



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

% *Judgment reserved on: 31st July, 2026*
Judgment pronounced on: 21st August, 2026

CNR No. DLHC010136032025

+ **W.P.(C) 3308/2025 and CM APPL. 15621/2025**

M/S RAIL TRANSPORT CORPORATION OF INDIAPetitioner
Through: Mr. Manish Kaushik, Mr. Ankit Batra
and Ms. Anuradha, Advocates.

versus

UNION OF INDIA & ORS.Respondents
Through: Mr. Piyush Beriwal, Mr. Yash Tyagi,
Ms. Ruchita Srivastava and Mr.
Sparsh Jain, Advocates for R-1 to 3.

CORAM:
HON'BLE MR. JUSTICE AMIT BANSAL
JUDGMENT

AMIT BANSAL, J.

1. The present writ petition has been filed seeking the following reliefs:
 - a. Setting aside the show cause notice dated 24th June, 2024.
 - b. Setting aside the order dated 28th June, 2024, whereby the petitioner's lease was terminated.
 - c. Setting aside the order dated 12th July, 2024 whereby the appeal preferred by the petitioner was rejected.
 - d. Setting aside the order dated 28th August, 2024, whereby the petitioner's security deposit was forfeited.



e. A direction to the respondents to refund the security deposit of Rs.5,49,873/-.

f. A direction permitting the petitioner to continue with the leased Front Second Class Luggage Rake (FSLR-1) for the remaining lease period.

g. A direction to the respondents to compensate the petitioner in the sum of Rs.45,70,000/- towards the losses allegedly suffered on account of the wrongful termination of the lease.

2. Brief facts relevant for deciding the present writ petition are set out below:

2.1. The petitioner is a sole proprietorship engaged in transportation of goods through leased Front Second Class Luggage Rake (FSLR-1) of the Indian Railways.

2.2. The petitioner was successful Lessee of the respondents and was operating one FSLR-1 on lease for carriage of goods up to 3.9 tonnes in Train No.12904, operating between Mumbai Central and Amritsar, for the period from 14th November, 2023 to 13th November, 2025. Pursuant thereto, the petitioner deposited a security amount of Rs.5,49,873/- with the respondents.

2.3. On 17th June, 2024, a random inspection was conducted by the Railway Protection Force (RPF) at Mumbai Central Railway Station in respect of the petitioner's leased FSLR-1. During the course of inspection, four packages containing "old laptops" were found, whereas the declaration



furnished in the consignment note described the goods as “Exports”. These packages were seized by RPF on the grounds of ‘No Proper Declaration’.

2.4. Pursuant thereto, the respondents issued a show cause notice dated 24th June, 2024 calling upon the petitioner to explain why action should not be initiated against it under the Leasing Policy.

2.5. The proceedings under Section 163 of the Railways Act, 1989 were initiated against the petitioner before the competent Magistrate at Mumbai. The petitioner pleaded guilty and, *vide* order dated 27th June, 2024, was sentenced to pay a fine of Rs.500/-, which was paid.

2.6. The petitioner submitted its reply dated 27th June, 2024 contending that the laptops were rejected material meant for export replacement and that laptops were neither prohibited nor dangerous goods. It was further stated that the discrepancy, if any, did not amount to a ‘misdeclaration’ and amounted only to a partial declaration of the goods. Further, the petitioner also apologised and sought leniency.

2.7. Thereafter, *vide* order dated 28th June, 2024, the respondents terminated the petitioner’s lease.

2.8. Aggrieved therefrom, the petitioner preferred an appeal before the Divisional Railway Manager (DRM’s Office) on 2nd July, 2024. The said appeal came to be rejected *vide* order dated 12th July, 2024.

2.9. Thereafter, the respondents proceeded with the auction of the leased FSLR-1.

2.10. The petitioner also sought refund of its security deposit *vide* the communication dated 15th July, 2024.

2.11. Subsequently, *vide* communication dated 28th August, 2024, the respondents informed the petitioner that its security deposit stood forfeited.



