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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**% *Date of Decision: 15.05.2026*+ **LPA 355/2026 & CM APPL. 32025/2026****GIRIRAJ ENTERPRISES**

.....Appellant

Through: Mr. Abhay Kumar, Mr. Pankaj Jaishwal, Mr. Shagun Ruhil, Mr. Karan Chopra, Mr. Srinivas and Mr. Rakesh Kumar, Advocates.

versus

MUNICIPAL CORPORATION DELHI AND ORS.Respondents

Through: Mr. Tushar Sannu, Standing Counsel for MCD with Ms. Pulak Gupta Joshi and Mr. Vaibhav Tripathi, Advocates with Mr. Kushal from MCD.
Mr. Devvrat Yadav, SPC for UOI with Mr. Kartik Sharma, GP.

CORAM:**HON'BLE THE CHIEF JUSTICE****HON'BLE MR. JUSTICE TEJAS KARIA****TEJAS KARIA, J. (ORAL)****CM APPLs. 32026/2026 and 32027/2026**

1. Exemptions are allowed, subject to all just exceptions.
2. The Applications stand disposed of.

LPA 355/2026

3. The present intra-court Appeal is directed against the judgment dated 06.05.2026 (**"Impugned Judgment"**) passed in W.P.(C) 12493/2025 (**"Writ Petition"**), whereby the Writ Petition, filed for setting aside of the order dated 13.08.2025 issued by Respondent No. 1 terminating / cancelling the contract awarded to the Appellant in respect of the parking site at Red Fort Metro Station Parking Gate Nos. 1 to 4 (**"Parking Site"**), forfeiting the security deposit furnished by the Appellant, and blacklisting the Appellant,



was disposed of by upholding the termination / cancellation of the allotment of the Parking Site and the forfeiture of the security deposit, while setting aside the blacklisting of the Appellant and granting liberty to the Respondents to initiate fresh blacklisting proceedings by issuing an appropriate show cause notice and affording the Appellant due opportunity of hearing.

4. Being aggrieved by the Impugned Judgment, the Appellant has challenged the same to the extent that it has:

- (i) upheld the termination / cancellation of the allotment of the Parking Site in favour of the Appellant;
 - (ii) upheld the forfeiture of the security deposit and Fixed Deposit Receipt (“**FDR**”) by the Respondents;
 - (iii) granted liberty to the Respondents to take steps for recovery of unpaid dues / monthly license fees from the Appellant; and
 - (iv) granted liberty to the Respondents to initiate fresh proceedings for blacklisting by issuing an appropriate Show Cause Notice to the Appellant and affording due opportunity of hearing and any decision with respect to blacklisting to be in accordance with the principles laid down by the Supreme Court in *Kulja Industries Ltd. v. Western Telecom Project BSNL*, (2014) 15 SCC 731.
5. The brief facts leading to the filing of the present Appeal are as under:
- 5.1 Respondent No. 1 floated e-tender on 30.08.2024 for allotment of authorized surface parking sites on monthly license fee basis.
 - 5.2 The Appellant submitted the bid for the Parking Site, which was admitted by the Respondents on 18.11.2024. Vide offer letter dated 22.11.2024, the Parking Site was offered to the Appellant for a period



of three years and further extendable to another two years, subject to satisfactory performance.

- 5.3 On 29.11.2024, the Appellant deposited the requisite security deposit of ₹22,83,000/- with Respondent No. 1.
- 5.4 On 02.12.2024, the Appellant deposited ₹29,37,815/- towards advance license fees for four months with Respondent No. 1.
- 5.5 On 16.12.2024, the possession of the Parking Site was handed over to the Appellant through a possession letter which is extracted as under:

MUNICIPAL CORPORATION OF DELHI
OFFICE OF THE ASSISTANT COMMISSIONER
RECREATION PROJECT CELL DEPARTMENT
(3rd Floor), Civil Centre, New Delhi-110005

No. AC/RPC/MCD/2024/D-2411

Dated:- 16/12/24

Sub: Possession of parking site at Red Fort Metro Station Gate No.1,2,3 & 4.

