

KABC170036292025



**IN THE COURT OF LXXXII ADDL.CITY CIVIL &
SESSIONS JUDGE, COMMERCIAL COURT,
BENGALURU (CCH-83)**

**PRESENT: SRI. VIDYADHAR SHIRAHATTI, LL.M.,
LXXXII ADDL.CITY CIVIL & SESSIONS JUDGE,
BENGALURU.**

Com.A.A.No.478/2025

Dated on this 06th Day of March 2026

**Applicant M/s Hello Verify India
Private Limited, A
company incorporated
under the Companies Act,
2013, having its
registered office at UG-7,
Suneja Tower-1, District
Centre, Janak Puri, New
Delhi, 110058,
represented by its
authorized representative,
Mr. Himanshu Dawra.**

**(By Sri. Lomesh Kiran.N -
Advocate)**

//versus//

Respondent M/s Happiest Minds

Technologies Ltd. A company incorporated under the Companies Act, 1956, having its registered office at 53/1-4, Hosur Main Road, Madivala (Next to Madivala Police station) Bangalore, Karnataka – 560068, represented by its director, Mr. Ashok Soota

(By Sri. Uday Shankar.R - Advocate)

ORDERS

This Petition is filed by the Applicants under Section 29-A (5) of the Arbitration & Conciliation Act, 1996 read with Section 10 (3) of Commercial Courts Act, 2015, praying to extend the time period for pronouncement/publication of the arbitral award in A.C. No. 399/2022 between the Applicant and the Respondent by period of 4 months from the date of filing the present application or by a period of 2 months from the date of passing an order by his court.

2. The Brief facts as narrated in the Petition are as under:-

The Applicant and the Respondent entered into a Software License Agreement on 12.06.2018 for licensing the Happiest Minds Software for the Applicant's business use, which contained an arbitration clause (Clause 13.5). Disputes were referred to arbitration before Justice N. Kumar under the Arbitration and Conciliation Centre, Bengaluru in A.C. No. 399/2022. Pleadings were completed on 09.12.2023, issues were framed on 13.12.2023, evidence affidavits were filed, cross-examination was conducted, final arguments were heard, and the matter was reserved for award on 30.01.2025. Under Section 29A of the Arbitration and Conciliation Act, 1996, 12-month statutory period for passing the award expired on 09.12.2024 and stood extended by six months, making the mandate of the tribunal valid until 09.06.2025. The parties had completed the proceedings within the prescribed timeline and the matter had already been reserved for award. The Applicant had been diligent in pursuing the arbitration. However, due to internal changes and the exit of the legal officer Mr. Himanshu Dawra in April 2025, it was not known that the time period for making the arbitral award had expired. Mr. Dawra

rejoined on 03.11.2025 and was informed by the Arbitration Centre on 06.11.2025 regarding extension of the mandate of the tribunal. The Applicant thereafter sought legal advice, cleared pending payments to counsel, and instructed its counsel in Bangalore to prepare the present application, which also took time for review and dispatch from Delhi-NCR. The delay in filing the application occurred due to administrative and internal issues and was inadvertent. The Applicant submits that serious prejudice would be caused if extension of time is not granted, particularly as only the Applicant has a claim before the Sole Arbitrator and no counterclaim has been filed. The award is to be passed by a senior retired High Court Judge appointed by the Hon'ble High Court of Karnataka. Under Section 29A(4) of the Act, this Hon'ble Court has the power to extend the period for making the award before or after expiry of the mandate. The Applicant therefore seeks an extension of four months from the date of filing the application or two months from the date of the Court's order, whichever is later, to enable the tribunal to pronounce the award, as the proceedings

have been completed and no prejudice will be caused to either party. Hence, this petition.

3. Respondent has filed objections stating that, the application is not maintainable in law or in fact and is liable to be dismissed as the manner in which the relief has been sought is not in accordance with law. The application seeks extension of time for a period of 4 months from the date of filing of the present petition, which would only be maintainable if the petition had been preferred when the mandate was still subsisting. As the mandate in the arbitral proceedings had already expired prior to the presentation of the present petition, the relief sought by the Applicant is neither valid nor in accordance with law and the application is liable to be dismissed on this ground alone. The arbitration proceedings have been fraught with delays from very inception. The Applicant issued notice under Section 21 of the Arbitration and Conciliation Act, 1996 on 23.01.2020 and thereafter preferred a petition under Section 11 in CMP No. 237/2020 only on 01.12.2020. The said CMP was allowed on 21.06.2022. The Karnataka Arbitration Centre issued notice on 06.09.2022

