APHC010479762025

IN THE HIGH COURT OF ANDHRA PRADESH
AT AMARAVATI [3524]
(Special Original Jurisdiction)

FRIDAY,THE NINETEENTH DAY OF SEPTEMBER
TWO THOUSAND AND TWENTY FIVE

PRESENT

THE HONOURABLE SRI JUSTICE RAVI NATH TILHARI

THE HONOURABLE SRI JUSTICE MAHESWARA RAO KUNCHEAM

<u>COMMERCIAL COURT APPEAL NO: 22/2025</u>

Between:

1. CHIDEPUDI BHANU SRIVASTAVA, S/O CH. SUDHAKAR, D.NO. 27-3-68/17 SRI TIRUMALA TOWERS NETAJI STREET, SRIRAM PURAM BHIMAVARAM, WEST GODAVARI DIST. 2.

2. M/S. SREE ANJANEYA RMC, ADDRESS R.S.NO.376/1, PANTAKALAVA ROAD, DUWA, WEST GODAVARI DISTRICT-534 156 FIRM NO 243 OF 2018 REPRESENTED BY ITS PARTNERS SRI KANCHARLA SUBRAHMANYAN AND CHIDEPUDI BHANU SRIVASTAVA

...APPELLANT(S)

AND

1. SRI KANCHARLA SUBRAHMANYAM, S/o Anjaneyulu D.No. 67-6 Kamineni Vari Street, Patamata, Vijayawada, NTR District

...RESPONDENT

Aggrieved by the impugned orders dated 25-07-2025 passed in C.A.O.P No.5 of 2024, on the file of the Hon'ble Special Court for Trial and Disposal of Commercial Disputes, Vijayawada, the present Memorandum of Commercial Court Miscellaneous Appeal is being filed within the time prescribed on the following among other grounds

<u>IA NO: 1 OF 2025</u>

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased pleased to stay all further proceedings in pursuant to the impugned order dated 25-07-2025 passed in C.A.O.P No.5 of 2024 on the file of the Hon'ble Special Court for Trial and Disposal of Commercial Disputes, Vijayawada, pending disposal of the above CCCA and pass

Counsel for the Appellant(S):

1. LEO LAW ASSOCIATES LLP

Counsel for the Respondent:

1.

The Court made the following:

JUDGMENT:- *(per Hon'ble Sri Justice Ravi Nath Tilhari)*

Heard Sri Venkateswarlu Gadipudi, learned counsel for the appellants and perused the material on record.

2. This appeal has been filed under Section 13 of the Commercial Courts Act,2015, challenging the order dated 25.07.2025 passed in C.A.O.P.No.5 of 2024 on the file of the Special Court for Trial and Disposal of Commercial Disputes, Vijayawada. (in short 'Special Court')

I. Facts :-

3. The appellants are the respondents in C.A.O.P. No.5 of 2024 (in short 'C.A.O.P') and the respondent herein is the petitioner in the said C.A.O.P., filed under Section 29-A(5) of the Arbitration and Conciliation Act, 1996 (for short "the Act, 1996"), seeking extension of time for the arbitral proceedings before the Sole Arbitrator for a period of six months from 19.05.2024.

4. The parties shall be referred as in this appeal.

5. In the said C.A.O.P., the respondent filed I.A.No.242 of 2024 seeking amendment of the prayer, which was allowed, thereby modifying the prayer for extension of time up to 31.12.2025.

6. The appellants filed a counter affidavit opposing the said prayer in C.A.O.P.

7. The learned Special Court, after hearing both sides, framed the point for determination as follows:

> ***"Whether this Court can extend the mandate of the learned Sole Arbitrator up to 31.12.2025 from 19.05.2024, as prayed for?"***

8. The learned Special Court answered the point in the affirmative, holding that the extension of time could be granted even on an application filed after expiry of the period fixed for passing of the award. It was held that a sufficient cause was established for non-completion of the arbitral mandate within time. It accordingly extended the mandate of the Sole Arbitrator specified up to 31.12.2025 by order dated 25.07.2025, imposing cots on the respondent for delayed filing of the extension Petition.

