

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 10TH DAY OF JULY, 2026

PRESENT

THE HON'BLE MRS. JUSTICE ANU SIVARAMAN

AND

THE HON'BLE MR. JUSTICE VENKATESH NAIK T

COMMERCIAL APPEAL NO.493 OF 2022

BETWEEN:

M/S. TEAMLEASE EDTECH LIMITED
A COMPANY REGISTERED UNDER
THE COMPANIES ACT, I OF 1956 AND
HAVING ITS REGISTERED OFFICE
AT 903, WESTERN EDGE II
WESTERN EXPRESS HIGHWAY
BORIVALI (E)
MUMBAI-400 066

REPRESENTED BY ITS AUTHORIZED
REPRESENTATIVE

MR. V. MADHUKAR

...APPELLANT

(BY SRI. KASHYAP N. NAIK, ADVOCATE)

AND:

KARNATAKA STATE OPEN UNIVERSITY
REPRESENTED BY THE REGISTRAR
OFFICE SITUATED BESIDES

Digitally
signed by
PAVITHRA N
Location
High Court of
Karnataka

MANASAGANGOTRI
MYSURU-570 006

...RESPONDENT
(BY SRI. RAJENDRA KUMAR SUNGAY T. P., ADVOCATE)

THIS COMAP IS FILED UNDER SECTION 13(1A) OF THE COMMERCIAL COURTS ACT, 2015 R/W UNDER ORDER 41 RULE 1 R/W SECTION 96 OF THE CPC, PRAYING TO REVERSE THE ORDERS PASSED BY THE II ADDITIONAL DISTRICT AND SESSIONS JUDGE AT MYSORE IN COM.O.S.NO.90/2020 AND DIRECT THE RESPONDENTS TO COMPENSATE THE APPELANT TO THE TUNE OF RS.95,00,822/- (RUPEES NINETY-FIVE LAKHS EIGHT HUNDRED AND TWENTY-TWO ONLY) TOWARDS THE LOSSES FACED DUE TO INFRASTRUCTURE DEVELOPMENT, LOSS OF REPUTATION, MATERIALS CURATED AND NOTICE ISSUED AND ETC.

THIS COMMERCIAL APPEAL HAVING BEEN HEARD AND RESERVED FOR JUDGMENT ON 01.07.2026 AND COMING ON FOR PRONOUNCEMENT OF JUDGMENT THIS DAY, **ANU SIVARAMAN J.**, PRONOUNCED THE FOLLOWING:

CORAM: HON'BLE MRS. JUSTICE ANU SIVARAMAN
and
HON'BLE MR. JUSTICE VENKATESH NAIK T

CAV JUDGMENT**(PER: HON'BLE MRS. JUSTICE ANU SIVARAMAN)**

This Commercial Appeal is preferred against the judgment and decree dated 21.06.2022 passed in Com.O.S.No.90/2020 by the II Additional District and Sessions Judge, Mysuru.

2. The judgment under appeal has been assailed belatedly and an application in IA No.1/2022 is filed seeking condonation of delay of 85 days in filing the appeal. The initial reason stated in the affidavit filed in support of the application seeking condonation of delay was that Schoolguru Edserve Private Limited was acquired by Teamlease Edtech Limited - appellant and as a result, there were certain facts that the appellant was not aware of, as the transaction took place much before the appellant acquired Schoolguru Edserve Private Limited. It was stated that it took some time to procure the documents to overcome the erroneous judgment, which has resulted in 85 days of delay. Statement of objection was filed to this affidavit by the respondent.

3. This Court, on considering the affidavit found that there was no reason whatsoever stated in the affidavit for condoning the delay and on the request of the appellant,

permitted the appellant for filing a better affidavit. The better affidavit came to be filed on 10.04.2024. In the said affidavit also, it is stated that Schoolguru Edserve Private Limited was acquired by the appellant and the records pertaining to O.S.No.90/2020 were originally centralized in a database located in Mumbai, as the proceedings were being handled by a former employee of the Company. It is stated that despite the acquisition, the files remained with Mumbai Offices and due to the ongoing COVID-19 pandemic and the transition to remote work for all non-essential staff, the relevant information for filing the appeal could not be gathered. It is stated that amidst the global turmoil ushered in by the COVID-19 pandemic, the corporate affairs functioning grappled with the resumption of business, and due to the ongoing effects of the COVID-19 pandemic, formidable hurdles were encountered in the endeavor to gather pertinent information within the prescribed timeframe.

