

**IN THE HIGH COURT OF KARNATAKA AT BENGALURU**

**DATED THIS THE 15th DAY OF SEPTEMBER, 2026**

**PRESENT**

**THE HON'BLE MRS. JUSTICE ANU SIVARAMAN**

**AND**

**THE HON'BLE MR. JUSTICE VENKATESH NAIK T**

**COMMERCIAL APPEAL NO. 83 OF 2023**

**BETWEEN:**

1. SMT. DR. S. SHOBANA DEVI  
W/O LATE SRI. DR.S.A.SUBBARAJU,  
AGED ABOUT 59 YEARS,
2. MR. S. ABHIRAM  
S/O LATE SRI. DR.S.A.SUBBARAJU,  
AGED ABOUT 26 YEARS,
3. MS. AMULYA.S.RAJ  
D/O LATE SRI. DR.S.A.SUBBARAJU,  
AGED ABOUT 28 YEARS,

ALL ARE R/O NO.55, 3RD CROSS,  
RAGHAVENDRA MUTT ROAD,  
KALIDASA LAYOUT, SRINAGAR,  
BANGALORE - 560 050.  
KARNATAKA STATE, INDIA  
TRAVEL TOURS PRIVATE LIMITED,  
NO.1/1, MILLER ARCADE,  
1ST FLOOR, MILLER ROAD,  
VASANTH NAGAR,  
BANGALURU - 560 052.

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Location: High  
Court of  
Karnataka

...APPELLANTS

(BY SRI. DEEPAK B R., ADVOCATE)

**AND:**

1. INDIAN MEDICAL ASSOCIATION'S  
DULY REPRESENTED BY ITS CHAIRMAN/VICE  
CHAIRMAN AND SECRETARY,  
REGD. UNDER SOCIETY'S ACT) REGD.NO.47/91-92.  
NO. REG OFFICE AT. I.M.A. HOUSE,  
BAILAPPANAVARNAGAR,  
HUBLI-580-029,  
KARNATAKA STATE,  
INDIA.
2. KARNATAKA SOCIAL SECURITY SCHEME  
(IMA'S-KSSS), REGD.,  
DULY REPRESENTED BY ITS CHAIRMAN AND  
SECRETARY,  
I.M.A. HOUSE,  
BAILAPPANAVARNAGAR,  
HUBLI-580-029.  
KARNATAKA STATE,  
INDIA.

...RESPONDENTS

(BY MS. BHAGYA SUBHASH, ADVOCATE FOR  
SRI. NEERAJ RAJIV SHIVAM, ADVOCATE FOR R2;  
R1 IS SERVED AND UNREPRESENTED)

THIS COMMERCIAL APPEAL IS FILED UNDER SECTION 13  
OF THE COMMERCIAL COURT ACT, 2015, PRAYING TO ALLOW  
THIS COMMERCIAL APPEAL PETITION AND SET ASIDE THE  
IMPUGNED ORDER DATED 2ND FEBRUARY 2023 BY THE  
LEARNED LXXXVI ADDL. CIVIL JUDGE, BANGALORE (CCH-87)  
PASSED IN COM.O.S. NO.1497/2022 AND FOR ANY OTHER  
APPROPRIATE ORDER AS TO COST TO BE PAID BY THE  
RESPONDENTS, IN THE ENDS OF JUSTICE.

THIS COMMERCIAL APPEAL HAVING BEEN HEARD AND  
RESERVED ON 29-07-2026, COMING ON FOR PRONOUNCEMENT,  
THIS DAY, THE **VENKATESH NAIK T. J.**, PRONOUNCED THE  
FOLLOWING:

CORAM: HON'BLE MRS. JUSTICE ANU SIVARAMAN  
and  
HON'BLE MR. JUSTICE VENKATESH NAIK T

**CAV JUDGMENT**

(PER: HON'BLE MR. JUSTICE VENKATESH NAIK T)

This appeal is filed by the appellants under Section 13 of the Commercial Courts Act, 2015 (*hereinafter referred to as 'the Act'*), challenging the Order dated 02.02.2023 passed by the learned LXXXVI Additional City Civil Judge, Bengaluru (CCH-87) (*hereinafter referred to as the 'Commercial Court'*) passed in COM.O.S.No.1497/2022.

