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CRP(PD).No.888 of 2025



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 05.03.2025

CORAM

THE HONOURABLE Ms. JUSTICE P.T. ASHA

CRP.(PD).No.888 of 2025

and

CMP.No.5173 of 2025

1.Global Finsol Private Limited
(Previously -Team Life Case Company (India) Pvt. Ltd.
Rep. by its Managing Director,
No:4-A, Sri Ayyapa Arcade,
Pampa Layout, Kempura, Hebbal,
Bengaluru, Karnataka – 560024

2.M.N.Jahanath

... Petitioners

Vs.

Sri Ragava Exporters,
Rep. by its Proprietor
C.Hemanathan
S/o. P.Chinnasamy,
No: 32, Kulathur, Mukasi
Anumanpalli Village & Post,
Modakurichi Taluk,
Erode District- 638101

... Respondent

Prayer:- Civil Revision Petition is filed under Article 227 of the



Constitution of India to set aside the Fair and Decreetal order dated 11.11.2024 made in IA.No.9 of 2024 in COS.No.6 of 2022 on the file of the Principal Subordinate Judge, Erode.

For Petitioner : M/s.Abinaya Raj

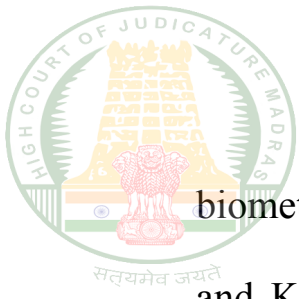
ORDER

Challenging the dismissal of their application for rejecting the plaint, the defendants are before this Court.

2. The short facts are as follows:-

3. The respondent/plaintiff had filed a suit COS.No.6 of 2022 on the file of the Principal Sub Judge, Erode for recovery of a sum of Rs.13,60,174/- with future interest at the rate of 18% per annum from the date of the suit till the date of payment.

4. The respondent/plaintiff would contend that they had entered into a contract with the defendants for biometric enrollment that is to perform the field work of generating UID numbers which is otherwise called as "AADHAR". The defendants were entrusted with the



biometric enrollment work for certain areas in the State of Tamilnadu and Karnataka. The plaintiff supplied the manpower and performed the biometric enrollment field work.

5. The plaintiff would submit that they had made the following enrollments-

i. 37,337 enrollments in Tamilnadu under the Registrar-Bank of Baroda;

ii. 1,70,775 enrollments in Bellary under the Registrar-Department of Posts;

iii. 16,766 enrollments in Bellary under the Registrar-Bank of Baroda.

6. According to the terms of the agreement, the defendants were liable to pay a sum of Rs.54,03,078.50/-. As against the aforesaid claim, the defendants had paid a total sum of Rs.40,42,904/- leaving the balance of Rs.13,60,174/-.

7. The plaintiff would submit that the defendants had received



the payments from their Registrar, namely, Bank of Baroda and Department of Post. However, the defendants had not paid the amount to the plaintiff despite several requests. Therefore, the plaintiff was constrained to file the above suit.

8. A written statement came to be filed denying the claim of the petitioner/plaintiff. The defendants had raised the plea that there was no cause of action for the suit and that it was barred by limitation. That apart, they had also contended that the 1st defendant/company has its registered office at Bangalore and the 2nd defendant its Managing Director is only operating from that office and does not have any office within the legal jurisdiction of the I Additional and District Court, Erode. Therefore, they had also questioned jurisdiction. They would further contend that the quality of work discharged by the plaintiff was not up to the mark and as a result of which the defendants had suffered a loss of reputation and also monetary loss as the Registrar who had engaged the services of the defendants had rejected the work on account of its poor quality, failed to release the payment and imposed high penalty. In short the defendants denied the



claim of the plaintiff.

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9. After the suit was posted for adducing evidence on the side of the defendants, the defendants had come forward with the application in IA.No..9 of 2024 for rejecting the plaint.

10. The grounds for rejecting the plaint are as follows:-

(i) Pre-institutional mediation and settlement proceedings which are mandatory have not been followed.

(ii) In the middle of the proceedings, changing the nature of the suit from a money suit to a commercial court suit cannot be permitted.

11. A counter was filed stating that none of the reasons stated in the affidavit filed in support of the petition would consist a ground for rejecting the plaint.

12. The learned Trial Judge after considering the arguments on both sides dismissed the said application on the ground that Section 15 of the Commercial Courts Act which deal with transfer of pending



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cases clearly states that where a suit is transferred to the Commercial Court under Sub Section 1 of Sub Section 2, the provisions of the Act shall apply to those procedures that were not completed at the time of the transfer. This means that the suit would be taken up by the Commercial Court at the stage at which it was when the suit was transferred. Therefore, the contention of the petitioners/defendants that a pre-institutional mediation and settlement proceedings were not followed and in the middle of the suit proceedings, the nature of the suit cannot be changed from money suit to a suit under commercial courts act would not apply to the case on hand as it was at the stage of chief examination of P.W.1 at the time of transfer. Challenging the same, the petitioners are before this Court.

13. Heard the counsel for the petitioners and perused the records.

14. The two grounds on which the defendants seek to reject the plaint are:-

(i) Pre-institutional mediation and settlement proceedings which



are mandatory have not been followed.

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(ii) In the middle of the suit proceedings, the nature of the suit cannot be changed from money suit to a suit under Commercial Courts Act.

15. As held by the learned Principal Subordinate Judge, Erode Section 15(3) of the Commercial Court Act stipulates that when a transfer of suit takes place the suit would be commenced from the stage at which it was before the transferor Court. In the case on hand, the suit was transferred to the present Court at the time when P.W.1 was to be examined. It is also seen that earlier the petitioners herein had filed I.A.No.242 of 2021 to reject the plaint, when the matter was originally pending before the I Additional District Court, Erode and that application was dismissed on merits on 04.03.2022.

16. Therefore, in the light of Section 15(3) of the Commercial Courts Act the grounds raised by the petitioners to reject the plaint cannot be sustained. Further, the petitioners have not made out any ground for rejecting the plaint. Under provisions of Order 7 Rule 11 of the CPC, the plaint can be rejected on the following grounds:-



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(a) where it does not disclose a cause of action;

(b) where the relief claimed is undervalued, and the plaintiff, on being required by the Court to correct the valuation within a time to be fixed by the Court, fails to do so;

(c) where the relief claimed is properly valued, but the plaint is returned upon paper insufficiently stamped, and the plaintiff, on being required by the Court to supply the requisite stamp-paper within a time to be fixed by the Court, fails to do so;

(d) where the suit appears from the statement in the plaint to be barred by any law;

(e) where it is not filed in duplicate;

(f) where the plaintiff fails to comply with the provisions of rule 9:]

17. None of the above reasons are found in the affidavit filed for rejecting the plaint. Therefore, the learned Subordinate Judge, Erode has rightly dismissed the application filed by the petitioners and I see



no reason to interfere with the same.

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18. Accordingly, the Civil Revision Petition stands dismissed.

No Costs. Consequently, the connected Miscellaneous Petition is closed.

05.03.2025

(shr)

Index : Yes/No

Speaking Order: Yes/No

Neutral Citation : Yes/No

To

1.The Principal Subordinate Judge, Erode.

P.T. ASHA. J.,



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