



2026:DHC:2267



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

% *Date of decision: 11th March, 2026*

+ **CM(M) 152/2021 & CM APPL. 61443/2025**

NEW DELHI MUNICIPAL COUNCIL

.....Petitioner

Through: Mr. Sriharsha Peechara, Standing Counsel with Mr. Sumit Ganguli, Ms. Ravicha Sharma, Ms. Shruti Aggarwal & Mr. Akash Sharma, Advocates.

versus

RABI GHOSH

.....Respondent

Through: Mr. Sanjeev Sagar, Senior Advocate with Mr. Tarun Khanna, Mr. Chander Vijay Sharma, Ms. Annu Gupta, Mr. Ammar Mustafa & Ms. Sana Zaidi, Advocates.

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+ **W.P.(C) 17451/2024, CM APPL. 43301/2025 & CM APPL. 61435/2025**

RABI GHOSH

.....Petitioner

Through: Mr. Sanjeev Sagar, Senior Advocate with Mr. Tarun Khanna, Mr. Chander Vijay Sharma, Ms. Annu Gupta, Mr. Ammar Mustafa & Ms. Sana Zaidi, Advocates.

versus

NEW DELHI MUNICIPAL COUNCIL

.....Respondent

Through: Mr. Sriharsha Peechara, Standing Counsel with Mr. Sumit Ganguli, Ms. Ravicha Sharma, Ms. Shruti Aggarwal & Mr. Akash Sharma, Advocates.



CORAM:
HON'BLE MR. JUSTICE AMIT BANSAL

AMIT BANSAL, J. (Oral)

1. CM(M) 152//2021 has been filed on behalf of NDMC seeking setting aside of the order dated 1st February 2020 passed by the District and Sessions Judge, South East District, Saket Courts, Delhi in PPA No. 7/2019 titled *NDMC v. Rabi Ghosh*.
2. W.P.(C) 17451/2024 has been filed seeking setting aside of the order dated 22nd December 2022 (hereinafter 'impugned order') passed by NDMC and a direction to NDMC to renew the license deed of Mr. Rabi Ghosh for *Shop-cum-flat no. 27, Main Market, Lodhi Road, New Delhi* (hereinafter 'subject property') with effect from 1st April 2015.
3. Since both these petitions arise from the same set of facts and are between identical parties, they are being disposed of by way of a common judgment.
4. On 11th April 1997, Mr. Rabi Ghosh and one Mr. Anil Jain were granted license for the subject property for a period of five years, *i.e.*, from 11th April 1997 to 2nd February 2002. The license was renewed from time to time.
5. On 23rd January 2013, at the request of Mr. Rabi Ghosh, the name of Shri Anil Jain, who was a co-licensee of the subject property, was removed and a new license was executed between Mr. Rabi Ghosh and NDMC for a period from 14th May 2011 to 31st March 2015.
6. A letter dated 1st September 2014 was sent by one HDB Financial Services to NDMC stating that Mr. Rabi Ghosh had taken a term loan in respect of which the subject property had been mortgaged.



7. A show cause notice dated 20th October 2014 was issued by NDMC to Mr. Rabi Ghosh calling him to explain as to why he had mortgaged the subject property, which is a government property, with a financial institution.
8. Mr. Rabi Ghosh, *vide* letter dated 14th November 2014, filed a reply to the show cause notice stating that the subject property was never mortgaged. A letter dated 13th November 2014 issued by HDB Financial Services was also produced stating that the subject property was not mortgaged.
9. On 24th March 2015, Mr. Rabi Ghosh made representations to NDMC for renewal of the license deed.
10. A decree dated 8th September 2016 was passed by this Court in favour of the plaintiff in a suit being CS(OS) 183/2016 titled ***M/s Santosh Hospitality LLP v. M/s YSF Hotels & Resorts Pvt Ltd. & Anr.*** Mr. Rabi Ghosh was a director of the defendant no.1 in the said suit. On 8th December 2016, an attachment order was passed by this Court in execution proceedings initiated by the decree holder [Execution Petition No. 155/2016], wherein the subject property was ordered to be attached.
11. A letter dated 27th January 2017 was received by NDMC from the advocate of the decree holder informing about the attachment of the subject property.
12. Accordingly, a second show cause notice dated 1st March 2017 was issued by NDMC. Mr. Rabi Ghosh replied to the aforesaid notice *vide* letter dated 6th March 2017.
13. On 20th July 2017, HDB Financial Services filed objections in the aforesaid execution proceedings along with a copy of loan documents including duly accepted loan sanction letter dated 11th August 2014 which



categorically states that the subject property was mortgaged to secure a loan.