2. For the sake of the convenience, the parties are referred to as per their rankings before Trial Court. The appellants are the plaintiffs and the respondents are the defendants.

3. The brief facts of the case are as under;

The appellants had filed suit for recovery of a sum of Rs.96,81,178/- towards death claim benefits of Late Dr.S.A.Subbaraju and other consequential relief. Late Dr.S.A.Subbaraju i.e., the husband of appellant No.1 was a member of the Karnataka Social Security Scheme from 04.06.2020, he was a medical practitioner and an

anaesthetist, a member of Indian Medical Association and had registered himself for both Social Security Scheme of IMA's KSSS namely, Silver Jubilee Scheme and Innovative Family Benefit Scheme by paying necessary fee to which certificates were issued and had nominated his wife, son and daughter as beneficiaries to the schemes. Late Dr.S.A.Subbaraju had obtained policy and same was valid from 12.02.2021. Both the schemes were promoted by the defendant, post-covid pandemic as first lockdown started from 3<sup>rd</sup> week of march, 2020, which continued till October-November, 2021. During the subsistence of the policy, Dr. S.A.Subbaraju was tested Covid positive and died on 14.04.2021 on account of the covid pneumonia. Thereafter the appellants, the family members came to know about the social scheme securities that the deceased has made to protect the interest of the family members and they requested the respondent to grant compensation under the above scheme. However the defendant declined to grant compensation. Hence, the appellants had filed the instant suit.

4. The respondent appeared through its counsel and filed I.A.No.1/2022 under Order VII Rule 10 and Section 9 R/w Section 151 of CPC, 1908 R/w Section 2(1)(c) of the Commercial Courts Act, 2015 for returning of the plaint for want of jurisdiction. The Commercial Court allowed I.A.No.1/2022 and returned the plaint to be presented before the appropriate Court at Hubballi. Hence, being aggrieved by the return of plaint to be present before the appropriate Court at Hubballi, the plaintiffs have filed this appeal.

5. Heard Sri Deepak B.R., learned counsel for the appellants and Ms. Bhagya Subhash, learned counsel for Sri Neeraj Rajiv Shivam, learned counsel for respondent No.2.

6. Learned counsel for appellants vehemently contended that the suit was filed seeking recovery of sum of Rs.96,81,178/- towards death claim benefit against the defendants who had denied payment of death claim benefit on account of the death of Dr.S.A.Subbaraju, who had availed two social security schemes which were launched

by the defendants. Dr.S.A.Subbaraju was a member of Indian Medical Association, Bengaluru, having life membership. These social security schemes were launched by IMA Karnataka Social Security Scheme and the two social security schemes certificates clearly disclosed that Dr.S.A.Subbaraju belonged to Bengaluru. The application forms filled up by Dr.S.A.Subbaraju was from Bengaluru on 26.05.2020 and it is clearly written in the application form that the subscription fee payment was paid through cheque belonging to State Bank of India, Sankyanahalli, Hanumathanagara, Bengaluru, for a sum of Rs.57,700/- through Cheque No.239262 for new silver jubilee scheme and for innovative family scheme, an existing payment subscription fee payment of Rs.36,700/- was paid by Dr.S.A.Subbaraju vide Cheque No.364138 drawn on Canara Bank, Kalidasa Layout, Bengaluru dated 06.02.2021. These payments ensure that the agreement/contract got initiated and activated within the jurisdiction of Bengaluru, i.e., part and the cause of action jurisdiction arose in Bengaluru. The holder of two social security schemes, Dr.S.A.Subbaraju became victim of

corona virus disease as he was a frontline warrior and he died on 14.04.2021. As he was insured under the two social security schemes in which his wife, son, and daughter were nominees, they were entitled to claim the death benefit under both social security schemes. When this was not honoured by the defendants, the commercial suit was instituted after following all the formalities like pre-litigation mediation, in which even after service of notice, the defendants never appeared.

