restriction imposed by the Court to hear the matter on merits.***

16. ***So far, no Reading Fee has been fixed to be paid to each of the Arbitrators, to be shared equally by both the parties. The same shall be fixed on the next date of hearing.***

17. Hon'ble Mr. Justice N. Kumar is entitled to receive from both the parties the same amount of hearing fee, which has been fixed earlier for all the three Arbitrators.

18. With the consent of Ld. Counsel for the parties, matter is fixed on the following dates/timings:-

(i)	*20.12.2024*	*-*	*10:30 A.M. to 3:30 P.M.*
(ii)	*21.12.2024*	*-*	*10:30 A.M. to 3:30 P.M.*
(iii)	*22.12.2024*	*-*	*10:30 A.M. to 3:30 P.M.*
(iv)	*16.01.2025*	*-*	*10:30 A.M. to 3:30 P.M.*
(v)	*17.01.2025*	*-*	*10:30 A.M. to 3:30 P.M.*
(vi)	*18.01.2025*	*-*	*10:30 A.M. to 3:30 P.M.*

*To be posted on 20.12.2024 at 10:30 A.M. at D-19, 3rd Floor, Geetanjali Enclave, New Delhi - 110017***"**

Order dated 20.12.2024 (Hearing Nos. 107 and 108) @ New Delhi

"7. ***Tribunal has been informed that the time fixed for pronouncement of the Award by the Hon'ble Commercial Court, Jaipur is expiring on 30th April 2025. If need be, the Claimant may apply for further extension of time for pronouncement of the Award by the Tribunal*** *at*

an appropriate time before the Jurisdictional Court."

Combined orders dated 23.02.2025 and 24.02.2025 (Hearing Nos. 115 to 118) @ New Delhi

"*7. Apart from the above, a fact cannot be given a go by that after the hearing is complete in all respects***, *** the Tribunal shall also take a reasonable time to have internal Meetings amongst the members of the Tribunal, to prepare a draft Award, its circulation amongst themselves, then only it can be pronounced. Obviously, all this exercise is going to take longer time than is expected.***

*8. In the given facts and circumstances***, *** Ld. Counsel for the Claimant submitted that he would move an appropriate Application, u/s 29A of the Arbitration & Conciliation Act before the Ld. Commercial Court, Jaipur for getting further extension of atleast one year from 30th April 2025. Ld. Counsel for the Respondent will be served with an advance copy of the same, so that minimum time is spent before the Court.*** *It was further suggested to him that on instructions from the Respondents, he may not seriously oppose the said prayer so that the time could be extended as is going to be prayed for.*

10. ***Ld. Counsel for Parties on instructions informed today that both are ready and willing to pay Reading Fees to each member of the Tribunal. Tribunal suggested and both Parties along with their Ld. Counsel agreed that the Reading Fee be fixed equivalent to 6 (Six) hearings, payable to each one of the Arbitrator, to be shared equally by both. Thus, it will come***

***to Rs. 15 Lakhs payable to each of the Arbitrator shared by both**."*

Order dated 26.02.2026 @ New Delhi

"*4. Several dates for the next hearings, were suggested to the Ld. Counsel for the parties commencing from 10th of March 2026 to 27th of April 2026. The said dates suggested were suitable and convenient to the Members of the Tribunal as also the Ld. Sr. Counsel for the Claimant.* ***However, Ld. Counsel for the Respondent, Mr Kartik Seth, informed the Tribunal that no other dates prior to 28th of April 2026 are suitable to him****.*

6. With the consent of Ld Counsel for the parties, following dates/timings have been fixed, through hybrid mode:-

(i) 28.04.2026
(ii) 29.04.2026
(iii) 17.05.2026
(iv) 18.05.2026
(v) 19.05.2026
(vi) 20.05.2026
(vii) 21.05.2026
(viii) 22.05.2026
(ix) 23.05.2026
(x) 25.05.2026
(xi) 26.05.2026
(xii) 27.05.2026
(xiii) 28.05.2026
(xiv) 29.05.2026
(xv) 30.05.2026
(xvi) 31.05.2026

On all the aforesaid dates between 11:00 A.M. to 4:00 P.M. (Two Sessions on each day), through hybrid mode."

Minutes of the Meeting held on 19.05.2023 @ Jaipur

"11. Shri Justice Deepak Verma, the learned presiding Arbitrator shall participate in tomorrow's meeting in

virtual mode. The claimant is directed to arrange link for this meeting and provide the same to Shri Justice Verma latest by 8.00 AM tomorrow morning.

12. The meetings of the Tribunal scheduled in September 2023 in Delhi shall be held at D-19, Geetanjali Enclave, Malviya Nagar, New Delhi."

51. In culmination of the aforesaid discussion, this Court finds that the present case does not disclose the existence of **"sufficient cause"** within the meaning of Section 29A(4) of the Act of 1996 so as to justify the manner in which successive extensions have been granted. The ratio laid down in **Rohan Builders (India) Pvt. Ltd.** (supra), particularly paragraph 18 thereof, makes it abundantly clear that extension of mandate cannot be granted as a matter of routine and that the Court must be satisfied that the delay is justified, bona fide, and not attributable to a casual or inefficient conduct of the arbitral process. In the present case, however, the record reveals an easy, callous, and convenience-driven approach adopted by the Arbitral Tribunal, which stands compounded by the acquiescence of the parties. It is further a matter of concern that, as per general practice, arbitral proceedings ordinarily envisage multiple sittings within a month, however, in the instant matter on an average three sessions per month were scheduled; despite repeated extensions granted both by the Court and, at times, by mutual consent of the parties, the proceedings have failed to reach finality. This persistent lack of progress, despite the availability of adequate opportunity and time, clearly militates against the statutory objective of expeditious resolution.

52. Accordingly, this Court is of the firm view that the continuation of such proceedings without strict corrective measures would not only defeat the mandate of Sections 24 and 29A but would also erode the efficacy and credibility of arbitration as an alternative dispute resolution mechanism. The facts, therefore, warrant judicial intervention to arrest further delay and to realign the proceedings with the discipline and purpose envisaged under the Act of 1996.

Issue No. 4 : Whether the financial structure of arbitral fees, venue of arbitration, and procedural practices adopted have contributed to delay and prejudice to the parties?

