



CRP. Nos.2492 & 2506 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

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Reserved on:16.07.2025

Pronounced on:19.09.2025

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THE HONOURABLE MR.JUSTICE P.B.BALAJI

**CRP. Nos.2492 & 2506 of 2025
and CMP. Nos.14294 & 14344 of 2025**

CRP. No.2492 of 2025

R.Radha Ramalingam

Petitioner

Vs

MadhanRaj Hindu Undivided Family,
Rep. By its Kartha Madhan Raj,
S/o.K.Ramalingam

Respondent

CRP. No.2506 of 2025

1.R.Radha (HUF)
2.Radha Ramalingam
3.R.Savithri

Petitioner

Vs

B.Niranjani

Respondent

COMMON PRAYER: These Civil Revision Petitions are filed under Article 227 of the Constitution of India, to set aside the Order and Decretal Order dated 02.01.2025 made in I.A. No.7 of 2024 in C.O.S. No.9 of 2022 & I.A. No.4 of 2024 in C.O.S. No.10 of 2023 on the file of the Commercial District Court, Salem.



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For Petitioners : Mr.N.Jothi,
Senior Counsel for
Mr.S.Vinod in both CRPs

For Respondent : Mr.Arun Anbumani for
Mr.M.Guruprasad

COMMON ORDER

These Civil Revision Petitions have been filed to set aside the Order and Decretal Order dated 02.01.2025 made in I.A. No.7 of 2024 in C.O.S. No.9 of 2022 & I.A. No.4 of 2024 in C.O.S. No.10 of 2023 on the file of the Commercial District Court, Salem.

2. These revisions have been filed challenging the dismissal of Interlocutory Applications filed by the revision petitioners, being defendants in two Commercial Suits, seeking rejection of the plaint.

3. Heard Mr.N.Jothi, learned Senior Counsel for Mr.S.Vinod, learned counsel for the petitioners and Mr.Arun Anbumani, learned counsel for Mr.N.Guruprasad, learned counsel for the respondent.



4. The arguments of the learned Senior Counsel Mr.N.Jothi, can be

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summarized as hereunder:

(i) The suit claim is for recovery of money based on promissory note and the same does not fall within any of the 22 categories enumerated under Section 2(1)(c) of the Commercial Courts Act, 2015 (in short 'Act').

(ii) The promissory note can never be a commercial dispute, entitling the respondent to move the Commercial Court.

(iii) Neither the cause of action nor the averments and allegations of the plaint, vest jurisdiction with the Commercial Court.

(iv) The plaintiff has failed to fulfill the requirements of the Tamil Nadu Money Lenders Act, 1957.

(iv) Even on the ground of non-compliance of Section 12 (A) of the Commercial Courts Act, the plaints are liable to be rejected.

(v) The Commercial Court has not appreciated the various decisions that had been relied on in support of the Application to reject the plaint.

(vi) The plaintiffs having instituted the suit as well as proceedings



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under the Negotiable Instruments Act, 1881 before the learned Magistrate

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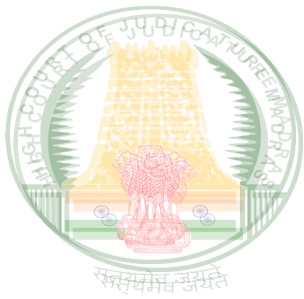
Court, cannot have the benefit of two parallel proceedings.

5. The learned Senior Counsel Mr.N.Jothi, in order to substantiate the above summarized arguments would state that in order to attract the jurisdiction of the Commercial Court, the documents should fall within the definition of “mercantile document”. He would contend that a promissory note, which is only a negotiable instrument cannot be styled as a “mercantile document”. Though he would fairly submit that “mercantile document” is not defined in any of the enactments including the Commercial Courts Act, 2015, the Indian Contract Act, 1872, he would however draw my attention to Section 137 of the Transfer of Property Act, which is extracted for easy reference:-

137. Saving of negotiable instruments, etc.—

Nothing in the foregoing sections of this Chapter applies to stocks, shares or debentures, or to instruments which are for the time being, by law or custom, negotiable, or to any mercantile document of title to goods.