2. Accordingly, the petitioner has filed the present writ petition.
3. During the course of hearing on 18th March, 2025, the respondents raised a preliminary objection with regard to the territorial jurisdiction of this Court to entertain the present writ petition. Accordingly, this Court directed the parties to file written submissions confined to the issue of territorial jurisdiction.
4. Thereafter, arguments on the issue of territorial jurisdiction were heard on 31st July, 2026 and judgment was reserved.
5. Counsel appearing on behalf of the respondents submits that this Court lacks territorial jurisdiction to entertain the present writ petition. It is submitted that as per the digital contract dated 30th October, 2023, the lessor is the respondent no.3/Firozpur Division Manager-Commercial, Northern Railways and the lessee is the petitioner herein.
6. It is also submitted that the impugned show cause notice dated 24th June, 2024 and the order dated 28th June, 2024 cancelling the FSLR-1 lease was issued by the Senior Divisional Commercial Manager, Firozpur. Further, the petitioner herein filed its appeal dated 2nd July, 2024 before the DRM's Office, Firozpur, which was thereafter rejected by the Senior Divisional Commercial Manager, Firozpur on 12th July, 2024.
7. It is further submitted that the random check upon the train no. 12904 in respect of FSLR-1 lease, took place at MMCT station in Mumbai and therefore the cause of action arose at Mumbai. Therefore, neither the events giving rise to the dispute nor the impugned actions occurred within the territorial jurisdiction of this Court.
8. Counsel for the respondents submits that the mere fact that the headquarters of Northern Railways are situated at New Delhi would not



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confer territorial jurisdiction upon this Court. Reliance has been placed on the judgments of the Supreme Court in *Oil and Natural Gas Commission v. Utpal Kumar Basu and Ors*¹, *Kusum Ingots & Alloys Ltd. v. Union of India*² and *Alchemist Ltd. & Anr. v. State Bank of Sikkim and Ors*³, as well as the judgment of this Court in *Dr. Neha Chandra v. Union of India*⁴.

9. *Per contra*, counsel appearing on behalf of the petitioner submits that this Court possesses territorial jurisdiction to entertain the present writ petition.

10. It is submitted that the Union of India, through the Ministry of Railways, carries on the business of running railways across the country. The impugned notice and subsequent action emanate from the Northern Railways, which is a zonal railway under the administrative control of the Ministry of Railways, Government of India. Further, the Northern Railways has its headquarters at Baroda House, New Delhi, which falls within the territorial jurisdiction of this Court. Therefore, a material part of the cause of action has arisen within the jurisdiction of this Court. Reliance is placed on the judgment in *Union of India & Anr v. Sri Ladulal Jain*⁵ in this regard.

11. It is further submitted that the Indian Railways is not a conglomeration of independent legal entities but operates as a unified statutory body under the aegis of the Union of India. The various zones and divisions, including the Firozpur Division and Mumbai unit, are mere administrative units and do not enjoy distinct legal personalities.

¹ (1994) 4 SCC 711

² (2004) 6 SCC 254

³ (2007) 11 SCC 335

⁴ 2024 SCC OnLine Del 7083

⁵ 1963 SCC OnLine SC 133



12. Counsel for the parties have been heard at length on the aspect of territorial jurisdiction of this Court to entertain the present writ petition.

13. As the present writ petition has been filed invoking jurisdiction of this Court under Article 226 of the Constitution of India, it may be relevant to refer to Clauses (1) and (2) of Article 226, which are set out below:

“226. Power of High Courts to issue certain writs

(1) Notwithstanding anything in article 32 every High Court shall have power, throughout the territories in relation to which it exercise jurisdiction, to issue to any person or authority, including in appropriate cases, any Government, within those territories directions, orders or writs, including writs in the nature of habeas corpus, mandamus, prohibition, quo warrantor and certiorari, or any of them, for the enforcement of any of the rights conferred by Part III and for any other purpose.

(2) The power conferred by clause (1) to issue directions, orders or writs to any Government, authority or person may also be exercised by any High Court exercising jurisdiction in relation to the territories within which the cause of action, wholly or in part, arises for the exercise of such power, notwithstanding that the seat of such Government or authority or the residence of such person is not within those territories.”

[emphasis supplied]

14. The aforesaid provisions were interpreted by the Supreme Court in ***ONGC v. Utpal Kumar Basu*** (supra). The relevant extracts from the said judgment are set out below:

“
6. *** **

Therefore, in determining the objection of lack of territorial jurisdiction the court must take all the facts pleaded in support of the cause of action into consideration albeit without embarking upon an enquiry as to the correctness or otherwise of the said facts. In other words the question whether a High Court has territorial jurisdiction to entertain a writ petition must be answered on the basis of the averments made in the petition, the truth or otherwise whereof being immaterial. To put it differently, the question of territorial jurisdiction must be decided on the facts pleaded in the petition. Therefore, the question whether in the instant case the Calcutta



High Court had jurisdiction to entertain and decide the writ petition in question even on the facts alleged must depend upon whether the averments made in paragraphs 5, 7, 18, 22, 26 and 43 are sufficient in law to establish that a part of the cause of action had arisen within the jurisdiction of the Calcutta High Court.

