
(1951) 09 P&H CK 0013
In the Punjab And Haryana At Chandigarh
Case No : Civil Revision No. 405 of 1951

Home Insurance Co. Ltd., New Delhi	APPELLANT
Vs	
Jagatjit Sugar Mills Co. Ltd. and Another	RESPONDENT

Date of Decision : 21-09-1951

Acts Referred:

Civil Procedure Code, 1908 (CPC) — Section 20

Citation : AIR 1952 P&H 142 : (1952) 22 CompCas 338

Hon'ble Judges : Kapur, J

Bench : Single Bench

Advocate : A.R. Kapur, for the Appellant; Manohar Lal Bagai, for the Respondent

Final Decision : Allowed

Judgement

Kapur, J.—This is a rule directed against an order passed by Mr. Chandar Gupta Suri, Subordinate Judge of the 1st Class, Delhi, holding that the Delhi Courts have jurisdiction to try the suit.

2. On the 1st of September 1947, the Jagjit Sugar Mills Company, Limited, insured some goods for one month against riot risk. These goods were at Jaijon. On the 6th September, 1947, 113 bags of "shakkar" are alleged to have been looted by a riotous mob and on the 19th October, 1949, a suit was brought by the insured for recovery of Rs. 5,913/11/6 being the loss suffered by them due to the looting. In regard to jurisdiction there was a "warrantly" clause in the policy in the following words:

"It is hereby warranted that in case of any claims arising in respect of the property hereby insured, the same shall be paid and settled in Lahore and the entire cause of action shall also be deemed to arise in Lahore and further that all legal proceedings in respect of any such claim shall be instituted in a competent Court in the city of Lahore only."

3. The defendants took a preliminary objection that the Courts at Delhi had no jurisdiction, but the learned Judge overruled this objection and held that the

Courts had jurisdiction because of a letter Ex. P. 8. The insurers have come up in revision to this Court and rule was Issued by me on the 18th July, 1951.

4. The suit has been brought at Delhi because of the warranty, the ground being that as the former Lahore office is now located at New Delhi therefore in accordance with the terms of the warranty all claims have to be settled in Delhi and the entire cause of action must be deemed to have arisen in Delhi. This is a contention with which I am unable to agree. According to Explanation II to Section 20 of the CPC a corporation is deemed to carry on business at its sole or principal office in British India (now the Union of India), or, in "respect of any cause of action arising at any place where it has also a subordinate office, at such place. In regard to contracts the cause of action arises in a place where the contract was made or the place where the contract was to be performed or performance thereof completed or the place where in performance of the contract any money to which the suit relates was expressly or impliedly paid.

5. it has been held that the domicile of a company is fixed by the statute by the situation of its principal place of business. The mere fact that in accordance with some of the letters which have been produced, and Ex. p. 8 is a principal one of them, the former office has now been shifted to New Delhi would not also transfer the right of the plaintiff to bring a suit at Delhi. The place of suing is governed by Section 20 of the CPC and in regard to incorporated companies it is within the four corners of that section that we have to find the place of suing. According to the statute, in my opinion, an incorporated company can be sued at its principal place of business or if cause of action arises at some other place and it has got a subordinate place of business, at that place also. In the present case neither of these two conditions are satisfied.

6. Counsel for the plaintiff has stressed the point that the insurers have been writing to them that the case would now be looked into by the New Delhi Office, but that does not give them a cause of action. In my opinion the learned Judge was in error in holding that by the change of the Lahore Office to New Delhi the Courts at Delhi had jurisdiction to try the suit. I, therefore, allow this petition, set aside the order of the trial Court and make the rule absolute. The plaint will be returned to the plaintiff for filing his suit in a Court of competent jurisdiction. The opposite party will pay the costs of the petitioner in this Court.