$~109

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

% *Date of Decision: 22.07.2026*

\+ **W.P.(C) 9884/2026 & CM APPL. 45995/2026 & CM APPL. 45996/2026**

IMPCL KARAMCHARI SANGH .....Petitioner

Through: Counsel (appearance not given).

versus

UNION OF INDIA AND ORS. .....Respondents

Through: Mr. Jivesh Kumar Tiwari (CGSC), Ms. Nandini Aggarwal, Advocates for R-1, 2, 3 & 5 with Mr. Lokesh Singh, Additional Director
Mr. Jeetender Gupta, Mr. Kushagra Gupta, Mr. Abhay Saran, Advocates for R-7.
Mr. Vikrant Pachnanda and Mr. Mukul Katyal, Advocates for CBI.

CORAM:
HON'BLE DR. JUSTICE SWARANA KANTA SHARMA

JUDGMENT

DR. SWARANA KANTA SHARMA, J. (*Oral*)

1. By way of the present writ petition, the petitioner seeks, *inter alia*, setting aside of the decision of respondent nos. 1 to 3 approving respondent no. 7 as the strategic buyer in the disinvestment of

respondent no. 9, along with all consequential steps taken pursuant thereto, including the execution of the Share Purchase Agreement dated 15.06.2026. The petitioner further seeks directions for an investigation into the alleged irregularities in the disinvestment process of respondent no. 9, including an independent investigation by the Central Bureau of Investigation.

2. The case set out by the petitioner is that the petitioner – IMPCL Karamchari Sangh – is a registered trade union representing the employees of Indian Medicines Pharmaceutical Corporation Limited [hereafter '**IMPCL**']. It is stated that IMPCL is a Central Public Sector Enterprise under the administrative control of the Ministry of AYUSH (respondent no. 3), with the Government of India holding the majority shareholding therein. According to the petitioner, IMPCL is engaged in the manufacture and supply of standardized Ayurvedic and Unani medicines for Government healthcare systems and has consistently remained a profit-making enterprise since its inception. It is further stated that its registered office and manufacturing facility are situated at Mohan, Uttarakhand, and that a large number of employees, contractual workers and farmers are directly or indirectly dependent upon its functioning for their livelihood.

3. The principal challenge in the present petition is to the decision dated 26.05.2026 of the Alternative Mechanism of the Cabinet Committee on Economic Affairs, constituted by the Ministry of Road Transport and Highways (respondent no. 1), the Ministry of Finance

(respondent no. 2) and the Ministry of AYUSH (respondent no. 3), whereby the strategic disinvestment of 100% equity shareholding of IMPCL in favour of Skymap Pharmaceuticals Private Limited (respondent no. 7) was approved. It is the petitioner's case that the disinvestment process was undertaken pursuant to the Preliminary Information Memorandum [hereafter '**PIM**'] issued by the Department of Investment and Public Asset Management (respondent no. 5) through its transaction advisor, Resurgent India Limited (respondent no. 6), culminating in the execution of the Share Purchase Agreement dated 15.06.2026.

4. The petitioner alleges that the impugned decision approving the strategic disinvestment suffers from various irregularities. It is *inter alia* contended that IMPCL has been undervalued, respondent no. 7 did not satisfy the prescribed financial eligibility criteria under the bidding process, and adequate safeguards have not been provided for protecting the interests of the employees and other stakeholders dependent upon IMPCL. On these grounds, the petitioner seeks setting aside of the impugned decision and the consequential actions taken thereunder, besides directions for investigation into the alleged irregularities in the disinvestment process.

5. At the outset, the learned counsel appearing for the respondents has opposed the maintainability of the present writ petition on the ground of lack of territorial jurisdiction. It is contended that the petitioner has been litigating in relation to the disinvestment policy since the year 2019 and has, on earlier

occasions, approached the High Court of Uttarakhand by filing writ petitions challenging the same.