In reference to the above cited subject, it is to inform you that in pursuance to the offer letter No. AC/RPC/MCD/2024/D-2156 dated 28.11.2024 (NIT No. 1430 dated 30.08.2024), you were declared as H-1 bidder and above mentioned letter was issued to you and the same was accepted by you. Now, you are hereby allotted the parking site Red Fort Metro Station Gate No.1,2,3 & 4 @ MIF Rs. 7,61,000/- and the competent authority is pleased to allow you to operate the same w.e.f. 17/12/24 for the period of three years and further extendable to another period of two years subject to satisfactory performance of the firm and as decided by the Competent Authority on the terms and conditions/Guidelines as agreed upon & affidavit (Annexure-15 of terms & conditions) submitted by you.

Girraj Enterprises
(Prop. Anil Kumar),
1st Floor, 323, Kucha Ghazi Ram,
Chandni Chowk, Delhi-110006.



[Signature]
Administrative Officer
(R.P. Cell/MCD)

Administrative Officer
R.P. Cell/MCD

Copy for information and necessary action to:

- AC, Deputy Commissioner Police (Concerned)
- AC, Asstt. Commissioner (Concerned)
- AS, EIC (Concerned)
- 4. GS Clerk, RPC

Handed Over

[Signature]
Signature



Taken Over full & Valid Possession

[Signature]
Name & Signature of authorized person:
Girraj Enterprises
1st Floor, 323, Kucha Ghazi Ram,
Chandni Chowk, Delhi-110006.





- 5.6 On 06.01.2025, the Appellant requested Respondent No. 1 to provide certain essential facilities at the Parking Site such as identifying the Parking Site by marking the same by lining, constructing a small room / cabin for shelter by the Appellant's workers during rain, intense heat or severe cold, providing electricity connections, removing poles installed by Public Works Department and installing the same at specific places and vacating the parking spaces illegally occupied by illegal occupants by issuing letter to the concerned police officer.
- 5.7 On 14.02.2025, the Appellant sent a letter to the Respondents enclosing a site plan of the Parking Site allotted to the Appellant and sought approval for the same.
- 5.8 On 21.02.2025, the Delhi Police sent a letter to Respondent No. 1 seeking cancellation of the license of 'Red Fort Metro Station Gate No. 4' of the Parking Site on the ground that the volume of traffic remains high throughout the day and till late night hours on Netaji Subhash Marg due to existence of some important religious and heritage structures, i.e., Red Fort, Jama Masjid and Shish Ganj Gurudwara and the famous Chandni Chowk Market in the vicinity. Accordingly, it was requested that the license of 'Red Fort Metro Station Gate No. 4' may be cancelled for the convenience of road users and commuters.



- 5.9 Respondent No. 1, *vide* letter dated 07.05.2025, responded to the Delhi Police regarding the request for removal of unauthorized parking at the Parking Site stating that Respondent No. 1 had allotted the Parking Site for Gate No. 1 to Gate No. 2 only and no authorized parking of Respondent No. 1 is being run by the parking contractor in front of Gate No. 3 to Gate No. 4.
- 5.10 Respondent No. 1 issued a Show Cause-cum-Penalty Notice dated 13.05.2025 (“SCN-1”) to the Appellant stating that an inspection was carried out at the Parking Site on 27.04.2025 and it was noticed that there was a violation by covering parking space more than allowed and parking of the vehicles beyond the permitted area. Accordingly, Respondent No. 1 imposed penalty of ₹1,14,150/- on the Appellant for the said violation of the terms and conditions. The said SCN-1 also stated that *vide* penalty notice dated 27.01.2025, the Appellant was directed to deposit a penalty of ₹76,100/-, however, the Appellant had failed to deposit the same. Accordingly, the Appellant was called upon to show cause as to why the contract should not be cancelled, the Appellant should not be blacklisted and the security deposit should not be forfeited.
- 5.11 *Vide* reply dated 28.05.2025, the Appellant responded to SCN-1, *inter alia*, stating that it had not received the earlier notice dated 27.01.2025 and that there had been no violation by way of parking vehicles beyond the permitted area. It was further contended that SCN-1 had been issued without furnishing any particulars regarding the alleged violation relating to parking beyond the permitted area and that, even