7. It is contended that on 07.02.2022 at initial stage itself the defendants filed IA No.1/2022 under Order VII Rule 10 and Section 9 of CPC read with Section 2 (1) (c) of Commercial Courts Act, 2015. The membership was paid from the Bangalore bank account of the deceased. The appellants are residing in Bangalore. Therefore, it is contended that the place of execution of application as Bengaluru and not Huballi and the dates clearly disclose that Dr.S.A.Subbaraju was motivated by Dr. K.T.Prakash Reddy, who is also a life member of IMA Bengaluru. Therefore, the jurisdiction of filing the commercial suit was

before the Bengaluru Commercial Court. Hence, the counsel prayed to allow the appeal.

8. *Per contra*, learned counsel for respondent No.2 vehemently contended that Dr.S.A.Subbaraju, the husband of appellant No.1 was a member of Karnataka Social Security Scheme from 04.06.2020. Dr.S.A.Subbaraju in his application dated 04.06.2020 accepted the jurisdiction in the event of legal dispute to be Hubballi. To fix the jurisdiction as Bengaluru, the payment of premium to the Silver Jubilee Scheme and Innovative Family Benefit Scheme promoted by defendant Nos.1 and 2 are being paid from Bengaluru bank account, as the registered person Dr.S.A.Subbaraju for the purpose of both schemes, is a permanent resident of Bengaluru. The Silver Jubilee Scheme and Innovative Family Benefit Scheme certificates issued by the defendants clearly reveals that the name of Dr.S.A.Subbaraju belonging to Bengaluru branch and is a member of Indian Medical Association (IMA), when such being the case, the contention raised by defendant No.2 is not maintainable.

9. It is contended that respondent No.2 is not a registered insurer to issue insurance policies. As a matter of fact Section 3 of the Insurance Act, 1938 provides that no person besides insurer having certificate of registration issued by Insurance Regulatory and Development Authority of India (hereinafter called as 'IRDAI') shall engage in insurance business. Thus, respondent No.2 neither possesses a license to act as an insurance agent nor has applied under Section 16(a) of the Insurance Rules, 1939 to become an insurance agent. Therefore, the dispute between the appellants and respondents cannot be equated to disputes between insurance agent and assured to categorise as commercial dispute under Section 2 (1) (c) (xx) of the Commercial Courts Act, 2015 as contended by the appellants.

10. Admittedly, the Silver Jubilee Scheme is merely a Benevolent Scheme introduced by respondent No.2 for its members and the same cannot be considered as an insurance policy. Further, Section 9 of the Insurance Regulatory and Development Authority of India (Protection

of Policy Holders' Interest) Regulations, 2017 provides for certain essentials which shall be contained in a life insurance policy such as the unique identification number allotted by the IRDAI Authority amongst 20 other details, which are clearly absent in the application form filed by late Dr.S.A.Subbaraju.

11. It is contended that, for a dispute to fall within the jurisdiction of Commercial Courts, this Court in ***Fine Footwear Pvt. Ltd. V/s. Skechers USA. inc.*** reported **(2019) 5 KCCR 989** has laid down the twin test while interpreting the provisions of Commercial Courts Act, 2015, to determine over what matters Commercial Courts can exercise its jurisdiction. In the said judgment, it was held that two limbs that must be mandatory, which includes the dispute between the parties must be a commercial dispute as defined under Section 2(1)(c) of Commercial Courts Act and (b), the value of the subject matter must be above the specified value as given under Section 2(1)(i) of the Commercial Court Act, 2015.

12. The appellants claim is that the dispute between the appellants and respondents is a dispute arising out of insurance and reinsurance. However, the Silver Jubilee Scheme and Innovative Family Benefit Scheme are not insurance policies, but merely benevolent schemes introduced by respondent No.2, for the welfare of its employees.

13. In ***Ambalal Sarabhai Enterprises Ltd. v. K.S. Infraspace LLP***, reported in **(2020) 15 SCC 585** it is held that, if there is any dispute arising out of the schemes introduced by respondent No.2, the same shall exclusively be tried by the Courts at Hubballi and not in Bengaluru.