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10. *** *** *** *** *** *** ***

*Thus, this Court ruled that in the absence of a specific provision in Article 226 on the lines of the Code of Civil Procedure, the High Court cannot exercise jurisdiction on the plea that the whole or part of the cause of action had arisen within its jurisdiction. This view was followed in subsequent cases. The consequence was that only the High Court of Punjab could exercise jurisdiction under Article 226 of the Constitution against the Union of India and other bodies located in Delhi. To remedy this situation, clause (1-A) was inserted by the 15th Amendment Act, 1963, to confer on the High Courts jurisdiction to entertain a petition under Article 226 against the Union of India or any other body or authority located in Delhi if the cause of action has arisen, wholly or in part, within its jurisdiction. Clause (1-A) was later renumbered as clause (2) of Article 226. Therefore, the learned counsel for NICCO is right that this amendment was introduced to supersede the view taken by this Court in the aforesaid case. But as stated earlier, **on a plain reading of clause (2) of Article 226, it is clear that the power conferred by clause (1) can be exercised by the High Court provided the cause of action, wholly or in part, had arisen within its territorial limits.***

[emphasis supplied]

15. Applying the aforesaid principles, the Supreme Court held that even if averments in the writ petition are taken to be true, it cannot be said that part of cause of action arose within the jurisdiction of Calcutta High Court. Hence, the decision of the High Court to entertain the said writ petition was set aside.



16. The aforesaid judgment in **ONGC v. Utpal Kumar Basu** (supra) was followed by the Supreme Court in **Alchemist** (supra). The relevant extracts from the said judgment are set out below:

“37. From the aforesaid discussion and keeping in view the ratio laid down in a catena of decisions by this Court, it is clear that for the purpose of deciding whether facts averred by the appellant-petitioner would or would not constitute a part of cause of action, one has to consider whether such fact constitutes a material, essential, or integral part of the cause of action. It is no doubt true that even if a small fraction of the cause of action arises within the jurisdiction of the court, the court would have territorial jurisdiction to entertain the suit/petition. Nevertheless it must be a “part of cause of action”, nothing less than that.

38. In the present case, the facts which have been pleaded by the appellant Company, in our judgment, cannot be said to be essential integral or material facts so as to constitute a part of “cause of action” within the meaning of Article 226(2) of the Constitution. The High Court, in our opinion, therefore, was not wrong in dismissing the petition.”

[emphasis supplied]

17. In **Manjira Devi Ayurveda Medical College & Hospital v. Uttarakhand University of Ayurveda & Ors**⁶, the jurisdiction of Court was invoked by the petitioner on the ground that respondents are located in Delhi. A Division Bench of this Court held that merely because the offices of the respondent authorities are located in Delhi would not confer jurisdiction upon this Court under Article 226 of Constitution of India, when in fact no cause of action has arisen herein. The relevant paragraphs of the said judgment are set out below:

“11. On a query by this Court, learned counsel for the appellant very fairly admitted that no cause of action so far as the issue raised in the underlying writ petition is concerned, has arisen within the local limits of the territorial jurisdiction of this Court. Apart from emphasizing that the respondents are located in Delhi, no other credible argument as to how this Court could

⁶ 2024 SCC OnLine Del 6303



possibly exercise its jurisdiction over an Institution in Uttarakhand has satisfactorily been projected before this Court.

12. It is not disputed that the appellant is located in Uttarakhand. It is also not disputed that the respondent no.1/University, to which the appellant is affiliated, is also located in Uttarakhand. Undeniably, the representations by the appellant have been submitted not only to the Registrar of the Uttarakhand Ayurveda University at Dehradun but also to the Secretary, Ayush and Ayush Education, Uttarakhand Secretariat which itself is located in Dehradun in the State of Uttarakhand. Admittedly, no representation at all on the issue raised in the underlying writ petition has ever been submitted to any of the respondent nos. 2 to 4 who are located in Delhi. ***It is not the case of the appellant that any such representation was indeed made over to respondent nos. 2 to 4 or that the same were either rejected or not responded to. 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.***

[emphasis supplied]

18. The legal position that emerges from a reading of the aforesaid judgments is that to invoke the jurisdiction of a High Court under Article 226 of the Constitution of India, there has to be at least a small fraction of the cause of action that has arisen within the jurisdiction of this Court and such fact must constitute a material, essential or integral part of the cause of action. Merely because the head office of a government or a statutory authority is located within the jurisdiction of a Court would not vest jurisdiction under Article 226.

