

**HIGH COURT OF JAMMU & KASHMIR AND LADAKH
AT JAMMU**

(Through Virtual Mode)

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RFA No.44/2025

Reserved on: 24.04.2026

Pronounced on: 04.06.2026

Uploaded on: 04.06.2026

Whether the operative part or full
Judgment is pronounced: **Full**

JKR Partnership Firm
through its Partner
Rajneesh Jamwal Age 34
years, Malik Market
Bypass Road, Opposite
Jamia Masjid, Jammu

.....Appellant(s)

Through: Mr. Inderjeet Gupta, Advocate

Versus

Detailing Devils India Pvt.
Ltd., A Company
incorporated under the
Companies Act 2013 and
having its Registered Office
at D-50, Sector 2 Noida,
Uttar Pradesh India-
201301 through its
Director Mr Rajat Ahooja.

.....Respondent(s)

Through: Mr., Asav Rajan, Advocate
Mr. Ayjaz Lone, Advocate
Mr. Kashish Chadha,
Advocate
Mr. Devang Shrotriya,
Advocate.

**CORAM: HON'BLE MR JUSTICE RAJNESH OSWAL, JUDGE
HON'BLE MR JUSTICE RAHUL BHARTI, JUDGE**

JUDGMENT

(Rajnish Oswal-J)

1. This civil first appeal is addressed by the appellant, as being an aggrieved plaintiff, against an order dated **31.07.2025** passed by the court of learned Additional District Judge, (Commercial Court), Jammu (hereinafter to be referred to as “the trial court”) in a civil suit titled **“PKR Partnership Firm v. Detailing Devils India Pvt. Ltd.”** wherein, in response to an application filed by the respondent/defendant under Order VII Rule 11 of the Code of Civil Procedure (CPC), 1908, the learned trial court has rejected the appellant's plaint for failure to comply with the mandatory pre-institution mediation as envisaged under Section 12-A of the Commercial Courts Act, 2015 (for short “the Act”).
2. Before coming to deal with the appellant’s appeal in the context of challenge to the impugned order, a brief resume of the civil suit preferred by the appellant needs to be put in place here in next.
3. By virtue of a Franchise Agreement dated 25.07.2020 made by and between the respondent and the appellant,

the respondent came to constitute the appellant as a 'franchisee' with respect to opening and operation of an outlet (the unit, franchised unit and franchised business) at one location only which was Detailing Devils, Jammu, Malik Market, Bye Pass Road, Opposite Jamia Masjid, Pin Code-180015.

4. The franchise so granted in favour of the appellant by the respondent was a non-exclusive one with initial term and tenure of the Franchise Agreement being three years to expire on 3rd anniversary of date of launch of the singular outlet for which the franchise was being granted. There was a clause for renewal of franchise at the option of the appellant as a franchisee and the renewal period was also for a period of two years provided at the time of renewal, the appellant paid a non-refundable renewal fee of Rs. 50,000/- by exercising option of renewal with a prior notice of six months period to be first served by the appellant to the respondent.
5. Thus, by the making date of franchise agreement being 25.07.2020, said agreement on its own was to expire on 24.07.2023.
6. The respondent, by way of legal notice dated 29.08.2023 came to terminate the Franchise Agreement by putting the appellant on a caveat to desist from claiming itself to

be the franchisee of the respondent with immediate effect.

7. The said legal notice came to be responded by the appellant by a reply to the legal notice dated 12.09.2023 wherein the appellant came to notify the respondent that in the face of termination of the franchise agreement, the appellant is entitled to claim an amount of Rupees Fifty Lacs (Rs. 50,00,000/-) on account of investment made by it. The appellant further came to seek renewal of the Franchise Agreement for next two years.
8. It is in this backdrop that a purported cause of action was availed by the appellant to file a civil suit on 28.10.2023 before the learned Principal District Judge, Jammu wherefrom it came to be transferred to the court of learned Additional District Judge (Commercial Court), Jammu.
9. In its civil suit, the appellant claimed a decree for compensation of amount of Rupees Fifty Lacs (Rs. 50,00,000/-) and also a declaration with respect to termination notice dated 29.08.2023 being illegal, null and void and inoperative with mandatory injunction directing the respondent to allow the appellant to operate the franchise agreement and perpetually restraining the

respondent from allocating the franchise to any other person in Jammu province.