14. Rule 12(b) of the Rules and the Applications filed by Dr.S.A.Subbaraju expressly provides the jurisdiction of any dispute to be exclusively at Hubballi.

15. The counsel relied upon the judgment of the Hon'ble Apex Court in the case of ***Swastik Gases (P) Ltd. v. Indian Oil Corpn. Ltd.***, reported in **(2013) 9 SCC 32**, wherein it is held that in the event of existence of an

ouster clause in a contract, the Courts situated beyond such a location, as mentioned in clause, ought not to entertain any suit or legal proceedings having an access to the said contract. Therefore, Rule 12(c) of the Rules provides for arbitration as the preferred mode of settlement of dispute concerning respondent No.2 society. Moreover both the applications of the deceased expressly states that the applicant agrees to abide by the rules of respondent No.2. Therefore, being a member of respondent No.2 and signing up for benevolent schemes of respondent No.2 there is an existence of an arbitration agreement as defined under Section 7 of the Arbitration and Conciliation Act. Therefore, learned counsel for respondent No.2, prays to dismiss the appeal filed by the appellants.

16. Having heard the learned counsel for the parties and having perused the pleadings, documents placed on record and the impugned order, the following points arise for Court consideration:

*(i) Whether the Commercial Court was justified in returning the plaint under Order VII Rule 10 read with Sections 9 and 151 of the Code of Civil Procedure, on the ground that the Court at Bengaluru had no territorial jurisdiction to entertain the suit, without examining whether any part of the cause of action had arisen within the territorial jurisdiction of Bengaluru?*

*(ii) Another question that arises for consideration is whether the Commercial Court was justified in holding that the suit was not a commercial dispute?*

17. The dispute in the present appeal essentially relates to the territorial jurisdiction of the Bengaluru Commercial Court. The appellants have claimed a sum of Rs.96,81,178/- towards death benefits arising out of the New Silver Jubilee Scheme and the Innovative Family Benefit Scheme, under which late Dr.S.A.Subbaraju had enrolled himself and nominated the appellants as beneficiaries. The respondents, on the other hand, contend that the application and rules contain a specific stipulation conferring jurisdiction upon the Courts at Hubballi and, therefore, the plaint was rightly returned.

18. At the outset, it is necessary to notice the nature of the transaction from which the claim arises. The New Silver Jubilee Scheme under the IMA Karnataka Social Security Scheme is a social-security and mutual-benefit scheme intended to provide financial assistance to enrolled members and their families, including death fraternity benefits, subject to the terms and conditions governing the scheme. The Innovative Family Benefit Scheme is a welfare plan in the Indian Medical Association(IMA) refers to a peer-supported non-profit fraternity model. It provides direct monetary relief to the nominated beneficiary, if a member passed away or becomes physically unable to continue medical practice. The aforesaid scheme was also availed by the deceased under the said social-security arrangement.

19. The appellants' case is that late Dr.S.A.Subbaraju, being a member of the Indian Medical Association at Bengaluru, enrolled himself under the aforesaid schemes by making the requisite payments and nominated his wife, son and daughter as beneficiaries. It is

their case that the applications were submitted at Bengaluru and the subscription amounts towards the schemes were paid from the bank accounts of the deceased at Bengaluru.

20. On perusal of the application form submitted for becoming a life member of the IMA-KSSS under the Indian Medical Association's Karnataka Social Security Scheme, it is seen that the Head Office of the Scheme is situated at IMA Bhavan, A.V. Road, Bengaluru. Hence, it is just and necessary to analyse Order VII Rule 10 CPC, which reads as under:

*"10. Return of plaint.*

*(1) Subject to the provisions of rule 10A, the plaint shall at any state of the suit be returned to be presented to the Court in which the suit should have been instituted.*

*Explanation-*

*For the removal of doubts, it is hereby declared that a Court of appeal or revision may direct, after setting aside the decree passed in a suit, the return of the plaint under this sub-rule.*

*(2) procedure on returning plaint- On returning a plaint, the Judge shall endorse thereon the date of its presentation and return, the name of the party presenting it, and a brief statement of the reasons for returning it."*

21. Merely because the legal jurisdiction of the IMA-KSSS is stated in the application/rules to be at Hubballi, the same by itself cannot be construed as completely excluding the jurisdiction of a competent Court at Bengaluru, if part of the cause of action has otherwise arisen within its jurisdiction.