9. The learned Special Court placed reliance in ***Rohan Builders (India) Private Limited v. Berger Paints India Limited***[1]**,** for the proposition that, an application under Section 29-A(4) of the Act,1996 can be filed even after expiry of the stipulated period.

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[1] 2024 SCC OnLine SC 2494

10. Challenging the aforesaid order dated 25.07.205, the present appeal has been filed under Section 13 of the Commercial Courts Act,2015.

II. <u>Submissions of the Appellants' counsel :-</u>

11. Learned counsel for the appellants submits that the application for extension of time was not filed within the statutory period for the arbitral mandate and any application for condonation of delay was also not filed. He submits that the law laid down in ***Rohan Builders*** (supra) was therefore, not applicable. Once the mandate stood terminated, it could not be revived after the lapse of the statutory period.

12. Learned counsel for the appellants further submits that the cause shown was not sufficient for extension of the mandate, and in any event, the period ought not to have been extended up to 31.12.2025.

13. We have considered the submissions of the learned counsel for the appellants and perused the material on record.

III. <u>Points for determination :-</u>

14. The points that arise for our determination are :

1. ***Whether the application for extension of the arbitral mandate can be entertained, after***

expiry of the mandate for the Arbitral Award ?

2. ***Whether the learned Special Judge, has rightly extended the period for arbitral mandate, and in another words, if there was sufficient case for such extension ?***

IV. <u>Analysis :-</u>

<u>POINT No.1:</u>

15. Section 29A of the Arbitration and Conciliation Act,1996, reads as under :

> "***29A. Time limit for arbitral award.***— 3 [(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.

1[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."

16. The issue is not *res integra*. It has been settled.

17. In ***Rohan Builders*** (supra) the question that arose for consideration was whether an application for extension of time under Section 29A of the Arbitration and Conciliation Act, 1996, could be filed after expiry of the period prescribed for making an arbitral award. The Hon'ble Apex Court held that where the award is not made within the stipulated period of 12 or 18 months, as the case may be, the mandate of the Arbitral Tribunal shall stand terminated. However, this consequence does not ensue if the Court has extended the period, either prior to or

after the expiry of the initial or extended term, it was held that Section 29A(4) of the Act, 1996, expressly empowers the Court to extend the period for making the arbitral award beyond 12 or 18 months, as the case may be, and that the expression "either prior to or after the expiry of the period so specified" occurring in Section 29A(4) is clear and unambiguous, thereby conferring power on the Court to extend time even if the application is filed after expiry of the period under sub-section (1), or after the extended period under sub-section (3).

18. It is apt to reproduce paragraph Nos.5 to 7, 13, 14 and 19 of ***Rohan Builders*** (supra), which read as under :

> "5. Section 29A envisages two time limits for making of an arbitral award. First, Section 29A(1) states that an award shall be made by the arbitral tribunal within a period of twelve months. Secondly, Section 29A(3) stipulates that the parties by consent can extend the time for making the award beyond twelve months, up to an additional period of six months. Extension beyond six months, even by consent of the parties, is not permitted. In terms of the Arbitration and Conciliation (Amendment) Act, 2019 (Act No. 33 of 2019)16, the time-limit for making an arbitral award under Section 29A(1) is not applicable to international commercial arbitration. As per the amendment made by Act No. 33 of 2019, the twelve-month period commences from the date of completion of pleadings under Section 23(4) of the A & C Act. Earlier, Section 29A(1) had stipulated that the twelve-month period would begin from the date the arbitral tribunal enters upon reference. Section 29A(2) states that if the award is made within six months, the arbitral tribunal will be entitled to receive such amount as additional fees as the parties may agree.
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> 6. Section 29A(4) is the provision which requires interpretation. It states that where the award is not made within the specified period of twelve or eighteen17 months, the mandate of the arbitral tribunal will terminate. However, this provision does not apply if the court has extended the period, either before or after the expiry of the initial or the extended term. In other words,

Section 29A(4) empowers the court to extend the period for making of the arbitral award beyond a period of twelve months or eighteen months, as the case may be. The expression "either prior to or after the expiry of the period so specified" is unambiguous. It can be deduced by the language that the court can extend the time where an application is filed after the expiry of the period under subsection (1) or the extended period in terms of sub-section (3). The court has the power to extend the period for making an award at any time before or after the mandated period.

