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

\+ W.P.(C) 15182/2021

NEERAJ KUMAR ..... Petitioner

Through: Petitioner in-person.

versus

UNION OF INDIA & ANR. ..... Respondents

Through: Mr. Niraj Kumar, Sr. Central Govt. Counsel for UoI.
Mr. Anil Mittal and Mr. Shaurya Mittal, Advocates for R-2.

CORAM:
HON'BLE MR. JUSTICE SUBRAMONIUM PRASAD

ORDER

% **01.04.2024**

1. The Petitioner has approached this Court with the following prayers:-

> *"A. Issue a writ of mandamus or a writ or direction in the nature of mandamus directing the respondent no. 2 to award the Amount of Income Tax Reward Scheme to the petitioner on the basis of the application submitted by him on 5th September 2020.*
>
> *B. Issue a writ of mandamus or a writ or direction in the nature of mandamus directing the respondent no.1 to award the Amount of Income Tax Reward Scheme to the petitioner on the basis of the application submitted by him and /or on 5th September 2020.*
>
> *C. Pass any other or further order as this Hon'ble Court may deem fit and proper in the facts and circumstances of the present case."*

2. It is the case of the Petitioner that he gave a complaint regarding undisclosed income of few jewellers situated at Noida. It is stated that pursuant to his complaint, undisclosed income has been recovered by the income tax authorities. The Petitioner, therefore, seeks for reward under the Income Tax Informants Rewards Scheme.

3. Material on record discloses that the complaint has been made to the authorities at Noida for the jewellers at Noida. The raids were conducted at Noida, and therefore, the commission, if any, has to be paid by the authorities at Noida. Since no part of the cause of action has arisen within the territorial jurisdiction of the High Court of Delhi, this writ petition is not maintainable in this Court.

4. The Apex Court in State of Goa v. Summit Online Trade Solutions Private Limited & Ors., **2023 (7) SCC 791**, has observed 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 [Cooke v. Gill, (1873) LR 8 CP 107] 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 [National Textile Corpn. Ltd. v. Haribox Swalram, (2004) 9 SCC 786] . 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.*

***19**. The long and short of the matter is that the petitioning company has to bear the liability of paying tax @ 14% levied by the Government of Goa for selling lottery tickets in the State of Goa under Schedule IV of the impugned notification. It does not bear out from the petition memo how the impugned notification levying tax for carrying on business in the State of Goa subjects the petitioning company to a legal wrong within the territory of Sikkim for the writ petition to be entertained by the High Court."*

5. This Court in Ansal Buildwell Ltd. v. North Eastern Indira Gandhi Institute of Health & Medical Scineces & Ors., **2005 SCC Online Del 268** has held as under:-

*"**11**. At the outset, it has to be noted that Article 226(2), in relation to the territorial jurisdiction of a High Court uses the pari materia expression:—"within which the cause of action, wholly or in part, arises". Thus, territorial jurisdiction under Section 20 of the Code of Civil Procedureand under Article 226(2) of the Constitution of India, in relation to cause of action would be, where the cause of action arises, wholly or in part.*

***12**. What constitutes a cause of action? The Hon'ble Supreme Court explained the phrase in the decision reported as (1989) 44 Taxman 443 Laminart Pvt. Ltd. v. A.P. Agencies it was noted as under:—*

"That the jurisdiction of the Court in the matter of a contract will depend on the situs of the contract and

the cause of action arising through connecting factors. A cause of action means every fact, which, if traversed, it would be necessary for the plaintiff to prove in order to support his right to judgment of the Court, in other words, it is a bundle of facts which taken with the law applicable to them gives the plaintiff a right to relief against the defendant. It must include some act done by the defendant since in the absence of such an act no cause of action can possibly accrue. It is not limited to the actual infringement of the right sued on but includes all the material facts on which it is founded."

6. Since no part of the cause of action arises within the jurisdiction of this Court, this Court is not entertaining the writ petition on the ground of territorial jurisdiction.

7. The petition is dismissed for want of jurisdiction. Pending application(s), if any, stand disposed of.

SUBRAMONIUM PRASAD, J

APRIL 1, 2024

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