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Madras High Court holds that credible commercial urgency can justify bypassing Section 12A mediation

The Madras High Court (“**Madras HC**”), in *Aarthi Scans Private Limited vs. Konica Minolta Business Solutions India Private Limited*¹, set aside an order of the Principal Commercial Court, Egmore, Chennai (“**Commercial Court**”) returning a plaint for non-compliance with Section 12A² of the Commercial Courts Act, 2015 (“**Commercial Courts Act**”). The Madras HC held that where the pleadings disclose a credible and immediate commercial disruption, the suit can proceed without undergoing pre-institution mediation. The decision frames the inquiry under Section 12A of the Commercial Courts Act as a threshold assessment of commercial urgency from the plaintiff’s standpoint, while preserving safeguards against tactical avoidance of mediation.

Brief facts

1. Aarthi Scans Private Limited (“**Plaintiff**”), a diagnostic services provider, entered into commercial arrangements with Konica Minolta Business Solutions India Private Limited (“**Defendant**”) for supply and use of printers at its premises. The Plaintiff subsequently disputed the validity of these arrangements, alleging that multiple agreements executed between 2023–2024 had not received proper board authorisation. On this basis, the Plaintiff asserted that the arrangement stood terminated with effect from May 31, 2025, and instituted a commercial suit seeking appropriate declaratory reliefs.
2. The dispute assumed urgency, according to the Plaintiff, as the Defendant allegedly continued to retain 127 (one hundred and twenty-seven) printers at its premises despite termination and repeated requests for their removal. The Plaintiff contended that the continued storage of the equipment was occupying valuable commercial space and disrupting its operations. It further alleged that the Defendant persisted in raising invoices and payment demands even after the claimed termination, thereby necessitating immediate injunctive intervention.
3. In this backdrop, the Plaintiff also filed interlocutory applications along with the plaint seeking an interim injunction restraining the Defendant from issuing invoices or payment demands, and an interim mandatory injunction directing removal of the printers pending adjudication of the suit.

¹ 2026 SCC Online Mad 2440 (decided on February 27, 2026)

² Section 12A of the Commercial Courts Act mandates pre-institution mediation for commercial disputes where no urgent interim relief is sought, requiring the plaintiff to exhaust mediation before filing a suit. However, this requirement is dispensed with where the suit contemplates urgent interim relief.

4. The Commercial Court at the stage of scrutiny prior to numbering, returned the plaint on the ground that the pleadings did not disclose a case warranting urgent interim relief. It held that the dispute required compliance with the mandatory pre-institution mediation mechanism under Section 12A of the Commercial Courts Act.
5. Aggrieved by the refusal to entertain the suit at the threshold, the Plaintiff invoked the supervisory jurisdiction of the Madras HC under Article 227³ of the Constitution of India, 1950 (“**Constitution**”) challenging the return of the plaint.

Issue

Whether a commercial suit accompanied by interim prayers based on ongoing commercial inconvenience and continuing contractual assertions satisfies the threshold of “contemplating urgent interim relief” under Section 12A of the Commercial Courts Act, thereby permitting institution of the suit without pre-institution mediation?

Findings and analysis

The Madras HC allowed the petition and directed the Commercial Court to number the plaint, holding that the suit disclosed sufficient urgency to proceed without pre-institution mediation. The Court framed the threshold under Section 12A as a fact-sensitive assessment of ongoing commercial disruption rather than a formalistic scrutiny of interim relief:

1. the Madras HC held that Section 12A requires a distinction between disputes that can be deferred to mediation and those that warrant immediate judicial intervention. Relying on *Yamini Manohar vs. T.K.D. Keerthi*⁴, it observed that the inquiry must be undertaken from the standpoint of the plaintiff based on the nature of the dispute and the reliefs sought;
2. the Madras HC clarified that the expression ‘contemplate urgent interim relief’ requires an assessment, in line with *Dhanbad Fuels Private Limited vs. Union of India*⁵, of whether such relief is capable of being contemplated on the facts, and not whether it would ultimately be granted on merits;
3. adopting the framework indicated in *Novenco Building and Industry A/S vs. Xero Energy Engineering Solutions Private Limited*⁶, the Madras HC recognised that continued occupation of commercial premises, recurring financial demands, and operational disruption are factors that may indicate immediate commercial prejudice;
4. the Madras HC emphasised that the scrutiny at the stage of numbering the plaint is confined to identifying a plausible basis for urgency, and that the Commercial Court is not required to test the sustainability of the interim relief on principles such as prima facie case, balance of convenience, or irreparable harm at this stage; and
5. applying these principles, the Madras HC held that the Plaintiff’s pleadings disclosed a continuing commercial burden and could not be treated as a device to bypass mediation. The return of the plaint was therefore set aside, with liberty to the defendant to raise objections under Section 12A of the Commercial Court Act at a later stage.

Conclusion

The Madras HC’s decision defines the Section 12A of the Commercial Court Act inquiry as a calibrated threshold exercise that balances procedural discipline with commercial practicality. By focusing on whether the pleadings disclose a credible narrative of ongoing commercial disruption, the Madras HC recognises that certain disputes require immediate judicial engagement notwithstanding the statutory preference for mediation.

³ Article 227 confers on High Courts supervisory jurisdiction over all subordinate courts and tribunals within their territory, to ensure they act within jurisdiction and follow due process; the power is discretionary and not appellate in nature.

⁴ (2024) 5 SCC 815

⁵ (2025) 9 SCC 424

⁶ 2025 SCC OnLine 2278

The ruling is likely to influence how commercial courts assess claims at the filing stage, particularly in disputes involving continuing obligations, occupation of commercial assets, or recurring financial demands. It underscores that where a plaintiff demonstrates a live commercial burden or operational constraint, the procedural gateway of pre-institution mediation yields to the need for timely adjudication. At the same time, the decision preserves the statutory objective of mediation by permitting subsequent scrutiny where urgency appears contrived, thereby maintaining a balanced and structured approach to Section 12A compliance.

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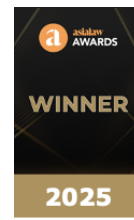
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