



2026:DHC:4611



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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**+ **W.P.(C) 6584/2026**Date of Decision: **14.05.2026****IN THE MATTER OF:****SUMIT KUMAR**

.....Petitioner

Through: Mr. Sanjeev Kumar Sharma, Mr.
Rajiv Dalal, Mr. Shresth Kaushik, Mr.
Shakhyam Agrawal, Advocates.

versus

GOVT. OF NCT OF DELHI & ANR.

.....Respondent

Through: Ms Avni Singh(Panel Counsel-
GNCTD) with Mr Vaibhav Sharma,
Advocates for R-1.
Ms Maneesha Dhir and Ms. Ayushi
Misra and Mr Mahipal Singh,
Advocates for R-2.**CORAM:****HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR KAURAV****J U D G E M E N T****PURUSHAINDRA KUMAR KAURAV, J. (ORAL)****CM APPL. 32446/2026 (EXEMPTION)**

1. Exemptions allowed, subject to all just exceptions.
2. Application stands disposed of.

W.P.(C) 6584/2026 and CM APPL. 32445/2026

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SHARMA

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3. The petition is for the following reliefs:

“A. Issue a Writ of Certiorari or any other appropriate writ, order, or direction to quash and set aside the impugned withdrawal letter No. DSIIDC/REM/e-Auction/289/2024-25/317 dated 26.06.2025 issued by Respondent No. 2 (DSIIDC) in respect of Industrial Plot No. 5111 11-81, Bawana Industrial area, Delhi; as being arbitrary, illegal, and violative of Article 14 of the Constitution of India;

B. Issue a Writ of Mandamus directing Respondent No. 2 to proceed with the allotment of Industrial Plot No. 5/1/11-81, Bawana Industrial Area, Delhi, to the Petitioner upon payment of the balance 7.5% premium;”

4. The facts of the case would indicate that the matter relates to property bearing Industrial Plot No. 5/1/11-81, measuring 200 sqm, situated in the Bawana Industrial Area, Delhi (hereinafter *‘the property in question’*). It is submitted that in relation to the property in question, a Letter of Intent (**LoI**) was issued in favour of the petitioner on 16.12.2024 for allotment of the same on a free hold basis through E-Auction conducted on 06.09.2024 by respondent no.2-Delhi State Industrial and Infrastructure Development Corporation Ltd (**DSIIDC**).

5. It is submitted by learned counsel for the petitioner that the said LoI has been cancelled/ withdrawn *vide* impugned communication dated 26.06.2025. A perusal of the impugned communication would indicate that the bid submitted by the petitioner amounting to Rs. 1,91,30,000/- (Rupees One Crore Ninety-One Lakh Thirty Thousand only), was lower than the threshold value and, therefore, the LoI was issued under a misconception. DSIIDC having realised the aforesaid mistake has sought to correct the same and has issued the impugned communication.

6. The Court finds that, merely, on the ground on issuance of LoI, no indefeasible rights are vested in the petitioner. Reference, in this regard, can be made to the decision of the Supreme Court in *State of H.P. v. OASYS*

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Cybernetics (P) Ltd.,¹ wherein, it has held as under:

“34. The jurisprudence on the subject is neither nascent nor unsettled. A catena of decisions starting from **Rajasthan Coop. Dairy Federation Ltd. v. Maha Laxmi Mingrate Mktg. Service (P) Ltd.**,² through **Dresser Rand S.A. v. Bindal Agro Chem Ltd.**,³ **Level 9 Biz (P) Ltd. v. H.P. Housing & Urban Development Authority**,⁴ this Court has consistently held that an LoI is, in the ordinary course, a precursor to a contract and not the contract itself.

35. In **Dresser**, it was re-stated with clarity that “a letter of intent merely indicates a party's intention to enter into a contract with the other party in future. A letter of intent is not intended to bind either party ultimately to enter into any contract”. The same principle animated **Rajasthan Coop. Dairy Federation**, wherein this Court observed that until the offer is accepted unconditionally and the preconditions are satisfied, “no binding legal relationship” comes into existence. The rationale is thus simple but fundamental: the law of contract distinguishes between a promise to make a promise and a promise performed. The former is not legally binding until its contingencies are fulfilled.

36. These authorities collectively articulate a coherent doctrine: an LoI creates no vested right until it passes the threshold of final and unconditional acceptance. It is but a “promise in embryo”, capable of maturing into a contract only upon the satisfaction of stipulated preconditions or upon the issue of an LoA. A bidder's expectation that such a contract will follow may be commercially genuine, but it is not a juridical entitlement. To hold otherwise would be to bind the State in contract before it has consciously chosen to be bound—a proposition foreign to both contract law and public administration.”

7. Further, in any case, re-allotment of the property in question to any third-party will have to take place in accordance with the applicable policy. Therefore, the Court finds no reason to interfere with the impugned communication.

8. Moreover, the impugned communication itself is dated 26.06.2025 and the petitioner has approached this Court, belatedly, after more than ten months. The delay is sought to be justified by the petitioner by stating that it

¹ (2026) 3 SCC 348

² (1996) 10 SCC 405

³ (2006) 1 SCC 751



was in continuous informal communication with DSIIDC towards resolution of the grievance. However, the Court finds that the explanation offered is not satisfactory.

9. For both the aforesaid reasons, the petition stands dismissed.

10. However, liberty is reserved in favour of the petitioner to take recourse to appropriate proceedings, in case, he has suffered any damages.

(PURUSHAINDRA KUMAR KAURAV)
JUDGE

MAY 14, 2026
aks/amg

⁴ (2025) 14 SCC 714

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