after award of the contract, the Appellant was unable to use the parking space opposite Red Fort Metro Station Gate Nos. 3 and 4, as the Delhi Police had not permitted such use. Accordingly, the Appellant requested Respondent No. 1 to withdraw SCN-1.

5.12 Thereafter, the Appellant, through counsel, issued a legal notice stating that it had been informed by the Delhi Police that the Appellant was operating the Parking Site at Red Fort Metro Station Gate Nos. 3 and 4 without authorization and that no contract had been awarded to it in respect of parking operations at the said gates. The legal notice further stated that, since commencement of the contract, the Appellant had been facing difficulties in using the parking space at Red Fort Metro Station Gate Nos. 3 and 4 and had already submitted a request letter in this regard to Respondent No. 1. Accordingly, Respondent No. 1 was requested either to facilitate the Appellant in operating the parking space at Red Fort Metro Station Gate Nos. 3 and 4 or, in the alternative, to grant a rebate by reducing the monthly rent to half of the awarded amount.

5.13 On 30.05.2025, Respondent No. 1 issued a further Show Cause Notice (“SCN-2”), stating that, as per its records, a sum of ₹25,33,296/- towards monthly license fees, applicable interest, and penalty remained outstanding up to May 2025 and had not been deposited by the Appellant. Accordingly, the Appellant was called upon to show cause as to why the contract ought not to be cancelled, the security deposit forfeited, and the Appellant blacklisted.

5.14 Aggrieved by SCN-1 and SCN-2, the Appellant preferred W.P.(C) 9024/2025 before this Court seeking quashing of the said notices



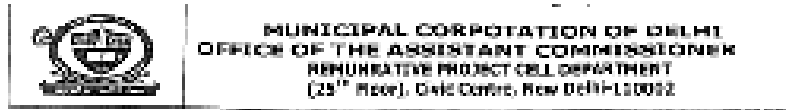
issued by Respondent No. 1. *Vide* order dated 04.07.2025, the said writ petition was disposed of with directions permitting the Appellant to file a reply to SCN-2 and directing Respondent No. 1 to consider the same after affording an opportunity of personal hearing. It was further directed that, in the event Respondent No. 1 concluded that the Appellant was unable to operate the full area of the Parking Site allotted to it, Respondent No. 1 shall consider grant of proportionate remission to the Appellant. It was also directed that no coercive action shall be taken against the Appellant during the pendency of the proceedings before Respondent No. 1. The Appellant was further directed to deposit a sum of ₹10,00,000/- on account with Respondent No. 1 within one week.

5.15 *Vide* reply dated 14.07.2025, the Appellant submitted its response to SCN-2 in terms of the directions issued by this Court in W.P.(C) 9024/2025, seeking exemption from depositing the sum of ₹10,00,000/- as directed by this Court and requesting remission of 50% of the monthly license fee on the ground that the Appellant had not been permitted to use the parking space at Red Fort Metro Station Gate Nos. 3 and 4. The Appellant also sought a copy of the site plan indicating the area and measurements and requested that the contract in respect of the Parking Site not be cancelled.

5.16 Respondent No. 1, *vide* order dated 13.08.2025, cancelled the allotment of the Parking Site as under:



2026:DHC:4399-DB



No.AC/RPC/MCD/2025/D- 736

Dated: 13/08/25

To,

M/s Girdh Enterprises
 (Prop. Anil Kumar)
 1st Floor 323, Naraina Ghat Barr,
 Convent Chok, Delhi-110008
 Email:- anil.kumar19681n@gmail.com

Subj - Cancellation of allotment of parking site at Red Fort Metro Station Parking, City SP Zone.

