



\$~76

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

+ W.P.(C) 6392/2025, CM APPL. 29192/2025, CM APPL. 29193/2025,
CM APPL. 29194/2025

M S HOTEL RAJASTHAN

.....Petitioner

Through: Mr. Sunil Dalal, Sr. Adv. with Mr.
Jitender Mehta, Mr. Lalit Kumar, Mr.
Abhinav Kumar, Mr. Shivam Pahal,
Mr. Nikhil Beniwal, Ms. Shipra Bali,
Ms. Riya Rana, Advocates
(M:9625461696)

versus

INDIAN RAILWAY CATERING AND TOURISM
CORPORATION LIMITED

.....Respondent

Through: Mr. Anshuman Choudhry, Advocate
(M:8895592069)

CORAM:

HON'BLE MS. JUSTICE MINI PUSHKARNA

ORDER

14.05.2025

%

1. The present writ petition has been filed challenging the Termination Letter dated 08th May, 2025, issued by the respondent/Indian Railway Catering and Tourism Corporation Limited ("IRCTC").
2. Learned Senior Counsel appearing for the petitioner submits that the impugned Letter dated 08th May, 2025, terminating the contract of the petitioner, has been issued on the basis of Clause 5.12 and Clause 6.10 of the Tender Document issued by the IRCTC.
3. Attention of this Court has been drawn to Clause 5.12, which pertains to Obligations and Rights of Licensee, which reads as under:



“5. OBLIGATIONS AND RIGHTS OF LICENSEE

xxx xxx xxx

5.12	No unlawful/ illegal activity	Licensee shall not carry on any unlawful immoral or illegal activity in the pantry car/at stations.
------	-------------------------------	---

xxx xxx xxx”

4. Attention of this Court has also been drawn to Clause 6.10, pertaining to the Unsatisfactory services, which reads as under:

“6. CONDITIONS GOVERNING THE PERFORMANCE OF THE LICENSE

xxx xxx xxx

6.10	Unsatisfactory services etc.	In the event of unsatisfactory service, poor quality of articles, persistent complaints from passengers, and services below the standard or any failure or default at any time on the part of the Licensee to carry out the terms and provisions of this document to the satisfaction of the IRCTC (who will be sole judge and whose decision shall be final) it shall be optional to the IRCTC to make any substitute arrangement it may deem necessary at the cost and risk of the Licensee or to forthwith terminate the license without any previous notice to the Licensee and in case of such termination the Security Deposit be forfeited by the IRCTC and the Licensee shall have no claim whatsoever against IRCTC or any of the officials in consequence of such termination of the license. No refund of proportionate License Fee shall be admissible in case of Termination under this clause. The Licensee agrees to make good all cost and expenses, if any incurred by the IRCTC for making the substitute arrangements referred to above.
		The License may also be debarred from participating in the future projects of IRCTC after issuance of notice to the licensee.

xxx xxx xxx”

5. Learned Senior Counsel for the petitioner submits that the aforesaid Clauses, as relied upon by the respondent, pertain to any unlawful or illegal activity being carried out by a licensee and also with respect to cases of persistent complaint against the licensee.



6. Learned Senior Counsel for the petitioner further submits that *Annexure-K* of the said Tender Document provides the provisions, as regards deficiency and complaints against the licensee.

7. He draws the attention of this Court to *Annexure - K* of the Tender Document and in particular, Type-III of the deficiency complaints and penalties, which reads as under:

“xxx xxx xxx

Type -III	Penalties				
	1 st Case	2 nd Case	3 rd Case	4 th Case	5 th Case
Foreign inert particles such wood, metal plastic etc found in food.	25000	100000	150000	250000	Termination
Stale food served					
Complaints of sickness after consumption of food					
Insect found in food such as flies, worms, cockroaches, ants etc					
Use of abusive language with the passenger					
Non issuance of electronic Bill.					
Overcharging					
Sale/Service of unapproved items					
Sale service of other than Rail Neer, despite availability of Rail Neer					
Man Handling the Passenger					
Any other similar complaint to be categorised by IRCTC as Type-III based on the nature of complaint					

xxx xxx xxx”

8. By referring to the aforesaid document, learned Senior Counsel for the petitioner submits that for complaints, as regards the overcharging and mishandling of passengers, a penalty of ₹ 25,00 0/- is levied in first Case, followed by penalty of ₹ 1,00,000/- in the second case, penalty of ₹



1,50,000/- in the third case, penalty ₹2,50,000/ - in the fourth case, followed by termination in the fifth case, of such complaint.