53. The scheme of the Arbitration and Conciliation Act, 1996, particularly post the year 2015 and 2019 amendments, places significant emphasis not only on expeditious but also cost-effective dispute resolution. Arbitration, as an alternative to traditional litigation, is intended to reduce both temporal and financial burdens on the parties. However, in the present case, the cumulative effect of the fee structure, venue determination, and procedural practices demonstrates a marked deviation from this objective.

54. At the outset, the financial architecture of arbitral fees assumes critical importance. The record reflects that each hearing session entailed an expenditure of approximately Rs. 7.5 lakhs (exclusive of reading fee, travel, accommodation, and stationery charges). While it is not disputed that such fee structure was initially consented to by the parties, such consent cannot be viewed in isolation from the statutory framework. This Court is of a stern

view that consent operates within the bounds of law and is necessarily subordinate to the legislative mandate of time-bound adjudication under Section 29A. The continuation of a session-based fee model, particularly in circumstances where hearings are sporadic and widely spaced, creates an unintended yet significant perverse incentive structure. Instead of encouraging expedition, such a model, when coupled with frequent adjournments, risks normalizing delay, as each additional sitting directly translates into increased financial outflow. This becomes especially problematic where the proceedings extend beyond the prescribed timelines and repeated extensions are sought. In such a situation, the arbitral process may cease to remain economically viable, thereby frustrating one of its core objectives.

55. It is further borne out from the record that the petitioner–DISCOMs, following the authoritative pronouncement in **Oil and Natural Gas Corporation Ltd. (supra),** had moved an application dated 15.12.2022 seeking review/revision of the arbitral fee structure. However, the said application has remained pending consideration, and in the interregnum, additional fees have been sought and/or quoted by the Arbitral Tribunal; nevertheless the petitioner - DISCOMs continued to pay the said fee. Such a course of conduct is *prima facie* inconsistent with the ratio laid down by the Hon'ble Supreme Court in **Oil and Natural Gas Corporation Ltd.** (supra) and **Union of India v. Singh Builders Syndicate : (2009) 4 SCC 523** wherein it has been emphatically held that arbitral fees must remain reasonable, transparent, and commensurate with the object of arbitration, and that the process

ought not to be rendered prohibitively expensive so as to deter or prejudice the parties. The continuation of an escalating and unregulated fee regime, despite a pending challenge, further compounds the financial burden on the parties and runs counter to the cost-effective ethos underpinning the Act of 1996.

56. In this context, the observations of the Hon'ble Supreme Court **Singh Builders Syndicate (supra)** assume considerable significance. The Court therein took judicial notice of the growing disquiet among litigants regarding the escalating and, at times, disproportionate costs of ad hoc arbitration, particularly arising from session-based fee structures, multiplicity of sittings, and non-productive hearings being treated as chargeable events. It was emphatically underscored that arbitration must be "saved from the arbitration cost", and that reasonableness, transparency, and certainty in fee structures constitute indispensable attributes for the healthy development of arbitration as an efficacious dispute resolution mechanism. The Apex Court further cautioned that, in the absence of prior disclosure and regulatory discipline, parties are often placed in a position of helpless acquiescence, being constrained to accept unilateral fee determinations by the Arbitral Tribunal for fear of prejudice.

57. Applying the aforesaid principles to the present case, this Court finds that the continuation of a per-sitting fee regime, coupled with widely spaced and frequently adjourned hearings, has resulted in precisely the mischief that was cautioned against in dictum passed in **Singh Builders (supra).** The absence of timely consideration of the petitioner–DISCOMs' application for revision of

fees, the persistence of high-cost sittings, and the prolongation of proceedings despite multiple extensions, cumulatively reflect a departure from the standards of fairness and procedural discipline envisaged by the Apex Court. Such a course not only undermines the cost-effectiveness of arbitration but also erodes party confidence in the arbitral process. The conduct, therefore, cannot be countenanced and warrants corrective judicial oversight to realign the proceedings with the foundational principles of efficiency, economy, and fairness that govern arbitration under the Act of 1996.

58. In this regard, reliance can be rightly placed upon the ratio encapsulated in **Oil and Natural Gas Corporation Ltd.(supra).** Relevant paras of the said judgment are also quoted hereunder for ready reference :

> *"39. Mr. Huzefa Ahmadi, learned Senior Counsel, assisting this Court as amicus curiae made the following submissions:*
>
> *39.1* ***Party autonomy is the overarching principle of arbitration and is crystallised in Section 2(6) of the Arbitration Act.*** *It allows parties to determine the relevant law and procedure that will govern the arbitration and limits court intervention.* ***The principle of party autonomy extends to parties' freedom to decide the fees payable to the arbitrator(s);***
>
> *39.2 Prior to the amendment of the Arbitration Act in 2015, the issue of arbitrators' fees would have been a subject of agreement between the parties and the arbitrators. However, this Court in Singh Builders (supra) noted that the arbitrators have been*

unilaterally, arbitrarily and disproportionately fixing their fees. This observation was made in the context of court-appointed arbitrators where this Court was concerned with the fact that parties were being sent for arbitration by courts and were being forced to pay the fees fixed by such arbitrators. This Court noted that institutional arbitration has already remedied this problem since the arbitral institution fixes the fees and not the arbitrators in terms of the Rules of the institution;

39.3 ***In the above backdrop, the Law Commission recognised that the issue of arbitrator fees in ad hoc arbitration must be resolved by the introduction of a mechanism to rationalise the fee structure. A model Schedule of fees, the Fourth Schedule, was added to the Arbitration Act through the Arbitration Amendment Act 2015, which was to serve as a guide for High Courts to frame Rules governing the fixation of fees payable to the arbitrators. This model Schedule of fees was based on the Schedule of fees developed by DIAC and was suitably revised;***

39.4 The Fourth Schedule is to be read along with provisions for appointment of arbitrators Under Section 11. It does not apply to international commercial arbitration and is not applicable when the parties have agreed to the fees in terms of the Rules of an arbitral institution;

39.5 ***The High Courts have been slow in framing Rules for the determination of fees payable to arbitrator(s);***

39.6 Some High Courts have been of the view that the Fourth Schedule is merely suggestive and not mandatory, while others have held that

it is mandatory. Thus, there is an uncertainty regarding the nature of the Fourth Schedule. *In Gayatri Jhansi Roadways Ltd. (supra), this Court held that if the fee Schedule is fixed by the parties in an agreement, they would not be bound by the Fourth Schedule. Pursuant to this decision, many High Courts have proceeded to hold that the Fourth Schedule is only applicable to court-appointed arbitrators if stated expressly or if the parties and arbitrators have agreed to its applicability;*