7. Section 29A(5) states that a party to the arbitration proceedings can file an application in court for an extension of time for making the award. As per the second proviso to Section 29A(4), where an application for an extension of time under Section 29A(5) has been filed and is pending, the mandate of the arbitral tribunal shall continue till the disposal of the application. Thus, the second proviso to Section 29A(4), by specific mandate, allows the arbitration proceedings to continue during the pendency of the extension application under Section 29A(5) before the court. Lastly, the extension of time is to be granted by the court only for 'sufficient cause' and on such terms and conditions as may be imposed by the court. We will elaborate on the last aspect, and why this interpretation is preferable. First, we will refer to the ratio and reasoning in *Rohan Builders (India) Pvt. Ltd.* (supra)"

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"13. An interpretive process must recognize the goal or purpose of the legal text.22 Section 29A intends to ensure the timely completion of arbitral proceedings while allowing courts the flexibility to grant extensions when warranted. Prescribing a limitation period, unless clearly stated in words or necessary, should not be accepted. Bar by limitation has penal and fatal consequences. This Court in *North Eastern Chemicals Industries (P) Ltd. v. Ashok Paper Mill (Assam) Ltd.*23 observed:

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

Courts should be wary of prescribing a specific period of limitation in cases where the legislature has refrained from doing so.24 If we give a narrow and restrictive meaning to Section 29A(4), we would be indulging in judicial legislation by incorporating a negative stipulation of a bar of limitation, which has a severe annulling effect. Such an interpretation will add words to widen the scope of legislation and amount to modification or rewriting of the statute. If the legislature intended such an outcome, it could have stated in the statute that - “the Court may extend the period only if the application is filed before the expiry of the mandate of the arbitrator, not after”. Indeed, there would have been no need to use the phrase “after the expiry of the period” in the statute. In other words, a rigid interpretation would amount to legislating and prescribing a limitation period for filing an application under Section 29A, when the section does not conspicuously so state. Rather, the expression and intent of the provision are to the contrary.

14. In our opinion, a restrictive interpretation would lead to rigour, impediments and complexities. A party would have to rush to the court even when the period of arbitral mandate of twelve months has not expired, notwithstanding the possibility of a consent-based extension of six months under Section 29A(3). Narrow interpretation presents an additional challenge by relegating a faultless party to a fresh reference or appointment of an arbitrator under the A & C Act25, thereby impeding arbitration rather than facilitating it.26 The legislature vide the 2015 Amendment envisions arbitration as a litigant-centric process by expediting disposal of cases and reducing the cost of litigation.27 A narrow interpretation will be counterproductive. 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.
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> xx xx xx
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> 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 sec. 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."
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> xxxxxx
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> "19. In view of the above discussion, we hold that an application for extension of the time period for passing an arbitral award under Section 29A(4) read with Section 29A(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 paragraph 15 of the judgment."

19. Recently, in ***Ajay Protech Private Limited v. General Manager and Another***[2], the Hon'ble Apex Court reiterated ***Rohan Builders*** (supra). It was observed that the termination of the mandate under Section 29A of the Act, 1996, occurs only on account of non-filing of an application for extension, and it cannot be contended that the mandate

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[2] 2024 SCC OnLine SC 3381

cannot be extended once it expires. The Hon'ble Apex Court reaffirmed that Section 29A(4) of the Act, 1996, read with the decision in ***Rohan Builders*** (supra), clearly settles the issue that an application for extension may be filed either before or after the termination of the Tribunal's mandate upon expiry of the statutory or extended period.

