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

+ **W.P.(C) 9936/2023**

SMT MEENAKSHI GARG

.....Petitioner

Through: **Ms. Ekta Choudhary, Adv.**

versus

**DELHI STATE INDUSTRIAL AND INFRASTRUCTURE
DEVELOPMENT CORPORATION LTD. & ANR.....Respondents**

Through: **Ms Ruchika Rathi and Mr Aatish
Sharma Advocates for R-1.
Mr. Surendra Kumar, Adv for R-2/
Bank.**

CORAM:

HON'BLE MR. JUSTICE PURUSHAINDR KUMAR KAURAV

ORDER

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22.01.2026

1. The petitioner seems to be the successful purchaser of the property bearing no. 67, Phase-II, Badli Industrial Estate, Delhi and claims to have purchased the same free from all encumbrances.
2. The petitioner applied to respondent no.1, the Delhi State Industrial and Infrastructure Development Corporation Ltd. ('DSI IDC') for conversion of the aforesaid property from lease hold to free hold. The petitioner submits that the requisite formalities were completed. The fees etc. were deposited.
3. The respondent- DSI IDC, however, has rejected the said application allegedly on the ground that the original allottee did not obtain the permission to mortgaged from the concerned Department. There does not, however, seem to be any communication by the DSI IDC to that effect to the



petitioner. The communication which the petitioner refers is dated 03.07.2021, which indicates that in response to letter dated 24.06.2021 of the DSIIDC, the respondent no.2 – the Indian Overseas Bank has informed that the permission to mortgage was obtained for the property in question from Office of Commissioner of Industries, Government of NCT of Delhi in favour of Indian Overseas Bank vide letter Ref. No. 67/81/10/100527 dated 16.07.2010. The letter dated 03.07.2021 is extracted as under:

“Sub: Reply to your letter dated 24.06.2021 Ref No: DSIIDC/IEM-N/BIE/Ph-11/67 /2311

Dear Sir,

We refer to your captioned letter received by us on 01.07.2021 and wish to inform you that property at Plot No 67, Ph-II, Badli Industrial Estate, Delhi was mortgaged at our Tolstoy Marg Branch by M/s Singh Sons for various credit facilities sanctioned to M/s Raaj Wires and M/s Swastik Industries. We have sold this property to Smt Meenkashi Garg W/o Shri Kamal Garg through e-auction dated 17.07.2018 Under SARFAESI Act, 2002 and issued Sale Certificate dated 08.08.2018.

We further wish to inform you that permission to mortgage was obtained for the above mentioned property from Office of The Commissioner of Industries, Govt of NCT of Delhi, Udhog Sadan, Plot no 419, Patpar Ganj Industrial Area, Delhi, in favour of Indian overseas Bank, Tolstoy Marg, New Delhi vide letter Ref no 67/81/10/100527 dated 16.07.2010, copy of which is enclosed.”

4. The aforesaid letter suggests that the permission was earlier granted by the DSIIDC.
5. In view of the aforesaid circumstances, it appears that the controversy involved herein can be resolved if the petitioner is afforded opportunity of hearing personally or through authorized representative.
6. Let the DSIIDC to call the petitioner and the respondent Bank for joint hearing, and, after affording opportunity of hearing, let the DSIIDC to take a final decision as to why the property in question cannot be converted from lease hold to free hold.



7. If for any reason, the DSIIDC feels that the conversion is not possible, let the same be specifically assigned. The petitioner, thereafter, shall be at liberty to take appropriate recourse in accordance with law. Let the aforesaid exercise be conducted within a period of two months from the date of receipt of the order passed today.

8. While considering the petitioner's request, the concerned Authority must be guided by all existing rules and regulations including the brochure of conversion which has been placed on record as Annexure P-3A in the petition. All rights and contentions of the parties are left open.

PURUSHAINDRA KUMAR KAURAV, J

JANUARY 22, 2026

aks/ap