6. The learned senior counsel appearing for the petitioner fairly concedes that the petitioner had earlier approached the High Court of Uttarakhand challenging the policy decisions relating to the proposed strategic disinvestment of IMPCL. It is, however, submitted that the present writ petition stands on a different footing. According to the learned senior counsel, the process contemplated under the policy has now culminated in the approval of the strategic disinvestment in favour of respondent no. 7 and the execution of the Share Purchase Agreement dated 15.06.2026. It is contended that the challenge in the present petition is not to the policy of disinvestment *per se*, but to the manner in which the said policy has been implemented in the present case, culminating in the impugned decision approving respondent no. 7 as the successful strategic buyer. On the issue of territorial jurisdiction, the learned senior counsel for the petitioner has specifically drawn the attention of this Court to Clause 3.3.32 of the PIM, 2023 (Annexure P-12), which provides that all disputes arising out of the transaction shall be subject to the exclusive jurisdiction of the courts at New Delhi. It is, therefore, argued that this Court has the territorial jurisdiction to entertain the present writ petition.

7. *Per contra*, the learned counsel appearing for the respondents has submitted that the petitioner had initially filed a writ petition before the High Court of Uttarakhand in the year 2019 challenging the PIM issued in 2019 in relation to the proposed strategic

disinvestment of 100% equity shareholding of Indian Medicines Pharmaceutical Corporation Limited (IMPCL). It is further submitted that a Public Interest Litigation challenging the same PIM was also filed before the High Court of Uttarakhand, which came to be dismissed upon the Court finding no merit in the challenge and observing that there was no reason to interfere with the policy decision of the Government. It is further submitted that upon issuance of the PIM, 2023, the petitioner once again approached the High Court of Uttarakhand by filing a fresh writ petition challenging the said PIM, which was dismissed *vide* order dated 10.10.2023. The petitioner thereafter preferred an intra-court appeal before the Division Bench of the High Court of Uttarakhand. The learned counsel submits that both the writ petition arising out of the 2019 challenge and the aforesaid appeal were ultimately withdrawn by the petitioner on 10.07.2026 and 14.07.2026, respectively, from the the High Court of Uttarakhand, on the ground that subsequent developments had taken place and that the petitioner wished to withdraw the proceedings with liberty to initiate fresh proceedings. The learned counsel for the respondents further submits that the petitioner's reliance on Clause 3.3.32 of the PIM, 2023 is misconceived, since the petitioner itself had earlier invoked the jurisdiction of the High Court of Uttarakhand by challenging the same PIM before that Court and had thereafter pursued the matter in appeal before the Division Bench of High Court of Uttarakhand. It is thus contended that the petitioner cannot now seek to invoke the jurisdiction of this Court by placing reliance upon the said clause.

8. The learned counsel appearing for respondent no. 7 has also argued that the liberty granted by the High Court of Uttarakhand was to withdraw the pending proceedings and file fresh proceedings. According to the learned counsel, such liberty to "file fresh" necessarily contemplated the institution of fresh proceedings before the same Court.

9. In response, the learned senior counsel appearing for the petitioner submits that the withdrawal applications filed before the High Court of Uttarakhand only stated that, in view of the subsequent development of the impugned award having been passed in favour of the successful bidder, the petitioner wished to withdraw the pending proceedings while reserving its right to initiate appropriate proceedings challenging the award. It is argued that the liberty sought was not confined to filing fresh proceedings before the High Court of Uttarakhand alone. It is further contended that such technical objections relating to territorial jurisdiction ought not to defeat the petitioner's substantive challenge to the allegedly arbitrary manner in which the disinvestment process has been carried out by the respondents.

10. This Court has **heard** arguments addressed on behalf of the parties, and has perused the material available on record.

11. At the outset, it may be noticed that the present dispute is intrinsically connected with the State of Uttarakhand. The petitioner, IMPC Karamchari Sangh, is a registered trade union based at Ramnagar, District Almora, Uttarakhand. Respondent no. 9, i.e. the

IMPCL, whose strategic disinvestment is the subject matter of challenge in the present petition, is also situated at Ramnagar, Uttarakhand, where its registered office and manufacturing facility are located.

12. This Court further notes that one of the principal grievances raised by the petitioner itself, as specifically pleaded in the writ petition, relates to the land on which the manufacturing facility of IMPCL is situated. It is the petitioner's own case that the manufacturing unit of IMPCL is located on a forest land parcel ad-measuring about 36 acres, leased by the respondent no. 8, i.e. State Infrastructure and Industrial Development Corporation of Uttarakhand Limited (SIIDCUL), having its address: Sahastradhara Road, Dehradun, Uttarakhand, for a period of 90 years upto the year 2072. It is further pleaded in the writ petition that the lease has been granted subject to the express condition that the land shall be used only for the manufacture of Ayurvedic and Unani medicines and activities ancillary thereto. According to the petitioner, respondent no. 7 has no discernible experience in the said sector and, therefore, the strategic disinvestment in its favour carries the grave risk of violation of the lease conditions, resulting in reversion of the land to SIIDCUL. Thus, one of the issues raised in the present petition itself is directly relatable to the land situated in Uttarakhand, leased to IMPCL by a State Corporation, and the conditions governing its use.