39.7 Section 11 has been further amended by the Arbitration Amendment Act 2019. Sub-section (14) of Section 11 now reads that "[t]he arbitral institution shall determine the fees of the arbitral tribunal and the manner of its payment to the arbitral tribunal subject to the rates specified in the Fourth Schedule". The amended Section 11 has not been brought into force and is subject to two exceptions. Crucially, once the amendment comes into force, the fee of the arbitral tribunal would be fixed by the arbitral institution appointing the arbitrator. This Court's interpretation regarding the nature of the Fourth Schedule would also have an impact on the amended Section 11 when it is brought into force;

39.8 To determine if the term "sum in dispute" refers to both the claim and counter-claim, it has to be considered whether a counter-claim can be treated as an independent claim for which a legal proceeding may be instituted. Section 23 of the Arbitration Act provides the basis on which a counter-claim is to be adjudicated. Section 23 does not stipulate that the counter-claim must be linked or related to the claim; rather it only states that the counter-claim must come within the scope of the arbitration agreement;

39.9 The independent nature of the counter-claim is

recognised Under Sections 38(1) and 38(2) of the Arbitration Act in the following terms, where the arbitral tribunal is empowered to:

a) Determine separate amount of deposits on a claim and counter-claim; and

b) Suspend or terminate the proceedings in respect of the claim or counter-claim, in the event, the deposit directed to be paid by the tribunal is not paid by the parties;

39.10 Claims and counter-claims are treated separately under the analogous provisions of Order VIII of the Code of Civil Procedure;

39.11 Proceedings relating to a counter-claim can survive even if the proceedings relating to a claim are terminated;

39.12 Section 2(9) only provides that provisions of the Arbitration Act relating to a claim would mutatis mutandis apply to a counter-claim. It is not a definition Clause but it is intended to apply to only procedural aspects. In fact, it fortifies the argument that the "claim amount" under the Fourth Schedule would mutatis mutandis apply to counter-claims and is not an aggregate of claims and counter-claims;

39.13 ***An arbitral tribunal is not restrained from deciding its fees under the Fourth Schedule for claims and counter-claims separately;***

39.14 The Fourth Schedule does not explicitly state that the "sum in dispute" includes a counter-claim*;*

39.15 Until the amendment to Section 11 is notified, the court appointing arbitrators should ensure that the parties are made aware of the terms on which the appointment is made and specifically whether or not the Fourth Schedule is applicable.

The court should also ensure that the parties have clarity on the fees and expenses payable to the arbitrator(s);

39.16 This Court may recommend that either prior to or at the time of notifying the amendments to Section 11, the rates specified in the Fourth Schedule may be revised to reflect the rates that are realistic in present times;

39.17 None of the provisions of the Arbitration Act entitle the arbitrators to fix their own fees. The scheme of the Act indicates that the arbitral tribunal is only empowered to apportion costs (including the arbitrators' fee) incurred during the arbitration as between the parties at the time of passing the award;

39.18 Remuneration of arbitrators is subject to direct negotiation and agreement between the arbitrators and the parties and ought to be determined at the inception of the proceedings. The fee that has been agreed upon between the parties and the arbitrators is apportioned as a part of the costs at the time when the award is passed. This view is supported by the decision of this Court in Gayatri Jhansi Roadways Ltd. (supra), where it was observed that "...it is true that the arbitrator's fees may be a component of costs to be paid but it is a far cry thereafter to state that Section 31(8) and 31A would directly govern contracts in which a fee structure has already been laid down";

39.19 Section 39 of the Arbitration Act also empowers the arbitral tribunal to only hold the award from the parties for any unpaid costs of arbitration. These unpaid costs could include arbitrators' fees previously agreed upon between the parties and not paid;

39.20 Any deviation from the fees agreed between the parties and the arbitrator(s) would require the consent of the parties. It would be unreasonable and unfair to the parties if the arbitral tribunal is allowed to alter its fees at a later stage of the arbitration proceedings. At an advanced stage, parties may be apprehensive to disagree with the arbitral tribunal and may agree to an unreasonable and arbitrary fee sought by it;

39.21 The fee payable under the Fourth Schedule would be applicable to each member of the arbitral tribunal. It cannot be considered as a lump sum to be split among the members. The Note to the Fourth Schedule provides that where the tribunal consists of a sole arbitrator, they would be entitled to 25 per cent over and above the fee payable under the Fourth Schedule. It would be absurd if the sole arbitrator would be entitled to 25 per cent over and above the stipulated sum under the Fourth Schedule but in the case of an arbitral tribunal consisting of three or more members, the entire fee would have to split;

39.22 Under Section 10 of the Arbitration Act, parties are free to determine the number of arbitrators. If there is no agreement, then the default Rule is of appointing a sole arbitrator. Parties can always appoint a sole arbitrator, but if there are unwilling to derogate from the agreement which provides for appointment of three or more arbitrators, then they would have to bear the costs accordingly;

39.23 The ceiling of Rs. 30,00,000 in the Fourth Schedule is only applicable to the sum of 0.5% of the

claim amount over and above Rs. 20 crores. The expression "+" that appears after Rs. 19,87,500 is disjunctive; and

39.24 The Fourth Schedule was introduced in English while the Hindi version was the translation. Thus, precedence must be given to the English version. A comma is not conclusive for determining the meaning of a statutory provision.

