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IN THE HIGH COURT OF DELHI AT NEW DELHI

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ARB.P. 219/2022

**VIJAY KUMAR MISHRA CONSTRUCTION PVT.LTD.
THROUGH ITS DIRECTOR VIJAY KUMAR MISHRA**

..... Petitioner

Through: Mr. Rahul Sharma, Mr. Ayush Bhatia,
Adv.

versus

THE ORIENTAL INSURANCE CO. LTD.

..... Respondent

Through: Mr. Amandeep Singh, Adv.

CORAM:

HON'BLE MR. JUSTICE JASMEET SINGH

ORDER

20.02.2024

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1. This is a petition seeking appointment of an Arbitrator to adjudicate the disputes between the parties arising out of an All Risk (CAR) Policy bearing No. 152700/44/2020/8.
2. The policy has not been filed, however, the arbitration Clause is reproduced and reads as under:-

“13. If any dispute or difference shall arise as to the quantum to be paid under this policy (liability being otherwise admitted) such difference shall independently of all other questions be referred to the decision of a sole arbitrator to be appointed in writing by the parties to or if they cannot agree upon a single arbitrator within 30 days of any party invoking arbitration, the same shall be referred to a panel of three arbitrators, comprising of two arbitrators, one to be appointed



by each of the parties to the dispute / difference and the third arbitrator to be appointed by such two arbitrators and arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996.”

3. Mr. Sharma, learned counsel for the petitioner states that the only objection raised by the respondent is with regard to the territorial jurisdiction. He states that the respondent has its registered office and head office at Delhi and hence, this Court would have territorial jurisdiction to entertain and try the present petition.
4. Mr. Singh, learned counsel appears for the respondent and states that in the present case, the cause of action has arisen in Satna, Madhya Pradesh. The respondent has its office at Satna, Madhya Pradesh. The policy was issued from Satna, Madhya Pradesh and the incident leading to the claim also occurred in Madhya Pradesh. Hence, it is stated that this Court would have no territorial jurisdiction to entertain the present petition.
5. I have heard learned counsel for the parties.
6. Admittedly, there is no seat of arbitration or exclusive jurisdiction Clause in the policy. Hence, this Court has to rely on the provisions of Section 2(1)(e) of the Arbitration and Conciliation Act, 1996 read with Sections 16 to 20 of CPC.
7. The important aspect of the said matter is that the petitioner itself invoked the arbitration Clause vide legal notice dated 08.12.2020. The said notice is addressed to Oriental Insurance Co. Ltd., Divisional Office, City Trade Centre, Chorasias Complex, Samaria Chowk, Near



Bus Stand, Satna-485001.

8. The petitioner itself has initiated the arbitration process at Satna, Madhya Pradesh *vide* notice under Section 21 of the Arbitration and Conciliation Act, 1996, hence, it is clear that the arbitration proceedings have commenced at Madhya Pradesh.
9. My attention has been drawn to the judgment of Hon'ble Supreme Court in ***Indian Performing Rights Society Ltd. v. Sanjay Dalia*** (2015) 10 SCC 161 and more particularly paragraph 15 which reads as under:-

“15. The learned author Mulla in Code of Civil Procedure, 18th Edn., has observed that under clauses (a) to (c) of Section 20, the plaintiff has a choice of forum to institute a suit. The intendment of the Explanation to Section 20 of the Code of Civil Procedure is that once the corporation has a subordinate office in the place where the cause of action arises wholly or in part, it cannot be heard to say that it cannot be sued there because it did not carry on business at that place. The linking of the place with the cause of action in the Explanation where subordinate office of the corporation is situated is reflective of the intention of the legislature and such a place has to be the place of the filing of the suit and not the principal place of business. Ordinarily the suit has to be filed at the place where there is principal place of business of the corporation.”

10. In the present case as well, the subordinate office of the respondent is situated at Satna, Madhya Pradesh and for the said reason, the State of



Madhya Pradesh will have the jurisdiction to entertain and try the present petition under Section 11 of the Arbitration and Conciliation Act, 1996.

11. For the said reasons, the petition is dismissed, granting the liberty to the petitioner to invoke the jurisdiction of the State of Madhya Pradesh. All other issues raised by the parties are left open.
12. Pending applications, if any, are hereby disposed of.

JASMEET SINGH, J

FEBRUARY 20, 2024 / (MS)

Click here to check corrigendum, if any