



2026:DHC:8509-DB



* IN THE HIGH COURT OF DELHI AT NEW DELHI

Judgment Reserved on: 03.09.2026

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Judgment Delivered on: 30.09.2026

CNR No. DLHC010414942026

+ W.P.(C) 12818/2026 & CM APPL. 59492/2026

M/S ALPRO INDUSTRIES AND ORS

.....Petitioners

versus

UNION OF INDIA AND ANR.

.....Respondents

Advocates who appeared in this case

For the Petitioners : Dr I.M. Qudussi, Senior Advocate along with Mr. Jabar Singh & Ms. Aishwarya Jha, Advocates.

For the Respondents : Ms. Rukhmini Bobde, CGSC along with Mr. Shubham Goyal, G.P., Mr. Jatin Dhamija, Mr. Vinayak Aren & Ms. Aishwarya Nigam, Advocates Respondent No.1/Union of India.

CORAM:

HON'BLE THE CHIEF JUSTICE

HON'BLE MR. JUSTICE TEJAS KARIA

JUDGMENT

TEJAS KARIA, J.

W.P.(C) 12818/2026

1. The present Petition has been preferred under Article 226 of the Constitution of India, 1950 ("**Constitution**"), seeking a declaration that Section 19 of the Commercial Courts, Commercial Division and Commercial



Appellate Division of High Courts (Amendment) Act, 2018 (“**Amendment Act**”) is unconstitutional and *ultra vires* Article 14 of the Constitution.

FACTUAL BACKGROUND

2. On 22.05.2016, Respondent No. 2 instituted CS No. 55835/2016 titled ‘*Indo Alusys Industries Ltd. v. Alpro Industries & Ors.*’ (“**Suit**”) before the learned District Judge-04, Patiala House Courts, New Delhi (“**Trial Court**”), seeking recovery of ₹35,50,000/- along with interest, on the premise that Petitioner No. 1 had placed purchase orders upon Respondent No. 2 for the supply of aluminium products, that such supplies had been effected and invoices had been raised in respect thereof, and that an amount of ₹27,92,467/- had remained due and payable.

3. At the time of institution of the Suit, the value prescribed as the threshold for the institution of suits before the Commercial Courts and the Commercial Divisions by Section 2(1)(i) of the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act, 2015 (“**2015 Act**”) was ₹1,00,00,000/-. The Suit was, accordingly, instituted as an ordinary civil suit.

4. The Amendment Act came into force with effect from 03.05.2018 and, Section 4 thereof reduced the specified value prescribed by Section 2(1)(i) of the 2015 Act from ₹1,00,00,000/- to ₹3,00,000/-.

5. On 29.07.2025, the Petitioners, at the stage of their evidence, preferred an application under Order VII Rule 11 of the Code of Civil Procedure, 1908 (“**CPC**”) before the learned Trial Court, seeking rejection of the plaint filed in the Suit (“**Rejection Application**”) on the premise that the subject matter of the Suit constituted a commercial dispute within the meaning of Section



2(1)(c)(xviii) of the 2015 Act, that the learned Trial Court had no jurisdiction to entertain the Suit and that the Suit ought to have been transferred to the Commercial Court in terms of Section 15(2) of the 2015 Act.

6. *Vide* order dated 17.10.2025 (“**Trial Court Order**”), the learned Trial Court relying upon *Satyanarain Khandelwal v. Prem Arora*, 2022 SCC OnLine Del 2142 dismissed the Rejection Application with costs of ₹5,000/-, holding that the Suit had not become a commercial suit by virtue of the Amendment Act, which applied only to suits instituted on or after 03.05.2018.

7. The Petitioners thereafter assailed the Trial Court Order by preferring C.R.P. 121/2026 (“**Revision Petition**”) under Section 115 of the CPC, wherein the Petitioners also challenged the constitutional validity of Section 19 of the Amendment Act (“**Section 19**”).

8. *Vide* order dated 21.04.2026 (“**Revision Order**”), the learned Single Judge of this Court dismissed the Revision Petition in the following terms:

“12. At best, if petitioner/defendant is keen to challenge the constitutionality of the provision, it is at liberty to file an appropriate proceeding in accordance with law, which will be considered by the Roster Bench.”