20. Paragraph Nos. 7 to 10 of the ***Ajay Protech Private Limited*** (supra), are referred as under :

> "7. When must an application under Section 29A(4) be filed. The first issue is no longer res integra in view of a recent decision of this Court in Rohan Builders (supra). Despite Mr. Banerjee's reliance on this decision, we find that it squarely covers the issue against him. Before dealing with this decision, it is necessary to take note of the text and wording of the relevant portion of Section 29A of the Act:
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> "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.
>
> (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 subsection (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 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."

(emphasis supplied)

8. The effect of the provision is that if the arbitral award is not made within 12 months from when the pleadings are completed, extendable by a further 6 months by mutual consent of parties, the Tribunal's mandate will terminate, unless the court either prior or after the expiry of the period, extends it. The wording of subsection (4) clearly and explicitly enables a court to extend the Tribunal's mandate after expiry of the statutory and extendable period of 18 months.

9. This Court in Rohan Builders (supra) has held that the application for extension of time can be filed even after the expiry of the period in sub-sections (1) and (3).5 Even if sub-section (4) provides for the termination of the Tribunal's mandate on the expiry of the period, it recognizes party autonomy to move an application before the Court for further extension.6 Thus, the termination of mandate under the provision is only conditional on the non-filing of an extension application, and cannot be taken to mean that the mandate cannot be extended once it expires.7 The relevant portion of the judgment is extracted:"6. Section 29A(4) is the provision which requires interpretation. It states that where the award is not made within the specified period of twelve or eighteen months, the mandate of the arbitral tribunal will terminate. However, this provision does not apply if the court has extended the period, either before or after the expiry of the initial or the extended term. In other words, Section 29A(4) empowers the court to extend the period for making of the arbitral award beyond a period of twelve months or eighteen months, as the case may be. The expression "either prior to or after the expiry of the period so specified" is unambiguous. It can be deduced by the language that the court can extend the time where an application is filed after the expiry of the period under subsection (1) or the extended period in terms of sub-section (3). The court has the power to extend the period for making an award at any time before or after the mandated period."

(emphasis supplied)

10. The wording of Section 29A(4) and the decision in Rohan Builders (supra) clearly answer the first issue in favour of the appellant, i.e., an application for extension can be filed either

> before or after the termination of the Tribunal's mandate upon expiry of the statutory and extendable period."

21. In view of the aforesaid judgments, the law is well settled that an application for extension of the mandate of the Arbitral Tribunal can be filed even after termination of its mandate upon expiry of the statutory period of 12 months or 18 months (i.e., the extendable period of six months), as the case may be. Accordingly, the contention that, in the absence of an application within the mandated period, the Court has no jurisdiction to extend the mandate, is unsustainable being contrary to the legal position.

22. The submission of the learned counsel for the appellants that ***Rohan Builders'*** **case** (supra) is distinguishable as there, the application was filed within the statutory period, also deserves rejection. On such a ground, the applicability of ***Rohan Builders*** (supra), in the present case cannot be excluded as in ***Rohan Builders*** (supra), the Hon'ble Apex Court has categorically laid down that an application for extension is maintainable even after expiry of the statutory period of 12 months or 18 months, as the case may be.

POINT No.2:

23. In C.A.O.P., filed under Section 29A(5) of the Arbitration and Conciliation Act, 1996, the respondent elaborated that the last pleading