directing the Applicant to file its statement of claim on or before 06.10.2022. However the Applicant filed its claim statement only on 26.07.2023, after a delay of 9 months and 20 days. The Respondent filed its statement of objections on 09.12.2023 and the pleadings were completed on the same date. As per Section 29A, the Tribunal had 12 months from the completion of pleadings to pass an award and the period expired on 09.12.2024. The parties could extend the mandate by consent for a further 6 months till 09.06.2025. Despite this, the Applicant filed the present application for extension only on 22.11.2025 after a delay of 5 months and 12 days, demonstrating that the Applicant has not prosecuted the proceedings in a diligent manner. Section 29A requires sufficient cause to be shown for extension of mandate. However, the present application does not demonstrate any sufficient cause. The only reason stated is that Mr. Himanshu Dawra resigned after the proceedings were reserved for award and rejoined later and received a call from the Tribunal regarding extension of mandate. This cannot be construed as sufficient cause. The Applicant was also represented by its Managing Director Mr. Karan Mirchandani who

was examined as CW-1 and therefore it cannot be stated that only Mr. Dawra was aware of the proceedings. Further, the claim regarding resignation and rejoining of Mr. Dawra is unsupported by any material documents. Therefore, it becomes clear that the Applicant has dragged its feet and has not made out sufficient grounds for the application. The arbitral proceedings were brought with delays attributable solely to the Applicant, who has not explained such delays and has merely sought extension without proper explanation. The Applicant is guilty of laches and no cogent explanation has been provided for the delay in filing the present application under Section 29A. Even if the Court were to allow the application, the Respondent ought not to be saddled with interest for the period of delay caused by the Applicant from the filing of the claim statement, during the arbitral proceedings and till the filing of the present application. The Respondent reserves the right to urge the same before the Hon'ble Arbitrator. The Applicant has failed to plead the delays in a bona fide manner and the present application lacks bona fides and is liable to be dismissed.

4. I have scrutinized records and heard the arguments of the learned counsel for Applicants and Respondent.

5. Based on the contentions of the respective parties, submissions made by the learned Advocate for the Respondent, I formulate the following Points for my consideration:-

(1) Whether there are sufficient cause to extend time/period to conclude the Arbitration Proceedings ?

(2) What Order ?

6. My findings are as follows:-

Point No. 1 : - In the Affirmative.

Point No. 2 : - As per my final orders for the following reasons.

REASONS

7. Point No. 1: - In order to decide this Petition, it is important to take note of certain provisions of the Arbitration and Conciliation Act, 1996 which are as under:-

"2. Definitions:

(1) In this Part, unless the context otherwise requires, --

XXXX XXXX XXXX

(e) "Court" means -

(i) in the case of an arbitration other than international commercial arbitration, the principal Civil Court of original jurisdiction in a district, and includes the High Court in exercise of its ordinary original civil jurisdiction, having jurisdiction to decide the questions forming the subject-matter of the arbitration if the same had been the subject-matter of a suit, but does not include any Civil Court of a grade inferior to such principal Civil Court, or any Court of Small Causes;

(ii) in the case of international commercial arbitration, the High Court in exercise of its ordinary original civil jurisdiction, having jurisdiction to decide the questions forming the subject-matter of the arbitration if the same had been the subject-matter of a suit, and in other cases, a High Court having jurisdiction to hear appeals from decrees of courts subordinate to that High Court;

XXXX XXXX XXXX

29A. Time limit for arbitral award.-

(3) The parties may, by consent, extend the period specified in sub-Section (1) for making award for a further period not exceeding six months.

(4) If the award is not made within the period specified in sub-Section (1) or the extended period specified under sub-Section (3), the mandate of the Arbitrator(s) shall terminate unless the Court has, either prior to or after the expiry of the period so specified, extended the period:

Provided that while extending the period under this sub-Section , if the Court finds that the proceedings have been delayed for the reasons attributable to the arbitral tribunal, then, it may order reduction of fees of Arbitrator(s) by not exceeding five per cent for each month of such delay.

(5) The extension of period referred to in sub-Section (4) may be on the application of any of the parties and may be granted only for sufficient cause and on such terms and conditions as may be imposed by the Court.