9. Pursuant thereto, the Petitioners have filed the present Petition.

SUBMISSIONS ON BEHALF OF THE PETITIONERS

10. Learned Senior Counsel appearing on behalf of the Petitioners made the following submissions:

10.1. The Statement of Objects and Reasons and the Preamble of the 2015 Act evidences that the 2015 Act was enacted to provide an independent mechanism for the early resolution of commercial disputes. Section 19, by confining the operation of the



Amendment Act to cases instituted on or after 03.05.2018, defeats that object, inasmuch a commercial dispute of the specified value are kept outside the purview of the Commercial Courts.

- 10.2. Section 15(2) of the 2015 Act mandates the transfer of all pending suits of the specified value to the Commercial Courts and, to that extent, operates retrospectively. Section 19, being prospective, cannot be reconciled with Section 15(2) of the 2015 Act and deprives litigants of the benefit of a trial before the Commercial Courts.
- 10.3. The combined operation of Section 15 of the 2015 Act and Section 19 gives rise to three classes of litigants: (i) those whose suits stood transferred to the Commercial Courts upon the commencement of the 2015 Act; (ii) those whose suits were instituted after the commencement of the Amendment Act; and (iii) those whose suits were instituted between the two dates and continue before the ordinary civil courts.
- 10.4. The third class is denied the benefit of the 2015 Act although identically circumstanced, in terms of the nature and the value of the dispute, with the other two. Such differential treatment is violative of Articles 14 of the Constitution.
- 10.5. Learned Trial Court erred in relying upon *Satyanarain Khandelwal* (*supra*), inasmuch as the same was concerned with the retrospective operation of the Amendment Act and had no occasion to consider the constitutional validity of Section 19.
- 10.6. Learned Trial Court failed to consider the judgment of this Court in *Namita Gupta v. Suraj Holdings Ltd.*, 2024 SCC OnLine Del



143, in which it was held that a suit relating to a commercial dispute of the specified value instituted before a civil court is required to be placed before the competent Commercial Court.

10.7. The present Petition, therefore, raises a substantial question as to the constitutional validity of Section 19 and is liable to be referred to a larger Bench.

SUBMISSIONS ON BEHALF OF RESPONDENT NO. 1

11. Learned CGSC appearing on behalf of Respondent No. 1 made the following submissions:

- 11.1. Section 19 governs the application of the Amendment Act and only confines its operation to cases instituted on or after the date of its commencement. Prospective operation is the ordinary case of legislation and cannot, by itself, furnish a ground of constitutional invalidity.
- 11.2. The classification effected by Section 19 rests upon the date of institution of the proceedings, which constitutes an *intelligible differentia* bearing a rational nexus with the object sought to be achieved, namely, the orderly introduction of the reduced pecuniary threshold without disturbing trials already under way.
- 11.3. The construction of Section 19 stands concluded by ***Satyanarain Khandelwal*** (*supra*), and that the Petitioners, having failed before the learned Trial Court and in the Revision Petition, have invoked the writ jurisdiction of this Court in order to reopen concluded proceedings at the stage of their own evidence, nine years after the institution of the Suit.



ANALYSIS AND CONCLUSION

12. We have heard learned Counsel appearing on behalf of the Parties and perused the material placed on record.

13. The 2015 Act came into force with effect from 23.10.2015 and provided for the constitution of Commercial Courts and Commercial Divisions for the adjudication of commercial disputes of the specified value, which was then not less than ₹1,00,00,000/-. Section 15 of the 2015 Act further provided for the transfer of pending suits and applications relating to commercial disputes of the specified value to the Commercial Courts or Commercial Divisions having jurisdiction over such disputes.

14. The Amendment Act, with effect from 03.05.2018, reduced the specified value provided under the 2015 Act to not less than ₹3,00,000/-. Section 19 governs the application of the Amendment Act and confines its operation to cases instituted on or after the date of commencement of the Amendment Act. Section 19 reads as under:

“19. Save as otherwise provided, the provisions of this Act shall apply only to cases relating to commercial disputes filed on or after the date of commencement of this Act.”

15. When Parliament enacts a law, which is made applicable to certain cases prospectively, it evidently makes a distinction between those cases or cases falling within the ambit of the new law and those which arose or were instituted before the law came into force. The Legislature enjoys a degree of latitude in making such classifications and in formulating legislative policy having regard to economic, administrative, social or other considerations.

16. If every change in legislative policy, limited in its application to transactions or cases arising after the enactment, were to be treated as



discriminatory merely because similar transactions or cases arising under the earlier regime remain governed by the previous law, every prospective legislative measure would be vulnerable to challenge under Article 14 of the Constitution on that ground alone.