14. It also came to the knowledge of NDMC that a Memorandum of Understanding dated 25th September 2017 (hereinafter 'MoU') was executed between Mr. Rabi Ghosh and one Mr. Archit Jain, in terms of which the parties were to enter into a partnership and the possession of the subject property was to be handed over to Shri Archit Jain.

15. In the order passed in the aforesaid execution proceedings on 26th October 2017, it was recorded that the possession of the subject property has been handed over by Mr. Rabi Ghosh to the decree holder in satisfaction of the decree.

16. Since the term of the license had expired and no renewal thereof was granted, NDMC filed an eviction petition against Mr. Rabi Ghosh in September 2018 under Sections 5 and 7 of the Public Premises (Eviction of Unauthorized Occupants) Act, 1971.

17. The Estate Officer dismissed the said eviction petition *vide* order dated 12th March 2019 holding that Mr. Rabi Ghosh had not breached the terms of the license deed. Consequently, a direction was given to NDMC to consider the request of Mr. Rabi Ghosh for extension of the license deed.

The relevant extracts from the aforesaid order are set out below:

"10. After hearing the arguments of both the parties in details and considering the orders dated 30.07.2018 of the Hon'ble High Court of Delhi and the letter dated 26.12.2018 issued by HDB financial services, this court is of the view that the said premises was not at all mortgaged. The present petition stands disposed off with direction to the Respondent to pay all the dues, damages if any against the said premises. The request of the respondent for extension of license deed of the said premises is pending with the petitioner since long and hence it shall be considered by the petitioner at the earliest."

18. NDMC filed an appeal against the aforesaid order of the Estate



Officer, which was dismissed by the District and Sessions Judge, South East District, Saket Court, New Delhi *vide* order dated 1st February 2020, which is the subject matter of challenge in CM(M) 152/2021.

19. Subsequently, Mr. Rabi Ghosh filed a petition, being W.P.(C) No. 11188/2021, seeking renewal of the license deed.

20. The said writ petition was disposed of by this Court *vide* order dated 22nd September 2022 directing NDMC to decide the representation of Mr. Rabi Ghosh with regard to the renewal of the license deed.

21. NDMC rejected the representation of Mr. Rabi Ghosh *vide* the impugned order dated 22nd December 2022, which is the subject matter of challenge in W.P.(C) 17451/2024.

22. The key findings in the impugned order are as follows:

- i. The loan sanction letter dated 11th August 2014 containing the terms and conditions of the loan, sent by HDB Financial Services to Mr. Rabi Ghosh, listed the subject property as an additional collateral for the loan and the said document has also been signed by Mr. Rabi Ghosh. This shows the intent of Mr. Rabi Ghosh to offer the subject property as a collateral for the loan.
- ii. Mr. Rabi Ghosh executed the MoU with Mr. Archit Jain and the said MoU clearly recorded his intention to part with the subject property for discharging the debt that he owed to the decree holder.
- iii. It was also recorded in the order dated 26th October 2017 passed by this Court in the execution proceedings that Mr. Rabi Ghosh had handed over the subject property to the decree holder.
- iv. There were various hearings in the execution proceedings thereafter, *i.e.*, on 1st November 2017, 11th January 2018, 26th April 2018 and 4th



July 2018, wherein Mr. Rabi Ghosh's counsel was present and did not object to the attachment of the subject property despite the fact that Mr. Rabi Ghosh knew that this is a government property and not his private property.

- v. The modification application was filed by Mr. Rabi Ghosh only in July 2018 after NDMC did not renew his license. Further, it was only on 21st October 2020 that a cancellation deed dated 3rd September 2020 to cancel the MoU was taken on record and the order dated 26th September 2017 was modified to the extent that the possession of the subject property was not handed over to the decree holder by Mr. Rabi Ghosh.

23. In light of the aforesaid findings, the representation of Mr. Rabi Ghosh seeking renewal of the license deed was rejected.

24. Mr. Sanjeev Sagar, senior counsel appearing on behalf of Mr. Rabi Ghosh, submits that the action of NDMC in not renewing the license deed was *mala fide* and arbitrary.

25. He submits that the issue with regard to mortgage of the subject property had already been clarified by HDB Financial Services that there was no mortgage in respect of the subject property.

26. Insofar as the attachment is concerned, the attachment was by an order of this Court. However, subsequently, the said order has been modified and attachment has been removed. Hence, it is submitted that as on date, there is no attachment on the subject property.

27. Reliance is also placed on the Circular dated 16th August 2016 issued by NDMC to seek renewal of the license deed.

28. Mr. Sriharsha Peechara, counsel appearing on behalf of NDMC,



submits that Mr. Rabi Ghosh was only a licensee in respect of the subject property and he cannot seek renewal of the license as a matter of right.

29. He further submits that on account of misconduct on the part of Mr. Rabi Ghosh, as he attempted to mortgage the subject property and got the same attached in execution proceedings, NDMC did not renew the license.

