IN THE HIGH COURT OF HIMACHAL PRADESH, SHIMLA

Arb. Case No. 225 of 2026

Date of decision: 14.10.2026

National Highway Authority of India ...Petitioner

Versus

Sarla Devi & another ...Respondents.

Coram:

The Hon'ble Mr. Justice Romesh Verma, Judge.

Whether approved for reporting?[1]

For the petitioner : Mr. Karan Sharma, Advocate.

For the respondents : Mr. Baldev Singh Negi, Additional Advocate General, for respondent No.2.

Romesh Verma, Judge (Oral):

Since the present petitioner has prayed for extension of time, therefore, at this stage, this Court is not issuing notice for the service of respondent No.1.

2. Notice. Mr. Baldev Singh Negi, learned Additional Advocate General, appears and waives service of notice on behalf of respondent No.2.

3. The present petition under Section 29 (A) (4) & (5) of the Arbitration and Conciliation Act, 1996 has been filed by the petitioner seeking extension of time for completion of the arbitral proceedings in Reference Petition No. 566 of 2022, titled as *National Highway Authority of India, Palampur vs. Sarla Devi*, pending before the Arbitrator-cum-

[1] **Whether reporters of Local Papers may be allowed to see the judgment?**

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Divisional Commissioner, Kangra Division at Dharamshala exercising the powers of Arbitrator under Section 3G (5) of the National Highways Act, 1956.

4. The arbitral dispute has arisen out of the land acquired in District Kangra, H.P. for the purpose of construction of the National Highway, land for which has been acquired under the provisions of National Highways Act, 1956.

5. Feeling aggrieved by the award passed by the competent authority, the NHAI has preferred Reference Petition No. 566 of 2022 before the Arbitrator-cum-Divisional Commissioner, Kangra Division at Dharamshala and non-adjudication of the arbitral proceedings within the statutory period has resulted in filing of the instant petition.

6. The Reference Petition against the Award was filed by the NHAI in the year 2022. According to the petitioner, on account of unforeseen circumstances in the case, has resulted in unnecessary delay in the announcement of the award by the learned Arbitrator, i.e. the Arbitrator-cum-Divisional Commissioner, Kangra Division at Dharamshala.

7. This Court has gone through the material available on record carefully and finds that the proceedings have been conducted by the Arbitrator in violation of statutory provisions, as contained in the Arbitration and Conciliation Act, 1996. This Court is of the view that when a statute envisages an authority, be it an Arbitrator, to do a particular act in a particular manner and in a prescribed time schedule, then the onus is

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upon the said authority/Arbitrator to perform the task entrusted to it within the time schedule prescribed in the statute. The delay, if any, has to be bonafide and explainable. However, in the present petition even after completion of the pleadings, the Arbitrator has closed the proceedings since the time limit for arbitral proceedings to pass an award had elapsed.

8. In view of aforesaid discussions and taking into consideration the attending facts and circumstances of the instant case, after allowing the present petition, the Arbitrator-cum-Divisional Commissioner, Kangra Division at Dharamshala., exercising the powers of Arbitrator under Section 3 of the National Highways Act, 1956 is directed to conclude the arbitral proceedings and to pass the arbitral award in Reference Petition No. 566 of 2022, on or before **13th April, 2027**.

9. The learned Arbitrator-cum-Divisional Commissioner, Kangra Division at Dharamshala, is directed to serve claimant/respondent No.1 through counsel, who was representing him before the said authority and after the service of respondent No.1, he shall proceed in the matter, in accordance with law.

10. The petition stands disposed of in the aforesaid terms.

(Romesh Verma)
Judge

14th October, 2026.
(vt)

High Court of H.P.

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