Explanation.—The expression “mercantile document of title to goods” includes a bill of lading, dock-warrant, warehouse-keeper’s certificate, railway receipt, warrant or order for the delivery of goods, and any other document used in the ordinary course of business as proof of the possession or control of goods, or authorising or purporting to authorise, either by endorsement or



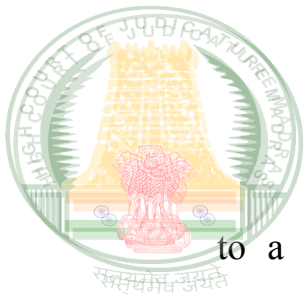
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by delivery, the possessor of the document to transfer or receive goods thereby represented.

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6. Relying on the above explanation, the learned Senior Counsel would state that the promissory note is therefore not covered under the expression 'mercantile document'. The learned Senior Counsel also fairly states that two suits between the connected parties, which was originally disposed by this Court in (CAD) Nos.12 and 13 of 2023, arising out of the decree in C.O.S. No.s 25 and 26 of 2022, on the file of the Commercial Court, Salem, were only tried as commercial disputes. However, it is the contention of the learned Senior Counsel that the said plea of whether a promissory note can be brought within a "commercial dispute" was never argued and tested by the Hon'ble Division Bench and therefore, he would state that the adverse orders passed against the revision petitioners by the Hon'ble Division Bench cannot take away the right of the revision petitioners to contend that the claim arising out a promissory note is not a commercial dispute and therefore, the plaint has to be rejected.

7. Lastly, he would also fairly contend that even if this Court comes



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to a conclusion that the suit would not be maintainable before the Commercial Court and it ought to be relegated to the proper and competent Civil Court, then this Court may invoke powers available under Order VII Rule 10 CPC and return the plaint to be presented before the proper Court, instead of rejecting the plaint.

8. As an argument in demurrer, the learned Senior Counsel would state that in the event of my not agreeing to the contentions that the claim for money does not fall within the definition of “commercial dispute” and consequently, maintainable before the Commercial Court, then he would state that in view of a non-compliance of Section 12-A of the Act, which is now held to be mandatory, the suit has to go.

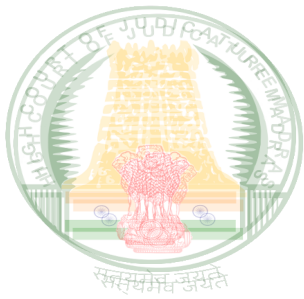
9. In support of the above submissions, the learned Senior Counsel has relied on the following judgments:-

1. *Marsh India Insurance Brokers Private Limited Vs. Shobha Basavaraj Kumbar and Ors.* reported in, MANU/KA/1476/2024;
2. *S. Menaka Vs. K.S.K. Nepolian Socraties* reported in, 2024 (2) CTC 742;
3. *Madhuram Properties Vs. Tata Consultancy Services Ltd,* reported in, 2017 SCC Online Guj 725;



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4. *State of Gujarat and Others Vs. Utility User's Welfare Association and Others*, reported in (2018) 6 SCC 21;
5. *Maddi Rama Kotaiah Vs. Maddi Seshamma*, reported in AIR 1971 ANDHRA PRADESH 315;
6. *R. Radha @ Radha Ramalingam, Managing Director, RAN India Steels Private Limited, Tiruchengode and Others Vs. Madhan Raj* reported in, (2025) 1 MLJ 799;
7. *P.Vaikunta Shenoy and Company Vs. P. Hari Sharma* reported in, (2007) 14 Supreme Court Cases 297;
8. *Shahi Exports Pvt. Ltd. Vs. Gold Star Line Limited and Others* reported in, 2021 (6) CTC 671;
9. *Rita Agarwal Vs. Uday Medicare Pvt. Ltd & Ors.* reported in, 2018 SCC Online Del 8595;
10. *Kailash Devi Khanna and Others Vs. DD Global Capital Ltd and Others*, reported in, 2019 SCC Online Del 9954;
11. *Integrated Finance Co. Ltd Vs. Garware Marine Industries Ltd.* reported in, 2020 (5) CTC 145;
12. *R. Kumar Vs. T. A. S. Jawahar Ayya* reported in, 2020 (5) CTC 895;
13. *Ambal Sarabhai Enterprises Limited Vs. K. S Infraspace LLP and another*, reported in (2020) 15 SCC 585;
14. *Laxmi Polyfab Pvt. Ltd. Vs. Eden Realty Ventures Pvt. Ltd. and Anr.* reported in, AIR 2021 CALCUTTA 190;
15. *Abhinav Garg vs Union of India and anther*, reported in, 2021 SCC Online Del 3124;
16. *Ladymoon Towers Private Limited Vs. Mahendra Investment Advisors Private Limited*, reported in, 2021 SCC Online Cal 4240;
17. *Patil Automation Private Limited and Others Vs. Rakheja Engineers Private Limited* reported in (2022) 10 SCC 1;
18. *IHHR Hospitality (Andhra) Pvt. Ltd. Vs. Seema Swami and Others*, reported in, 2022 SCC Online Del 3635;
19. *Mohamed Aboobacker Chank Lungi Pvt. Ltd., Vs. Revathy Textiles*, reported in, 2023 (1) CTC 180;
20. *K. Varathan, Propertier, Cinetekk Vs. Prakash Babu Nakundhi Reddy*, reported in, 2023 (1) CTC 201;
21. *Amanpreet Kohli Vs. Pankaj Dayal*, reported in 2023: DHC: 2135;