76. The Arbitration Act recognises the principle of party autonomy in various provisions. It allows the parties to derogate from the provisions of the Act on certain matters. Several provisions of the Arbitration Act explicitly embody the principle of party autonomy. Section 2(6)88 of the Arbitration Act provides that parties have the freedom to authorise any person, including an arbitral institution, to determine the issue between them. Section 19(2)89 provides that the parties are free to choose the procedure to be followed for the conduct of arbitral proceedings. *Section 11(2)90 provides that parties are free to decide on the procedure for the appointment of arbitrators. In Bharat Aluminium Co. v. Kaiser Aluminium Technical Services, this Court observed that party autonomy is the "brooding and guiding spirit" of arbitration. In Centrotrade Minerals & Metal Inc. v. Hindustan Copper Ltd., this Court referred to party autonomy as the backbone of arbitration.*

79. In Sanjeev Kumar Jain v. Raghubir Saran Charitable Trust, this Court in a similar vein observed that arbitrators in ad hoc arbitrations in India are charging disproportionately high

fees. While interpreting Section 11 of the Arbitration Act, this Court held that the word "appointment" does not merely refer to nominating or designating a person to act as an arbitrator, but it includes the court's power to stipulate the fees that can be charged by an arbitrator appointed by the court. The fees should be stipulated after hearing the parties and, if required, after ascertaining the fees structure from prospective arbitrators. This will avoid a situation where parties have to negotiate the terms of the fees of the arbitrators, after their appointment. *Referring to Singh Builders (supra), this Court acknowledged the increased complaints against disproportionate fees being charged by the arbitrators and made certain suggestions for the healthy development of arbitration in India. One such remedy suggested by this Court was disclosure of the fee structure prior to the appointment of arbitrators to enable any party to express their unwillingness to bear such expenses. This Court observed thus:*

> *"**41. There is a general feeling among the consumers of arbitration (parties settling disputes by arbitration) that ad hoc arbitrations in India--either international or domestic, are time consuming and disproportionately expensive.** Frequent complaints are made about two sessions in a day being treated as two hearings for the purpose of charging fee; or about a session of two hours being treated as full session for purposes of fee; or about non-productive sittings being treated as fully chargeable hearings. It is pointed out that if there is an*

Arbitral Tribunal with three arbitrators and if the arbitrators are from different cities and the arbitrations are to be held and the arbitrators are accommodated in five star hotels, the cost per hearing (arbitrator's fee, lawyer's fee, cost of travel, cost of accommodation, etc.) may easily run into rupees one million to one-and-half million per sitting. ***Where the stakes are very high, that kind of expenditure is not commented upon. But if the number of hearings become too many, the cost factor and efficiency/effectiveness factor is commented. That is why this Court in Singh Builders Syndicate observed that the arbitration will have to be saved from the arbitration cost.***

42. Though what is stated above about arbitrations in India, may appear rather harsh, or as a universalisation of stray aberrations, we have ventured to refer to these aspects in the interest of ensuring that arbitration survives in India as an effective alternative forum for disputes resolution in India. Examples are not wanting where arbitrations are being shifted to neighbouring Singapore, Kuala Lumpur, etc. on the ground that more professionalised or institutionalised arbitrations, which get concluded expeditiously at a lesser cost, are available there. The remedy for healthy development of arbitration in India is to disclose the fees structure before the appointment of arbitrators so that any party who is unwilling to bear such

expenses can express his unwillingness. Another remedy is institutional arbitration where the arbitrator's fee is prefixed. The third is for each High Court to have a scale of arbitrator's fee suitably calibrated with reference to the amount involved in the dispute. This will also avoid different designates prescribing different fee structures. *By these methods, there may be a reasonable check on the fees and the cost of arbitration, thereby making arbitration, both national and international, attractive to the litigant public. Reasonableness and certainty about total costs are the key to the development of arbitration. Be that as it may.*

80*. It was in the above context that the LCI 246th Report proposed reforms for regulating arbitrators' fees in ad hoc arbitrations. The Commission recommended that a model Schedule of fees should be inserted into the Arbitration Act, which was to serve as a guide for High Courts to frame their own Rules governing the fixation of arbitrators' fees. The Commission accepted that different values and standard of fees may be adopted in international commercial arbitrations, which led to the exclusion of the applicability of the Fourth Schedule to the Arbitration Act to international commercial arbitrations. The Commission adversely commented on the practice of charging fees on "per sitting" basis in ad hoc arbitrations where sometimes there are 2-3 sittings in a day in the same matter between the same parties. The Commission also noted that costs are further increased by continuation of proceedings for years since dates are given with significant gaps,*

resulting in the denial of timely delivery of justice to the aggrieved party

***91**. Based on the above discussion, we summarise the positio as follows:*

91.1 (i) In terms of the decision of this Court in Gayatri Jhansi Roadways Ltd. and the cardinal principle of party autonomy, the Fourth Schedule is not mandatory and it is open to parties by their agreement to specify the fees payable to the arbitrator(s) or the modalities for determination of arbitrators' fees; and

91.2 (ii) Since most High Courts have not framed Rules for determining arbitrators' fees, taking into consideration Fourth Schedule of the Arbitration Act, the Fourth Schedule is by itself not mandatory on court-appointed arbitrators in the absence of Rules framed by the concerned High Court. Moreover, the Fourth Schedule is not applicable to international commercial arbitrations and arbitrations where the parties have agreed that the fees are to be determined in accordance with Rules of arbitral institutions. The failure of many High Courts to notify the Rules has led to a situation where the purpose of introducing the Fourth Schedule and Sub-section (14) to Section 11 has been rendered nugatory, and the court-appointed arbitrator(s) are continuing to impose unilateral and arbitrary fees on parties. As we have discussed in Section C.2.1, such a unilateral fixation of fees goes against the principle of party autonomy which is central to the resolution of disputes through arbitration. Further, there is no enabling provision under the Arbitration Act empowering the arbitrator(s) to unilaterally issue a binding or enforceable order regarding their fees.

This is discussed in Section C.2.3 of this judgment. Hence, this Court would be issuing certain directives for fixing of fees in ad hoc arbitrations where arbitrators are appointed by courts in Section C.2.4 of this judgment.

***180**. The Fourth Schedule was added to the Arbitration Act pursuant to the Arbitration Amendment Act 2015, which in itself was based upon the recommendations in the LCI 246th Report. The Report referred to the judgment in Singh Builders, which raised the issue of arbitrators charging exorbitant fees: (SCC pp. 527-28, paras 20-23)*

> *"20. **Another aspect referred to by the Appellant, however requires serious consideration. When the arbitration is by a tribunal consisting of serving officers, the cost of arbitration is very low. On the other hand, the cost of arbitration can be high if the Arbitral Tribunal consists of retired Judge(s).***
>
> *21. **When a retired Judge is appointed as arbitrator in place of serving officers, the Government is forced to bear the high cost of arbitration by way of private arbitrator's fee even though it had not consented for the appointment of such nontechnical non-serving persons as arbitrator(s). There is no doubt a prevalent opinion that the cost of arbitration becomes very high in many cases where retired Judge(s) are arbitrators. The large number of sittings and charging of very high fees per sitting, with several add-ons, without***

any ceiling, have many a time resulted in the cost of arbitration approaching or even exceeding the amount involved in the dispute or the amount of the award.

