

COMMERCIAL

DIVISION &

APPELLATE

DIVISION OF

HIGH COURTS

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LAW CAPSULE

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**Summary on the Commercial Courts,
Commercial Division and Commercial
Appellate Division of High Courts Bill,
2014:**

The Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Bill, 2015 was introduced in Rajya Sabha on April 29, 2015 by the *Minister of Finance, Mr. Arun Jaitley*. The Bill enables the creation of commercial divisions in high courts, and commercial courts at the district level. Some of the important aspects of the Bill are:

- *Commercial dispute:* A commercial dispute is defined to include any dispute related to transactions

COMMERCIAL

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between merchants, bankers, financiers, traders, etc. Such transactions deal with mercantile documents, partnership agreements, intellectual property rights, insurance, etc.;

- Commercial courts: Commercial courts, equivalent to district courts, may be set up in all states and union territories, by the state governments after consulting with their respective high courts;
- Commercial divisions in high courts: Commercial divisions may be set up in those high courts which exercise ordinary original civil jurisdiction, that is, the High Courts of Delhi, Bombay, Calcutta and Madras. They are to be set up by the respective state governments after consulting with their high courts;
- Valuation of dispute: Such commercial divisions in high courts and commercial courts will deal with all matters relating to commercial disputes involving an amount of Rs one crore or more;
- Commercial appellate divisions: Commercial appellate divisions may be set up in all high courts to hear appeals against:

(i) Orders of commercial divisions of high courts;

(ii) Orders of commercial courts; and

(iii) Appeals arising from arbitration matters that are filed before the high courts.

- Any appeal filed in a High Court against the orders of certain tribunals like Competition Appellate Tribunal, Debt Recovery Appellate Tribunal, Intellectual Property Appellate Board, Company Law Board or the National Company Law Tribunal, Securities Appellate Tribunal, Telecom Dispute Settlement and Appellate tribunal may be heard by the Commercial Appellate Division of the High Court if it relates to a commercial dispute;
- Time period for filing appeals: Such appeals to the commercial appellate division must be made within a period of 60 days of the order of the lower court;
- Appointment of judges to the commercial divisions: The number of high court judges that would be required for a commercial division of a high court would be determined and nominated by the Chief Justice of the High Court. The judges must have experience in dealing with commercial disputes and the nomination would be for a period of two years, or as determined by the Chief Justice of the concerned High Court;

- Appointment of commercial court judges: Judges to a commercial court will be appointed by the Chief Justice of the concerned high court, in a manner to be prescribed. The senior most judge would be the Principal Judge, and would have the same powers as that of a Principal District Judge of a District Court;
- Transfer of pending suits: All suits of a value of Rs one crore or more that are pending in the high court shall be transferred to the commercial division, after it is constituted;
- Similarly, suits currently pending in the district courts, with a value of Rs. one crore or more would be transferred to the commercial court. However, a suit will not be transferred if a final judgment on the matter is pending

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