IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 13.06.2024

CORAM

THE HONOURABLE MR.JUSTICE M.NIRMAL KUMAR

C.R.P.No.1113 of 2024

M/s.Punjab National Bank,
Rep. by its Chief Manager,
Circle SASTRA Centre, Chennai,
769, Spencer Plaza,
2nd Floor, Anna Salai,
Chennai – 600 014. ... Petitioner

Vs.

1.M/s.Sri Revathy Mahal & Bharani Mahal,
Rep. by its Proprietor Mrs.P.L.Jayasree,
W/.o. Mr.G.R.Umanathan,
No.68, Sri Perumbudur High Road,
Manavala Nagar,
Thiruvallur – 600 002.

2.P.L.Jayasree
3.G.R.Umanathan ... Respondents

PRAYER: Civil Revision Petition filed under Article 227 of the Constitution of India to set aside the Docket Order dated 19.01.2024 passed by the learned Principal District Judge, Thiruvallur in Unnumbered O.S.S.R.No.6567 of 2023 [CNR No.TNTR01005944023].

For Petitioner : Mr.B.S.Sundaramoorthi

ORDER

The petitioner/Punjab National Bank through its Chief Manager, Circle SASTRA Centre, Chennai filed a civil suit against the respondents before the learned Principal District Judge, Thiruvallur in O.S.S.R.No.6567 of 2023 which was returned by the Lower Court by raising question as to how the suit is instituted as an ordinary suit instead of commercial suit as per Section 2(c) of Commercial Courts Act. The petitioner represented the same stating that for housing loan and educational loan, suit will not be entertained in Commercial Courts. This was not acceptable to the Court below and again, the Trial Court returned the papers. Against which, the present civil revision petition is filed.

2.The contention of the learned counsel for the petitioner is that the Trial Court is erred in coming to the conclusion that as per Section 2(c) of Commercial Courts Act, “commercial dispute means a dispute arising out of ordinary transactions of merchants, banks, financiers and traders, including enforcement and interpretation of such documents. In this case, the respondent availed housing loan from United Bank of India, Thiruvallur

Branch which got merged with Punjab National Bank by way Notification No.G.S.R.153(#) dated 04.03.2020. Thereafter, the respondent failed to repay the loan amount and a sum of Rs.8,24,065/- and Rs.6,51,952/- together with interest to be paid by the respondent. Hence, the suit was filed seeking direction to recover the loan amount. He would submit that it is a housing loan and not a commercial loan, hence it cannot be termed as a commercial dispute. He further submitted that similarly four other suits have been filed by the petitioner against the defaulters seeking recovery of loan of which two suits pertains to Housing loan and other two pertains to Educational loan defaulters but the same were returned and the particulars of the suits are as follows:

1) O.S.S.R.No.33 of 2024 dated 06.01.2024 [CNR.No.TNTR010002322024] suit claim of Rs.12,62,849/-
2) O.S.S.R.No.2113 of 2023 dated 22.08.2023 [CNR.No.TNTR010063352023] suit claim of Rs.11,11,594.72/-
3) O.S.S.R.No.1901 of 2023 dated 31.07.2023 [CNR.No.TNTR010056552023] suit claim of Rs.16,20,563/-

4) O.S.S.R.No.2546 of 2023 dated 18.10.2023 [CNR.No.TNTR010081262023] suit claim of Rs.11,28,875.28/-

3.From the perusal of the records, it is seen that the learned Principal District Judge, Thiruvallur had rightly referred to Section 2(c) of Commercial Courts Act and returned the papers. In this case, admittedly the petitioner/Punjab National Bank is a Bank which had granted housing loan, the loanees who became defaulter failed to repay the loan and their account classified as Non-performance Account [NPA]. A bare reading of Section 2(c) of Commercial Courts Act would make it clear that "commercial dispute means a dispute arising out of ordinary transactions of merchants, banks, financiers and traders, including enforcement and interpretation of such documents. In this case, the petitioner is a Bank and its ordinary transaction/business is accepting deposits and giving loans. There is no exclusion of housing loan or education loan in the Act. All disputes arising out of ordinary transactions of the Bank would come under commercial disputes and hence, as per Section 2(c) of Commercial Courts Act, the suit is to be filed before the Commercial Court. Further, the Apex Court in the case of ***SCG Contracs (India) Private Limited vs. K.S.Chamankar Infrastructure Private Limited and others*** reported in ***[2019] 12 SCC 210***, held that circumventing mandatory provisions is impermissible. In view of Section 2(c)(i) of Commercial Courts Act, the petitioner being a Banker has to necessarily file a commercial suit. Hence, this Court direct the petitioner to present the returned O.S.S.R.No.6567 of 2023 as well as the other housing and educational loan default cases in O.S.S.R.No.1901 of 2023, O.S.S.R.No.2113 of 2023, O.S.S.R.No.2546 of 2023 and O.S.S.R.No.33 of 2024 before the jurisdictional Commercial Court, who shall number the suits, if it is otherwise in order and dispose t he suits in accordance with Commercial Court Act.

4.Accordingly, the civil revision petition stands dismissed. No costs.

13.06.2024

Index : Yes/No
Speaking Order/Non Speaking Order
Neutral Citation: Yes/No

cse

M.NIRMAL KUMAR, J.

cse

To

The Principal District Judge,
Thiruvallur.

C.R.P.No.1113 of 2024

13.06.2024