22. As per Clause 12 of the bye-laws of the Indian Medical Association, the jurisdiction of operation of the society extends throughout the territory of the State of Karnataka. Though the legal jurisdiction of the society is stated to be at Hubballi, the said circumstance has to be considered along with the other facts forming part of the transaction.

23. The Silver Jubilee Scheme certificate was issued in favour of Dr.S.A.Subbaraju through the Bengaluru branch of the IMA Karnataka Social Security Scheme.

Likewise, the Innovative Family Benefit Scheme certificate was also issued through the Bengaluru branch. The appellants contend that all payments towards the aforesaid schemes were made from the bank account of Dr.S.A.Subbaraju at Bengaluru. The appellants are residing at Bengaluru and the deceased died at Bengaluru on 14.04.2021.

24. Thus, the transaction giving rise to the claim is not wholly unconnected with Bengaluru. The place of enrolment, the place of payment of subscription amounts and the branch through which the scheme certificates were issued are relevant circumstances while considering the territorial jurisdiction of the Court. The residence of the appellants and the place of death of the deceased, though not by themselves determinative, are additional circumstances which have to be considered along with the other jurisdictional facts.

25. It is true that the application and rules contain a clause referring to Hubballi as the legal jurisdiction of the society. It is also contended by the respondents that

settlement of disputes through arbitration is preferred under the rules and that the deceased had agreed to abide by the said rules. However, the existence of such clauses cannot be considered in isolation while determining whether the Bengaluru Court otherwise possesses territorial jurisdiction.

26. It is a settled principle that parties cannot, by mutual agreement, confer subject-matter jurisdiction or inherent legal authority upon a Court or tribunal which does not otherwise possess such jurisdiction in law. Conversely, where a Court otherwise possesses jurisdiction on the basis of the cause of action, the effect of an exclusive jurisdiction clause has to be examined in accordance with law. Therefore, the mere reference to Hubballi in the application/rules cannot, by itself, be treated as conclusive of the absence of territorial jurisdiction at Bengaluru.

27. The respondents have also relied upon the arbitration clause contained in Rule 12(c) of the rules of the respondent-society. The existence and legal effect of

such clause, including whether the same constitutes a valid arbitration agreement in terms of Section 7 of the Arbitration and Conciliation Act, 1996, would require examination with reference to the terms of the application and the rules. The mere existence of a reference to arbitration cannot, by itself, justify return of the plaint under Order VII Rule 10 of CPC on the ground of want of territorial jurisdiction.

28. Similarly, the contention of the respondents that the New Silver Jubilee Scheme and the Innovative Family Benefit Scheme are merely benevolent social-security schemes and are not insurance policies is a matter concerning the nature of the schemes and the applicability of Section 2(1)(c) of the Commercial Courts Act, 2015.

29. At this stage, what is required to be examined is whether the plaint discloses sufficient jurisdictional facts constituting a part of the cause of action within the territorial jurisdiction of the Bengaluru Court. On the facts pleaded and the documents produced by the appellants, it

is evident that the deceased was associated with the Indian Medical Association at Bengaluru, the applications relating to the schemes were submitted at Bengaluru, the subscription amounts were paid from his bank accounts maintained at Bengaluru and the scheme certificates were issued through the Bengaluru branch. These circumstances constitute material facts connected with the transaction out of which the appellants' claim arises. Therefore, it cannot be said that the Bengaluru Court is wholly devoid of territorial jurisdiction to entertain the suit.

30. The New Silver Jubilee Scheme under the IMA Karnataka Social Security Scheme (IMA KSSS) is a state-level welfare initiative designed to provide financial security, death fraternity benefits, and accidental insurance protection to registered medical practitioners and their families in Karnataka.

