



CNR: KAHC010502492026

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 3RD DAY OF AUGUST, 2026

PRESENT

THE HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE

AND

THE HON'BLE MRS. JUSTICE K.S. HEMALEKHA

COMMERCIAL APPEAL NO.363 OF 2026

BETWEEN:

1. STATE OF KARNATAKA
REPRESENTED BY ITS
CHIEF SECRETARY TO GOVERNMENT,
ROOM NO.320, 3RD FLOOR,
VIDHANA SOUDHA
BENGALURU - 560001.
2. THE ACS-CUM-DEVELOPMENT
COMMISSIONER, ROOM NO.306
3RD FLOOR, VIDHANA SOUDHA
DR. AMBEDKAR VEEDHI,
BENGALURU - 560001.
3. THE PRL. SECRETARY TO GOVT.,
DEPT. OF RURAL DEVELOPMENT
AND PANCHAYATH RAJ,
GOVERNMENT OF KARNATAKA,
3RD FLOOR, GATE NO.3,
M.S. BUILDING,
BENGALURU - 560001.
4. THE COMMISSIONER,
DEPARTMENT OF RURAL WATER
SUPPLY AND SANITATION,
GOVERNMENT OF KARNATAKA,
2ND FLOOR, KHB COMPLEX,

Digitally signed
by
MAHALAKSHMI
B M
Location: High
Court of
Karnataka



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KAVERI BHAVAN, K.G. ROAD,
BENGALURU - 560009.

5. THE CHIEF ENGINEER,
BANGALORE DIVISION,
DEPARTMENT OF RURAL WATER
SUPPLY AND SANITATION,
GOVERNMENT OF KARNATAKA,
2ND FLOOR, KHB COMPLEX,
KAVERI BHAVAN, K.G. ROAD,
BENGALURU - 560009.
6. THE SUPERINTENDENT ENGINEER,
BANGALORE DIVISION,
DEPARTMENT OF RURAL WATER
SUPPLY AND SANITATION,
GOVERNMENT OF KARNATAKA,
2ND FLOOR, KHB COMPLEX,
KAVERI BHAVAN, K.G. ROAD,
BENGALURU - 560009.
7. THE EXECUTIVE ENGINEER,
DEPARTMENT OF RURAL WATER
SUPPLY AND SANITATION,
GOVERNMENT OF KARNATAKA,
ZILLA PANCHAYATH BUILDING,
LOKIKERE ROAD,
OPP. DOORDARSHAN KENDRA,
DAVANAGERE - 577005.

...APPELLANTS

(BY SRI. ADITHYA VIKRAM BHAT, ADDL.GOVERNMENT ADVOCATE)

AND:

1. SARVODAYA MEMORIAL FOUNDATION ®,
"SARVODAYA SADAN", D.NO.853/7,
2ND MAIN, 6TH CROSS,
SHIVAKUMARASWAMY EXTENSION,
1ST STAGE, DAVANAGERE
REPRESENTED BY ITS
EXECUTIVE ENGINEER,



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H. BASAVARAJ
S/O LATE H. THIMMAPPA,
59 YEARS,
R/O 1ST FLOOR, D.NO.853/7,
2ND MAIN, 6TH CROSS,
SHIVAKUMARASWAMY EXTENSION,
1ST STAGE, DAVANAGERE.

2. THE CHIEF EXECUTIVE OFFICER,
ZILLA PANCHAYATH, LOKIKERE ROAD,
OPP. DOORADARSHANA KENDRA,
DAVANAGERE - 577005.

...RESPONDENTS

THIS COMMERCIAL APPEAL IS FILED UNDER SECTION 13(1A) OF THE COMMERCIAL COURTS ACT, 2015 READ WITH SECTION 37(1)(c) OF THE ARBITRATION AND CONCILIATION ACT, 1996 PRAYING TO SET ASIDE THE JUDGMENT AND DECREE DATED 24.10.2025 PASSED IN COM.O.S.NO.104/2022, DATED 24.10.2025 PASSED BY THE LEARNED PRINCIPAL DISTRICT AND SESSIONS JUDGE AT DAVANAGERE.

