

COMMERCIAL COURTS ACT, 2015

**The Commercial Courts, Commercial Division and Commercial Appellate Division of High courts Act, 2015 (The Commercial Courts Act, 2015)** ,as it is shortly called is an important step taken by the Government of India in respect of commercial disputes to speed up the judicial system. The Act received president`s assent on 31<sup>st</sup> December, 2015 and it came into force on 23<sup>rd</sup> October, 2015.

In the bill, a **COMMERCIAL DISPUTE** is defined to include any dispute related to transactions between merchants, bankers, financiers and traders etc. Such transactions deal with mercantile documents, partnership agreements and intellectual property rights etc. [Section 2 (c) of Commercial Courts Act, 2015]. It is to create commercial courts at district level to deal with commercial disputes.

According to the bill, it is said that **COMMERCIAL COURTS** will be created by the state government after consulting its respective high courts as equivalent to the district courts. Commercial courts must not be set up in an area where the high court exercises ordinary original Civil Jurisdiction, but **COMMERCIAL DIVISIONS** can be set up in such high courts where there is ordinary original civil jurisdiction, i.e. High Court of Delhi, Madras, Bombay, Calcutta and Himachal Pradesh. Commercial Divisions will be set up by the chief Justice of that particular High Court. *your intellectual friend...*

The Arbitration Act Amendment provides that the part 1 of the Act will now also be applied to International Commercial Arbitrations even if the place of the arbitration is outside India.

The commercial courts will hear commercial disputes of subject matter of value at least of Rs.1,00,00,000 (specified value is mentioned in the section 12 of the Commercial Courts Act, 2015). Amendments for the same have been made in the Civil Procedure code (CPC).

Any matter in the commercial court at district level has to be decided within 365 days.

After the setting up of the Commercial Courts and Commercial Divisions, all the suits with a value of Rs. one crore or more that are kept pending in the district Courts and high courts, shall be transferred to the commercial Courts and Commercial Divisions respectively.

To hear the appeals against the orders of

- i. the commercial Courts,
- ii. the orders of Commercial divisions of high court, and
- iii. Also appeals arising from arbitration matters filled before the high court. ( Domestic and international)

**COMMERCIAL APPELLATE DIVISIONS** are set up in the high courts by the Chief Justice of the high courts.

Appeals have to be made within 60 days from the order of the court and the same has to be disposed off within 180 days (6 months). To speed up this, strict timelines have also been set for filing written statements and 120 days have been set as the limit when the right to reply will be forfeited. Defendants cannot just deny allegations but they now have to give particulars of allegations the plaintiff is required to prove, provide reasons for denying any allegation and give their version of the events.

Chief justice of High Courts will nominate experienced high court judges in Commercial matters to be the judges of the Commercial division and appellate divisions of that High court. The commercial divisions and commercial appellate divisions will comprise of one or more benches of single judge and double judges respectively.

### **AMENDMENTS TO CPC:**

The Civil Procedure Code(CPC),1908,that is to be applicable to the Commercial Disputes is also amended to the extent specified in the Act. Some of the important amendments are:

- Strict timelines for filing written statement and forfeiture of right to file written statement.
- Statement of admission and denial of all documents is to be completed within fifteen days from completion of inspections or any later date as fixed by Court
- Timely procedure for disclosures, discovery and inspection of documents are prescribed.
- Concept of case management hearing.

- Recording of all the evidences, including conducting cross-examination on day to day basis.
- Provisions of imposing cost for frivolous suits and counter claims are provided.
- Affidavit of evidence of all witnesses to be led by parties is now required to be filed simultaneously.
- Pronouncement of judgment is to be completed within ninety days of conclusion of arguments.
- Filing of written arguments by parties is made compulsory.

**CONCLUSION:**

The act in the coming times would reduce the pending suites in the courts and reduce the burden of existing courts in commercial matters. It will ensure speedy disposal of the pending Cases. The act must be implemented by all the states and high courts of the country. A few amendments of the CPC applicable to the Act, in our view, should be made applicable to all Courts in India.

The logo for Legal Amicus is a large, stylized letter 'A' in a light grey color, positioned behind the text. The word 'amicus' is written in a lowercase, serif font, centered horizontally and partially overlaid by the 'A'. Below 'amicus', the text 'MADE BY- SHRISTY JALAN' is written in a bold, uppercase, sans-serif font.  
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