22. When an arbitrator is appointed by a court without indicating fees, either both parties or at least one party is at a disadvantage. Firstly, the parties feel constrained to agree to whatever fees is suggested by the arbitrator, even if it is high or beyond their capacity. ***Secondly, if a high fee is claimed by the arbitrator and one party agrees to pay such fee, the other party, which is unable to afford such fee or reluctant to pay such high fee, is put to an embarrassing position. He will not be in a position to express his reservation or objection to the high fee, owing to an apprehension that refusal by him to agree for the fee suggested by the arbitrator, may prejudice his case or create a bias in favour of the other party which readily agreed to pay the high fee.***

23. It is necessary to find an urgent solution for this problem to save arbitration from the arbitration cost. Institutional arbitration has provided a solution as the arbitrators' fees is not fixed by the arbitrators themselves on case-to-case basis, but is governed by a uniform rate prescribed by the institution under whose aegis the arbitration is held. ***Another solution is for the court to fix the fees at the time of appointing the arbitrator, with the consent of parties, if necessary in consultation with the***

arbitrator concerned. Third is for the retired Judges offering to serve as arbitrators, to indicate their fee structure to the Registry of the respective High Court so that the parties will have the choice of selecting an arbitrator whose fees are in their "range" having regard to the stakes involved.

250*. The arbitrators are conscious of the role they perform as adjudicators, which is very different from and cannot be equated with advocates. While it is possible to choose and change an advocate keeping in view one's pocket, an arbitrator once appointed stands on a different footing. When an arbitral tribunal has been duly constituted, either party, irrespective of the fact whether they can afford the fee or not, is unlikely to displease the arbitral tribunal stating that the fee fixed is not reasonable. At the same-time, any challenge to the arbitrator's fee by those who are willingly paying similar professional fee to those who argue for them before the arbitrator would be discordant.* ***To avoid any controversy and litigation, the fee structure fixed in the Fourth Schedule, or by the respective High Courts, when adopted by the arbitral tribunal, in my opinion should be considered as 'fair and reasonable'. The court would not permit a party to question the fee if it is in terms of the Fourth Schedule, or the Rules framed by the High Court.*** *I, therefore, albeit for different grounds and reasons, concur with the observations made in para 129 by my Brother D.Y. Chandrachud, J."*

(Emphasis supplied)

59. The Hon'ble Supreme Court has underscored that the

amendments to the Act were intended to make arbitration both time-efficient and cost-effective, and any practice that undermines these twin objectives must be viewed with circumspection. Further, in **ONGC Ltd. (supra)** the Court emphasized the need for rationalization of arbitral costs and cautioned against structures that render arbitration prohibitively expensive. Equally significant is the change in venue of arbitration from Rajasthan to New Delhi. The material on record does not disclose any compelling or unavoidable justification necessitating such a shift. The consequence of this relocation is not merely geographical; it imposes substantial logistical, financial, and administrative burdens upon the parties, including travel, accommodation, and coordination costs. For proceedings already characterized by delay, such additional burdens operate as a further impediment to efficient participation and timely conclusion. The venue of arbitration, though procedurally flexible, must be exercised in a manner that facilitates convenience and efficiency, rather than exacerbating hardship.

60. The procedural practices adopted by the Arbitral Tribunal further compound the issue. The order sheets reflect a pattern of routine adjournments, absence of strict calendaring, and lack of continuous hearings. This stands in stark contrast to the mandate under Section 24, which obligates the Tribunal to conduct proceedings with procedural discipline, minimizing unnecessary adjournments. The earlier judicial direction to conclude the matter within 14 effective sittings has not been meaningfully adhered to, indicating a systemic dilution of procedural rigor. When these

factors are viewed cumulatively, a clear picture emerges, as that the high per-session fee structure, when combined with discontinuous hearings, has escalated costs disproportionately; the change in venue has added avoidable financial and logistical strain; the procedural laxity has prolonged the proceedings beyond reasonable limits. These elements, taken together, have undermined the foundational principles of arbitration, namely, efficiency, economy, and expedition, and have resulted in manifest prejudice to the parties, particularly in terms of financial burden and delayed adjudication. This Court is, therefore, of the considered opinion that the financial structure of arbitral fees, the unjustified shift in venue, and the procedural practices adopted by the Arbitral Tribunal have collectively contributed to delay and caused substantial prejudice to the parties. Such factors warrant judicial correction to realign the proceedings with the statutory objectives of the Act of 1996, including, where necessary, the imposition of cost-regulatory measures, restructuring of hearing schedules, and issuance of strict directions to ensure time-bound and cost-effective completion of arbitration.

61. Thus, having addressed the issues as framed and upon a comprehensive consideration of the factual matrix, statutory framework, and the legal principles governing the field, this Court is of the considered view that the impugned exercise of jurisdiction warrants interference to the extent indicated herein, so as to realign the arbitral process with the mandate of the Arbitration and Conciliation Act, 1996, ensuring both expeditious and cost-effective adjudication. The ratio of the judgment, as discussed hereinabove,

unequivocally reflects that the legislature, in its wisdom, through the amendments introduced to the Arbitration and Conciliation Act, 1996 in the years 2015 and 2019, while also taking into consideration the recommendations of the Law Commission, has sought to reinforce the foundational objectives of arbitration. These include its character as an efficacious alternate dispute resolution mechanism, premised on a litigant-centric approach, party autonomy, expeditious adjudication, and reduction of litigation costs. The statutory framework further contemplates that extension of the arbitral mandate may be granted only upon demonstration of **"sufficient cause,"** as per the mandate of Section 29A, subject to appropriate terms and conditions, including attribution of delay. Significantly, it also envisages accountability of the Arbitral Tribunal, empowering the Court to reduce arbitral fees or even substitute the Tribunal in cases of delay attributable to it. Additionally, where an application for extension remains *sub judice,* the Tribunal is expected to exercise restraint in proceeding to pronounce any award, including an interim award, within the meaning of the Act. The scheme also postulates that such applications for extension ought to be decided by the Court with due expedition, preferably within a period of sixty days, so as to preserve the efficacy and integrity of the arbitral process.