was filed on 20.05.2023, and the Arbitrator posted the matter on 03.06.2023 for evidence. The proceedings were thereafter rescheduled to 19.06.2023, on which date the respondent filed his chief affidavit and the documents were marked. The matter was then adjourned to 01.07.2023 for filing draft issues. On that date, the draft issues were filed and the matter was adjourned to 19.08.2023. On 19.08.2023, during the arbitration proceedings, the respondent's counsel requested that trial be commenced. The Arbitrator directed the respondent's counsel to file an interlocutory application for conducting cross-examination. The matter was adjourned to 26.08.2023. In the meantime, the wife of the first appellant filed an impleadment petition, which came up on 02.09.2023. For filing counters, the matter was adjourned to 16.09.2023, on which date, the counter was filed, posting the matter for hearing on 07.10.2023. on 07.10.2023, at the request of the appellants' counsel, the matter was adjourned on personal grounds to 14.10.2023, and on that date, the respondent's counsel was unavailable, so it was adjourned to 04.11.2023. On 04.11.2023, both sides addressed arguments on the impleadment petition, which was adjourned for further arguments to 18.11.2023, and on 18.11.2023, at the request of the implead petitioner's counsel, the matter was adjourned to 02.12.2023, and then to 16.12.2023. On 16.12.2023, arguments of the implead petitioner were concluded, and reply arguments were also advanced by the respondent's counsel. The matter was then fixed for orders on 23.12.2023, on which date the implead application was dismissed. At the request of the counsel for the implead petitioner for preferring an appeal, the matter was adjourned to 20.01.2024, and thereafter to 10.02.2024, however, no appeal was filed. The respondent thereafter filed an application seeking cross-examination, on which time was granted to enable the appellants to file their counter. On 02.03.2024, the counter was filed. The matter was posted for hearing on 16.03.2024. On that date, the appellants filed an application under Order VII Rule 11 CPC read with Section 16 of the Act, 1996. The matter was adjourned to 23.03.2024 for counter, which was duly filed, and then the matter was posted to 06.04.2024 for arguments. On 06.04.2024, at the joint request, the matter was adjourned to 27.04.2024 and, on the request of the appellants' counsel, it was further adjourned to 04.05.2024. On 04.05.2024, arguments were heard in both the applications, under Order VII Rule 11 CPC and the application for cross-examination. The matter was then posted to 18.05.2024 for filing of judgments/citations, on which date, both counsels submitted their judgments and documents.

24. In C.A.O.P, it was further stated that since the mandate of the Arbitrator was due to expire on 20.05.2024, the respondents' counsel suggested filing a joint memo seeking extension of six months under Section 29A(3) of the Act, 1996. However, the appellants did not consent, and so compelling the filing of C.A.O.P.,

25. The learned Special Court has recorded specific reasons for extension of the mandate. The learned Special Court, upon consideration, recorded that the delay in completion of the arbitral proceedings was attributable to various adjournments, including those occasioned by the impleadment petition and the application under Order VII Rule 11 CPC, both of which consumed considerable time. It further noted that the respondent had explained the sequence of events before the Arbitral Tribunal, establishing sufficient cause for non-completion of the arbitral mandate within the specified period. Accordingly, the Special Court found that sufficient cause had been made out for extension of time and granted the same.

26. The cause as stated in the petition under Section 29A(4) and as recorded by the learned Special Court for extension of the mandate, could not be disputed.

27. A perusal of the C.A.O.P., filed under Section 29A(5) of the Act 1996, satisfies us that the learned Special Court has rightly recorded a finding of sufficient cause for extension of time. We are further satisfied that the arbitral proceedings have substantially progressed.

28. In ***Ajay Protech Private Limted*** (supra), the Hon'ble Apex Court held that the meaning of 'sufficient cause' for extending the time to make an award must take colour from the underlying purpose of the arbitration process. The primary objective in rendering an arbitral

award is to resolve disputes through the agreed dispute resolution mechanism as contracted by the parties. Therefore, 'sufficient cause' should be interpreted in the context of facilitating effective dispute resolution. It is apt to reproduce paragraphs 15 & 16 of ***Ajay Protech Private Limted*** (supra), which read as under :

> "15. Efficiency in the conduct of arbitral proceedings is integral to the effectiveness of the dispute resolution remedy through arbitration. Efficiency is inextricably connected with expeditious conclusion of arbitral proceedings. While the statute incorporates party autonomy even with respect to the conduct and conclusion of arbitral proceedings, there is a statutory recognition of the power of the Court to step in wherever it is necessary to ensure that the process of resolution of the dispute is taken to its logical end, if according to the Court, the circumstances so warrant. It is in this context that the Arbitration and Conciliation Act adopts the well-known language of limitation statutes and provides that the Court can extend the time if it finds that there is sufficient cause.
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> 16. The meaning of 'sufficient cause' for extending the time to make an award must take colour from the underlying purpose of the arbitration process. The primary objective in rendering an arbitral award is to resolve disputes through the agreed dispute resolution mechanism as contracted by the parties. Therefore, 'sufficient cause' should be interpreted in the context of facilitating effective dispute resolution."