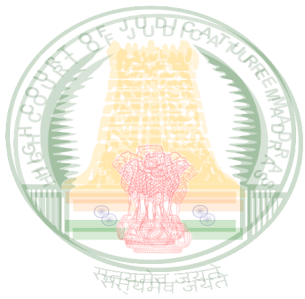


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22. *Aravind Gupta Vs. Punjab National Bank*, reported in, 2023 (1) CTC 273;
23. *Shri Thirumagal Finance and others Vs. Sivakumar* reported in, 2023-5-LW.765;
24. *Proactive Ship Management Private Limited Vs. Owners and Parties Interested in the Vessel Green Ocean*, reported in, 2024 SCC Online Cal 1838;
25. *Pankaj Rastogi Vs. Mohd. Sazid and Anr.*, reported in, AIR 2024 ALLAHABAD 109;
26. *T. V. Krishna Moorthy Vs. Kanakadhara Finance*, reported in, 2024 (3) CTC 449;
27. *Infusion Hospitality Private Limited & another Vs. Mr. Japteg Singh Ahluwalia & others*, reported in, 2024-3-L.W. 665;
28. *D. Pratish @ Pratish Vedhapuddi Vs. Prerna Finance* reported in, 2024 (5) CTC 792;
29. *Yamini Manohar Vs. T.K.D. Keerthi* reported in, (2024) 5 SCC 815;
30. *Nexmoo Solutions (India) Pvt. Ltd., Vs. Nexmo Inc.*, reported in, 2018 (3) CTC 23;
31. *SCG Contracts India Pvt. Ltd. Vs. K. S. Chamankar Infrastructure Pvt. Ltd. and others* reported in, 2020 (1) MWN (Civil) 587;
32. *Harji Engineering Works Pvt. Ltd. Vs. Hindustan Steelworks Construction Ltd.* reported in, AIR 2022 CALCUTTA 18;
33. *Kamal Haasan Vs. Regent Saimira Entertainment Ltd.* reported in, 2022 (3) CTC 337;
34. *Shivnarayan Sabu Vs. Sabu Trade Private Limited, Rep by its Director, Vishal Sabu* reported in, (2022) 8 MLJ 368;
35. *Maria Albert Stanly Vs. Diamond Hospital Equipments*, reported in 2024 (1) CTC 113;
36. *Abdul Shakur Ali Mohmad Vs. Motiram Premji Bhate*, reported in AIR 1949 NAGPUR 186;
37. *Commissioners for the Port of Calcutta Vs. General Trading Corporation Ltd., and Another*, reported in, AIR 1964 CALCUTTA 290; and
38. *Santosh Kumar Bhadani Vs. Om Prakash Agarwala* reported in, AIR 2023 CALCUTTA 283.



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10. Per contra, Mr.Arun Anbumani, learned counsel would first and foremost submit that the plaintiff in the Commercial Suits, being a money lender, the plaint is certainly maintainable before the Commercial Court and the Commercial Court has rightly considered all the relevant factors and ultimately, dismissed the applications to reject the plaint. He would further state that the very same revision petitioner has suffered orders before the Commercial Court which came to be affirmed upto the Hon'ble Supreme Court and therefore, it would not open to the revision petitioners to now contend that the suit claim based on a promissory note cannot be maintained before the Commercial Court.