(6) While extending the period referred to in sub-Section (4), it shall be open to the Court to substitute one or all of the arbitrators and if one or all of the arbitrators are substituted, the arbitral proceedings shall continue from the stage already reached and on the basis

of the evidence and material already on record, and the Arbitrator(s) appointed under this Section shall be deemed to have received the said evidence and material.

(7) In the event of Arbitrator(s) being appointed under this Section , the arbitral tribunal thus reconstituted shall be deemed to be in continuation of the previously appointed arbitral tribunal.”

8. Section 29-A (4) came to be inserted in the Statute by the Amending Act 3 of 2016 with effect from 23.10.2015. The Section has been extracted above. Perusal of the Section indicates that it provides for timelines within which the Award has to be made, including the timeline up to which the Tribunal can extend the mandate with the consent of the parties. The power of the Court to extend the mandate has no timelines, as is clear from reading the relevant provision.

9. Sub-Section (1) of Section 29-A provides a time limit of 12 months within which the Award shall be made. Prior to the Amendment, the starting point of the 12 months was the date when the Arbitral Tribunal entered upon reference, but post

Amendment, the commencement date is when the pleadings before the Arbitral Tribunal are completed. Sub-Section (3) enables the Arbitral Tribunal to extend the period of 12 months by a further period of six months, with the consent of the parties. Sub-Section (4) of Section 29-A provides that if the Award is not made within the statutory period of 12 months or the extended period under sub-Section (3), the mandate of the Arbitrator shall terminate, unless the Court, either prior thereto or after the expiry of the period, extends the mandate. The extension, of course, would be granted on an application by any of the parties, but only for sufficient cause and on such terms and conditions as may be imposed by the Court and this is so stipulated in sub-Section (5) of Section 29-A.

10. Power to extend the mandate of an Arbitrator under [Section 29-A\(4\)](#), beyond the period of 12 months and further extended period of six months only lies with the Court. This power can be exercised either before the period has expired or even after the period is over. Neither the Arbitrator can grant this extension and nor can the parties by

their mutual consent extend the period beyond 18 months.

11. I relied upon decision of Hon'ble Supreme Court in ***Spl. Leave Appeal (c) no.10544/2024 in between Chief Engineer (NH)PWD (Roads) v/s M/s.BSC & C and C JV***, where in Hon'ble Supreme Court held that:

"The power under sub-sec.(4) of sec.29A of the Arbitration Act vests in the court as defined in section 2(1)(e) of the Arbitration Act. It is the principal civil court of original jurisdiction in a district which includes a High Court provided the High Court has ordinary original civil jurisdiction.

In this case, the High Court does not have the ordinary original civil jurisdiction. The power under sub-section(6) of sec.29A is only a consequential power vesting in the Court which is empowered to extend the time. If the Court finds that the cause of delay is one or all of the arbitrators, while extending the time, the court has power to replace and substitute the Arbitrator(s). The said power has to be exercised by the Court which is empowered to extend the time as provided in sub-sec(4) of sec.29A of the Arbitration Act"

In view of the above decision, this Court has empowered to extend the time as provided in sub sec.4 of the U/s.29A of Arbitration and Conciliation Act 1996.

12. Due to the objections raised by the Respondent, the proceedings are not completed well within the time. Hence, the Court is having a power to extend the period as Judgment relied above and there is specific provision mentioned in supra. The Respondent himself has liable to delay the proceedings, Therefore, it is deserved to be allowed.

13. In this case the Arbitration Proceedings could not be completed due to complexity of the case as mentioned in the petition to allow this petition. The said reasons mentioned in the Petition have to be accepted and the said reasons are sufficient cause to extend the time under Section 29-A of the Arbitration & Conciliation Act. Hence, I answer this Point in **'Affirmative'**.

14. Point No. 2 :- Therefore, I proceed to pass the following.

ORDER

The Petition filed under Section 29-A(5) of Arbitration and Conciliation Act 1996, read with section 10 (3) of Commercial Court Act, 2015 is hereby allowed.

The mandate of the Arbitral Tribunal is extended by a period of 02 months from the date of this order.

Both parties shall bear their respective costs.

The copy of this Order shall be issued to the Petitioner and Respondent through E-mail as required under Order XX Rule 1 of the

***Civil Procedure Code as
amended under Section 16 of
the Commercial Courts Act.***

(Dictated to the Judgment Writer, transcribed by him,
verified and pronounced in the open court on **06th day of
March 2026**)

**(VIDYADHAR SHIRAHATTI),
LXXXII Addl. City Civil & Sessions Judge,
Bengaluru.**