

FININ2MIN PROFESSIONAL LAW CORPUS - BATCH 05

Schedule Part 1 - Section 26, Costs and Compensatory Costs

CPC section 26 affidavit linkage, substituted section 35 commercial-cost regime and section 35A amendment.

Commercial Courts Act, 2015

Reviewed through 2026-07-18

India-first professional reference

Source control: The official India Code Act PDF, current Rules, Gazette notifications, State/High Court instruments and event-date court orders prevail. This publication is an implementation guide and source map, not a substitute for signed official text or matter-specific legal advice.

Dedicated Finin2min Summary - Chapter in 2 Minutes

- CPC section 26 affidavit linkage, substituted section 35 commercial-cost regime and section 35A amendment.
- The commercial CPC amendment is binding process, not a best-practice suggestion.
- Preserve dates, authority, disclosure and court orders because procedural defaults can be irreversible.
- Verify High Court practice directions and e-filing requirements without displacing the statutory Schedule.

Section-by-section provision map

Provision / gate	Subject	Status	Finin2min decode	Implementation	Evidence
Statutory change	CPC as amended for commercial disputes	Operative with section 16	CPC section 26 affidavit linkage, substituted section 35 commercial-cost regime and	Convert the exact Rule into a pleading, evidence and docket checklist.	Current Act Schedule, pleading/

Provision / gate	Subject	Status	Finin2min decode	Implementation	Evidence
			section 35A amendment.		evidence and court order.
Deadline/ control	Mandatory commercial procedure	Matter-specific	CPC section 26 affidavit linkage, substituted section 35 commercial-cost regime and section 35A amendment.	Assign owner and system reminders; document any extension power and outer limit.	Service, filing, disclosure and hearing timestamps.
Consequence	Costs, forfeiture, exclusion or judgment risk	Court-controlled	Non-compliance may remove a procedural right or materially change merits.	Reasoned application, response and order.	
Local overlay	High Court Rules and practice directions	Verify conflict and supplement	Section 16(3) gives the statutory commercial CPC priority over conflicting local amendments.	Current High Court source and conflict memo.	

Finin2min clause-by-clause decode

Statutory change - CPC as amended for commercial disputes

CPC section 26 affidavit linkage, substituted section 35 commercial-cost regime and section 35A amendment.

Status: Operative with section 16

Deadline/control - Mandatory commercial procedure

CPC section 26 affidavit linkage, substituted section 35 commercial-cost regime and section 35A amendment.

Status: Matter-specific

Consequence - Costs, forfeiture, exclusion or judgment risk

Non-compliance may remove a procedural right or materially change merits.

Status: Court-controlled

Local overlay - High Court Rules and practice directions

Section 16(3) gives the statutory commercial CPC priority over conflicting local amendments.

Status: Verify conflict and supplement

Finin2min implementation explanation

Opening control

Freeze the transaction, relief, cause of action, limitation, specified value, territorial facts, current notified court, urgent-relief position and arbitration/special-statute interface.

Execution control

Assign legal, finance, records, business and authorised-signatory owners. Use one dated matter file and a court-calendar owner with exception escalation.

Practical examples and calculations

A party discovers an adverse email after filing. The continuing disclosure duty requires prompt disclosure and a reasoned leave application rather than silent withholding; preservation, metadata and custody evidence are retained.

Calculation	Method	Evidence
Specified value	Principal or market/intangible value plus interest computed only up to filing; arbitration uses claim plus counterclaim.	Invoices, contract, interest schedule, valuation and arbitration pleadings.
Interest	State legal/contract basis, rate, from/to dates, total to filing and daily accrual afterwards.	Contract clause, MSMED/statute analysis, ledger and bank records.
Litigation economics	Claim, defence/set-off, court fees, PIMS cost, legal/expert cost, interest, recovery probability and time value.	Approved claim model and settlement authority.

Practical transaction application

1. Classify the transaction and every relief.
2. Compute specified value and limitation using a reproducible working.
3. Identify the currently notified commercial forum and appeal route.

4. Complete PIMS or document genuine urgent interim relief.
5. Preserve pleadings, disclosure, electronic evidence, court calendar and settlement authority.

Authority, consent and execution controls

Authority

- Correct legal entity and counterparty.
- Board, partner, delegated authority or power of attorney.
- Named deponent acquainted with facts.
- Settlement and payment authority matrix.

Execution

- Statement of Truth and verification.
- PIMS application/appearance authority.
- Electronic signature and filing credentials.
- Execution, notarisation and court-specific requirements.

Stamp duty and registration alerts

The Act does not create one national stamp or registration rule for underlying contracts, powers, settlement deeds, property instruments or security documents. Apply the relevant State stamp law, Registration Act, court-fee law and settlement-enforcement route. Do not treat PIMS or court filing as curing an inadequately stamped or unregistered underlying instrument.

Evidence and document-retention checklist

- | | |
|-------------------------------------|--|
| • Executed contract and amendments | • Pleadings and Statement of Truth |
| • Invoices, delivery and acceptance | • Disclosure and adverse-document list |
| • Ledger, bank and tax records | • Email, cloud, metadata and logs |
| • Demand and settlement offers | • Admission/denial affidavit |
| • PIMS application and outcome | • Case-management and hearing orders |
| • Valuation and limitation working | • Costs budget and authority |
| • State/High Court notifications | • Appeal/stay and enforcement file |

Performance, delivery and payment controls

Performance

Map milestones, specifications, variation approvals, delivery, inspection, acceptance, defects, cure, termination and mitigation to contemporaneous records.

Payment

Reconcile principal, GST, TDS, retention, credits, debit notes, interest basis, payment appropriation and MSMED exposure before pleading.

Breach, loss, mitigation and remedy framework

Separate breach, causation, remoteness, proof, avoided cost, mitigation, liquidated sum, restitution, interest, specific relief, interim protection, set-off/counterclaim, costs and enforceability. A large invoice or contractual figure is not by itself proof of recoverable loss.

Limitation and forum controls

Limitation

Record accrual, invoice/due date, breach/refusal, acknowledgement, part payment, PIMS exclusion, arbitration commencement, certified-copy time and filing date.

Forum

Verify commercial category, specified value, territory, original side, court level, State notification, statutory bar, arbitration allocation and appealability.

Arbitration and mediation interface

Section 10 allocates qualifying Arbitration Act applications and appeals to the commercial forum. Section 12A PIMS applies to qualifying suits not contemplating urgent interim relief. Contractual mediation, MSMED conciliation, consumer mediation, arbitration and court-annexed settlement must be classified separately rather than blended into one procedure.

Company, partnership, GST and tax overlays

Entity overlay

Check company/LLP/partnership authority, related-party restrictions, insolvency moratorium, assignment, guarantees, insurance and officer admissions.

Finance and tax overlay

Reconcile GST supply/credit notes, TDS, interest accounting, provision/contingent liability, bad-debt/recovery treatment, stamp duty and settlement allocation.

Finin2min Q&A

Can parties contract out of the commercial CPC Schedule?

No. Parties may agree case-management arrangements, but they cannot displace mandatory court procedure.

Do High Court Rules still matter?

Yes, where they supplement rather than conflict; section 16(3) gives the Act-amended CPC priority over conflict.

What is the core professional control?

Create a service, pleading, disclosure, evidence, hearing and appeal calendar at matter opening.

Chapter-specific decision flowchart

Schedule Part 1 - Section 26, Costs and Compensatory Costs - Decision Flow



Verify current Act, Rules, State/High Court notifications, practice directions and event-date law before filing or advising.