62. It is also noteworthy that the Hon'ble Supreme Court took judicial notice of the growing concerns surrounding ad hoc arbitrations in India, observing that they often become unduly time-consuming and disproportionately expensive due to certain undesirable practices adopted by arbitrators, in the ratio

encapsulated in **ONGC Ltd. (supra),** relevant extract from which is already reiterated hereinabove**.** These include shifting the agreed venue to different cities, conducting proceedings in high-end venues such as five-star hotels, and imposing excessive per-hearing costs comprising arbitrators' fees, legal fees, travel, accommodation, administrative charges, reading fees, and ancillary expenses, thereby frustrating the very objective of cost-effectiveness and efficiency. The Court further emphasized that the introduction of Schedule IV to the Act of 1996 was a conscious legislative step aimed at instilling reasonableness, certainty, and uniformity in arbitral fee structures, providing a model fee regime which ought to be ordinarily adhered to, particularly to prevent exploitation and to promote institutional discipline in arbitration. It was also noted that the practice of conducting multiple sittings in a day while charging separate fees for each sitting, coupled with prolonged and fragmented proceedings with significant intervals, leads to denial of timely justice and escalates costs unjustifiably.

63. While reiterating that judicial intervention must remain minimal in view of Section 5 of the Act, the Hon'ble Supreme Court clarified that provisions such as Section 29A(4) and Section 31A(5) have been introduced as corrective safeguards, enabling the Court to maintain a check on such practices by reducing arbitral fees, imposing costs, or even substituting arbitrators in appropriate cases. It was further observed that insistence on high arbitral fees may create an imbalance between the parties, as refusal by one party to accede to such demands may inadvertently prejudice its case or create a perception of bias in favour of the party willing to

comply. Thus, the judgment reinforces that while party autonomy governs the fixation of arbitral fees, the same must be exercised within the confines of fairness, transparency, and statutory intent, failing which judicial intervention becomes not only permissible but necessary to preserve the integrity of the arbitral process.

64. It is noteworthy that the record, particularly the order sheets, unmistakably demonstrates repeated non-compliance with the statutory scheme envisaged under Sections 24 and 29A of the Act of 1996. The mandate of expeditious and continuous adjudication has been diluted by granting adjournments at prolonged intervals ranging from one to five months, even after expiry of the arbitral mandate. Such conduct is indicative of a casual and mechanical approach, both on part of the Arbitral Tribunal and the parties, which stands in direct contravention of the legislative intent of time-bound dispute resolution. The provisions of Section 29A(4), which empower the Court to intervene where delay is attributable to the Tribunal, have clearly been attracted in the present case. The material on record establishes that extensions were granted in a routine manner without recording sufficient cause, thereby frustrating the discipline imposed by the statute. Further, the fixation of fees on a session-wise basis appears to have had the unintended effect of disincentivizing day-to-day hearings, thereby contributing to protraction of proceedings.

65. It is also a matter of serious concern that, despite the admitted position that the cause of action arose within the State of Rajasthan and the governing contractual framework (GCC) stipulated the venue of arbitration to be within the State of

Rajasthan, the proceedings were shifted to New Delhi without any cogent or recorded justification. Such deviation from the agreed venue not only militates against the principle of party autonomy enshrined under Section 20 of the Arbitration and Conciliation Act, 1996, but has also resulted in manifest prejudice to the petitioner–DISCOMs. The change in venue has entailed substantial escalation in logistical and incidental costs, including travel, accommodation, and allied expenditures, thereby rendering participation in the proceedings financially onerous and, at times, prohibitively expensive. This unwarranted shift has further compounded delays and undermined the principles of accessibility, efficiency, and cost-effectiveness that form the cornerstone of the arbitral process under the Act. The resulting financial burden, when viewed in conjunction with the already high session-based fee structure, has made the continuation of proceedings economically unsustainable, defeating the very object of arbitration as an expeditious and affordable dispute resolution mechanism.

66. It is further evident from the record that even after the substitution of the learned Arbitrator upon the demise of Justice V.K. Gupta, the continuity of proceedings, as contemplated under Section 29A, was not maintained. Instead, directions akin to a *de novo* commencement were issued, thereby prolonging the adjudicatory timeline in disregard of the statutory mandate of time-bound completion. Such an approach is also inconsistent with the spirit of the Act of 1996, which contemplates continuation of proceedings from the stage already reached, unless otherwise warranted. The cumulative effect of the aforesaid conduct, as borne

out from the note sheets, reflects a pattern of what may aptly be termed as "luxury litigation", wherein procedural indulgences have been granted without due regard to statutory discipline under Sections 18, 20, 24, and 29A of the Act of 1996. The arbitral process, in the present case, has thus deviated from its foundational principles, resulting in avoidable delay, excessive costs, and procedural inefficiency, warranting corrective judicial intervention. For the sake of reference and brevity, the proceedings, and the delay attributable is tabulated hereinbelow:

"***PRE-31.8.2023***

- *Order dt. 30.10.2020: Period to file Statement of Claim extended for further 4 weeks i.e. till 30.11.2020 (HCL request)*
- *Order dt. 14.4.2021: Period to file Rejoinder till 31.5.2021 (HCL request)*
- *Order dt. 3.6.2021: Period to file Rejoinder further extended till 22.6.2021 (HCL request)*
- *Order dt. 22.6.2021: Period to file Rejoinder further extended till 20.7.2021 (HCL request)*
- *Order dt. 12.8.2021: Hearing of 7.8.2021 Cancelled (Personal difficulty of Presiding Arbitrator)*
- *Order dt. 4.2.2022: Hearings between 5.5.2022 to 8.5.2022 Cancelled & adjourned (HCL request)*
- *Order dt. 12.4.2022: Hearings between 13.6.2022 to 15.6.2022 Cancelled & adjourned (Personal difficulty of Co-Arbitrator)*
- *Order dt. 18.4.2023: Hearings between 20.4.2023 to 22.4.2023 Cancelled & adjourned (HCL request)*
- *Order dt. 19.5.2023: Hearings between 12.6.2023 to 14.6.2023 Cancelled & adjourned (HCL request)*