31. The Karnataka State Health Scheme is a mutual benefit program by the IMA Karnataka State Health Scheme has its head office located at IMA Bhavan, Aluru

Venkata Rao Road (A.V. Road), Bengaluru - 560018, with its working administrative office situated in Gangavathi.

32. The Indian Medical Association's Karnataka Social Security Scheme (IMA-KSSS) and the Karnataka State Health Scheme (IMA-KSHS) are prominent mutual-benefit welfare schemes run by medical professionals. They act as vital financial safety nets for doctors and their families in Karnataka, operating independently of commercial insurance companies through peer contributions. The Scheme provides mutual financial assistance and social security to enrolled doctor members and their dependents. It creates a cooperative fund sustained by member contributions rather than profit-driven third-party insurers. It extends medical and economic relief during major life crises, permanent disability, or hospitalization. It delivers immediate financial grants to the bereaved family/nominees if an enrolled member passes away. Promote moral, educational, and financial stability for the families of medical practitioners facing sudden unforeseen hardships.

33. On perusal of the appeal memo, plaint and other documents produced by the appellants, it is clearly demonstrated that late Dr.S.A.Subbaraju was a life member of the Indian Medical Association at Bengaluru.

34. On an overall consideration of the pleadings, documents and the rival submissions, we are of the considered view that the appellants have pleaded sufficient jurisdictional facts connecting the transaction with Bengaluru. The learned Commercial Court, while considering I.A.No.1/2022, ought to have considered the place of making the applications, the payment of subscription amounts from Bengaluru, the Bengaluru branch reflected in the scheme documents and the other circumstances pleaded by the appellants before directing return of the plaint solely on the basis of the Hubballi jurisdiction clause.

35. The mere fact that the legal jurisdiction of the society is stated to be at Hubballi cannot, in the facts and circumstances of the present case, lead to the conclusion

that the Bengaluru Court is inherently devoid of territorial jurisdiction. The question whether the jurisdiction clause is binding and whether the parties are required to pursue arbitration are matters which can be considered in accordance with law and on the basis of the precise terms of the relevant clauses.

36. We are, therefore, of the considered opinion that the learned Commercial Court was not justified in returning the plaint for presentation before the Court at Hubballi. The impugned order, consequently, warrants interference by this Court.

37. Insofar as point No.2 is concerned, we notice that under Section 2(1)(c) of the Commercial Courts Act, 2015, a "commercial dispute" arises out of the categories of transactions enumerated in sub-sections (i) to (xxii). Section 2(1)(c)(xx) of the Commercial Courts Act refers to disputes arising of "insurance and re-insurance." The Commercial Court held that the scheme of respondent No.2 is a welfare scheme meant for its members and not an insurance policy. Further, respondent No.2 is not an

insurer, therefore, the schemes do not fall within the ambit of Section 2(1)(c)(xx) of the Commercial Courts Act. In ***Ambalal Sarabhai Enterprises Limited v. K.S. Infraspace LLP & Another*** reported in **(2020) 15 SCC 585**, the Apex Court held that only disputes which actually answers the definition of "commercial dispute" under Section 2(1)(c) of the Commercial Courts Act, must be entertained.

*"13. The learned Senior Advocate for the appellant would however, contend that a strict interpretation as in the case of taxing statutes would not be appropriate in the instant case where the issue relates to jurisdiction. In that regard, the learned Senior Advocate has referred to the Statement of Objects and Reasons with which the Commercial Courts Act, 2015 is enacted so as to provide speedy disposal of high value commercial disputes so as to create the positive image to the investors world about the independent and responsive Indian legal system. Hence, he contends that a purposive interpretation be made. It is contended that a wider purport and meaning is to be assigned while entertaining the suit and considering the dispute to be a commercial dispute. Having taken note of the submission we feel that the very purpose for which the CC Act of 2015 has been enacted would be defeated if every other suit merely because it is filed before the Commercial Court is entertained. This is for the reason that the suits which are not actually relating to commercial dispute but being filed merely because of the high value and with the intention of seeking early disposal would only clog the system and block the way for the genuine commercial disputes which may have to be entertained by the Commercial Courts as intended by the lawmakers. In commercial disputes as defined a special procedure is provided for a class of litigation and a strict procedure will have to be followed to entertain only that class of litigation in that jurisdiction. If the*