Whereas the parking site situated at Red Fort Metro Station Parking, City SP Zone was allotted to M/s Girdh Enterprises vide allotment letter no. AC/RPC/MCD/2025/D-001 dated 26.12.2024 for the period of three years which is further extendable for another two years.

- Whereas you/your firm has not deposited the outstanding dues upto July'25, as per payment schedule despite issuance of Show Cause Notice vide office letter no. AC/RPC/MCD/2025/D-001 dated 26.06.2025 with the direction to deposit outstanding dues against you/your firm. However, you have failed to deposit outstanding dues amount.
- You were also directed by the Hon'ble High Court in W.P (C) 9024/2025 to pay the amount of Rs. 10,00,000/- within a period of one week from the passing of court order (i.e. on 01.07.2025) but you have failed to comply the direction from Hon'ble High Court also.
- Therefore, as per terms & conditions of NIT, the parking site at Red Fort Metro Station Parking, City SP Zone is hereby cancelled with immediate effect due to default in payment.
- Your firm M/s Girdh Enterprises has also been debarred as per Clause No. 26 of Annexure-S of NIT.
- The security deposit & the FDR available with the department is hereby forfeited.

This issue with prior approval of the Competent Authority.


 Administrative Officer (RP Cell)
 Municipal Corporation of Delhi

Copy to

- Assistant Commissioner, City SP Zone - With the request to direct the concerned official to keep vigil that nobody operates illegal parking on the said location.
- SDO, PS-Kotwali - With the request to direct the concerned beat officer/official to keep vigil that nobody operates illegal parking on the said location.
- TI, PS- Kotwali - With the request to direct the concerned beat official/official to keep vigil that nobody operates illegal parking on the said location.
- All Area Inspector/Concerned Zone (RP Cell)

5.17 Being aggrieved by the above order dated 13.08.2025, the Appellant filed the Writ Petition, which was disposed of *vide* the Impugned Judgment.

5.18 Hence, the present Appeal.

Signature Not Verified

Signed By: NEELAM
 SHARMA
 Signing Date: 18.05.2026
 18:06:51

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6. We have heard Mr. Abhay Kumar, the learned Counsel for the Appellant as well as Mr. Tushar Sannu, the learned Counsel for the Respondents. *Vide* order dated 13.05.2026, we had directed the learned Counsel for Respondent No. 1 to produce entire original record, which was produced during the course of the hearing, and we have perused the same.

7. Learned Counsel for the Appellant submitted that the Impugned Judgment does not deal with all the material contentions advanced on behalf of the Appellant. It was contended that the Respondents cancelled the contract awarded to the Appellant on untenable grounds and by erroneously relying upon a fabricated site map produced along with the reply affidavit filed in the Writ Petition. According to the Appellant, the map relied upon by the Respondents is incorrect and forged, since the corresponding map forming part of the e-tender documents does not indicate that the Appellant had agreed to a parking site confined to only two gates out of Red Fort Metro Station Gate Nos. 1 to 4.

8. Learned Counsel for the Appellant further submitted that the Respondents accepted the security deposit for the Parking Site on the footing that the allotment pertained to all four gates, namely, Red Fort Metro Station Gate Nos. 1 to 4, whereas, in practice, the Appellant was permitted to operate only at Gate Nos. 1 and 2, and that too without the requisite facilities, as complained of by the Appellant. It was further submitted that the parking spaces at Gate Nos. 3 and 4 were not permitted to function after a short period and, therefore, the Respondents were not entitled to levy charges upon the Appellant in respect thereof.



9. It was next submitted on behalf of the Appellant that, instead of permitting the Appellant to operate at Red Fort Metro Station Gate Nos. 3 and 4, Respondent No. 1 issued SCN-1 and SCN-2, whereupon the Appellant instituted W.P.(C) 9024/2025. By order dated 04.07.2025 passed in the said writ petition, various directions were issued by this Court. According to the Appellant, the subsequent order dated 13.08.2025 passed by the Respondents failed to consider the *bona fide* and reasonable contentions raised by the Appellant and was passed without due compliance with the directions contained in the order dated 04.07.2025 passed by this Court.