13. It is also material to take note of the history of litigation between the parties. It is an admitted fact that the petitioner has, on

earlier occasions, invoked the jurisdiction of the High Court of Uttarakhand in relation to the very same disinvestment process. Initially, upon issuance of the PIM, 2019, the petitioner had approached the High Court of Uttarakhand by filing a writ petition challenging the proposed strategic disinvestment [Writ Petition (M/S) 1138/2019]. Thereafter, upon issuance of the PIM, 2023, the petitioner once again had invoked the jurisdiction of the same High Court by filing a fresh writ petition challenging the said PIM [Writ Petition (M/S) 2833/2023]. This writ petition came to be dismissed by the learned Single Judge *vide* order dated 10.10.2023. Aggrieved thereby, the petitioner preferred Special Appeal No. 357/2024 before the Division Bench of the High Court of Uttarakhand. The said appeal remained pending and was ultimately withdrawn on 14.07.2026, in view of the subsequent developments, with liberty as sought by the petitioner. Copies of the aforesaid orders have, in fact, been placed on record by the petitioner itself along with the present writ petition.

14. The proceedings before the High Court of Uttarakhand also demonstrate that issues which now form part of the present challenge have already been considered by the said Court. In its order dated 09.01.2025 passed in Special Appeal No. 357 of 2024, the Division Bench of High Court of Uttarakhand had observed as under:

> "3. It is seen that a land was granted subject to condition that if the Corporation does not use the proposed land for the said purpose, this land will automatically be returned to the Forest Department without paying any compensation.

> 4. The grant of land having been subject to the condition, any disinvestment will be subject to the said condition."

15. The aforesaid observations indicate that one of the principal concerns now sought to be urged before this Court, i.e., the effect of the conditions governing the land situated in Uttarakhand upon the process of disinvestment, had already been taken note of by the High Court of Uttarakhand.

16. Having regard to the nature of the controversy, the location of the public sector undertaking sought to be disinvested, i.e. IMPCL, the location of its manufacturing facility and the leased land, the issues relating to the conditions governing such land, as well as the fact that the petitioner itself has been litigating before the High Court of Uttarakhand in respect of the same disinvestment process for the last several years, this Court is of the opinion that no material or substantial part of the cause of action can be said to have arisen within the territorial jurisdiction of this Court.

17. In the above background, it would be pertinent to note that in ***Kusum Ingots & Alloys Ltd. v. Union of India***: *(2004) 6 SCC 254*, the Hon'ble Supreme Court had examined the scope of territorial jurisdiction under Article 226(2) of the Constitution of India and held that the mere location of the seat of the Union Government or the authority concerned does not, by itself, confer territorial jurisdiction upon a High Court. It was observed that jurisdiction under Article 226 is determined by whether any part of the cause of action has arisen within the territorial limits of the High Court concerned.

Further, the concept of *forum conveniens* was explained by the Hon'ble Supreme Court in the said decision by way of following observations:

> "***Forum conveniens***
>
> 30. We must, however, remind ourselves that even if a small part of cause of action arises within the territorial jurisdiction of the High Court, the same by itself may not be considered to be a determinative factor compelling the High Court to decide the matter on merit. In appropriate cases, the Court may refuse to exercise its discretionary jurisdiction by invoking the doctrine of forum conveniens. [See Bhagat Singh Bugga v. Dewan Jagbir Sawhney [1941 SCC OnLine Cal 247 : AIR 1941 Cal 670 : ILR (1941) 1 Cal 490], Madanlal Jalan v. Madanlal [1945 SCC OnLine Cal 145 : (1944-45) 49 CWN 357 : AIR 1949 Cal 495], Bharat Coking Coal Ltd. v. Jharia Talkies & Cold Storage (P) Ltd. [1997 CWN 122], S.S. Jain & Co. v. Union of India [1993 SCC OnLine Cal 306 : (1994) 1 CHN 445] and New Horizons Ltd. v. Union of India [(1997) 89 Comp Cas 785 : 1993 SCC OnLine Del 564 : AIR 1994 Del 126].]