11. As regards, the argument of learned Senior Counsel, Mr.N.Jothi that “mercantile document” is defined under the Explanation to Section 137 of the Transfer of Property Act, Mr.Arun Anbumani, would state that Section 137 of the Transfer of Property Act, does not deal with “mercantile document” as such but only “mercantile document of title” to goods and he would therefore state that the promissory notes being Negotiable Instruments are certainly amenable to the jurisdiction of the



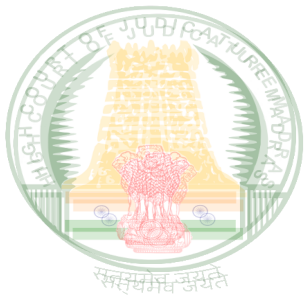
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Commercial Court, if it is shown that the transaction was commercial in nature.

12. In support of his further submissions, he would rely on Section 12-A of the Act. The learned counsel, Mr.Arun Anbumani, inviting my attention to the order passed in the Interlocutory Application and also with reference to the same, would state that there has been no violation of the mandate of Section 12-A of the Act, insofar as one of the suits and in respect of the other suit also in view of the later pronouncement of the Hon'ble Supreme Court clarifying the legal position, the other suit also cannot be rejected on the ground of Section 12-A of the Act.

13. In support of his contentions, Mr.Arun Anbumani, learned counsel placed reliance on the following decisions:-

- 1) *Shahi Exports Pvt Ltd Vs. Gold Star Line Limited and others*, in *A.No.35 of 2021 in C.S.No.669 of 2019 dated on 17/08/2021*;
- 2) *Yamini Manohar Vs. TKD Keerthi* reported in, 2024 (1) MWN (Civil) 108;
- 3) *Chemco Plastic Industries Pvt. Ltd vs Chemco Plast* reported in, 2024:BHC-OS:8445;
- 4) *M/s. Chemco Plast Vs. Chemco Plastic Industries Pvt. Ltd*, in *Special Leave to Appeal (C) No.15748 of 2024 dated 26.07.2024*;
- 5) *Junior Kuppanna Kitchens Private Limited Vs. Kuppanna*



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Foods, in O.A.Nos.603 to 606 of 2022 dated on 05.12.2022;

6) Y.K Mohanrao and others Vs. J.N.Jahath Ramjee and others, in C.S.No.418 of 2018 dated on 30.09.2022;

7) Ladymoon Towers Private Limited Vs. Mahendra Investment Advisors Private Limited, in IA.No.GA/4/2021 in CS.No.99 of 2020 dated 13.08.2021;

8)S.V.D.Jeevanand Vs. NIC Arts through its proprietor, reported in, 2022 (1) CTC 273;

9) Venkatesh Vincom Private Limited Vs. M/s. Spice of Joy, in FMAT 20 of 2022 dated on 26.09.2022;

10) M/s. Integrated Finance Company Limited Vs. Garware Marine Industries Ltd in SLP (Civil) Nos.11410-11411 of 2020 dated 07/08/2023;

11) Bharat Barrel & Drum Manufacturing Company Vs. Amin Chand Payrelal reported in (1999) 3 SCC 35;

12) R.Radha @ Radha Ramalingam Vs. Madhan Raj in Appeal (CAD) Nos.12 and 13 of 2023 dated on 21.01.2025;

13) Radha @ Radha Ramalingam Vs. Madhan Raj in SLP (C) Nos.4759 & 4760 of 2025 ;

14) Radha @ Radha Ramalingam Vs. Madhan Raj Reported in Miscellaneous Application Nos.932 & 933 of 2025 in SLP (C) Nos.4759 & 4760 of 2025; and

15) M/S Dhanbad Fuels Private Limited Vs. Union Of India & Anr, reported in, 2025 INSC 696.