10. Learned counsel for the Appellant further submitted that the learned Single Judge failed to appreciate that the allotment of the Parking Site in respect of all four gates, namely, Red Fort Metro Station Gate Nos. 1 to 4, stood corroborated by the letter dated 21.02.2025 issued by the Delhi Police to Respondent No. 1 seeking cancellation of the license for the parking site in front of Red Fort Metro Station Gate No. 4. According to the Appellant, the said communication, by necessary implication, demonstrated that the parking site in front of Gate No. 4 formed part of the allotment in favour of the Appellant.

11. It was also submitted on behalf of the Appellant that, from February 2025 onwards, the Appellant was prevented by the Delhi Police from using the Parking Site at Red Fort Metro Station Gate Nos. 3 and 4, on the stated ground that the said area was reserved for the movement of VVIPs. Consequently, despite having been awarded the contract and having



furnished substantial security for the entire Parking Site, the Appellant was unable to utilize a significant portion thereof.

12. Learned Counsel for the Respondents, *per contra*, submitted that the layout plan of the Parking Site clearly delineated the area between Red Fort Metro Station Gate Nos. 1 and 4, which had been shown to all bidders prior to the e-tender, and that the Appellant was fully aware of the site configuration and its existing limitations. It was further submitted that the approved site map annexed to the allotment letter, which was countersigned by the Appellant, unequivocally established that only Red Fort Metro Station Gate Nos. 1 and 2 formed part of the licensed area.

13. It was further submitted on behalf of the Respondents that the Appellant accepted, without any protest, possession of the allotted area of the Parking Site in front of Red Fort Metro Station Gate Nos. 1 and 2 and was, therefore, liable to pay the full license fee from the date of handover, irrespective of any subsequent operational inconvenience. It was contended that any objection as to the alleged shortfall in area ought to have been raised contemporaneously at the time of taking over of the possession of the Parking Site, and that the Appellant's acceptance of possession and continued operation amounted to acquiescence and estoppel against any subsequent plea of partial handover.

14. Learned Counsel for the Respondents further submitted that multiple complaints had been received alleging overcharging by the Appellant despite clear instructions regarding the prescribed parking rates. It was submitted that, during inspection, the Appellant was found charging ₹100/- for three hours and ₹200/- for seven hours, whereas the approved rates were

