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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Date of decision: 1st September, 2025

+ **W.P.(C) 3281/2025 & CM APPL. 15544/2025**

M/S M/S SUMIRIKO IMPERIAL HYDRAULICS INDIA PVT. LTD.
(FORMERLY KNOWN AS TOKAI IMPERIAL HYDRAULICS
INDIA PVT. LTD.)Petitioner

Through: Mr. Yogendra Aldak, Mr. Kunal
Kapoor and Mr. Yatharth Tripathi,
Adv. (M:8010333998)

versus

UNION OF INDIA & ORS.Respondents

Through: Mr Kameshwar Nath Mishra, SPC with
Ms. Manisha, Adv. for R-1. (M:
9871288082)
Mr. Aditya Singla, SSC, CBIC with Mr.
Ritwik Saha and Ms. Arya Suresh Nair,
Adv.

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AND

+ **W.P.(C) 3295/2025 & CM APPL. 15565/2025**

M/S TOKAI IMPERIAL RUBBER INDIA PRIVATE
LIMITEDPetitioner

Through: Mr. Yogendra Aldak, Mr. Kunal
Kapoor and Mr. Yatharth Tripathi,
Adv.

versus

UNION OF INDIA & ORS.Respondents

Through: Mr. Amit Gupta, SPC with Mr. Vidur
Dwivedi, Adv. for R-1/UOI.
(M:9711326509)
Mr. Aditya Singla, SSC, CBIC with Mr.
Ritwik Saha and Ms. Arya Suresh Nair,
Adv.



**CORAM:
JUSTICE PRATHIBA M. SINGH
JUSTICE SHAIL JAIN**

Prathiba M. Singh, J. (Oral)

1. This hearing has been done through hybrid mode.
2. The present petitions have been filed, *inter alia*, challenging the letter dated 10th December, 2024 issued by the Directorate General of Goods and Services Tax Intelligence (hereinafter “DGGI”). *Vide* the said communication the DGGI called upon Respondent No. 2 (*in W.P.(C) 3281/2025*) *i.e.*, Assistant/Deputy Commissioner, Division-E, CGST, Rajasthan, to initiate recovery proceedings against the Petitioners to the tune of Rs. 61,59,219/- and Rs. 89,21,448/-.
3. Ld. Sr. Standing Counsel for the Respondent Nos. 3, 4 and 5 challenges the maintainability of the present petitions for lack of territorial jurisdiction on the ground that the DGGI office which had issued the letter of communication dated 10th December, 2024, which is impugned by the Petitioner herein, is located in Sector 32, Gurugram, Haryana and the said letter was addressed to Respondent No. 2 *in W.P.(C) 3281/2025* which is located in Rajasthan.
4. Submissions have been heard on jurisdiction. Ld. Counsels for the parties have relied upon the following decisions.
 - (i) *Sterling Agro Industries Ltd. v. Union of India, (2011) 10 GSTR 20*
 - (ii) *State of Goa v. Summit Online Trade Solutions (P) Ltd. & Ors., (2023) 7 SCC 791*
5. A perusal of *Sterling Agro (supra)* would reveal that the ratio in the



said judgment is as under:

“ 35. In view of the aforesaid analysis, we are inclined to modify the findings and conclusions of the Full Bench in New India Assurance Co. Ltd. v. Union of India, AIR 2010 Delhi 43; [2011] 166 C-C 87 (Delhi) and proceed to state our conclusions in seriatim as follows :

(a) The finding recorded by the Full Bench that the sole cause of action emerges at the place or location where the Tribunal/appellate authority/revisional authority is situate and the said High Court (i.e., Delhi High Court) cannot decline to entertain the writ petition as that would amount to failure of the duty of the court cannot be accepted inasmuch as such a finding is totally based on the situs of the Tribunal/appellate authority/revisional authority totally ignoring the concept of forum conveniens.

(b) Even if a minuscule part of cause of action arises within the jurisdiction of this court, a writ petition would be maintainable before this court, however, the cause of action has to be understood as per the ratio laid down in the case of Alchemist Ltd. v. State Bank of Sikkim (2007) 136 C-C 665; (2007) 11 SCC 335.

(c) An order of the appellate authority constitutes a part of cause of action to make the writ petition maintainable in the High Court within whose jurisdiction the appellate authority is situated. Yet, the same may not be the singular factor to compel the High Court to decide the matter on merits. The High Court may refuse to exercise its discretionary jurisdiction by invoking the doctrine of forum conveniens.

