203 IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

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CWP-1870-2015 (O&M)
Date of Decision: 28.01.2026

Rapid Metrorail Gurgaon Ltd.

...Petitioner(s)

Versus

State of Haryana and Others

...Respondent(s)

CORAM:- HON'BLE MR. JUSTICE JAGMOHAN BANSAL

Present:- Mr. Jashan Singh Sekhon, Advocate
for the petitioner.

Mr. Sharad Aggarwal, Addl. A.G., Haryana.

Mr. Sakal Sikri, Advocate and
Ms. Sharvi Dadhwal, Advocate
for respondents No.4 to 6.

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JAGMOHAN BANSAL, J. (ORAL)

1. The petitioner through instant petition under Articles 226/227 of the Constitution of India is seeking writ of prohibition restraining respondents from violating Article 7 of the Concession Agreement dated 09.12.2009. It is further seeking setting aside of notices whereby respondent-Municipal Corporation, Gurugram has raised demand with respect to advertisement displaced by it.

2. On 04.02.2015, the following order was passed:

> *"Learned senior counsel for the petitioner contends that exemption for five years was granted by the competent authority from paying the municipal tax including the fee on advertisements. Learned senior counsel further contends that petitioner is exempted from payment of fee on advertisements in view of proviso (e) of Section 121(1) of the Haryana Municipal Corporation Act, 1994. Learned*

counsel further contends that till date, no bye-laws have been framed by the Government or the Municipal Corporation for fixing the rate at which fee on advertisement is to be charged. Learned senior counsel further contends that such statement was made before this Court on 15.01.2015 in CWP No. 25250 of 2014 by the Commissioner, Municipal Corporation, Gurgaon whereby he has stated that bye-laws are likely to be finalized by end of March, 2015. Learned senior counsel further submits that this is a Public Transport System which is for the benefit of the resident of Delhi and NCR Region. It is yet to be determined as to whether fee is payable. Learned counsel further contends that the petitioner has already been exempted from payment in view of order passed by the head of the State i.e. Chief Minister. Fee on advertisements is not required to be paid at least for five years in view of the exemption granted. The work of running a metro rail commenced on 01.11.2013 would continue till 01.11.2018 with payment of fee on advertisements.

Notice of motion for 20.04.2015.

In the meantime, coercive methods are not to be taken to stop the running of metro rail and advertisements would not be torn. However, the petitioner shall furnish a sound surety of equivalent amount (i.e. Rs. 30 crores).”

3. The said order was modified vide order dated 26.05.2015 which reads as:

“On the last date of hearing i.e. 15.05.2015 in the aforementioned application seeking interim protection, the following order was passed:-

“Prayer in the aforesaid application is for directing the Municipal Corporation, Gurgaon to accept their surety dated 13.02.2015 (A-1) in terms of the interim protection granted vide order dated 4.2.2015.

Notice of the application.

Mr. Dinesh Arora, Advocate accepts notice.

Since the surety is to be furnished to the satisfaction of Municipal Corporation, Gurgaon, let the authority concerned pass an order either accepting or rejecting the aforesaid surety(A-1) or any other subsequent surety so as to enable the applicant/petitioner to seek its further recourse in accordance with law.

List on 26.5.2015.

To be shown in the urgent list."

At the time of hearing today, learned Counsel for the parties submit that the Commissioner, Municipal Corporation, Gurgaon has not accepted the sureties offered by the applicant and further directed that only a bank guarantee amounting to ₹30 Crores be submitted towards "sound surety" as permitted vide interim order dated 04.02.2015 passed by this Court.

Learned Counsel for the parties heard.

It is not in dispute that the Bye-laws, inter alia, governing the levy of fee for display of advertisements on buildings etc. have not yet been finalized by the M.C., Gurgaon and the likelihood of their finalization by the mid of July has been conveyed. It is also not in dispute that the applicant-Company is providing a service for residents of the City Gurgaon at a subsidized rates and has its entire infrastructure based in the City. It is also not in dispute that huge amount of investment of the applicant-Company falls within the jurisdiction of the M.C., Gurgaon and, therefore, there is no likelihood of their evading the ultimate finalization/imposition of the fee as per Bye-laws.

Accordingly, the interim protection granted vide order dated 04.02.2015 is modified to the extent that the applicant-Company shall furnish a bank guarantee for an amount of Rs.1.5 Crores in addition to the sureties already submitted before the M.C., Gurgaon.

List for further consideration along with main case on 07.07.2015."

4. Learned counsel representing the petitioner submits that Union of India filed petition before National Company Law Tribunal (for short 'NCLT') alleging oppression and mismanagement. NCLT vide order dated 15.10.2018 imposed moratorium period. Resolution Professional has been appointed. Many creditors have lodged their claim Municipal Corporation, Gurugram has not lodged its claim.

5. Learned counsel for respondents No. 4 to 6 expressed his inability to controvert that Municipal Corporation has not lodged its claim before NCLT.

6. The petitioner is claiming that in the absence of adjudication of impugned liability by this Court, the Municipal Corporation may start proceedings against it.

7. In the backdrop, the petition stands ***disposed of*** with liberty to the petitioner to move an appropriate application, if at any stage, demand is raised against it. The disposal of instant petition would not inhibit parties to raise their claim before the NCLT.

8. Pending application(s), if any, shall also stand disposed of.

(JAGMOHAN BANSAL)
JUDGE

28.01.2026
Prince Chawla

Whether Speaking/reasoned	Yes/No
Whether Reportable	Yes/No