Present: Sri Partha Pratim Chakravorty (J.O. Code: WB01277)
Money Execution No. 77 of 2024

Order No. 20
Dated 06.08.2026

Case record is fixed for S/R and A/D of Judgment Debtor no. 2 and filing affidavit of assets by the Judgment Debtor no. 1 and further hearing.

Decree Holder filed hazira. Judgment Debtor no. 1 filed hazira.

Judgment Debtor no. 1 filed a petition.

The matter is taken up for consideration of the petition filed on behalf of the Decree Holder wherein a vital question concerning the pecuniary and subject-matter jurisdiction of this court has been raised. The Decree Holder has moved this application stating that the present execution proceeding arises out of an Arbitral Award dated 14th May, 2024, published by the Sole Arbitrator, Ms. Sangeeta Roy, passed in respect of a commercial vehicle loan dispute governed by a Hypothecation Agreement. The outstanding claim sought to be realized through this execution proceeding stands at Rs. 13,27,276.71/-, along with further interest at the rate of 18% per annum till actual realization. It is argued by the learned advocate for the Decree Holder that since the underlying dispute emerges from a contract for financing a commercial vehicle, it falls squarely within the definition of a commercial dispute under the Commercial Courts Act, 2015. Furthermore, as the specified value of the claim is well above the statutory threshold of Three Lakhs rupees, the Decree Holder submits that this ordinary Civil Court lacks the requisite jurisdiction to entertain and proceed with the execution, and the matter ought to be transferred or presented before the Learned Commercial Court at Calcutta which holds exclusive jurisdiction.

In evaluating the jurisdictional point, it is imperative to analyze the statutory interplay between Section 36 of the Arbitration and Conciliation Act, 1996, and the provisions of the Commercial Courts Act, 2015. The Commercial Courts Act was enacted with the definitive objective of fast-tracking commercial litigation, and the 2018 amendment effectively reduced the "Specified Value" under Section 3(1) to Three Lakhs rupees. Where the subject matter of an arbitration is a commercial dispute and the value of the arbitration claim exceeds this threshold, the execution applications cannot be entertained by regular, non-commercial Civil Courts.

Section 38 of the C.P.C. pertains to the **"Court by which decree may be executed"** and provides that a decree may be executed either by the Court which passed it, or by the Court to which it is sent for execution. This foundational provision ensures that a decree-holder has a clear legal pathway to seek enforcement, establishing the proper jurisdictional channels whether the property or judgment-debtor is located within the original court's territory or falls under the purview of another judicial body.

In light of the statutory framework governing commercial disputes, particular reference must be made to Section 10(3) of the Commercial Courts Act. Since the awards in the present set of cases have been rendered in arbitral proceedings, their execution applications are filed under Section 36 of the Arbitration and Conciliation Act. Having regard to the provisions of Section 10(3) of the Commercial Courts Act, which explicitly contemplates the transfer of all such pending applications to the Commercial Court, a clear legal corollary emerges. Consequently, such execution applications would also be liable to be filed and maintained exclusively before the Commercial Court, and not the ordinary Civil Court or the Principal Court of the District Court.

This legal proposition finds robust support in the landmark decision of the High Court of Gujarat in *OCI Corporation v. Kandla Export Corporation*, reported in 2016 SCC Online Guj 5981. In that case, the High Court meticulously examined the jurisdictional interplay between the Arbitration and Conciliation Act and the Commercial Courts Act, 2015. The Court explicitly clarified that where execution petitions arise out of arbitral awards involving a commercial dispute of a specified value, such execution applications must be exclusively handled by the Commercial Division or the designated Commercial Court rather than the ordinary Civil Courts.

By directing the transfer of pending execution petitions from the ordinary District Court to the Commercial Division, the judgment firmly establishes that the Commercial Courts Act operates as a specialized statutory mechanism. Consequently, as a matter of settled law, execution applications under Section 36 of the Arbitration Act cannot be maintained before a principal civil court of ordinary jurisdiction, but must strictly be instituted and adjudicated within the specialized forum of the Commercial Court.

The Hon'ble Supreme Court of India in the landmark decision of *Sundaram Finance Limited v. Abdul Samad and Anr. (2018)* clarified the foundational principles governing the enforcement of arbitral awards, holding that an award can be filed for execution in any court of competent jurisdiction where the assets of the judgment debtor are located, without the necessity of obtaining a transfer certificate from the Court which had seat-jurisdiction. However, this enabling provision does not override the special subject-matter jurisdiction carved out by subsequent commercial legislation.

The question of whether an ordinary Civil Court can continue to execute an award that satisfies the criteria of a commercial dispute was definitively addressed by the Hon'ble High Court at Calcutta in various authoritative pronouncements, including *SREI Equipment Finance Limited v. Mandava Holdings Private Limited*, wherein it was observed that once a dispute satisfies the dual test of being commercial in nature and meeting the minimum specified value, the jurisdiction of the ordinary Civil Courts is completely ousted by operation of Section 15 and Section 22 of the Commercial Courts Act, 2015. Similarly, the Hon'ble Supreme Court in *Ambalal Sarabhai Enterprises Limited v. K.S. Infraspace LLP reported in 2020(1) ICC (SC) 914* emphasized that the provisions of the Commercial Courts Act must be strictly construed to achieve the legislative intent of expeditious disposal, meaning that allowing non-commercial benches to adjudicate matters reserved exclusively for Commercial Courts would defeat and frustrate the very purpose of the special statute.

Consequently, since the instant execution application seeks the enforcement of a commercial arbitral award valued at Rs. 13,27,276.71/-, which handles a commercial transaction above the statutory floor of Three Lakhs rupees, this Bench is legally precluded from exercising jurisdiction over the execution record. The argument presented by the Decree Holder is sustained by settled law, and the execution proceeding must be placed before the designated Commercial Forum.

Therefore, it is ordered that the execution case record of M. Exe Case No. 77 of 2024 be returned to the Decree Holder along with all original documents, with liberty to present and file the same afresh before the competent Learned Commercial Court at Calcutta having appropriate jurisdiction. The office is directed to retain certified photocopies of the execution petition and this order for the record, reflect the disposal in the case register accordingly, and release the original record to the Learned Advocate for the Decree Holder upon due verification and compliance with formal procedural rules.

Fix 02.09.2026 for appearance before the Learned Commercial Court, Calcutta.

D/c by me:

Sd/-
Judge, Bench-X

Sd/-
Judge, Bench-X
City Civil Court, Calcutta