17. Article 14 of the Constitution does not prohibit classification for legislative purposes, provided that the classification satisfies the twin conditions of the reasonable classification test: (i) that the classification must be founded on an *intelligible differentia* which distinguishes those that are grouped together from others, and (ii) that *differentia* must have a rational relation to the object sought to be achieved by the Act. The *differentia* adopted by Section 19 is the date of institution of the proceedings. Cases instituted on or after 03.05.2018 are governed by the Amendment Act, and cases instituted earlier are not governed by the Amendment Act. The said distinction is definite, ascertainable from the record of every case, and admits of no uncertainty in its application.

18. The Amendment Act brought within the jurisdiction of the Commercial Courts a large body of disputes until then triable by the ordinary civil courts. The retrospective application of Section 19 to pending cases, would have resulted in unsettling suits at different stages of trial, including those in which evidence had been recorded in part or in whole, with the attendant consequences for the pleadings, the procedure and the timelines prescribed by the 2015 Act. The object of the 2015 Act is the expeditious disposal of commercial disputes, and a provision which prevents the wholesale unsettling of trials in progress advances that object.



19. This Court in *Satyanarain* (*supra*), while considering the construction of Section 19 held that the provision was clear and unambiguous in confining the applicability of the Amendment Act to commercial disputes instituted on or after 03.05.2018. This Court further observed that giving the provision a retrospective construction would affect the substantive rights of parties who had already instituted suits before the ordinary civil courts and would also occasion administrative and practical difficulties that could not be said to reflect the intention of the Legislature. It was further held that the expression “*save as otherwise provided*”, with which Section 19 is prefaced, operates only as a saving clause preserving rights already in existence, and confers no new right. It was observed that the retrospective reading of Section 19 would occasion administrative and practical difficulties and that the cut-off date fixed in the Amendment Act was not an arbitrary line, but a considered feature of the legislative scheme, adopted as a matter of policy to secure the smooth and effective implementation of the amended regime.

20. It is settled law that the prospective operation of legislation is an ordinary attribute of legislation, and a provision giving effect to such operation cannot, for that reason alone, be said to offend Article 14 of the Constitution. In such cases, the Courts must exercise judicial restraint and ordinarily leave it to the legislature to prescribe the cut-off date, unless the date so prescribed leads to a blatantly capricious or outrageous result. The temporal classification based on the date of institution bears a rational nexus with the object and purpose of the Amendment Act i.e., to facilitate the early resolution of commercial disputes of even lesser value.



21. The Supreme Court has, in a catena of decisions, held that there is a presumption in favour of the constitutionality of an enactment, and the burden is upon the person who attacks the constitutionality of an enactment to show that there is clear transgression of the constitutional principles.

22. In the present case, the Petitioner has failed to demonstrate that the classification based on the date of institution is founded on an unintelligible criterion or that it bears no rational nexus with the object and purpose of the Amendment Act. Section 19 applies uniformly to cases falling within the respective temporal classes. The fact that a commercial dispute instituted before the commencement of the Amendment Act continues to be governed by the pre-amendment regime, while a similar dispute instituted thereafter is governed by the amended regime, is a consequence of the prospective operation of the legislation and, by itself, does not constitute a violation of Article 14 of the Constitution. The Petitioner has, therefore, failed to rebut the presumption of constitutionality and discharge the burden of establishing a clear transgression of constitutional principles.

23. The reliance placed upon *Namita Gupta (supra)* is of no assistance to the Petitioners. *Namita Gupta (supra)* concerned with the manner in which a suit relating to a commercial dispute of the specified value, instituted before a civil court, may be placed before the competent Commercial Court. *Namita Gupta (supra)* did not consider the applicability of the Amendment Act to suits instituted before 03.05.2018.

24. The principles governing the validity of a legislative cut-off date are settled, and the construction of Section 19 stands concluded by *Satyanarain Khandelwal (supra)*, with which we are entirely in agreement.



25. We are, accordingly, of the considered view that Section 19 is founded upon an *intelligible differentia* bearing a rational nexus with the object sought to be achieved, and that Section 19 does not violate Article 14 of the Constitution.

26. In view of the foregoing, we do not find any merit in the challenge laid to the constitutional validity of Section 19 of the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts (Amendment) Act, 2018.

27. The present Petition is, accordingly, dismissed. Pending Applications, if any, also stand disposed of.

TEJAS KARIA, J

DEVENDRA KUMAR UPADHYAYA, CJ

SEPTEMBER 30, 2026

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