14. I have carefully considered the submissions advanced by the learned counsel on either side.

15. The sum and substance of the arguments of Mr.N.Jothi, with



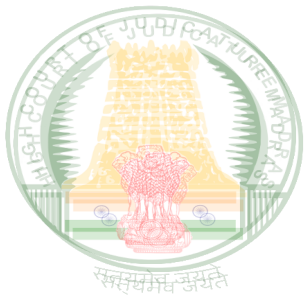
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regard to the non maintainability of the suit before the Commercial Court

is that a claim for recovery of money simpliciter based on a promissory note, cannot fall within the definition of a “commercial dispute” under Section 2(1)(c) of the Act. In this regard, for easy reference and appreciation, Section 2(1)(c) of the Act, is extracted hereunder:-

“2(1) (c) “commercial dispute” means a dispute arising out of—

- (i) ordinary transactions of merchants, bankers, financiers and traders such as those relating to mercantile documents, including enforcement and interpretation of such documents;*
- (ii) export or import of merchandise or services;*
- (iii) issues relating to admiralty and maritime law;*
- (iv) transactions relating to aircraft, aircraft engines, aircraft equipment and helicopters, including sales, leasing and financing of the same;*
- (v) carriage of goods;*
- (vi) construction and infrastructure contracts, including tenders;*
- (vii) agreements relating to immovable property used exclusively in trade or commerce;*
- (viii) franchising agreements;*
- (ix) distribution and licensing agreements;*
- (x) management and consultancy agreements;*
- (xi) joint venture agreements;*
- (xii) shareholders agreements;*
- (xiii) subscription and investment agreements pertaining to the services industry including outsourcing services and financial services;*
- (xiv) mercantile agency and mercantile usage;*
- (xv) partnership agreements;*
- (xvi) technology development agreements;*
- (xvii) intellectual property rights relating to registered and unregistered trademarks, copyright, patent, design, domain names, geographical*



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indications and semiconductor integrated circuits;
(xviii) agreements for sale of goods or provision of services;
(xix) exploitation of oil and gas reserves or other natural resources including electromagnetic spectrum;
(xx) insurance and re-insurance;
(xxi) contracts of agency relating to any of the above; and
(xxii) such other commercial disputes as may be notified by the Central Government."

16. Referring to various categories enumerated under Section 2(1)(c) of the Act, Mr.N.Jothi, learned Senior Counsel would point out that none of the said 22 categories will apply to the suit for recovery of money, based on a promissory note. With regard to the argument that the plaintiff would not entitled to proceed parallelly before the Criminal Court as well as Civil Court, I do not find the said argument deserving any consideration. There is no question of punishing the defendant twice for the same offence arising here. The concept of double jeopardy does not apply to the facts of the present case, since the complaint under the Negotiable Instruments Act is not for recovery of money, but only for punishing the defendant for dishonouring the cheque and since the said act of dishonoring of cheque, invites punishment, attaching criminal liability, wherein, the present suit is filed only for recovery monies due. I



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do not find that the suit would be barred or is liable to be rejected on the said ground. In this regard, I also find that the Trial Court has in detail, discussed these aspects and rightly found that the reliefs being different and proceedings also being different viz., Civil and Criminal, there is no question of holding that the suit is not maintainable or that it is liable to be rejected.

17. On going through the promissory notes which are the basis of the suits, I find that there is a clear reference even in the promissory notes that the borrowing is for family expenses and business expansion. Further, the promissory notes are printed forms that have been used for execution and the words ‘வியாபார அபிவிருத்திக்காகவும்’ has been consciously added as one of the purposes for the borrowing. The execution of the promissory note is not denied by the revision petitioner. One of the contentions raised by the learned Senior Counsel Mr.N.Jothi, is that the petitioner is not a registered money lender and hence, the plaint cannot be filed before the Commercial Court. However, it has been brought to my notice by the learned counsel for the respondent, Mr.Arun Anbumani, that even in the year 2022, an Interlocutory Application was



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taken out and additional documents were filed and on the no objection expressed by the revision petitioners alone, the documents were received.

The licenses of money lending has also been filed and in chief examination, the relevant licenses have also been marked before the Trial Court. In view of the above, it is no longer open to the revision petitioner to contend that the petitioner is not a registered money lender.

18. Now coming to the issue of whether the promissory notes being only negotiable instruments, can form the basis of cause of action for recovery of money due under the said promissory notes treating it as a commercial dispute, firstly, the pro notes themselves clearly indicate that the borrowing is for commercial purposes as well. Secondly, from the definition of Commercial Dispute under Section 2(1)(c) of the Act, it is clear that Section 2(1)(c)(i) of the Act, includes a dispute arising out of an ordinary transaction of a merchant, banker, financier and traders such as those such as those relating to mercantile documents, including enforcement and interpretation of such documents. Here, having found that the plaintiff is a financier and in his ordinary course of business, he has lost monies to the revision petitioners, I see no reason why the claim



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for recovery of money based on the said promissory note should not be made before the Commercial Court.

