

**CIRCULAR**

The Hon'ble High Court while disposing of I.A.Nos.1 and 2/2023 vide order dated 29.08.2023 in CMP No.357/2018 (*SHAPOORJI PALLONJI & COMPANY PRIVATE LIMITED VS. LILY REALTY PRIVATE LIMITED*) has considered and interpreted the provision of Section 29A of Arbitration and Conciliation Act, 1996 in regard to the power of the extension of the period and has laid down as follows:

*“22. As such, the consideration under the provisions of Section 29A of the Act will be within a narrow canvas and will not require an elaborate consideration as necessitated if there is a subsisting controversy as contemplated under Section 13(5) or termination of the mandate under Section 14(1)(a) of the Act. The questions for decision under Section 29A of the Act, given the limited consideration thereunder, will be more akin to the decision that must be taken under Section 15(2) of the Act for appointment of a substitute arbitrator after the decision by the principal civil Court of original jurisdiction under Section 34 of the Act on the circumstances relied upon to challenge the mandate of an arbitrator under Section 12 and on reasons for termination of the mandate of an arbitrator under Section 14(1)(a) of the Act, and also when the substitution is necessitated because the mandate has terminated either because the arbitrator or the parties agree as contemplated under Section 14(1)(b) and 15(1) of the Act.*

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23. *The context of the statutory framework on termination of the mandate of arbitrator/s as found in Chapter-III of the Act [which incorporates Sections 11 to 15] demonstrates that substitute arbitrator/s will have to be appointed by the concerned High Court under Section 11 of the Act, when it becomes necessary. With the importance of contextual interpretation and the prescription of timeline for making of the award as also the conditions upon which the extension of the period for making the award can be granted, this Court is of the considered view that an application for extension of the period as contemplated under Section 29A of the Act must be by the concerned High Court, or the Supreme Court, and not the principal civil Court of original jurisdiction as mentioned in Section 2(1)(e) of the Act. The first question for consideration is answered accordingly.”*

Hence, as directed, any application for extension of the period as contemplated under section 29A of the Arbitration and Conciliation Act, 1996, must be by the concerned High Court, or the Supreme Court of India and not the *principal civil Court of original jurisdiction* as mentioned in Section 2(1)(e) of the Act. Accordingly, the concerned Courts shall scrupulously follow the above directions without giving any room for lapses.

**BY ORDER OF HON'BLE THE CHIEF JUSTICE**

**Sd/-  
REGISTRAR (JUDICIAL)**

**To:**

1. The P.A. to Hon'ble The Chief Justice

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2. The Registrar General/ Registrar (Vigilance)/ Registrar (Recruitment) / Registrar (Administration)/ Registrar (Infra & Maintenance) / Registrar (Protocol & Hospitality) / Registrar (Computers).
3. The Additional Registrar General/ Additional Registrar (Judicial), High Court of Karnataka at Dharwad and Kalaburagi Benches, for information.
4. The Central Project Co-ordinator (CPC), with a request to web-host the circular.
5. The Director, Karnataka Judicial Academy, Bengaluru
6. The Assistant Registrar and Section Officer of DJA-I to circulate the circular to all the concerned Courts through the respective Principal District and Sessions Judges and Unit Heads.
7. Office Copy.