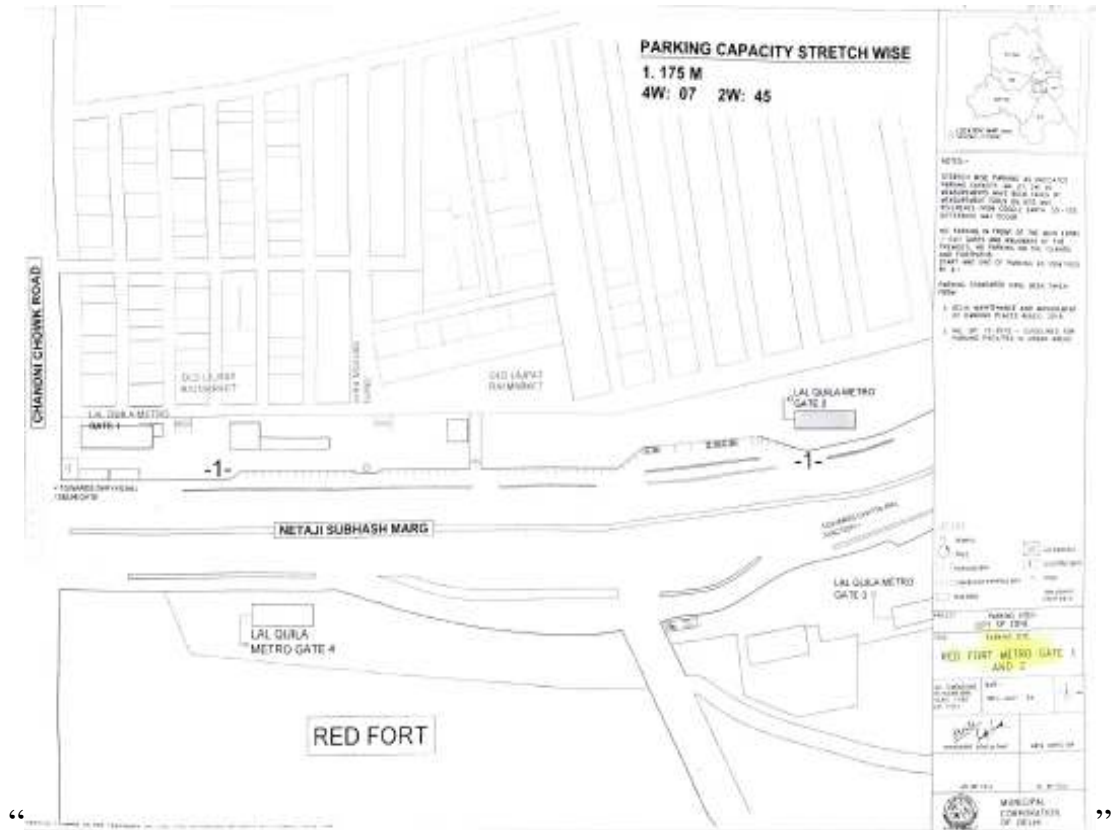


₹20/- per hour for four-wheelers and ₹10/- per hour for two-wheelers, with ₹100/- fixed for full-day parking. According to the Respondents, the levy of charges at four to five times the approved rates amounted to unjust enrichment at the expense of the public and constituted a serious breach of the contractual terms.

15. The Respondents also submitted that the Appellant permitted parking beyond the authorized capacity in contravention of the approved site map, thereby causing congestion and posing potential safety risks to commuters. It was further contended that the Appellant had repeatedly violated the terms of the contract and that, consequently, the cancellation / termination of the contract awarded to the Appellant was fully justified.

16. We have considered the rival submissions advanced by the Parties and have also examined the original records maintained by the Respondents in order to ascertain the precise nature of the Parking Site handed over to the Appellant on 16.12.2024.

17. Although the possession letter dated 16.12.2024 does not, on its face, indicate that the site map countersigned by the Appellant was annexed thereto, upon inspection of the original record we found that such site map was indeed annexed to the said letter and bore the countersignature of the Appellant. A perusal of the said site map shows the description of the Parking Site as 'RED FORT METRO GATE 1 AND 2'. A copy of the site map available on the Respondents' record is reproduced hereinbelow:



18. In view of the above, it is evident that the site map annexed to the e-tender documents and countersigned by the Appellant at the time of handover of the Parking Site specifically records that the allotment pertained only to Red Fort Metro Station Gate Nos. 1 and 2. The contention advanced on behalf of the Appellant that the Parking Site comprised all four locations, namely, Gate Nos. 1 to 4, therefore, cannot be accepted. It is also material that no objection was raised by the Appellant at the time of handover to the effect that the Parking Site was confined to Red Fort Metro Station Gate Nos. 1 and 2.

19. Even in the letter dated 06.01.2025, whereby the Appellant sought provision of certain essential facilities, no grievance whatsoever was raised regarding non-handover of the area in front of Red Fort Metro Station Gate Nos. 3 and 4.



20. Although the description in the e-tender, the offer letter, and the possession letter refers to the Parking Site as 'Red Fort Metro Station Gate Nos. 1, 2, 3 & 4', which is capable of creating some ambiguity, the site map annexed to the e-tender as well as to the possession letter makes it abundantly clear that the Parking Site comprised only the area in front of Red Fort Metro Station Gate Nos. 1 and 2.