19. Even with regard to 'mercantile document', as discussed earlier, the same is not defined under the Act. The reference to the definition under Section 137 of the Transfer of Property Act, by the learned Senior Counsel Mr.N.Jothi is wholly misplaced. The right context of the Explanation to Section 137 relates to not merely “mercantile documents” but “mercantile documents of title” which are used as legal documents for transfer of property. Therefore the non-inclusion of Negotiable Instruments in Section 137 of the Transfer of Property Act, does not take away the commercial nature of a Negotiable Instrument, in order to bring the claim within commercial dispute under Section 2(1)(c) of the Act and approach the Commercial Court.

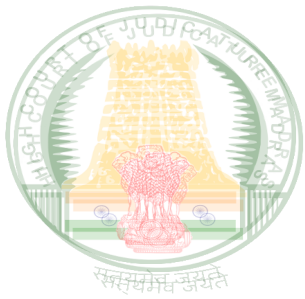
20. In fact, the Hon'ble Supreme Court in *Bharat Barrel & Drum Manufacturing Company's* case, (referred herein supra), even before the Commercial Courts Act was enacted had an occasion to deal with the



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nature of Negotiable Instruments. In the said decision, the Hon'ble Supreme Court while dealing with provisions of Order 37 of the CPC held that the Negotiable Instruments were instruments of credit being convertible on account of legality of being negotiable and thus easily passable from one hand to another.

21. It has been further held that the provisions of the Code of Civil Procedure were enacted to legalise the system under which claims upon mercantile instruments would be equated to the ordinary goods, passing from hand to hand and thereby privileges were conferred on mercantile instruments and to provide special procedure in the case of obligation arising under such instrument not being discharged. Therefore, the Hon'ble Supreme Court had an occasion to deal with whether a negotiable instrument was a mercantile document or not and has on the specific issue, after discussion, found, as held, that negotiable instruments would be mercantile instruments. Therefore, even the said limb of Section 2(1)(c)(i) of Act, with respect to 'such as mercantile documents' also does not come to the rescue of the revision petitioners to contend that the dispute is not a commercial dispute.

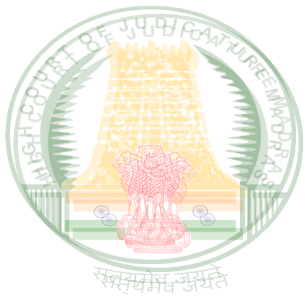


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22. No doubt, the argument of learned Senior Counsel Mr.N.Jothi is that, in order to bring the suit before the Commercial Suit, it should be transaction specific and not party specific. However, even the said argument does not improve the case of the revision petitioners, because the plaintiffs have shown that they are registered money lenders and the borrowing also admittedly is for commercial purposes, with the conscious inclusion of the words even in the promissory note that it is for improvement of business.

23. In the light of the above, I do not see any merit in the arguments advanced that the promissory note is not a mercantile document and consequently, the suits for recovery of money arising under the said promissory note would not lie before the Commercial Court.

24. Though several decisions have been cited and referred to by both sides, in view of narrowing down the scope of the revisions, I am not inclined to refer to each and every decision and discuss the same. I proceed to refer and discuss those of such decisions which have relevance to the subject matter in dispute.

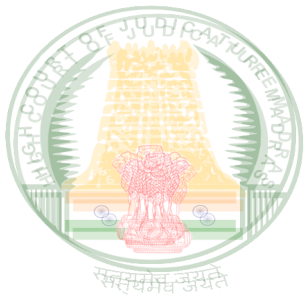


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25. In ***Kailash Devi Khanna's case*** (referred herein supra), the Delhi High Court held that all suits for recovery of monies cannot fall under Clause(i) of Section 2(1)(c) of the Commercial Courts Act. However, it was a case where the Delhi High Court on facts found that the suit was not based on any transactions relating to mercantile documents and directed renumbering of the suit as an ordinary suit.

26. Though the decision of the Hon'ble Division Bench of this Court in ***Integrated Finance Co. Ltd*** (referred herein supra), has been relied on by the learned Senior Counsel Mr.N.Jothi, it has been brought to my notice by Mr. Arun Anubumani that the Honourable Supreme Court has set aside the decision of the Division Bench in [SLP.Nos.11410 - 11411 of 2020](#).

