



**IN THE HIGH COURT OF KARNATAKA AT BENGALURU**

**DATED THIS THE 25<sup>TH</sup> DAY OF JUNE, 2026**

**BEFORE**

**THE HON'BLE MR. JUSTICE PRADEEP SINGH YERUR**

**MISCELLANEOUS FIRST APPEAL NO. 5546 OF 2025 (AA)**

**BETWEEN:**

SRI N PURSHOTHAMAN  
S/O SRI. NAGARAJ  
AGED ABOUT 48 YEARS  
DOOR NO.833, GANESH NIVAS  
8<sup>TH</sup> CROSS, CHAMUNDIPURAM  
LAGGERE  
BENGALURU -560 058

...APPELLANT

(BY SRI. ANDANAPPA GURAPPA BALLOLLI., ADVOCATE)

**AND:**

1. IPSA CREDIT PVT LTD.,  
NO.302, EDEN PARK  
20 VITTAL MALYA ROAD  
BENGALURU -560 001  
REP. BY ITS SENIOR EXECUTIVE  
AND AUTHORIZED REPRESENTATIVE  
SRI. SADANANDA C.V

 Digitally signed  
by  
GAVRIBIDANUR  
SUBRAMANYA  
GUPTA  
SREENATH  
Location: HIGH  
COURT OF  
KARNATAKA



2. SRI. N. RAMU  
S/O. SRI. NAGARAJ, DOOR NO. 833  
GANESH NIVAS, 8<sup>TH</sup> CROSS  
CHAMUNDIPURAM, LAGGERE  
BENGALURU -560 058.
3. SRI.MANJU N. GOUDA, LL.B  
ADVOCATE, SOLE ARBITRATOR  
VICTORY LAW FIRM, NO. 9, 8<sup>TH</sup> CROSS  
VICTORIA LAYOUT  
BENGALURU - 560 058

...RESPONDENTS

(BY MS.YASHASVI S., FOR  
SRI. SURESH V., ADVOCATES FOR R-1;  
NOTICE TO R-2 IS HELD SUFFICIENT V.O.D 23.02.2026;  
NOTICE TO R-3 IS DISPENSES WITH V.O.D 23.02.2026;)

THIS MISCELLANEOUS FIRST APPEAL IS FILED  
U/S.37(1)(C) OF THE ARBITRATION AND CONCILIATION ACT,  
1996, AGAINST THE JUDGMENT DT. 20.07.2023 PASSED IN  
A.S.NO.195/2018 ON THE FILE OF THE LXIV ADDITIONAL CITY  
CIVIL AND SESSIONS JUDGE, CCH-65, BENGALURU,  
DISMISSING THE ARBITRATION SUIT FILED UNDER SECTION  
34(1) OF THE ARBITRATION AND CONCILIATION ACT 1996.

THIS APPEAL, COMING ON FOR ORDERS, THIS DAY,  
JUDGMENT WAS DELIVERED THEREIN AS UNDER:



CORAM: HON'BLE MR. JUSTICE PRADEEP SINGH YERUR

**ORAL JUDGMENT**

Heard learned counsel for the appellant and learned counsel for respondent No.1.

2. This appeal is preferred by the plaintiff in the Arbitration Suit bearing No.195/2018 filed under Section 34 (1) of the Arbitration and Conciliation Act, 1996 (for short 'the Act') challenging the judgment and decree dated 20.07.2023 passed by the Additional City Civil Court & Sessions Judge at Bengaluru.

3. Brief facts of the case are as under:

Respondent No.1, IPSA Credit Private Limited is a registered Finance Company engaged in the business of providing finance for purchase of vehicles and other finance schemes. The appellant approached respondent No.1 seeking financial facility; availed amount of Rs.8,75,000/- for purchase of a vehicle namely Mahindra XUV 500 bearing registration No.KA-04-MK-5247 on execution of the agreement dated 17.03.2012 and agreed to pay 36 monthly instalments of Rs.37,475/- each commencing from 15.03.2012 to 15.02.2015.



Respondent No.2 is the brother of the appellant, who stood as guarantor to the said loan transaction. It is the case of respondent No.1 that they filed a case in Arbitration Petition (IPSA) No.0001/2017 before respondent No.3, who was appointed as a sole Arbitrator by respondent No.1 herein. The notice of arbitration proceedings was not served on the appellant and respondent No.2. Respondent No.3 is stated to have erroneously come to the conclusion that notice was duly served and that respondent No.1 has proved the case and accordingly passed an award of respondent No.1 being entitled to recover Rs.14,62,883/- from the appellant and respondent No.2.

4. It is the vehement contention of learned counsel for the appellant that the arbitral award is unsustainable, erroneous and contrary to facts and the same is liable to be set aside. It is the further contention of learned counsel for the appellant that when no notice was served in the Arbitral proceedings to the appellant as well as to the guarantor, the award ought not have been passed without notifying the appellant and respondent No.2. The documents produced at



Annexures-D1 (b), D1(c) and D1(d) are not admitted as they were not claimed and neither served to the appellant and respondent No.2. It is the vehement contention of learned counsel that the trial Court has not considered these aspects of the notice not being served to the appellant and respondent No.2, who are the alleged borrower and guarantor to the said amount. It is also vehemently contended by learned counsel that there is no specific clause with regard to arbitration as stated in the Arbitral Award, as what is contemplated in the agreement dated 17.03.2012 is, "in case of any dispute or litigation, parties shall submit to the jurisdiction of Courts in the City of Bangalore only and in no other Court".

