

## A brief on setting up of Commercial Courts

As part of improving the **ease of doing business(EoDB)** in India, the government approved for setting up of commercial benches in select high courts to deal with **high value business** disputes. All pending suits and applications relating to commercial disputes involving a claim of **Rs one crore and above** in the high courts and civil courts will be transferred to the relevant Commercial Division or Commercial Court as the case may be.

Commercial Divisions are set up in those high courts which are already exercising ordinary original civil jurisdiction such as **Delhi, Bombay, Calcutta, Madras, and Himachal Pradesh high courts.**

Commercial Divisions will exercise jurisdiction over all cases and applications relating to commercial disputes. **The Commercial Division shall have territorial jurisdiction over such area on which it has original jurisdiction.**

According to the Law Ministry proposal, **Commercial Courts which will be equivalent to district courts are to be set up in states and UTs where the high courts do not have ordinary original civil jurisdiction, and in states where the high court has original jurisdiction, in respect of those regions to which the original jurisdiction of a high court does not extend.**

But Commercial Divisions or Commercial Courts will not have jurisdiction in matters relating to commercial dispute, where the jurisdiction of the civil court has been either expressly or impliedly barred under law.

**Commercial dispute has been defined broadly to mean dispute arising out of ordinary transactions of merchants, bankers, financiers and traders such as those relating to mercantile documents; joint venture and partnership agreements; intellectual property rights; insurance and other areas.**