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

+ W.P.(C) 2617/2016 & CM Nos. 11072/2016 & 15000/2018

REGANIA HOTELS AND RESORTS PVT LTD Petitioner
Through: Ms Anusuya Salwan with Mr Vikas
Sood, Advocates.

versus

GNCT OF DELHI AND ORS Respondents
Through: Mr R. K. Dhawan, Mr V. K. Teng,
Ms Richa Dhawan and Mr Anuj
Chaturvedi, Advocates for R-2.
Mr R. N. Vats, Standing Counsel,
NDMC with Mr Akshat Gupta,
Advocate for R-3/NDMC.

CORAM:
HON'BLE MR. JUSTICE VIBHU BAKHRU

ORDER
% **31.08.2018**

1. The petitioner has filed the present petition, *inter alia*, praying as under:-

- “a) That this Hon’ble Court be pleased to issue an appropriate Writ, Order or Direction in the nature of certiorari quashing the demand letters/bills issued by Respondent No.2 dated 25.01.2016, 16.02.2016 and 18.03.2016 or any other demand in relation to the agreement dated 16.04.2015;
- b) Direct Respondents to grant Health License to the Petitioner to run and operate R. K. Puram, Coffee Home;
- c) Direct Respondent No.2 not to encash the performance guarantee (Bank Guarantee) of Rs.50,40,000/- (Rupees

Fifty Lakhs and Forty Thousand Only) bearing No.4597OBG15003404 dated 06.05.2015 drawn on 'Kotak Mahindra Bank Ltd.' Vasant Square Mall Branch, Vasant Kunj."

2. On 06.01.2015, respondent no.2 (hereafter 'DTTDC') had invited tenders for running the Coffee Home situated Opp. Hyatt Regency, Pallika Bhawan, R. K. Puram, Sector -13, New Delhi -110023 (hereafter 'Coffee Home'). The petitioner had participated in the tendering process and was successful. On 26.02.2015, a notice of award was issued in favour of the petitioner communicating that its bid had been accepted. The petitioner was further asked to deposit a performance bank guarantee in the sum of ₹50,40,050/-.
3. The petitioner claims that after taking over possession of the premises on 21.03.2015, it spent a sum in the excess of ₹3 crores for renovating the said premises.
4. On 16.04.2015, a License Agreement was also executed between the petitioner and DTTDC, whereby the petitioner's premises were licensed to the DTTDC on a monthly licence fee of ₹14,00,014/-. The petitioner also furnished the performance bank guarantee as required in terms of the tender documents.
5. On 14.08.2015, the petitioner applied to respondent no. 3 (New Delhi Municipal Corporation – hereafter 'NDMC') for a health licence.
6. It is relevant to note that the Coffee Home was constructed on a plot of land, which was allotted to DTTDC on 22.09.1989. DTTDC had, thereafter, constructed the Coffee Home in a temporary structure in the year 2006. The term of the Licence granted in favour of DTTDC was till

31.03.2015 and, therefore, prima facie, DTTDC could not invite tenders for licensing the Coffee Home for a period of ten years. There are certain disputes between DTTDC and NDMC in this regard.

7. It is in the aforesaid context that the petitioner had filed the present petition.

8. The present petition was listed before this Court on 23.03.2016 and on the said date, the petitioner was directed to deposit a further sum of ₹50 lakhs with the Registry of this Court in order to show its bonafides. This Court also granted interim order directing that no coercive steps be taken. Subsequently, by an order dated 08.11.2016, this Court issued certain directions to resolve the controversy. The operative part of the said order is set out below:-

“7. To resolve the controversy, it is directed that:

(i) the petitioner shall deposit a sum of 14,00,014/- per month with the Registrar General of this court. Which deposit shall be subject to the resolution of the disputes between the NDMC as well as DTTDC.

(ii) The respondent-NDMC shall forthwith process the application of the petitioner for grant of health licence and award ad-hoc / permanent licence in accordance with rules.

(iii) For the interim, the petitioner shall be bound by the terms and conditions contained in the RFP as well as the licence agreement dated 16.04.2015 and subject to further orders.

(iv) Till the next date of hearing, the petitioner shall remain bound by the statement made before the Chief Secretary that liquor shall not be served.

(v) Subject to grant of health licence, the petitioner shall commence operations from 01.12.2016 and deposit the

monthly amount of Rs. 14,00,014/- in advance on or before the 07th day of each month. The monthly amount shall be regularly deposited every month.

(vi) The amounts shall be deposited with the Registrar General of this Court who shall keep the same in an interest bearing fixed deposit.

(vii) It is clarified that the above ad-hoc arrangement is without prejudice to the rights and contentions of the parties, till the disputes between the NDMC and DTTDC are resolved with regard to the entitlement of the revenue and subject to further order of this Court.”

9. It is apparent from the above that the petitioner was permitted to use the premises in question subject to the directions that were contained in the order dated 08.11.2016.

10. This Court is informed that the petitioner has not deposited the monthly licence fee of ₹14,00,014/- as directed by the order dated 08.11.2016. Further, an order dated 30.08.2018 has been passed under Section 7 of the Public Premises (Eviction of Unauthorized Occupants) Act, 1971 for recovering of a sum of ₹6,06,25,807.75/- as arrears of licence fee.

11. The learned counsel appearing for the petitioner states that the said demand is unlawful and the petitioner reserves the right to challenge the same. In addition, the petitioner also reserves the right to initiate appropriate proceedings against DTTDC in relation to the License Agreement.

12. The petitioner seeks to withdraw the present petition reserving the rights as indicated above.

13. In view of the above, the present petition is dismissed as withdrawn. All the pending applications are also disposed of. The sum of ₹50 lakhs deposited by the petitioner in this Court alongwith interest, if any, is directed

to be released to the DTTDC.

14. It is clarified that the withdrawal of the present petition would not preclude the petitioner from pursuing its remedies against DTTDC including challenging the order dated 30.08.2018 passed under the Public Premises Act, 1971, in accordance with law. Needless to state that all remedies of the NDMC and DTTDC are reserved as well.

AUGUST 31, 2018
MK

VIBHU BAKHRU, J