10. The aforesaid civil suit of the appellant was also accompanied with an application for grant of temporary injunction of staying the operation of the termination notice and also restraining the respondent from allocating the franchise agreement to any other person. The appellant also sought an interim relief so as to continue to conduct the business as per franchise agreement.

11. The respondent from its end came forward with an application under Order VII Rule 11 of the CPC by citing the judgment of Hon'ble Supreme Court of India in the case of **M/s Patil Automation Pvt. Ltd and Ors Vs. Rakheja Engineers Pvt. Ltd. [(2022) 10 SCC 1]**. In its said application, the respondent came to assert that the appellant identifies and introduces itself as a firm acting through its partner Rajneesh Jamwal but without any certificate of registration of partnership being on record thereby rendering the suit liable to be rejected. The respondent further cited that as per the terms and conditions of the franchise agreement, the jurisdiction to adjudicate the dispute only vested with the courts in Delhi. In addition the respondents stated that the suit

reliefs are cognizable by the Commercial Court in terms of the Commercial Courts Act, 2015 whereas the appellant has nomenclated its suit as a civil suit before a civil court of original jurisdiction.

12. The appellant from its end came forward with a reply to the said application of the respondent. The appellant intended to salvage the maintainability of the suit by citing that in terms of Section 12-A of the Act in the event of plaintiff seeking urgent relief, exemption is available for maintaining the civil suit without initiating pre-litigation mediation.
13. In this regard, the appellant also came to rely upon **M/s Patil Automation Pvt. Ltd** judgment of the Hon'ble Supreme Court of India (supra) by referring to its paras 54 and 72. In addition, the appellant also cited **Ganga Taro Vazirani Vs. Deepak Raheja, 2020 SCC Online Bombay 9015** to impress the point that section 12-A of the Act is a procedural provision and when an urgent relief is sought in a civil suit, the procedure under Section 12-A of the Act needs not to be undergone.
14. The appellant further came in response to refer to a fact that it received a notice from the Secretary North DLSA Delhi by reference to a pre-mediation application filed by the respondent before the North District Legal Services

Authority, Rohini Courts, Delhi and apprised the said Authority about the fact of civil suit having been filed by the appellant against the respondent which resulted in closure of the pre-mediation process at the end of the North District Legal Services Authority.

15. In addition, the respondent also filed written statement dated 18.11.2023 to the plaint.
16. It is said application of the respondent which came to earn its adjudication in the form of impugned order dated 31.07.2025 from the trial court whereby the suit of the appellant was held non-maintainable being in breach of mandate of section 12-A of the Act and, thus, rejecting the plaint as per **M/s Patil Automation Pvt. Ltd** judgment.
17. The learned trial court came to pose a solitary question for its consideration as to whether statutory pre-litigation mediation under Section 12-A of the Act is mandatory and in this regard referred itself to the judgment of the Hon'ble Supreme court of India in the case of **M/s Patil Automation Pvt. Ltd & Ors Vs. Rakheja Engineers Private Ltd.**
18. The appellant challenges the impugned order primarily on the ground that the main suit was accompanied by an application for urgent ad-interim relief so, therefore, its

suit was maintainable without suffering any disability by reference to section 12-A of the Act.