21. This conclusion also stands corroborated by the letter dated 07.05.2025 addressed by Respondent No. 1 to the Delhi Police, wherein it was expressly clarified that the Parking Site had been allotted to the Appellant only in respect of Red Fort Metro Station Gate Nos. 1 and 2 and that no contract had been awarded for the area in front of Red Fort Metro Station Gate Nos. 3 and 4.

22. The Appellant failed to deposit the penalty amounts imposed by the Respondents and also defaulted in making payment of the monthly license fees due and payable under the contract. The Appellant also failed to comply with the direction issued *vide* order dated 04.07.2025 by this Court in W.P.(C) 9024/2025 requiring deposit of a sum of ₹10,00,000/-. The Appellant was, therefore, in clear breach of the terms and conditions governing the allotment of the Parking Site.

23. The order dated 13.08.2025, which was impugned in the Writ Petition, records that despite issuance of SCN-1 and SCN-2, the Appellant neither cleared the outstanding dues nor deposited the sum of ₹10,00,000/- within the time stipulated by this Court. Accordingly, the contract in respect of the Parking Site was cancelled for default in payment in terms of the e-tender conditions, the Appellant was blacklisted, and the security deposit as well as the FDR available with the Respondents were forfeited.



24. Insofar as blacklisting of the Appellant is concerned, the learned Single Judge granted relief to the Appellant by setting aside that part of the order dated 13.08.2025, which directed blacklisting, while granting liberty to the Respondents to initiate fresh blacklisting proceedings by issuing an appropriate show cause notice and, after affording due opportunity of hearing, to take a decision in accordance with the law laid down by the Supreme Court in *Kulja Industries Ltd. (supra)*. Since neither Party has assailed that part of the Impugned Judgment, we do not propose examining the same any further.

25. The only question that, therefore, survives for consideration in the present Appeal pertains to the validity of the termination of the contract and the forfeiture of the security deposit and FDR lying with the Respondents.

26. The learned Single Judge, in the Impugned Judgment, held that the site map forming part of the e-tender documents clearly demonstrated that the Respondents had awarded the Parking Site to the Appellant only in respect of the stretch between Red Fort Metro Station Gate Nos. 1 and 2. The learned Single Judge further observed that, notwithstanding the nomenclature 'Red Fort Metro Station Gate Nos. 1, 2, 3 & 4', the actual parking area offered under the e-tender was confined to the area between Red Fort Metro Station Gate Nos. 1 and 2 and the area in front of Red Fort Metro Station Gate Nos. 3 and 4 being situated across the road was not forming part of the Parking Site. On that basis, the plea of the Appellant that the Respondents had failed to hand over the area between Red Fort Metro Station Gate Nos. 3 and 4 was held to be an afterthought.

27. The learned Single Judge further observed that the cancellation had been affected strictly in accordance with the terms of the e-tender, which



specifically provided that failure to deposit dues within time would entail termination of the contract and would also entitle the Respondents to forfeit the security deposit. Since the Appellant had failed to pay the monthly license fee within the stipulated time, the termination of the contract was held to be justified.

28. In light of the foregoing discussion, it is clear that the Parking Site comprised only the area in front of Red Fort Metro Station Gate Nos. 1 and 2 and that the area in front of Red Fort Metro Station Gate Nos. 3 and 4 did not form part of the allotment. The submission advanced on behalf of the Appellant that it was unable to utilize the entire Parking Site is, therefore, devoid of merit. Consequently, there existed no valid justification for the Appellant's failure to pay the monthly license fee and the penalties levied in terms of the contract. The termination of the contract was, therefore, justified and warranted no interference by the learned Single Judge in the Impugned Judgment.

29. We concur with the findings recorded by the learned Single Judge in the Impugned Judgment for the reasons noted hereinabove. We, accordingly, find no merit in the present Appeal, which is hereby dismissed along with the pending Application(s). There shall be no order as to costs.

TEJAS KARIA, J

DEVENDRA KUMAR UPADHYAYA, CJ

MAY 15, 2026/sms