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* IN THE HIGH COURT OF DELHI AT NEW DELHI

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Judgment delivered on: 14.02.2022

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W.P.(C) 815/2022 & CM. APPLS. 4132-33/2022

GALAV FOODS.

..... Petitioner

versus

UNION OF INDIA AND ORS

..... Respondent

Advocates who appeared in this case:

For the Petitioner: Mr. Manish Raghav, Advocate.

For the Respondent: Dr. Sarabjit Sharma and Mr. Kanishka Singh, Advocates.

CORAM:-**HON'BLE MR. JUSTICE SANJEEV SACHDEVA****JUDGMENT****SANJEEV SACHDEVA, J. (ORAL)**

1. Petitioner impugns letter dated 29.12.2021, whereby the contract agreement of catering Stall No.3 at Platform No.2/3 in Saharanpur Railway Station has been terminated alongwith forfeiture of security money and license fee.

2. As per the petitioner, license was awarded to a proprietorship firm, of which the father of petitioner, Bheem Singh, was the sole proprietor.

3. It is contended that on 16.08.2016, a master license agreement was executed with the initial term of the license being five years, which could



be renewed for the further period of three years based on satisfactory performance.

4. It is contended that in normal circumstances, the license terms of five years would have been completed on 15.08.2021, however, on account of lockdown and suspension of train service, the stall of the petitioner was closed from 22.03.2020 to 28.02.2021 due to COVID.

5. It is contended that the family members of the petitioner were infected with Covid – 19 because of which the father of the petitioner could not make an application for extension in terms of the license agreement.

6. On 15.05.2021, the father of the petitioner, who was the sole proprietor, expired on account of COVID-19. Petitioner also claims to have suffered from COVID-19 and recovered only in June, 2021 and thereafter approached the respondents for extension of license. However, said extension was not granted and the subject termination letter was issued.

7. Learned counsel for the petitioner submits that without prejudice, petitioner is willing to give up his claim for extension of the license but prays that the impugned letter to the extent that it forfeits the security deposit and license fee, be set aside and petitioner be permitted to participate in the fresh tender that has been floated by the respondents.

8. Learned counsel appearing for the respondents submits that since the petitioner had not made an application as per the license agreement for extension, respondents had held that the contract agreement stood



terminated by lapse of time and since the stall had been operated without any authority from 16.05.2021 to 28.08.2021, after the demise of the proprietor, the impugned order was passed.

9. Perusal of the record shows that the master license agreement stipulated that the tenure of agreement was five years and could be renewed for a further period of three years on satisfactory performance and payment of dues.

10. Nothing has been brought on record by the respondents to show that there was any complaint with regard to satisfactory performance or any arrears on the part of the petitioner.

11. No doubt that the petitioner did not make any application for extension as is stipulated in Clause 3.2, however, the explanation for that given by learned counsel for the petitioner is that his father, who was the sole proprietor had expired on account of the COVID-19 and thus no application seeking extension could be filed.

12. Further, Clause 20.4 of the contract provides that transfer of license to spouse/legal heir would be allowed in the event of death of original licensee for the unexpired period of agreement and Clause 20.5 permits inclusion of the name of the son/wife/daughter in the license for the unexpired period.

13. As per the terms and conditions of the contract, petitioner who is the son of the original licensee could have applied for inclusion of his name or transfer of license in his name on the demise of his father, in which case he



would have been continued the contract for the unexpired period and would also have been also entitled to seek extension in terms of the contract.

14. Since petitioner is not pressing his relief for extension of the original contract and is only seeking quashing of the impugned letter to the limited extent that it forfeits the security deposit and the license fee paid, it is held that the impugned letter to the limited extent that it forfeits the security money and the license fee is not sustainable and is accordingly quashed.

15. Respondents shall refund the security deposit and the excess license fee, if any, to the Petitioner.

16. Further, petitioner would also be entitled to participate in the fresh tender and submit his bid pursuant to the Notice Inviting Tender for which the closing date is 15.02.2022 at 1500 hrs.

17. Petition is disposed of in the above terms.

SANJEEV SACHDEVA, J
FEBRUARY 14, 2022/NA