19. The appellant contends that owing to this manifest urgency, the requirement of pre-institution mediation under Section 12-A of the Act was fully exempted.
20. It is submitted that the learned trial court erred in law by ignoring settled Apex Court's precedents which mandate that courts must deeply examine the pleadings as a whole to determine if an urgent interim relief is genuinely made out so as to dispense with mediation.
21. Precisely stated, the contention of the appellant is that the learned trial court failed to appreciate the true import of the interim relief sought which squarely qualifies as 'urgent interim relief' within the meaning of Section 12-A of the Act. Learned counsel for the appellant submits that the suit was accompanied by an application for interim relief, which clearly established the urgent nature of the matter. Consequently, the Trial Court could not have invoked Section 12-A of the Act to reject the plaint.
22. To buttress its argument, the appellant relies on the Hon'ble Supreme Court's judgment in "**Novenco Building and Industry vs. Xero Energy Engineering Solutions Pvt. Ltd. & Anr**", 2025 SCC Online SC 2278 to contend that a prayer for temporary injunction is

sufficient to demonstrate the urgency required to bypass pre-institution mediation.

23. On the other hand, Mr. Asav Rajan, learned counsel representing the respondent, appearing and arguing virtually, contended that a bare reading of the plaint reveals a feigned urgency designed solely to bypass the mandatory pre-institution mediation required by Section 12-A of the Act. He further argued that the appellant's own conduct belies any claim of urgency; the appellant remained completely indolent, took no steps to seek a renewal of the franchise agreement under the relevant renewal clause, as such, the learned Trial Court has rightly passed the order impugned.

24. Heard and perused the record.

25. The appellant claims that it had consistently paid the contractually mandated royalties and had communicated its intent to renew the franchise. However, on 29.08.2023, the respondent issued the termination notice. The appellant avers that this notice was issued without any prior warning or opportunity to respond to the allegations, thereby demonstrating *mala fide*. Denying any breach of the franchise terms, the appellant filed the suit before the learned trial court on 28.10.2023 for the following reliefs:

- a) Civil Suit for recovery of Rs.50,00,000/-;
- b) Suit for Declaration declaring Termination Notice dated 29.08.2023 as illegal, null and void inoperative and non-est in the eyes of law;
- c) Mandatory Injunction directing the defendant to allow the plaintiff to operate the Franchisee Agreement dated 25.07.2020;
- d) Permanent Prohibitory Injunction restraining the defendant from allotting the Franchisee to any other person in Jammu Province.”

26. The respondent has pleaded that because the dispute is a commercial one, the suit is barred due to non-compliance with Section 12-A of the Act relying on the Hon'ble Supreme Court's ruling in “***M/s Patil Automation Pvt. Ltd. & Ors v. Rakheja Engineers Pvt. Ltd***” [(2022) 10 SCC 1].
27. The appellant has countered that the requirement of pre-institution mediation stands dispensed and waived because the suit explicitly sought an urgent interim relief.
28. Disagreeing with the appellant, the learned trial court allowed the respondent's application and rejected the plaint on the ground that the mandate of Section 12-A had not been followed.
29. It is the contention of the appellant that the submission of an application for temporary injunction *per se* evidenced the urgency of the relief prayed for, thereby exempting the suit from the threshold requirement of

pre-institution mediation envisioned by Section 12-A of the Act.

30. In **M/s Patil Automation Pvt Ltd and others v. Rakheja Engineers Pvt. Ltd., [(2022) 10 SCC 1]**, the Hon'ble Apex Court has held :

“94. On a consideration of the scheme of Orders 4, 5 and 7CPC, we arrive at the following conclusions:

94.1. A suit is commenced by presentation of a plaint. The date of the presentation in terms of Section 3(2) of the Limitation Act, 1963 is the date of presentation for the purpose of the said Act. By virtue of Order 4 Rule 1(3), institution of the plaint, however, is complete only when the plaint is in conformity with the requirement of Order 6 and Order 7.

94.2. When the court decides the question as to issue of summons under Order 5 Rule 1, what the court must consider is whether a suit has been duly instituted.

