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Supreme Court of India upholds maintainability of Section 29A(5) application to extend the arbitral mandate even after award rendered post expiry of the statutory period

A Division Bench of the Supreme Court of India (“**Supreme Court**”), in *C. Velusamy vs. K. Indhera*¹, held that an application under Section 29A(5)² of the Arbitration and Conciliation Act, 1996 (“**Arbitration Act**”) remains maintainable even after the arbitral mandate has expired. This position applies even where the arbitral tribunal has rendered an award following such expiry. The Supreme Court clarified that an award delivered after the mandate has lapsed is unenforceable under Section 36 of the Arbitration Act³. However, this irregularity does not extinguish the court’s jurisdiction to extend the mandate under Section 29A of the Arbitration Act where sufficient cause exists.

Brief facts

1. The dispute between C. Velusamy (“**Appellant**”) and K. Indhera (“**Respondent**”) arose out of 3 (three) agreements to sell dated December 19, 2015, July 31, 2018, and March 24, 2021 (“**Agreements**”). The Appellant invoked arbitration and filed an application under Section 11 of the Arbitration Act. The High Court appointed a sole arbitrator on April 29, 2022.
2. The parties completed pleadings on August 20, 2022. This date triggered the statutory 12 (twelve) month period for making the arbitral award under Section 29A(1) of the Arbitration Act. In the meantime, the parties mutually consented to extend the arbitrator’s mandate by 6 (six) months under Section 29A(3) of the Arbitration Act, thereby extending the time to February 20, 2024.
3. Arguments were concluded and the matter was initially reserved for award on September 9, 2023. The arbitrator later reopened the proceedings to facilitate settlement discussions, which continued intermittently until March 2024. During this period, the Appellant, the Respondent, and a third party executed a tripartite agreement, but they did not place this agreement before the arbitrator.

¹ 2026 SCC OnLine SC 142 (decided on February 3, 2026)

² Section 29A(5) of the Arbitration Act empowers the court, upon an application by a party and on being satisfied that sufficient cause exists, to extend the mandate of the arbitral tribunal. The court is vested with wide discretion to impose appropriate terms and conditions while granting such extension.

³ Section 36 of the Arbitration Act governs the enforcement of arbitral awards. It provides that an arbitral award will be enforced in the same manner as a decree of a civil court once the time for filing an application under Section 34 of the Arbitration to set aside the award has expired.

4. Ultimately, the arbitrator delivered the award on May 11, 2024. The arbitral tribunal stamped and issued the award to the parties on June 25, 2024. By this time, the arbitrator's mandate had already expired on February 20, 2024.
5. The Respondent challenged the award by filing a petition under Section 34 of the Arbitration Act, contending that the arbitrator lacked mandate when he rendered the award. The Appellant, on November 12, 2024, filed an application under Section 29A of the Arbitration Act seeking extension of the arbitrator's mandate.
6. The High Court dismissed the Appellant's application under Section 29A of the Arbitration Act on January 24, 2025, holding it not maintainable. The High Court thereafter allowed the Respondent's Section 34 petition on February 14, 2025. Aggrieved, the Appellant filed an appeal before the Supreme Court.

Issue

Whether a court can entertain an application under Section 29A(5) of the Arbitration Act to extend the mandate of the arbitrator(s) even after an award is rendered, though such award is delivered after expiry of the statutory 18 (eighteen) month period?

Findings and analysis

The Supreme Court allowed the appeal and set aside the High Court's orders, holding that the application under Section 29A of the Arbitration Act was maintainable and had been wrongly dismissed. The Supreme Court reasoned as follows:

1. The Supreme Court clarified that Section 29A of the Arbitration Act aims to ensure the timely and effective completion of arbitral proceedings, not to terminate them on technical grounds of delay. It emphasised that judicial supervision under this provision operates as a corrective and facilitative mechanism, rather than a tool to abort the arbitral process.
2. The Supreme Court held that the termination of mandate under Section 29A(4) of the Arbitration Act is not absolute or 'termination *stricto sensu*', but transitory and subject to revival by judicial extension. The statute expressly empowers courts to extend the mandate either before or after expiry, as recognised in *Rohan Builders (India) Private Limited vs. Berger Paints India Limited*⁴. The Supreme Court further held that the Arbitration Act contains no express bar against entertaining an extension application merely because the arbitrator has rendered an award after expiry of the mandate. Reading such a prohibition into the statute would defeat the object of Section 29A of the Arbitration Act.
3. The Supreme Court clarified that an award delivered after expiry of the mandate is unenforceable under Section 36 of the Arbitration Act. However, such unenforceability does not divest the court of jurisdiction under Section 29A of the Arbitration Act. It interpreted the phrase 'if the award is not made' in Section 29A(4) of the Arbitration Act, contextually, holding that it triggers the court's power to extend time and does not determine the validity of a belated award. The Supreme Court reaffirmed⁵ that delay in delivering an award does not, by itself, justify setting it aside under Section 34 of the Arbitration Act unless the delay demonstrably affects the award. However, where the mandate has expired, the award is rendered unenforceable under Section 36 of the Arbitration Act without requiring a separate setting aside under Section 34 of the Arbitration Act.
4. Finally, the Supreme Court noted that Section 29A of the Arbitration Act provides courts with a calibrated set of powers, including imposing costs, reducing arbitrators' fees, substituting arbitrators, and imposing conditions while granting extension. These safeguards prevent abuse and ensure that post-award consideration of extension applications does not encourage indiscipline.

⁴ 2024 SCC Online SC 2494

⁵ *Lancor Holdings Ltd. vs. Prem Kumar Menon*, 2025 SCC OnLine SC 2319

5. The Supreme Court also noted that the 2019 amendment clarifies that where an extension application is pending, the arbitral mandate continues until disposal, further reinforcing the legislative intent to preserve continuity rather than terminate proceedings mechanically.
6. Additionally, the Supreme Court referred to international commentaries and practices to observe a global trend of resisting rigid invalidation of awards simply because they were rendered outside agreed timelines. It was noted that globally, arbitral timelines are treated as directory rather than fatal.
7. The Supreme Court accordingly restored the Appellant's Section 29A application and directed the High Court to decide it on merits in accordance with law and the principles laid down in the judgment.

Conclusion

The Supreme Court's decision is a landmark in arbitration jurisprudence and clarifies an important aspect of Section 29A of the Arbitration Act by affirming that the court's power to extend the arbitral mandate is not extinguished merely because an award has been rendered after expiry of the statutory time limit. By treating the termination of mandate under Section 29A(4) of the Arbitration Act as conditional rather than absolute, the Supreme Court adopted a purposive interpretation that preserves the continuity and enforceability of arbitral proceedings over technical lapses in timelines.

That said, the decision may nevertheless raise concerns regarding procedural discipline in arbitration, particularly in situations where arbitrators proceed to render awards despite expiry of their mandate. Although the Supreme Court has emphasised that extension of mandate remains discretionary and subject to safeguards such as reduction of fees, substitution of the arbitrator, and imposition of costs, the effectiveness of these safeguards will ultimately depend on rigorous judicial scrutiny in future extension applications. Going forward, courts must exercise close scrutiny while invoking powers under Section 29A of the Arbitration Act to ensure that the flexibility recognised in this judgment does not dilute statutory timelines or undermine party autonomy in arbitral proceedings.

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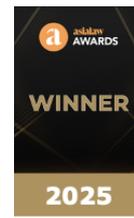
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