4. Statement of objection has been placed on record to this affidavit also by the respondent. It is stated that the impugned order was passed on 21.06.2022 and the appeal was filed on 01.12.2022, that is, after lapse of five months of passing the said order. It is stated that the appellant had not even disclosed the date on which he applied for the certified copy of

the order or any of other relevant dates. Further, it is stated that since 60 days time is specifically provided under the Commercial Courts Act, 2015 for preferring an appeal, no reason whatsoever for the delay has been pointed out in the appeal. It is further submitted that the bald statement that there was COVID-19 pandemic and the post-pandemic issues do not constitute sufficient cause for condonation of delay. It is submitted that there was no COVID-19 pandemic in June, 2022 and the said contention cannot be considered at all. It is therefore submitted that there is no sufficient cause for condonation of delay.

5. Learned counsel appearing for the appellant submits that the appellant has a good case on merits and that the merits of the matter must also be looked into while considering the application for condonation of delay. It is further contended that the appellant will be put to irreparable loss and injury, if the delay is not condoned.

6. Learned counsel for the respondent, on the other hand, submits that question of delay has to be independently considered and that the merits of the matter cannot be considered, unless the delay is condoned.

7. Learned counsel appearing for the respondents places on the decision of the Apex Court in ***State of Maharashtra v. Borse Brothers Engineers & Contractors (P) Ltd.***, reported in ***(2021) 6 SCC 460***, in support of the contention that the delay cannot be condoned in commercial appeal unless sufficient cause is shown to the satisfaction of the Court.

8. Learned counsel appearing for the respondents has also placed reliance on the following decisions of this Court;

- ***L. Vivekananda Vs. Handy 101 Solutions & Service Private Limited***, reported in ***2026 CC OnLine Kar 1911***; and
- ***GK Ispat Private Limited Vs. ABCO Steel International Private Limited***, reported in ***2025 SCC OnLine Kar 20332***.

9. Having considered the contentions advanced, we notice that the appeal is preferred as against the judgment dated 21.06.2022. The date of filing of the appeal is 01.12.2022. No details as to the date on which an application was made for obtaining certified copy and the date of obtaining the certified copy is available in either of the affidavits filed on behalf of the appellant.

10. In the above view of the matter, we notice that apart from stating that the delay was caused by the after effects of COVID-19 pandemic and the remote work environment prevailing on account of the same, no sufficient cause whatsoever has been shown for the delay, which has admittedly occurred in filing the appeal.

11. We notice that the Apex Court in ***Borse Brothers'*** case (supra) has clearly held that delay can be condoned only if sufficient cause is shown. The Apex Court held the following:-

"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 of pressing negligent and stale claims. This Court, in Basawaraj v. LAO [Basawaraj v. LAO, (2013) 14 SCC 81] , has held : (SCC pp. 85-88, paras 9-15)

"9. Sufficient cause is the cause for which the defendant could not be blamed for his absence. The meaning of the word "sufficient" is "adequate" or "enough", inasmuch as may be necessary to answer the purpose intended. Therefore, the word "sufficient" embraces no more than that which provides a platitude, which when the act done suffices

to accomplish the purpose intended in the facts and circumstances existing in a case, duly examined from the viewpoint of a reasonable standard of a cautious man. In this context, "sufficient cause" means that the party should not have acted in a negligent manner or there was a want of bona fide on its part in view of the facts and circumstances of a case or it cannot be alleged that the party has "not acted diligently" or "remained inactive". However, the facts and circumstances of each case must afford sufficient ground to enable the court concerned to exercise discretion for the reason that whenever the court exercises discretion, it has to be exercised judiciously. The applicant must satisfy the court that he was prevented by any "sufficient cause" from prosecuting his case, and unless a satisfactory explanation is furnished, the court should not allow the application for condonation of delay. The court has to examine whether the mistake is bona fide or was merely a device to cover an ulterior purpose.

10. In Arjun Singh v. Mohindra Kumar this Court explained the difference between a "good cause" and a "sufficient cause" and observed that every "sufficient cause" is a good cause and vice versa. However, if any difference exists it can only be that the requirement of good cause is complied with on a lesser degree of proof than that of "sufficient cause".