94.3. Order 7 Rule 11 does not provide that the court is to discharge its duty of rejecting the plaint only on an application. Order 7 Rule 11 is, in fact, silent about any such requirement. Since summon is to be issued in a duly instituted suit, in a case where the plaint is barred under Order 7 Rule 11(d), the stage begins at that time when the court can reject the plaint under Order 7 Rule 11. No doubt it would take a clear case where the court is satisfied. The Court has to hear the plaintiff before it invokes its power besides giving reasons under Order 7 Rule 12. In a clear case, where on allegations in the suit, it is found that the suit is barred by any law, as would be the case, where the plaintiff in a suit under the Act does not plead circumstances to take his case out of the requirement of Section 12-A, the plaint should be rejected without issuing summons. Undoubtedly, on issuing summons it will be always open to the defendant to make an application as well under Order 7 Rule 11. In other words, the power under Order 7 Rule 11 is available to the court to be exercised suo motu.

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113. Having regard to all these circumstances, we would dispose of the matters in the following manner:

113.1. We declare that Section 12-A of the Act is mandatory and hold that any suit instituted

violating the mandate of Section 12-A must be visited with rejection of the plaint under Order 7 Rule 11. This power can be exercised even suo motu by the court as explained earlier in the judgment. We, however, make this declaration effective from 20-8-2022 so that stakeholders concerned become sufficiently informed.

113.2. Still further, we however direct that in case plaints have been already rejected and no steps have been taken within the period of limitation, the matter cannot be reopened on the basis of this declaration. Still further, if the order of rejection of the plaint has been acted upon by filing a fresh suit, the declaration of prospective effect will not avail the plaintiff.

113.3. Finally, if the plaint is filed violating Section 12-A after the jurisdictional High Court has declared Section 12-A mandatory also, the plaintiff will not be entitled to the relief.

31. In ***Yamini Manohar v. T.K.D. Keerthi***, [(2024) 5 SCC 815], the Hon'ble Apex Court has held as under:

“10. We are of the opinion that when a plaint is filed under the CC Act, with a prayer for an urgent interim relief, the commercial court should examine the nature and the subject-matter of the suit, the cause of action, and the prayer for interim relief. The prayer for urgent interim relief should not be a disguise or mask to wriggle out of and get over Section 12-A of the CC Act. The facts and circumstances of the case have to be considered holistically from the standpoint of the plaintiff. Non-grant of interim relief at the ad interim stage, when the plaint is taken up for registration/admission and examination, will not justify dismissal of the commercial suit under Order 7 Rule 11 of the Code; at times, interim relief is granted after issuance of notice. Nor can the suit be dismissed under Order 7 Rule 11 of the Code, because the interim relief, post the arguments, is denied on merits and on examination of the three principles, namely : (i) prima facie case, (ii) irreparable harm and injury, and (iii) balance of convenience. The fact that the court issued notice and/or granted interim stay may

indicate that the court is inclined to entertain the plaint.

11. Having stated so, it is difficult to agree with the proposition that the plaintiff has the absolute choice and right to paralyse Section 12-A of the CC Act by making a prayer for urgent interim relief. Camouflage and guise to bypass the statutory mandate of pre-litigation mediation should be checked when deception and falsity is apparent or established. The proposition that the commercial courts do have a role, albeit a limited one, should be accepted, otherwise it would be up to the plaintiff alone to decide whether to resort to the procedure under Section 12-A of the CC Act. An “*absolute and unfettered right*” approach is not justified if the pre-institution mediation under Section 12-A of the CC Act is mandatory, as held by this Court in *Patil Automation [Patil Automation (P) Ltd. v. Rakheja Engineers (P) Ltd., (2022) 10 SCC 1 : (2023) 1 SCC (Civ) 545]* .

12. The words “*contemplate any urgent interim relief*” in Section 12-A(1) of the CC Act, with reference to the suit, should be read as conferring power on the court to be satisfied. They suggest that the suit must “contemplate”, which means the plaint, documents and facts should show and indicate the need for an urgent interim relief. This is the precise and limited exercise that the commercial courts will undertake, the contours of which have been explained in the earlier paragraph(s). This will be sufficient to keep in check and ensure that the legislative object/intent behind the enactment of Section 12-A of the CC Act is not defeated.”