18. A similar view was also taken by the Hon'ble Supreme Court in ***State of Goa v. Summit Online Trade Solutions (P) Ltd.:*** *(2023) 7 SCC 791*, wherein it has been held as under:

> "14. While dealing with an objection as to lack of territorial jurisdiction to entertain a writ petition on the ground that the cause of action has not arisen within its jurisdiction, a High Court essentially has to arrive at a conclusion on the basis of the averments made in the petition memo treating the contents as true and correct. That is the fundamental principle. Bearing this in mind, we have looked into the petition memo of WP (C) No. 38 of 2017 and searched in vain to trace how at least part of the cause of action has been pleaded by the petitioning company, to have arisen within the territorial jurisdiction of the High Court.
>
> x x x
>
> 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.

x x x

21. Even otherwise, the High Court was not justified in dismissing the interim applications. **Assuming that a slender part of the cause of action did arise within the State of Sikkim, the concept of forum conveniens ought to have been considered by the High Court. As held by this Court in *Kusum Ingots v. Union of India and Ambica Industries v. CCE*, even if a small part of the cause of action arises within the territorial jurisdiction of a high court, the same by itself could not have been a determinative factor compelling the High Court to keep the writ petitions alive against the appellant to decide the matter qua the impugned notification, on merit**."

(emphasis added)

19. Moreover, the submission of the learned senior counsel for the petitioner founded upon Clause 3.3.32 of the PIM, 2023 also does not persuade this Court to take a different view. Though reliance has been placed upon the said clause to contend that disputes arising out of the transaction are subject to the exclusive jurisdiction of the courts at New Delhi, it is an admitted position that the petitioner itself had challenged the very same PIM, 2023 before the High Court of Uttarakhand. The said writ petition was entertained and decided on

merits by the learned Single Judge. As noted above, the petitioner thereafter preferred an appeal before the Division Bench of the High Court of Uttarakhand, which also entertained the appeal and the same remained pending till it was withdrawn on 14.07.2026. At no stage were the proceedings before the High Court of Uttarakhand held to be not maintainable on the ground of lack of territorial jurisdiction. Thus, despite the existence of Clause 3.3.32 in the PIM, 2023, the petitioner itself consistently invoked the jurisdiction of the High Court of Uttarakhand in relation to the same disinvestment process, and no objection on ground of territorial jurisdiction was raised by the respondents before the High Court of Uttarakhand, which has in fact been raised before this Court. In these circumstances, the reliance now sought to be placed upon the said clause for invoking the jurisdiction of this Court is unpersuasive.

20. Furthermore, the mere fact that certain Ministries of the Union Government or other authorities involved in the decision-making process are situated in New Delhi would also not, in the peculiar facts of the present case, be sufficient to confer territorial jurisdiction upon this Court. In this regard, it would be apposite to take note of the following observations of the Division Bench of this Court in ***Manjira Devi Ayurveda Medical College & Hospital v. Uttrakhand University of Ayurveda and Others:*** *2024 SCC OnLine Del 6303:*

> "**12**. …The mere presence by virtue of the location of their offices at Delhi would not, *ipso facto*, confer exclusive jurisdiction upon this Court to exercise its jurisdiction under Article 226 of the Constitution of India. It is apparent that no

cause of action at all has arisen within the local limits of the territorial jurisdiction of this Court.

13. This Court is fortified in its aforesaid view by a catena of judgments of this Court as also of the Supreme Court. To cite a few, it would be apposite to refer to the judgment of the Supreme Court in *Kusum Ingots & Alloys Ltd. v. Union of India*, (2004) 6 SCC 254, Full Bench judgment of this Court in *Sterling Agro Industries Ltd. v. Union of India*, (2011) 124 DRJ 633(FB), as also the judgment passed by the learned Coordinate Bench in *Riddhima Singh v. CBSE*, 2023 SCC OnLine Del 7168. The ratio laid down by these judgments deals not only with the issue regarding the exercise of jurisdiction by a High Court under Article 226 of the Constitution of India but also succinctly laid down the law as to under what circumstances a High Court can exercise jurisdiction under Clause 2 of Article 226 of the Constitution of India. It would not be out of place to also observe that the aforesaid judgments also take note of the *"Doctrine of Forum Conveniens"*. The Full Bench of this Court in *Sterling Agro* (supra) as also the Supreme Court in Kusum Ingots(supra) had considered the scope of Clause 2 of Article 226 of the Constitution of India and conclusively observed that though a small part of cause of action may confer such jurisdiction, yet, unless the said cause of action is a material fact in issue, ordinarily the Courts having jurisdiction over material/major facts alone would exercise their jurisdiction under Article 226 of the Constitution of India. The relevant para of *Riddhima Singh* (supra) reiterating the ratio as laid down in *Sterling Agro* (supra) is reproduced hereunder:—