5. Learned counsel for the appellant contends that when there is no clause of arbitration in the agreement itself, therefore, taking up the said arbitral proceedings and passing an award is illegal and is not sustainable. Hence, the same requires to be set aside and reversed. Several other contentions are taken up with regard to the amount having been partly paid by learned counsel for the appellant. It is contended that the appellant has paid an amount to an extent



of Rs.11,11,825/- and the balance amount is only Rs.3,74,750/-. On these grounds, learned counsel for the appellant seeks to set aside the judgment and award passed by the learned trial judge.

6. *Per contra*, learned counsel appearing for respondent No.1 vehemently contends that the present appeal is not maintainable as the arbitration suit itself came to be dismissed as being barred by the law of limitation. It is contended by learned counsel for respondent No.1 that the arbitration clause provided in the agreement dated 17.03.2012 is culled out in the impugned order at paragraph No.10, which reads as under:

*"10. No doubt, the plaintiff has taken specific contention that, nowhere in the agreement, it is stated about appointment and reference of dispute to arbitrator. However, the loan agreement dated 17.03.2012 reads as under;*

*" That all disputes differences and claims out of the said Hire Purchase Agreement including the dispute in respect of the interpretation, operation or effect of any clause or terms and conditions of the said Agreement shall be settled by Arbitration in accordance with the provisions of Indian Arbitration Act 1940 or any statutory amendment thereof and the said disputes shall be referred to the sole arbitration."*



*Thus, this contentions of the plaintiff holds no water."*

7. It is also contended by learned counsel for respondent No.1 that a certified copy of the postal acknowledgment dated 04.01.2018 is produced at Annexures-D1(j) and D1(k). She contends that this clearly evidences the fact that the service of the award is acknowledged by the appellant on 04.01.2018. Therefore, the appellant is aware and had knowledge of the award as it was served and acknowledged on 04.01.2018. The arbitration suit is filed on 22.07.2018. Therefore, she contends that the arbitration suit filed by the appellant was barred by the law of limitation and relying upon the provisions of Section 34 (3) of the Act, she contends that there is no illegality or perversity in the order passed by the learned trial Judge in the arbitration suit proceedings as the application is not filed within a period of three months and thereafter, the further period of 30 grace days, on showing sufficient cause.

8. Apparently, there is a delay of more than three months and the additional period of 30 days provided under the



proviso to Section 34 (3) of the Act and she contends that the trial Court has rightly dismissed the suit of the appellant, which does not call for interference.

9. I have heard learned counsel for the appellant and learned counsel for respondent No.1.

10. It is relevant to extract Section 34 (1) of the Act and the same reads as under.

*"34. Application for setting aside arbitral award.—(1) Recourse to a Court against an arbitral award may be made only by an application for setting aside such award in accordance with sub-section (2) and sub-section (3).*

11. Section 34 (1) talks about recourse to a Court against an arbitral award made only when the application for setting aside such award in accordance with sub-section (2) and sub-section (3). So any application for setting aside the arbitral award requires to be made under Sections 34 (1) and (2).

12. Further, it is relevant to extract Section 34 (3) and its proviso of the Act and the same reads as:

*"(3) An application for setting aside may not be made after three months have elapsed from the date*



*on which the party making that application had received the arbitral award or, if a request had been made under section 33, from the date on which that request had been disposed of by the arbitral tribunal:*

*Provided that if the Court is satisfied that the applicant was prevented by sufficient cause from making the application within the said period of three months it may entertain the application within a further period of thirty days, but not thereafter."*

13. On careful perusal of Section 34 (3) of the Act, it is apparently clear and not in dispute that any application to set aside an arbitral award requires to be made by the applicant within three months having elapsed from the date on which the party making the application has received the arbitral award.

14. In the present case on hand, the documents are produced and marked as Exs.D1(j) and (k) to show that the arbitral award is said to be served on the appellant-plaintiff on 04.01.2018. Therefore, it is clear that there is a material to show that the arbitral award was served on 04.01.2018. The appellant-plaintiff could have challenged the award three months thereafter and if not, an additional 30 days thereafter, by showing sufficient cause, which would be till May 2018. But the arbitration suit is filed by the appellant on 22.07.2018. Therefore, there is a delay which is beyond 3 months and 30



days as provided under Section 34 (3) and the proviso thereto. Learned trial Judge has considered the same and has come to the conclusion that the suit is filed beyond the statutory period of three months and additional 30 days provided therein. No material is placed to show that the suit is filed within the period of limitation. Solely on this ground, the suit has been dismissed by the learned trial Judge. Hence, I do not find any error in the judgment rendered by the learned trial Judge, as no material is placed before this Court by the appellant to show that he has filed the suit well within the period of limitation i.e. three months from the date of receipt of the award or in addition to 30 days thereafter provided in the proviso to Section 34 (3).

15. Under the circumstances, the arbitration suit having not been filed within the period of limitation, the same is dismissed, which does not call for interference.

16. The appellant has filed I.A.No.1/2025 for condonation of delay of 641 days in filing the appeal herein. As it is the appellant was late in filing the arbitration suit and he has not even bothered to file the appeal on time, there is a delay of 641 days in filing the appeal.



17. Accordingly, I pass the following:

**ORDER**

- i) This appeal is devoid of merit and the same is ***dismissed.***

In view of dismissal of the appeal, I.A.No.1/2025 does not survive for consideration and the same is also not accepted. Accordingly, I.A.No.1/2025 is dismissed.

**Sd/-  
(PRADEEP SINGH YERUR)  
JUDGE**