27. In ***R. Kumar's case*** (referred herein supra), this Court held that a mortgage deed executed in individual capacity would not be a commercial transaction and consequently, the suit cannot be filed before the Commercial Court.

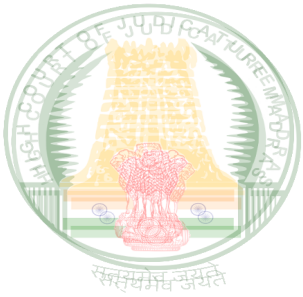


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28. Even in *Ambalal Sarabhai's case* (referred herein supra), the Hon'ble Supreme Court held that the purpose of enacting the Commercial Courts Act would be defeated, if every other suit is entertained by the Commercial Court and further held that strict interpretation has to be followed to ensure that only disputes which actually answer the definition of “commercial dispute” would be entertained by the Commercial Courts.

29. The Calcutta High Court in *Santhosh Kumar Bhadani's* case (referred herein supra) held that a loan transaction resulting in a dispute would not be a commercial dispute when there were no business transactions between the parties.

30. The Calcutta High Court in *Ladymoon Towers Private Limited case* (referred herein supra), held that where there was a lending of money by the plaintiff to the defendant by an oral understanding without formalising or reducing such understanding to writing then such a case would not be a commercial dispute.



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31. In ***Madhuram Properties' case*** (referred herein supra), the

Hon'ble Division Bench of the Gujarat High Court, finding that the project was a residential project/scheme held that the agreement which was subject matter of the dispute cannot be said to be an agreement relating to an immovable property used exclusively in trade or commerce.

32. Having come to the conclusion that the promissory notes which are subject matter of the present disputes, clearly indicate the commercial nature of the transaction and coupled with the fact that the plaintiffs are registered money lenders, I do not see any of the above decisions applying to the facts of the present case.

33. Coming to the mandate of Section 12-A of the Act, it is the case of the learned Senior Counsel Mr.N.Jothi, that the plaintiff has not made out any necessity for passing any urgent relief. Referring to the Section 138 notice issued in respect of dishonour of the cheques, he would state that the plaintiff has not chosen to take any action for 18 months and without any pre-suit notice, has directly filed the suit as a commercial suit and therefore, the learned Senior Counsel would contend



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that the letter and spirit of Section 12-A of the Act not having been complied with, the suits will have to be dismissed on the ground of violation of the mandate of Section 12-A of the Act.

34. However, I find that in respect of one of the suits in C.O.S. No.10 of 2023, the Trial Court has in fact found that urgent relief had to be necessarily passed in favour of the plaintiff, while dealing with an application for attachment before judgment. Thus, insofar as the said suit, compliance of Section 12-A of the Act, in true letter and spirit has been made. However, in respect of the other suit, no doubt, there is no discussion with regard to the requirement of urgent interim relief and dispensing with the same under Section 12-A of Commercial Courts Act. However, the Hon'ble Supreme Court has clarified the legal position with regard to Section 12-A of the Act and fixing the date of decision in *Patil Automation's* case, (referred herein supra) as the crucial date, has held that suits instituted without compliance of Section 12-A of the Act, prior to 20.08.2022 cannot be rejected under Order VII Rule 11 CPC on the ground of non compliance of Section 12-A and wherever suits have been filed/instituted without compliance of Section 12-A, prior to 20.08.2022,



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then the Courts have been directed to keep the suit in abeyance and refer the parties to the time bound mediation in terms of Section 12-A of the Commercial Courts Act, if an objection is raised by the defendant, by filing an Application under Order VII Rule 11 CPC or where parties express and intend to resolve the dispute in mediation. In view of the divergent views, with regard to the Application of Section 12-A of the Commercial Courts Act, being finally settled by the Hon'ble Supreme Court in the recent decision dated 15.05.2025 in Full Bench **Dhanbad Fuels Ltd** (referred herein supra), the ground for rejection of the plaint which is canvassed by the defendant is also not available.

35. Pertaining to Section 12-A of the Commercial Courts Act, several decisions have been relied on. However, it would suffice to refer to **Patil Automation's case** (referred herein supra) and the most recent decision in **Dhanbad Fuels ltd** (referred herein supra).