> "*9. It is a settled position of law that where only a small part of the cause of action arises in the territorial jurisdiction of a Court, the same cannot automatically clothe the Court with jurisdiction under Article 226 of the Constitution of India. In such cases, the Court is obligated to follow the doctrine of forum conveniens. The doctrine of forum conveniens was elucidated by a full bench of this Court in Sterling Agro (supra) where it was held as follows:*
>
> > *"31. The concept of forum conveniens fundamentally means that it is obligatory on the part of the court to see the convenience of all the parties before it. The* convenience *in its ambit and sweep would include the existence of more appropriate forum, expenses*

involved, the law relating to the lis, verification of certain facts which are necessitous for just adjudication of the controversy and such other ancillary aspects. The balance of convenience is also to be taken note of. Be it noted, the Apex Court has clearly stated in the cases of Kusum Ingots (supra), Mosaraf Hossain Khan (supra) and Ambica Industries (supra) about the applicability of the doctrine of forum conveniens while opining that arising of a part of cause of action would entitle the High Court to entertain the writ petition as maintainable.

32. The principle of forum conveniens in its ambit and sweep encapsulates the concept that a cause of action arising within the jurisdiction of the Court would not itself constitute *to be the determining factor compelling the Court to entertain the matter. While exercising jurisdiction under Articles 226 and 227 of the Constitution of India, the Court cannot be totally oblivious of the concept of forum conveniens…".*"

14. Keeping in view the fact that the cause of action has arisen within the territorial jurisdiction of the Courts of Uttarakhand and the convenient forum to hear and decide the present writ petition would be the Uttarakhand High Court, this Court finds no merit in the instant appeal and the same is dismissed without any order as to cost. This Court, however, reiterates the liberty granted by the learned Single Judge to the appellant to approach the appropriate Court of competent jurisdiction for redressal of its grievance in accordance with law.

21. To reiterate, the challenge in the present petition substantially concerns the strategic disinvestment of an undertaking situated in Uttarakhand, the rights and interests of its employees, the land on which its manufacturing facility is situated, and the implementation of the disinvestment process in relation thereto. The petitioner has itself, for the last several years, been pursuing its challenge before the High Court of Uttarakhand in relation to the same disinvestment process. In these circumstances, the High Court of Uttarakhand is

evidently the appropriate forum to examine the grievances now sought to be raised by the petitioner.

22. It is apposite to mention that today, when the matter was listed for passing of orders, the learned counsel for the respondents appeared and apprised this Court of an order dated 20.07.2026 passed by the High Court of Uttarakhand in W.P.(MS) 2153/2026, titled 'IMPCL Officers Association v. Union of India & Ors.' As evident from the said order, the IMPCL Officers Association had also preferred a writ petition inter alia challenging the PIM, 2023 as well as the approval of successful bidder to the extent that the same has been undertaken without framing and implementing any policy or scheme safeguarding the service conditions and statutory rights of existing employees of IMPCL. The said writ petition has been dismissed.

23. In view of the foregoing discussion, and applying the principles governing territorial jurisdiction and the doctrine of *forum conveniens*, this Court is not inclined to entertain the present writ petition.

24. The same is, accordingly, dismissed as not maintainable for want of territorial jurisdiction, leaving it open to the petitioner to avail of such remedies as may be available in law before the appropriate Court of law. Pending applications also stand disposed of.

25. Nothing expressed hereinabove shall amount to any expression of this Court on the merits of the case.

26. The judgment be uploaded on the website forthwith.

DR. SWARANA KANTA SHARMA, J

JULY 22, 2026/A
T.D.