19. At this stage, a reference may be made to the cause of action as pleaded in paragraph 2 of the writ petition, which is set out below:

“2. That by way of the present Writ Petition the Petitioner is impugning Show cause Notice dated 24.6.2024 and proceedings held thereunder and the orders passed thereunder as the show cause notice dated 24.6.24 was deficient and sham, the proceedings held under the said show cause notice were sham. The order dated 28.6.24, order dated 12.7.24, order dated



28.8.24 are liable to be set-aside being unreasoned, non-speaking, unlawful and arbitrary, the said orders did not even advert to the assertions of the Petitioner. The order dated 28.6.24, order dated 12.7.24, order dated 28.8.24 are excessive. Copy of impugned Show cause Notice dated 24.6.24 and impugned proceedings held thereunder and the orders passed thereunder being impugned order dated 28.6.24, impugned order dated 12.7.24, impugned order dated 28.8.24. are Annexure P-1 (colly) ”

20. The show cause notice dated 24th June, 2024 and the subsequent communication dated 28th June, 2024 for cancellation of the lease was issued by the Senior Divisional Commercial Manager, Firozpur. Even the order dated 28th August, 2024, whereby the petitioner’s security deposit was forfeited, was issued by Senior Divisional Commercial Manager, Firozpur.

21. Aggrieved by the same, the petitioner filed the appeal before the DRM’s Office Firozpur, which was rejected by the Senior Divisional Commercial Manager, Firozpur *vide* impugned order dated 12th July, 2024.

22. From the aforesaid factual narration, it becomes abundantly clear that all the notices, orders and communications impugned in the present writ petition were issued by the authorities at Firozpur. There is no single representation or communication addressed by the petitioner to the head office of Northern Railways at Delhi.

23. The train in respect of which the petitioner was granted lease also operates between Mumbai and Amritsar. Further, the random check upon the said train, which formed the basis of subsequent proceedings against the petitioner, took place at the MMCT station in Mumbai.

24. Therefore, it is abundantly clear that not even an *iota* of the cause of action pleaded in the writ petition has arisen within the jurisdiction of this Court.



25. The only basis on which territorial jurisdiction is sought to be invoked is that respondent no.1/Union of India and respondent no.2/Northern Railways are the authorities which formulate policies governing respondent no.3/Firozpur Division Manager-Commercial, Northern Railways and that the head office of respondent no.2/Northern Railways is in Delhi. The pleadings made in paragraph 7 of the writ petition with regard to territorial jurisdiction are set out below:

“That this Hon’ble Court has territorial jurisdiction to entertain the present petition, the Petitioner and Respondents are in jurisdiction of this Hon’ble Court, that Respondent NO. 1 and 2 are the bodies which make policies which Respondent No. 3 is bound to follow.”

26. In this regard, a reference may be made to the judgment of the Supreme Court in ***Kusum Ingots*** (supra), wherein it has been categorically held that the framing of a statute, statutory rule or issuance of an executive order or instruction would not confer jurisdiction upon a Court merely because of the situs of the office of the maker thereof. The relevant extract from the aforesaid judgment is set out below:

*“26. The view taken by this Court in U.P. Rashtriya Chini Mill Adhikari Parishad that the situs of issue of an order or notification by the Government would come within the meaning of the expression "cases arising" in clause 14 of the (Amalgamation) Order is not a correct view of law for the reason hereafter stated and to that extent the said decision is overruled. In fact, a legislation, it is trite, is not confined to a statute enacted by Parliament or the legislature of a State, which would include delegated legislation and subordinate legislation or an executive order made by the Union of India, State or any other statutory authority. In a case where the field is not covered by any statutory rule, executive instructions issued in this behalf shall also come within the purview thereof. **Situs of office of Parliament, legislature of a State or authorities empowered to make subordinate legislation would not by itself constitute any cause of action or cases arising. In other words, framing of a statute, statutory rule or issue of an executive order or instruction would not confer jurisdiction upon a court only because of***



the situs of the office of the maker thereof.”

[emphasis supplied]

27. Accordingly, the mere fact that respondent no.1/Union of India and respondent no.2/Northern Railways, which are stated to frame policies applicable to respondent no.3/Firozpur Division Manager-Commercial, Northern Railways, are situated in Delhi cannot, by itself, confer territorial jurisdiction upon this Court.

28. In support of its contentions, the petitioner has relied upon **Ladulal Jain** (supra). The said judgment was in context of proceedings arising out of a suit where the territorial jurisdiction was exercised in terms of Section 20 (a) and (b) of the Code of the Civil Procedure, 1908 (‘CPC’). Section 20 (a) and (b) of the CPC enables the plaintiff to file a suit in a jurisdiction where the defendant resides or carries on business. However, as noted above, under Article 226 (2), the writ petition can be filed only where the cause of action arises. Therefore, the aforesaid judgment would not advance the case of the petitioner.

29. In view of the discussion above, this Court is of the opinion that no part of the cause of action as pleaded in the writ petition arises within the jurisdiction of this Court in terms of Article 226 of the Constitution of India.

30. Accordingly, the present writ petition is dismissed on the ground of territorial jurisdiction.

31. The pending application stands disposed of.

**AMIT BANSAL
(JUDGE)**

AUGUST 21, 2026/ds