POST 31.8.2023

- *Order dt. 21.9.2023: Hearings between 23.9.2023 to 25.9.2023 Cancelled & adjourned (HCL request)*
- *Order dt. 7.10.2023: Hearing of 2nd session and 8.10.2023 Cancelled & adjourned (Para 3 & 4) (HCL request and Arbitral Tribunal)*
- *Order dt. 7.2.2024: Hearing between 18.2.2024 to 20.2.2024 Cancelled & adjourned (HCL request)*
- *Order dt. 9.3.2024 & 10.3.2024: Counsel for Claimant not available for further arguments/ hearing on dates in the month of March, April, June, July 2024 till any date prior to 12th August 2024. (HCL request)*
- *Order dt. 10.8.2024: Hearing between 12.8.2024 to 14.8.2024 and 16.8.2024 Cancelled & adjourned (HCL request)*
- *Order dt. 28.8.2024: Hearing between 1.9.2024 to 3.9.2024 Cancelled & adjourned (Co-Arbitrator unavailability)*
- *Order dt. 14.9.2024: Hearing between 28.9.2024 to 1.10.2024 Cancelled & adjourned (Co-Arbitrator unavailability)*

POST-EXTENSION ORDER DT. 17.9.2024: FOR 20 MONTHS UNTIL 30.4.2025

- *Order dt. 19.9.2024: Hearing between 7.10.2024 to 9.10.2024 Cancelled & adjourned (Co-Arbitrator unavailability)*
- *Order dt. 3.1.2025: Hearing scheduled for 18.1.2025 Cancelled & adjourned (Presiding-Arbitrator unavailability)*
- *Order dt. 16.1.2025: Hearings already scheduled for 17.01.2025 to 19.01.2025 Cancelled & adjourned (HCL request/ Presiding-Arbitrator unavailability)*
- *Order dt. 23.2.2025 & 24.2.2025: Hearings scheduled for 17.2.2025 and 18.2.2025 Cancelled & adjourned (Presiding-Arbitrator unavailability).*

Request made to cut short arguments due to limited time available but the Arbitral Tribunal opposed the same vehemently.

- *Order dt. 22.3.2025: Hearing already scheduled for 10.04.2025 Cancelled & adjourned (Co-Arbitrator unavailability)*
- *Order dt. 24.3.2025: Fee for said hearing "naturally enhanced"*
- *Order dt. 16.6.2025: Arguments concluded by Sr. Counsel representing Claimant-HCL*
- *Order dt. 17.6.2025: Arguments commenced by Briefing Counsel for HCL-Claimant"*

67. This Court finds that the Commercial Court, while exercising jurisdiction under Section 29A, has exceeded the permissible contours by granting extensions far beyond what was prayed for, and in a manner inconsistent with the statutory cap and intent. The extension of time for periods such as 20 months and 17 months, without strict adherence to the requirement of sufficient cause, effectively renders the legislative safeguards otiose. The statutory scheme does not envisage indefinite or excessive extensions, particularly where delay is attributable to the Tribunal itself.

68. Thus, in view of the cumulative effect of the above circumstances, this Court is satisfied that the delay in conclusion of arbitral proceedings is substantially attributable to the conduct and procedural approach of the Arbitral Tribunal. This Court observes that the principles underlying Sections 18, 24, and 29A of the Act of 1996, namely fairness, expedition, and procedural efficiency, have not been adhered to in their true spirit. The jurisprudence laid down

in precedents inter alia, **ONGC Ltd. (supra), Rohan Builders (supra), and C. Veluswamy (supra),** reinforces that while extension of time may be granted to prevent failure of justice, the same must be balanced with appropriate safeguards to prevent abuse and ensure timely adjudication.

CONCLUSION:

69. There is a famous saying forming Hon'ble the Chief Justice of India, P. N. Bhagwati that ***"Procedure is but a means to an end, not an end in itself." ;*** and I believe that this assumes particular significance in the realm of arbitration. It underscores that procedural rules are intended to facilitate justice, not to obstruct or delay it. In the context of arbitral proceedings, where the legislative intent is to ensure a swift, efficient, and cost-effective resolution of disputes, procedure must remain subservient to the ultimate goal of adjudication. Elaborated in this spirit, the principle conveys that arbitral tribunals must not become overly fixated on procedural formalities, adjournments, or technicalities at the cost of substantive progress. When procedure is allowed to dominate the process, manifesting in repeated delays, excessive hearings, or inflated fee structures, it defeats the very purpose for which arbitration exists. Instead of being a streamlined alternative to litigation, it risks replicating the inefficiencies of conventional courts.

70. Thus, the *orbiter* serves as a reminder that procedural discretion must be exercised judiciously, ensuring that it advances, rather than impedes, the resolution of disputes. Efficiency, expedition, and fairness must guide the conduct of proceedings, so

that arbitration remains a pragmatic and litigant-centric mechanism, yielding meaningful and timely outcomes rather than devolving into a prolonged and burdensome exercise.

71. In the matter at hand upon an analytical summation of the aforementioned issues and a circumspect evaluation of the factual and legal matrix, this court deemeth fit to conclude as follows: 71.1 That the present case exemplifies a clear deviation from the foundational objectives of the Arbitration and Conciliation Act, 1996, which is intended to be litigant-friendly, cost-effective, and expeditious, so as to avoid protracted proceedings and absurd delayed results. The principles enunciated by the Hon'ble Supreme Court in the ratio of **Oil and Natural Gas Corporation Ltd. (supra) Rohan Builders (India) Pvt. Ltd. (supra) and C. Velusamy (supra)** unequivocally mandate that arbitral proceedings must be conducted with procedural discipline, judicial oversight where necessary, and without permitting the process to degenerate into a mechanism of delay or financial burden.

71.2 That in the present facts, the conduct of the Arbitral Tribunal, marked by a lethargic and casual approach, repeated and unwarranted adjournments, and fixation of disproportionately high fee structures, including session wise or "reading" fees, has undermined the very spirit of arbitration. This is despite the Tribunal's own assertion that the proceedings were not to be governed by financial considerations but aimed at effective dispute resolution.

71.3 That the record, however, reflects that the learned Commercial Court has granted extensions not only beyond the

specific prayer made by the applicant, but also in excess of the statutory contemplation under Section 29A of the Act of 1996. Such extensions appear to have been granted in a routine and discretionary manner, without due regard to the legislative mandate that treats time as the essence of arbitral proceedings. The statutory scheme, including the prescribed outer timelines and the limited window (such as the sixty-day framework for consideration of extension applications), has not been adhered to in its true spirit.

71.4 That the impugned orders disclose an impermissible exercise of jurisdiction, whereby an earlier order has effectively been revisited and modified through a subsequent order, in the absence of any express power of review. This, coupled with the grant of repeated and open-ended extensions, runs contrary to the discipline envisaged under Section 29A and defeats the very object of time-bound adjudication. The approach adopted, therefore, is not in consonance with the statutory mandate, but rather reflects a departure therefrom, rendering the process legally unsustainable.