32. In **M/s Dhanbad Fuels Private Ltd. v. Union of India, [(2025) 9 SCC 424]**, the Hon’ble Apex Court has observed as under:

“71. In light of the aforesaid discussion, we summarise our findings as under:

71.1. The decision of this Court in *Patil Automation [Patil Automation (P) Ltd. v. Rakheja Engineers (P) Ltd.]*, lays down the correct position of law as regards Section 12-A of the 2015 Act by holding it to be mandatory in nature.

71.2. As held in para 104 of the decision in *Patil Automation*, the declaration of the mandatory nature of Section 12-A of the 2015 Act relates back to the date of the amending Act.

71.3. As held in para 113.1 of the decision in *Patil Automation*, any suit which is instituted under the 2015 Act without complying with Section 12-A is liable to be rejected under Order 7 Rule 11. However, this declaration applies prospectively to suits instituted on or after 20-8-2022.

71.4. A suit which contemplates an urgent interim relief may be filed under the 2015 Act without first resorting to mediation as prescribed under Section 12-A of the 2015 Act.

71.5. Unlike Section 80(2)CPC, leave of the court is not required to be obtained before filing a suit without complying with Section 12-A of the 2015 Act.

71.6. The test for “urgent interim relief” is if on an examination of the nature and the subject-matter of the suit and the cause of action, the prayer of urgent interim relief by the plaintiff could be said to be contemplable when the matter is seen from the standpoint of the plaintiff.

71.7. The Courts must also be wary of the fact that the urgent interim relief must not be merely an unfounded excuse by the plaintiff to bypass the mandatory requirement of Section 12-A of the 2015 Act.

71.8. Even if the urgent interim relief ultimately comes to be denied, the suit of the plaintiff may be proceeded with without compliance with Section 12-A if the test for “urgent interim relief” is satisfied notwithstanding the actual outcome on merits.

71.9. Suits instituted without complying with Section 12-A of the 2015 Act prior to 20-8-2022 cannot be rejected under Order 7 Rule 11 on the ground of non-compliance with Section 12-A unless

they fall within the exceptions stipulated in paras 113.2 and 113.3 of the decision in *Patil Automation*. 71.10. In suits instituted without complying with Section 12-A of the 2015 Act prior to 20-8-2022 which are pending adjudication before the trial court, the court shall keep the suit in abeyance and refer the parties to time-bound mediation in accordance with Section 12-A of the 2015 Act if an objection is raised by the defendant by filing an application under Order 7 Rule 11, or in cases where any of the parties expresses an intent to resolve the dispute by mediation.”

33. In ***Novenco Building and Industry v. Xero Energy Engineering Solutions Private Ltd. and another*** reported in **2025 SCC OnLine Sc 2278**, relied upon by learned counsel for appellant, the Hon’ble Supreme Court has laid down guidelines for the Trial Courts for rejection of a plaint while considering the compliance of Section 12-A of the Act. The relevant paragraph is extracted as under:

“20. The legal test distilled from the aforesaid decisions for the purposes of rejection of the plaint and for adjudication of interim relief can be culled out as follows:

(i) Section 12A mandatorily requires pre-institution mediation for commercial suits, non-compliance of which would ordinarily render the plaint institutionally defective.

(ii) A plaintiff can be exempted from the requirement of Section 12A only when the plaint and the documents attached with it clearly show a real need for urgent interim intervention. A wholesome reading of the plaint and the material annexed to the plaint ought to disclose the need for urgent relief.

(iii) The court must look at the plaint, pleadings and supporting documents to decide whether urgent interim relief is genuinely contemplated. The court may also look for immediacy of the peril, irreparable harm, risk of losing rights/assets, statutory timelines, perishable subject-matter, or where delay would render eventual relief ineffective.

