

**The words 'sufficient cause' used u/s 5 of the Limitation Act should not be unduly elastic in terms of stringent provisions of the Commercial Courts Act, 2015**

The Karnataka High Court in the case of **C. Krishnaiah Chetty and Sons Pvt Ltd. vs Deepali Co. Pvt Ltd. [ Commercial Appeal No. 161 of 2023]** dated June 02, 2025, has held that the strict procedure provided in terms of the Commercial Courts Act, 2015, the timeline specified therein, are mandatory in nature and bound to be followed by the litigant. Thus, failing to comply with the statutory timelines and strict procedure would result in adverse order on account of lack of bona fide/bordering negligence on the party seeking relief at the hands of the Court.

The High Court referred the decision of the Apex Court in the case of *Government of Maharashtra (Water Resources Department) vs. Borse Brothers Engineers and Construction [(2021) 6 SCC 460]*, where it was held that “*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. 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 Apex Court in the case of *Government of Maharashtra (Water Resources Department) vs. Borse Brothers Engineers and Construction*, further held that given 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.

Again, the Apex Court in the case of *Jharkhand Urja Utpadan Nigam Limited vs Bharat Heavy Electricals Limited [Special Leave to Appeal Civil (C) No.9580/2025 dated April 15, 2025]*, has held that “*one of the avowed objects of the provisions of the Commercial Courts Act read with amended provisions of CPC applicable to the Commercial Courts is to ensure that there is no unnecessary delay in disposal of the commercial suit. Once specific timelines are fixed and there is a strict procedure provided in terms of the Commercial Courts Act, parties are by the statute put to notice that they have to very carefully contest the suits filed as commercial suits and that failing to comply with statutory timelines and a strict procedure, certain adverse consequences may flow on account of lack of application by a contesting party*”.

The High Court therefore observed that the explanation offered by the appellant that it was awaiting the outcome of the application in the proceedings instituted before the NCLAT is only a ploy to overcome the delay of 366 days, and hence, the conduct of the appellant lacks bona fides and the same borders on negligence. The Court also observed that the words ‘sufficient cause’ used under Section 5 of the Limitation Act should not be unduly elastic in terms of stringent provisions of the Commercial Courts Act, 2015, so far as the statutory timeline is fixed. The Court, therefore, dismissed the application seeking condonation of inordinate delay of 366 days in filing the present appeal.