11. The expression "sufficient cause" should be given a liberal interpretation to ensure that substantial justice is done, but only so long as negligence, inaction or lack of bona fides cannot be imputed to the party concerned,

whether or not sufficient cause has been furnished, can be decided on the facts of a particular case and no straitjacket formula is possible.

*12. It is a settled legal proposition that law of limitation may harshly affect a particular party but it has to be applied with all its rigour when the statute so prescribes. The court has no power to extend the period of limitation on equitable grounds. 'A result flowing from a statutory provision is never an evil. A court has no power to ignore that provision to relieve what it considers a distress resulting from its operation.' The statutory provision may cause hardship or inconvenience to a particular party but the court has no choice but to enforce it giving full effect to the same. The legal maxim *dura lex sed lex* which means "the law is hard but it is the law", stands attracted in such a situation. It has consistently been held that, "inconvenience is not" a decisive factor to be considered while interpreting a statute.*

13. The statute of limitation is founded on public policy, its aim being to secure peace in the community, to suppress fraud and perjury, to quicken diligence and to prevent oppression. It seeks to bury all acts of the past which have not been agitated unexplainably and have from lapse of time become stale. According to Halsbury's Laws of England, Vol. 28, Para 605 p. 266:

'605. Policy of the Limitation Acts.—The courts have expressed at least three differing reasons supporting the existence of statutes of limitation, namely, (1) that long dormant claims have more of cruelty than justice in them, (2) that a defendant might have lost the evidence to

disprove a stale claim, and (3) that persons with good causes of actions should pursue them with reasonable diligence.'

An unlimited limitation would lead to a sense of insecurity and uncertainty, and therefore, limitation prevents disturbance or deprivation of what may have been acquired in equity and justice by long enjoyment or what may have been lost by a party's own inaction, negligence or laches.

14. In P. Ramachandra Rao v. State of Karnataka this Court held that judicially engrafting principles of limitation amounts to legislating and would fly in the face of law laid down by the Constitution Bench in Abdul Rehman Antulay v. R.S. Nayak .

15. The law on the issue can be summarised to the effect that where a case has been presented in the court beyond limitation, the applicant has to explain the court as to what was the "sufficient cause" which means an adequate and enough reason which prevented him to approach the court within limitation. In case a party is found to be negligent, or for want of bona fide on his part in the facts and circumstances of the case, or found to have not acted diligently or remained inactive, there cannot be a justified ground to condone the delay. No court could be justified in condoning such an inordinate delay by imposing any condition whatsoever. The application is to be decided only within the parameters laid down by this Court in regard to the condonation of delay. In case there was no sufficient cause to prevent a litigant to approach the court on time condoning the delay without any justification, putting any

condition whatsoever, amounts to passing an order in violation of the statutory provisions and it tantamounts to showing utter disregard to the legislature."

(Emphasis supplied)

Further, it has been held in paragraph No.63 as under:

"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 filed 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. In a fit case in which a party has otherwise acted bona fide and not in a negligent manner, a short delay beyond such period can, in the discretion of the court, be condoned, always bearing in mind that the other side of the picture is that the opposite party may have acquired both in equity and justice, what may now be lost by the first party's inaction, negligence or laches."*

12. Therefore, in the said case, delay of 131 days, 75 days and 227 days arising in filing the appeals after the period of 60 days was refused to be condoned. In the instant case, the reading of the first affidavit would show that apart from stating that there was an acquisition of the original Company by another Company, no reason whatsoever was stated for the delay in filing

the affidavit. In the second affidavit also, all that is stated is that the post-COVID scenario made it difficult for the appellant to obtain the materials necessary for filing of the appeal.

13. Keeping in mind the enunciation of law laid down by the Apex Court and taking note of the affidavits filed by the appellant, where according to us, no cause, much less sufficient cause has been shown for condonation of delay, we are of the opinion that the delay of 85 days in filing the appeal is not liable to be condoned.

The delay application in IA No.1/2022 is therefore ***dismissed***. The appeal is also ***dismissed***.

**Sd/-
(ANU SIVARAMAN)
JUDGE**

**Sd/-
(VENKATESH NAIK T)
JUDGE**

PN