36. In **Patil Automation's case**, the Hon'ble Supreme Court held that Section 12-A of the Act, is mandatory and any suit instituted

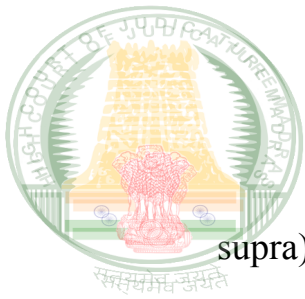


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violating the mandate of Section 12-A of the Act, must be visited with rejection of plaint and Order VII Rule 11 CPC. The Hon'ble Supreme Court further held that the said power can be exercised even suo motu by the Court. The Hon'ble Supreme Court held that the declaration of law shall be effective from 20.08.2022 in order to ensure that stakeholders concerned would be sufficiently informed.

37. In *Dhanbad Fuels case*, (referred herein supra), the Hon'ble Supreme Court while reiterating the mandatory nature of compliance of Section 12-A, held that, rejection of plaint under Order VII Rule 11 CPC for want of compliance with Section 12-A of Commercial Courts Act would only be operative prospectively, with effect from 20.08.2022 and that suits filed before the date of decision in *Patil Automation's case* (referred herein supra), may not be rejected under Order 7 Rule 11 CPC even though there has been no compliance with section 12-A.

38. The Hon'ble Supreme Court also envisaged a procedure where, resort to Section 12-A can still be had by keeping suits not covered by prospective declaration in *Patil Automation's case* (referred herein



supra), to be kept in abeyance and direct the parties to go for a post-

institution mediation. While concluding the Hon'ble Supreme Court at Paragraph 62(i) has held that suits instituted, without complying with Section 12-A of the 2015 Act, prior to 20.08.2022 cannot be rejected under Order VII Rule 11 CPC on the ground of non-compliance under Section 12-A unless, they fall within the exceptions stipulated in Paragraphs 113(ii) and 113(iii) of decision in ***Patil Automation's case*** and in Paragraph 62(j), the Hon'ble Supreme Court has held that suits instituted without complying with Section 12-A prior to 20.08.2022 and pending adjudication could be kept in abeyance and the parties would be referred to time-bound mediation in accordance with Section 12-A, if any objection is raised by the defendant by filing an application under Order VII Rule 11 or where parties themselves express an intent to resolve the dispute by mediation.

39. In view of the categorical pronouncement of the Hon'ble Supreme Court in the said decision and applying the ratio to the facts of the present case, the suits in the present cases, having been filed before the decision in ***Patil Automation's case***, that is 20.08.2022, the question



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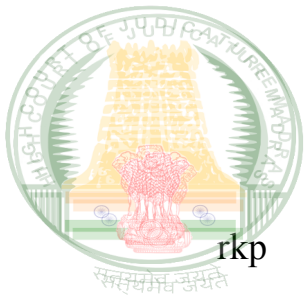
of rejecting the plaint under Order VII Rule 11 CPC is ruled out.

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However, in view of the application for rejection of plaint having been taken out by the revision petitioner, insofar as C.O.S.No.9 of 2022, the Commercial Court shall refer the parties to a time-bound mediation to enable the parties to arrive at an amicable settlement, failing which the suit shall be proceeded with in accordance with law. Insofar as other suit in C.O.S.No.10 of 2023, I have already found that the Commercial Court has assigned reasons that the plaintiff required urgent interim relief and therefore, compliance of Section 12-A has been dispensed with. In view of the above there is no necessity to apply the ratio laid down in *Patil Automation's case* (referred herein supra) to the said suit.

40. In view of the above, I do not find any merit in both these revisions and the orders of the Trial Court refusing to reject the plaint, by well-considered orders do not require any interference under Article 227 of the Constitution of India. Accordingly, these Civil Revision Petitions are dismissed. No costs. Consequently, connected Miscellaneous Petitions are also dismissed.

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Neutral Citation: Yes

Speaking Order

Index : Yes

Internet : Yes

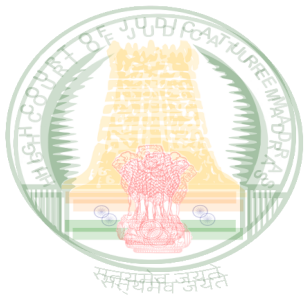
To:

The Commercial Judge, Salem.

P.B.BALAJI, J.,

rkp

Pre-delivery order in
CRP. Nos.2492 & 2506 of 2025
and CMP. Nos.14294 & 14344 of 2025



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