(d) The conclusion that where the appellate or revisional authority is located constitutes the place of forum conveniens as stated in absolute terms by the Full Bench is not correct as it will vary from case to case and depend



upon the lis in question.

(e) The finding that the court may refuse to exercise jurisdiction under article 226 if only the jurisdiction is invoked in a mala fide manner is too restricted/constricted as the exercise of the power under article 226 being discretionary cannot be limited or restricted to the ground of mala fide alone.

*(f) While entertaining a writ petition, the doctrine of forum conveniens and the nature of cause of action are required to be scrutinised by the High Court depending upon the factual matrix of each case in view of what has been stated in *Ambica Industries v. CCE* (2007) 213 ELT 323; [2009] 20 VST 1 (S.C.) and *Union of India v. Adani Exports Ltd.* (2002) 1 SCC 567.*

*(g) The conclusion of the earlier decision of the Full Bench in *New India Assurance Co. Ltd. v. Union of India*, AIR 2010 Delhi 43; (2011) 166 C-C 87 (Delhi) (page 115): "... that since the original order merges into the appellate order, the place where the appellate authority is located is also forum conveniens" is not correct.*

(h) Any decision of this court contrary to the conclusion enumerated hereinabove stands overruled."

6. In *State of Goa (supra)* the Supreme Court observed on jurisdiction in a GST related case as under:

*"16. The expression "cause of action" has not been defined in the Constitution. However, the classic definition of "cause of action" given by Lord Brett in *Cooke v. Gill* that "cause of action means every fact which it would be necessary for the plaintiff to prove, if traversed, in order to support his right to the judgment of the court", has been accepted by this Court in a couple of*



decisions. It is axiomatic that without a cause, there cannot be any action. However, in the context of a writ petition, what would constitute such "cause of action" is the material facts which are imperative for the writ petitioner to plead and prove to obtain relief as claimed.

17. Determination of the question as to whether the facts pleaded constitute a part of the cause of action, sufficient to attract clause (2) of Article 226 of the Constitution, would necessarily involve an exercise by the High Court to ascertain that the facts, as pleaded, constitute a material, essential or integral part of the cause of action. In so determining, it is the substance of the matter that is relevant. It, therefore, follows that the party invoking the writ jurisdiction has to disclose that the integral facts pleaded in support of the cause of action do constitute a cause empowering the High Court to decide the dispute and that, at least, a part of the cause of action to move the High Court arose within its jurisdiction. Such pleaded facts must have a nexus with the subject-matter of challenge based on which the prayer can be granted. Those facts which are not relevant or germane for grant of the prayer would not give rise to a cause of action conferring jurisdiction on the court. These are the guiding tests.

18. Here, tax has been levied by the Government of Goa in respect of a business that the petitioning company is carrying on within the territory of Goa. Such tax is payable by the petitioning company not in respect of carrying on of any business in the territory of Sikkim. Hence, merely because the petitioning company has its office in Gangtok, Sikkim, the same by itself does not form an integral part of the cause of action authorising the petitioning company to move the High Court. We hold so in view of the decision of this Court in National Textile Corpn. Ltd. v. Haribox Swalram. The immediate civil or evil consequence, if at all, arising from the impugned



notification is that the petitioning company has to pay tax @ 14% to the Government of Goa. The liability arises for the specific nature of business carried on by the petitioning company within the territory of Goa. The pleadings do not reflect that any adverse consequence of the impugned notification has been felt within the jurisdiction of the High Court. At this stage, we are not concerned with the differential duty as envisaged in Schedule II (@ 6%) vis-à-vis Schedule IV (@ 14%) of the impugned notification. That is a matter having a bearing on the merits of the litigation.”

7. The present case would show that the GST registration of the Petitioner, in respect of which interest is being demanded, is either in Palwal, Haryana or Nimrana, Alwar, Rajasthan. Further, the impugned letter dated 10th December, 2023 is issued by DGGI, Gurgaon to the Rajasthan office, CGST. In view of these facts, *prima facie* the cause of action does not arise in Delhi.

8. Ld. Counsel for the Petitioner, at this stage, submits that he may be permitted to withdraw the present petitions to approach the High Court of competent jurisdiction.

9. Accordingly, the present petitions, along with pending applications, are dismissed as withdrawn with liberty as prayed for.

**PRATHIBA M. SINGH
JUDGE**

**SHAIL JAIN
JUDGE**

SEPTEMBER 1, 2025/dk/msh