(iv) A proforma or anticipatory prayer for urgent relief used as a device to skip mediation will be ignored and the court can require the parties to comply with Section 12A of the Act.

(v) The court is not concerned with the merits of the urgent relief, but if the relief sought seems to be plausibly urgent from the standpoint of the plaintiff the court can dispense with the requirement under Section 12A of the Act.”

34. The legal position discernible from the various judgments of the Hon'ble Supreme Court cited hereinabove is that the mandate of pre-institution mediation under Section 12-A of the Act is absolute and compulsory. Where a plaintiff fails to adhere to this statutory mandate with respect to institution of suit that does not contemplate urgent interim relief, the plaint is liable to be rejected under Order VII Rule 11 of the CPC. In determining whether an urgent interim relief is indeed involved and warranted, a court is supposed to examine specific facts pleaded and the documents appended to the plaint for adopting a holistic approach from the plaintiff's perspective. Simultaneously, a duty is cast upon the court to ensure that the mandate of Section 12-A of the Act is not bypassed through crafty drafting or the mere inclusion of a prayer for urgent interim relief. The urgency contemplated by the suit must be real and substantial, rather than superfluous or cosmetic.

35. Simply stated, a prayer for interim relief must not be a camouflage to evade the statutory obligation of mediation.
36. We shall now examine whether the appellant has successfully satisfied the parameters laid down by the Apex Court as adverted to hereinabove.
37. At the risk of repetition, we reiterate that the principal reliefs sought by the appellant in the underlying suit include a mandatory injunction directing the respondent to allow the appellant to operate the outlet in accordance with franchise agreement dated 25.07.2020, alongside a permanent prohibitory injunction restraining the respondent from allotting the said franchise to any third party within the Jammu Province.
38. Pursuant to the franchise agreement dated 25.07.2020, the term of operation for franchise unit was fixed at three years from the date of the outlet's launch. Although the respondent terminated the appellant's franchise vide the termination notice dated 29.08.2023, the record indicates that prior to that date the appellant had never served any prior notice upon the franchisor (the respondent) seeking to renew the operation period of the franchise unit. In this context, clause 3.2 of the franchisee agreement is extracted as under:

“3.2 Franchisee may at its option renew this franchisee for additional period of Two (02) years provided that at the time of the renewal, Franchisee need to pay a non refundable renewal fee of Rs.50,000 (fifty Thousand) which is Exclusive of the applicable GST at the time of renewal of this agreement:

3.2.1 Franchisee gives Franchisor notice of such election to renew not less than six (6) months nor more than twelve (12) months prior to the end of the initial term;”

39. Under Clause 3.2.1, the appellant was contractually obligated to notify the respondent of its election to renew between six and twelve months’ window period prior to the expiry of the franchise’s initial term. No documentary evidence has been produced to show that any such notice was issued. In fact, learned counsel for the appellant has fairly conceded that no such requisite notice of election to renew was ever served from its end to the respondent.
40. If the appellant was genuinely interested in continuing the franchise business, it should have timeously exercised its option under the franchise agreement. Instead, it is only after receiving the termination notice that the appellant manufactured a superficial urgency in the plaint to bypass the statutory mandate through an application for interim relief.
41. We have no hesitation in holding that the appellant's failure to exercise its renewal option under Clause 3.2.1 of the franchise agreement disentitles it to claim any

urgent interim relief against the termination notice. In fact, the plaint explicitly seeks the recovery of Rs. 50.00 Lakhs as damages for illegal termination. Given that the appellant's primary remedy resolves into a quantifiable monetary claim, the injunctive reliefs sought are nothing but an afterthought, designed to manufacture an illusion of urgency solely to bypass the pre-institution mediation mandated by Section 12-A of the Act.

42. Having examined the impugned order passed by the learned Trial Court, we find no error or illegality therein warranting our interference. The appeal, being completely devoid of merit, is accordingly, **dismissed**.

Srinagar
04.06.2026
Ajaz Ahmad, Secy