29. In ***Rohan Builders (India) Private Limited*** (supra), it was held that while interpreting a statute, the Court 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.

30. In ***Rohan Builders***' (supra), the Hon'ble Apex Court also held that the Court can impose terms and conditions while granting an extension.

V. Conclusion :-

31. Thus considered, our conclusions are :

(i) that the application for extension of the arbitral mandate under Section 29(A)(4) of the Act,1996 can be extended either prior to or after expiry of the period of 12 months or 18 months, as the case may be ;

(ii) that the application under Section 29(A)(4) of the Act,1996 can be filed before the expiry of the period of mandate and also thereafter ;

(iii) that the Court has to record sufficient reasons for extension of the mandate ;

(iv) that the Special Court has rightly extended the mandate as the cause shown was sufficient ; and

(v) that the impugned order calls for no interference.

32. So far as the submission of the learned counsel for the appellants that the extension of the mandate up to 31.12.2025 ought not to have been granted is concerned, the extension by what period, lies within the discretion of the Special Court, which, if in the facts and circumstances has been extended upto 31.12.2025, we do not find any reason to interfere with the same.

VI. <u>**Result :-**</u>

33. In the result, the Commercial Court Appeal lacks merits, and is dismissed at the admission stage itself**.**

No order as to costs.

As a sequel thereto, miscellaneous petitions, if any pending, shall also stand closed.

RAVI NATH TILHARI, J

MAHESWARA RAO KUNCHEAM, J

Date : 19.09.2025.
Note :- L.R. Copy to be marked.
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THE HONOURABLE SRI JUSTICE RAVI NATH TILHARI
AND

THE HONOURABLE SRI JUSTICE MAHESWARA RAO KUNCHEAM

(DISMISSED)

COMMERCIAL COURT APPEAL NO: 22/2025

Date: 19.09.2025

Note :- L.R. Copy to be marked.
B/o
RPD.

*** THE HONOURABLE SRI JUSTICE RAVI NATH TILHARI**

*** THE HONOURABLE SRI JUSTICE MAHESWARA RAO KUNCHEAM**

+COMMERCIAL COURT APPEAL NO: 22/2025

% **19.09.2025**

1. Sri Chidepudi Bhanu Srivastava and another

……Appellants

And:

$ Sri Kancharla Subrahmanyam

….Respondent.

!Counsel for the Appellants : Sri Venkateswarlu Gadipudi

^Counsel for the respondent : ---

<Gist:

>Head Note:

? Cases referred:

1. 2024 SCC OnLine SC 2494
2. 2024 SCC OnLine SC 3381

HIGH COURT OF ANDHRA PRADESH AT AMARAVATI

* * * *

<u>COMMERCIAL COURT APPEAL NO: 22/2025</u>

DATE OF JUDGMENT PRONOUNCED: ***19.09.2025***

<u>SUBMITTED FOR APPROVAL:</u>

THE HON'BLE SRI JUSTICE RAVI NATH TILHARI

&

THE HONOURABLE SRI JUSTICE MAHESWARA RAO KUNCHEAM

1.	*Whether Reporters of Local newspapers may be allowed to see the Judgments?*	*Yes/No*
2.	*Whether the copies of judgment may be marked to Law Reporters/Journals*	*Yes/No*
3.	*Whether Your Lordships wish to see the fair copy of the Judgment?*	*Yes/No*

RAVI NATH TILHARI,J

MAHESWARA RAO KUNCHEAM, J