30. I have heard counsel appearing on behalf of the parties and examined the material placed on record.

31. A perusal of the loan sanction letter dated 11th August 2014 (Annexure A-9 to CM(M) 152/2021) clearly shows that the subject property had been offered as an additional collateral by Mr. Rabi Ghosh to HDB Financial Services. The said document also bears the signatures of Mr. Rabi Ghosh.

32. On 8th December 2016, the subject property was attached in the execution proceedings initiated by M/s Santosh Hospitality LLP. Even though Mr. Rabi Ghosh was not present when the said order was passed, he was subsequently represented on various dates in the execution proceedings and it was never pointed out that the subject property belonged to NDMC. The order dated 26th October 2017, which was passed in the presence of counsel for Mr. Rabi Ghosh, clearly records that the subject property has been handed over to the decree holder in satisfaction of the decree.

33. A perusal of the MoU dated 25th September 2017 entered into between Mr. Rabi Ghosh and Mr. Archit Jain records that Mr. Rabi Ghosh would hand over the possession of the subject property to Sh. Archit Jain. The relevant extracts from the said MoU are set out below:

“1. That the First Party shall handover the possession of Shop-cum-Flat No.27, Main Market, Lodhi Road, New Delhi (Ground Floor, First Floor & above) to Second Party forthwith.



The First Party shall also execute Deed of Partnership with Second Party. Thereafter the First Party shall take all necessary steps to ensure that the license in respect of said Shop-cum-Flat is revived and remain valid although and is transferred in favour of Second Party and for that purpose, to execute the Dissolution Deed and other documents as may be required by NDMC.”

[emphasis supplied]

34. Mr. Sagar submits that the aforesaid MoU was cancelled by a cancellation deed dated 3rd September 2020 and subsequently, this Court passed an order dated 21st October 2020 to the effect that the order passed on 26th October 2017, insofar as it records the transfer of possession of the subject property to the decree holder, is not factually correct.

35. Mr. Rabi Ghosh had several opportunities to move an application for modification of the attachment order dated 8th December 2016. However, he did so only in July 2018 as NDMC did not renew his license. It is also evident from the fact that the Court, while withdrawing the aforesaid attachment order on 30th July 2018, has clearly recorded that during the process of renewal of license, NDMC had raised objection in view of the attachment of the subject property. Thus, it is evident that Mr. Rabi Ghosh was acting collusively with the decree holder to have the license renewed which could then be transferred to the decree holder.

36. Insofar as the reliance placed by Mr. Rabi Ghosh on the Circular dated 16th August 2016 is concerned, the said Circular clearly states that the same would not be applicable to cases which were pending prior to the issuance of the said Circular. For ease of reference, the relevant clause of the aforesaid Circular is set out below:

“3. **Renewal of license:**

- (i) *All cases pending before date of issuing the Circular i.e. 16.08.2016 shall be governed as per the Council's*



resolutions applicable as on that date.”

37. Admittedly, the license had expired on 31st March 2015 and Mr. Rabi Ghosh had already applied for renewal thereof on 24th March 2015. Therefore, he would not be covered by the aforesaid Circular.

38. In my considered view, the impugned order has correctly returned a finding that the cancellation deed dated 3rd September 2020 was created at a subsequent stage, *i.e.*, after NDMC had filed CM(M) 152/2021 on 18th August 2020, only to seek renewal of the license deed as NDMC had already filed the aforesaid petition being CM(M) 152/2021 before this Court. The cancellation of the MoU was therefore purely an afterthought and was done fraudulently to obtain renewal of the license.

39. In any event, the term of the license deed expired on 31st March 2015. A licensee does not have an inherent right of renewal of license and the same is in the sole discretion of NDMC. License deed cannot operate in perpetuity and shall cease to be in effect by efflux of time.

40. The Court is of the view that Mr. Rabi Ghosh attempted to violate the term of the licensee deed by mortgaging the subject property. He clearly had fraudulent intention to part away with the subject property over which he had no ownership, as it was a government property. Thus, NDMC had good reasons for not renewing the license deed of Mr. Rabi Ghosh.

41. In view of the discussion above, I do not find any infirmity in the impugned order passed by NDMC on 22nd December, 2020.

42. Accordingly, W.P.(C) 17451/2024, along with all pending applications, is dismissed.

43. In view of my holding in W.P.(C) 17451/2024 above, the reliefs sought in CM(M) 152/2021 have become infructuous. Accordingly, CM(M)



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152/2021 is disposed of as such.

44. Needless to state, NDMC would be entitled to take steps to recover the dues from Mr. Rabi Ghosh in accordance with law.

AMIT BANSAL, J

MARCH 11, 2026/at

CORRECTED AND UPLOADED ON 18.03.2026