71.5 Thus, applying the ratio of the aforesaid judgments, particularly the power of the Court under Section 29A(4) to intervene where delay is attributable to the Tribunal, this Court finds it just and necessary to impose corrective measures, including reduction of arbitral fees, so as to balance equities and restore adherence to statutory discipline. The cumulative effect of these circumstances compels this Court to hold that unchecked procedural indulgence and excessive financial imposition cannot be permitted to defeat the legislative intent, and that arbitration must

remain a forum of efficient, fair, and pragmatic dispute resolution, rather than an instrument of delay and inequity.

DIRECTIONS:

72. In view of the foregoing facts and circumstances, the instant batch of petitions is disposed, with the directions enumerated ad infra:

72.1 The impugned order dated 17.09.2024 stands partly affirmed, as to the extent whereby the learned Commercial Court had granted the extension to the parties, and the order dated 24.02.2026 stand modified in the terms jotted *ad infra*.

72.2 The Arbitral Tribunal is directed to resume and conduct the arbitral proceedings forthwith, commencing from 31.05.2026, at 11.00 a.m., at the Jaipur Arbitration and Mediation Centre at Vidhik Sewa Sadan, adjoining Rajasthan High Court Bench at Jaipur. The proceedings shall be conducted strictly in compliance with the mandate of Sections 18, 24 and 29A of the Arbitration and Conciliation Act, 1996, on a day-to-day basis. It is expected that the matter shall, as far as practicable, be concluded within an upper limit of thirty days i.e. by 30.06.2026.

72.3 The petitioners shall be at liberty to raise all permissible objections concerning the independence and impartiality of the learned Arbitrator under Sections 12, 13 and 14 of the Act of 1996, such objections having not been raised earlier in accordance with the statutory scheme; as it is already dealt hereinabove that the present proceedings are not appropriate, to raise such claims, as per the mandate of Section 29A of the Act of 1996. Any such application shall be treated as a preliminary issue and adjudicated

in priority. Any application in terms of this direction, if so advised, shall be filed within a period of one week from the date of pronouncement of this judgment.

72.4 Having regard to the delay squarely attributable to the Arbitral Tribunal, as delineated hereinabove, this Court is of the considered view that the arbitral fee already paid warrants proportionate reduction. The material on record reflects that the Tribunal has exceeded the statutory mandate under Sections 24 and 29A of the Arbitration and Conciliation Act, 1996, and has proceeded in a cursory and convenience-oriented manner, without making earnest efforts towards effective and time-bound adjudication. The conduct of proceedings reveals irregular and widely spaced sittings, at varying locations, coupled with a lack of procedural continuity. Further, the Tribunal appears to have, on the basis of assumptions and presumptions, required the respondent–HCL, to move repeated applications seeking extensions of time, which is contrary to the scheme of Section 29A that casts a primary obligation upon the Tribunal to conclude proceedings within the prescribed timeline.

72.4.1 It is also evident that the judicial directions contained in the order dated 17.09.2024, wherein a structured timeline and limited sittings were prescribed, have not been adhered to in their true letter and spirit, despite the fact that the said order attained finality and was never assailed by either of the parties. Instead, the subsequent course of proceedings reflects a tacit revisiting and dilution of the said directions, without any legal basis, thereby compounding delay and inefficiency.

72.4.2 Significantly, the arbitration proceedings commenced as far back as the year 2019, qua a dispute/work order of the year 2009, and yet remain inconclusive. This prolonged pendency runs contrary to the very object of arbitration, which is conceived as a mechanism for speedy dispute resolution and for reducing the burden on courts. The continuance of proceedings in such a lethargic manner defeats the foundational purpose of the Act, and in the instant matter the same is solely attributable to the learned Arbitral Tribunal.

72.4.3 Further, the financial dimension aggravates the concern, as it is borne out from the record that arbitral fees to the tune of approximately Rs. 13 crores have already been incurred in a dispute valued at about Rs. 528 crores. Such disproportionate escalation of costs, without commensurate progress in adjudication, renders the process both inefficient and economically burdensome.

72.4.4 In such circumstances, and considering a delay period i.e. from 30.04.2025 onwards (till the upper limit, as set, for conclusion of the proceedings by the learned Arbitral Tribunal i.e. 30.06.2026) occasioned by unwarranted adjournments and lack of procedural discipline, is solely attributable to the learned Arbitral Tribunal, the arbitral fee already paid shall stand reduced at the rate of 5% per month of delay, till final disposal of the *lis* by the learned Arbitral Tribunal, i.e. the date passing of the award, as within the stipulated period herein. The said return of fee shall be made to the respective parties, in proportion to their contributions, within a period of two weeks prior to the pronouncement of the

arbitral award. This direction is necessitated not only to remedy the financial prejudice caused to the parties, but also to reinforce adherence to the statutory mandate and restore accountability within the arbitral process.

72.5 The learned Arbitral Tribunal shall conclude the proceedings and render the award within a period of 45 days from the date of pronouncement of this judgment, after affording due opportunity of hearing to the parties; as by 30.06.2026 the proceedings qua the parties shall stand concluded and thereafter within a period of next fifteen days, the learned Arbitral Tribunal shall pass its award.

72.6 The fee structure and any incidental procedural directions shall stand regulated strictly in terms of the statutory guidelines. Costs, or expenses, shall only be paid qua the actual pocket expenses, no payment other than those expressly permitted herein, shall be payable henceforth, in relation to the present arbitral proceedings. Withal, no additional financial burden attributable to the conduct of the learned Arbitral Tribunal, shall be imposed upon the parties.

73. With the aforesaid directions and modifications, the present petitions stand **disposed** of. All pending applications, including the stay application, if any, shall also stand disposed of accordingly. In order of disposal of the instant petitions, parties shall bear the costs on their own.

74. Member Secretary, Rajasthan State Legal Services Authority, is directed and expected to extend all necessary assistance and provide requisite infrastructural support for the conduct of the arbitral proceedings at the designated Arbitration Centre, strictly in

accordance with the applicable rules and regulations.

75. Registrar (Judicial) is directed to send a copy of the present judgment by fax/mail, in the office of learned Arbitral Tribunal and members thereof, and Member Secretary, Rajasthan State Legal Services Authority, for necessary compliance.

(SAMEER JAIN),J

Preeti Asopa