9. Learned Senior Counsel for the petitioner submits that this is the first time that such a complaint, as regards the overcharging and mishandling of passenger, has been made against the petitioner. He submits that for the complaint, as regards the overcharging and mishandling of the passenger, respondent at best, could have imposed a penalty of ₹ 25,000/-, upon the petitioner.

10. He submits that without issuance of any Show Cause Notice, Termination Letter dated 08th May, 2025, has been issued against the petitioner, which is against the tenor of the Principles of Natural Justice.

11. He further submits that the impugned Termination Letter dated 08th May, 2025, cannot be sustained in the eyes of law.

12. Learned Senior Counsel for the petitioner further draws the attention of this Court to *Annexure P-5*, which is a document dated 11th April, 2025. He submits that in a similar situation with respect to another contractor, when there was complaint of assault and theft attempt, an Interim Incident Report regarding complaint, was called by the respondent. Further, a fine of ₹ 1,00,000/- was imposed upon the licensee, in the said case for mishandling of passengers. However, he submits that no such procedure has been followed in the present case, and the contract in favour of the petitioner has been terminated by the impugned Termination Letter.

13. He submits that neither any explanation has been sought from the petitioner, nor any penalty has been imposed upon the petitioner, in terms of the Tender Document.

14. *Per contra*, learned counsel for the respondent has shown to this



Court the video pertaining to the incident. He submits that employee of the petitioner not only overcharged the bottled water from a passenger, but also manhandled the said passenger.

15. He further draws the attention of this Court to the Clause 9 of the Tender Document to submit that there is an arbitration clause in the present matter. He further relies upon Clause 6.10 of the tender document, to submit that in cases of complaint, the respondent has full power to take action without issuance of any notice.

16. Responding to the same, learned Senior Counsel for the petitioner submits that the present petition would be maintainable, as Principles of Natural Justice have not been followed in the present case.

17. Further, he submits that the respondent is guilty of discriminatory treatment against the petitioner, since the petitioner has not been treated in terms of the Clauses in the contract.

18. Having heard learned counsels for the parties, without going into the merits of the decision of the respondent, considering the fact that the impugned Termination Letter dated 08th May, 2025, has been issued against the petitioner, without issuance of any Show Cause Notice, it is directed that the respondent shall issue a Show Cause Notice to the petitioner, calling upon the petitioner to give his explanation.

19. Upon issuance of the said Show Cause Notice by the respondent, petitioner shall file his reply and submit requisite documents, as required by the respondent.

20. Further, an opportunity of personal hearing shall also be granted to the petitioner by the respondent.

21. After grant of personal hearing to the petitioner, a Speaking Order



thereafter, shall be passed by the respondent.

22. This Court takes note of the submissions made by learned counsel for the respondent that after issuance of the Termination Letter dated 08th May, 2025, an interim arrangement has already been made by the respondent, in the train in question.

23. Accordingly, it is directed that interim arrangement, as made by the respondent in the train in question, shall continue during the period when the process of issuance of Show Cause Notice and grant of hearing to the petitioner, is underway.

24. In case, the petitioner is aggrieved by the Speaking Order passed by the respondent, petitioner shall be at liberty to seek its remedies, in accordance with law.

25. It is directed that the aforesaid process shall be carried out by the respondent in a time bound manner, preferably, within a period of six weeks, from today.

26. It is clarified that this Court has not expressed any opinion on the merits of the case. Rights and contentions of both the parties are left open.

27. Needless to state, that any Speaking Order/fresh Order to be passed by the respondent, shall supersede the Termination Letter dated 08th May, 2025.

28. With the aforesaid directions, the present writ petition, along with the pending applications, is accordingly disposed of.

MINI PUSHKARNA, J

MAY 14, 2025

au