*same is strictly interpreted it is not as if those excluded will be non-suited without any remedy. The excluded class of litigation will in any event be entertained in the ordinary civil courts wherein the remedy has always existed..*

**14.** *In that view it is also necessary to carefully examine and entertain only disputes which actually answers the definition "commercial disputes" as provided under the Act. In the instant case, as already taken note neither the agreement between the parties refers to the nature of the immovable property being exclusively used for trade or commerce as on the date of the agreement nor is there any pleading to that effect in the plaint. Further the very relief sought in the suit is for execution of the mortgage deed which is in the nature of specific performance of the terms of Memorandum of Understanding without reference to nature of the use of the immovable property in trade or commerce as on the date of the suit. Therefore, if all these aspects are kept in view, we are of the opinion that in the present facts the High Court was justified in its conclusion arrived through the order dated 1-3-2019 [K.S. Infraspaces LLP v. Ambalal Sarabhai Enterprises Ltd., 2019 SCC OnLine Guj 1926] impugned herein. The Commercial Court shall therefore return the plaint indicating a date for its presentation before the Court having jurisdiction."*

38. We notice that Section 3 of the Insurance Act, 1938 prohibits any person from carrying on any class of insurance business in India unless with a certificate of registration issued by the Insurance Regulatory and Development Authority of India. Section 9 of the Insurance Regulatory and Development Authority of India (Protection of Policy Holders' Interest) Regulations, 2017 prescribes

the essentials which every life insurance policy shall contain, including the unique identification number allotted by the Authority. It is not in dispute that respondent No.2 is not a registered insurer under Section 3 of the Insurance Act, does not hold a certificate of registration issued by the Insurance Regulatory and Development Authority of India, and that the application forms and scheme certificates issued to late Dr.S.A.Subbaraju do not contain the essentials mandated by Section 9 of the aforesaid Regulations.

39. On perusal of the Memorandum, Rules and Bye-laws of respondent No.2 society and the aims and objects of the New Silver Jubilee Scheme and the Innovative Family Benefit Scheme, it is evident that the schemes are welfare initiatives of the Indian Medical Association's Karnataka Social Security Scheme, intended to promote the social, moral, medical, educational and financial welfare of enrolled members and their families through a cooperative fund sustained by member contributions.

40. Clause 10(a) of the Memorandum, Rules and Bye-laws empowers the Managing Committee of respondent No.2 to tie up with reputed National insurance companies, whether general or life, from time to time. Therefore, we are of the opinion that the dispute between the appellants and respondent No.2, arising out of the said schemes, cannot be characterised as a dispute arising out of "insurance and re-insurance" within the meaning of Section 2(1)(c)(xx) of the Commercial Courts Act. In the above view of the matter, the order of the Commercial Court is not liable to be interfered with to that extent.

41. In the result, the appeal is liable to be allowed in part confirming the order of the Commercial Court inasmuch as it holds that the dispute in question is not a commercial dispute and to be interfered with to the extent it holds that the territorial jurisdiction is not in Bengaluru.

42. Accordingly:-

(i) The appeal is ***allowed-in-part.***

- (ii) The order dated 02.02.2023 passed by the learned LXXXVI Additional City Civil Judge, Bengaluru (CCH-87) in COM.O.S.No.1497/2022 allowing I.A.No.1/2022 and directing return of the plaint for presentation before the appropriate Court at Hubballi, is hereby set aside.
- (iii) The finding of the Commercial Court that the dispute is not a commercial dispute is upheld.
- (iv) The finding that the Courts in Bengaluru do not have territorial jurisdiction to consider the dispute is set aside.
- (v) It is ordered that the Com.OS is to be returned to the Plaintiff to be presented as regular OS before the appropriate Civil Court at Bengaluru.
- (vi) All contentions of the parties on the merits of the matter are left open.

No order as to costs.

**SD/-  
(ANU SIVARAMAN)  
JUDGE**

**SD/-  
(VENKATESH NAIK T)  
JUDGE**