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

CORAM: HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE
and
HON'BLE MRS. JUSTICE K.S. HEMALEKHA

ORAL JUDGMENT

(PER: HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE)

1. The State has filed the present appeal impugning the judgment dated 24.10.2025 passed by the Principal District and Sessions Judge, Davanagere in Com. O.S. No.104/2022. In terms of the said order, the learned Commercial Court decreed the suit



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for an amount of ₹30,92,784/- along with future interest at the rate of 14% per annum from the date of the suit till its realisation.

2. Respondent No.1 had instituted the said suit, *inter alia*, stating that it had completed all the assignments as per the Action Plan and had raised bills forming part of the Action Plan, which remained outstanding. The learned Commercial Court, after examining the evidence, found in favour of the respondent (plaintiff) and decreed the suit.

3. The present appeal has been filed with a delay of 210 days. In the application seeking condonation of delay, the appellants state that they received the certified copy of the judgment and decree on 05.11.2025 and the same was communicated to the Zilla Panchayath on 14.11.2025. However, no action was taken thereafter for over a month and a half. Thereafter, it was forwarded to the Executive Engineer (appellant No.4) on 31.12.2025. The said judgment and decree remained pending there for nearly the next two months. It is stated that on 27.02.2026, permission was sought to prefer an appeal or to take necessary action.



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4. The Government Order authorizing the filing of the appeal was passed almost three months thereafter, on 20.05.2026. It is stated that after some discussions, a fresh certified copy of the judgment was applied on 18.06.2026, which was delivered on 20.06.2026. It is stated that certain shortcoming in the documents caused the delay.

5. However, it is evident from the facts narrated above that, there have been delays at every stage, which remain unexplained. It would defeat the very purpose of stipulating a shorter limitation period of 60 days for filing an appeal in respect of commercial disputes. If the explanation provided in the present application is accepted as sufficient cause, it would imply that it prevented the appellant from filing appeal within the stipulated period.

6. In the case of **Government of Maharashtra (Water Resources Department) Represented By Executive Engineer vs. Borse Brothers Engineers & Contractors Pvt. Ltd.**¹, the Hon'ble Supreme Court had observed as under:

¹ 2021 SCC OnLine SC 233



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“53. ...The question still arises as to the application of Section 5 of the Limitation Act to appeals which are governed by a uniform 60-day period of limitation. At one extreme, we have the judgment in N.V. International which does not allow condonation of delay beyond 30 days, and at the other extreme, we have an open-ended provision in which any amount of delay can be condoned, provided sufficient cause is shown. It is between these two extremes that we have to steer a middle course.

58. Given the object sought to be achieved under both the Arbitration Act and the Commercial Courts Act, that is, the speedy resolution of disputes, the expression "sufficient cause" is not elastic enough to cover long delays beyond the period provided by the appeal provision itself. Besides, the expression "sufficient cause" is not itself a loose panacea for the ill pressing negligent and stale claims...

63. Given the aforesaid and the object of speedy disposal sought to be achieved both under the Arbitration Act and the Commercial Courts Act, for appeals under section 37 of the Arbitration Act that are governed by Articles 116 and 117 of the Limitation Act or Section 13(1-A) of the Commercial Courts Act, a delay beyond 90 days, 30 days or 60 days, respectively, is to be condoned by way of exception and not by way of rule..."

7. In view of the above, in matters involving commercial disputes, it is essential that the timelines as stipulated are adhered to. Condoning a delay on the grounds set out in the present application would effectively frustrate the legislative intent to stipulate the time to file an appeal in matters involving commercial disputes.



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8. We are, therefore, unable to hold that sufficient cause has been made out to condone the delay. The application- I.A. No.1/2026 seeking condonation of delay is dismissed. The appeal is dismissed as well.

9. The pending interlocutory application also stands disposed of.

**Sd/-
(VIBHU BAKHRU)
CHIEF JUSTICE**

**Sd/-
(K.S. HEMALEKHA)
JUDGE**

MBM
List No.: 2 SI No.: 21