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

% *Date of Decision: 15th May, 2026*

\+ W.P.(C) 8908/2021 & CM APPL. 27674/2021

MR RAHUL MEHTA & ANR. .....Petitioners

Through: Mr. Prosenjeet Banerjee, Ms. Mansi Sharma, Ms. Anshika Sharma and Mr. Rehan Verma, Advocates.

versus

DELHI DEVELOPMENT AUTHORITY .....Respondent

Through: Mr. Rahul Kaul, Advocate.

CORAM:
HON'BLE MS. JUSTICE JYOTI SINGH

JUDGEMENT

JYOTI SINGH, J.

1. This writ petition is preferred on behalf of the Petitioners under Articles 226 and 227 of the Constitution of India for quashing letters dated 24.10.2013, 08.07.2014 and 29.06.2021 issued by Respondent/DDA with a direction to DDA accept the conversion application bearing No. 01629 dated 24.09.2012 filed by Petitioner No. 1 and execute a Conveyance Deed in respect of Plot No. C-49, Okhla Industrial Area, Phase-II, Delhi ('subject property') in favour of M/s R.M.X Joss through its proprietor Mr. Rahul Mehta/Petitioner No. 1.

2. To the extent necessary, the facts as pleaded in the writ petition are that on 05.04.1974, M/s Western India Electrical Corporation ('M/s

Western') was granted permission to carry out construction on subject property and on 31.03.1978, DDA executed a Perpetual Lease Deed in its favour. Occupancy Certificate was issued on 06.07.1979 with respect to the entire building constructed on the plot i.e., ground floor, first floor, mezzanine floor and basement. The built-up area of ground floor was 7110 sq. ft; first floor was 469 sq. ft; mezzanine floor was 2032 sq. ft; and basement was 3942 sq. ft, as recorded by MCD in its Rectification Order dated 26.06.2002, which is an order rectifying House Tax Assessment Order passed by the MCD on 10.11.1999, where the rateable value was confirmed *ex parte* (hereinafter referred to as 'Rectification Order').

3. It is stated that M/s Western executed a registered Agreement to Sell dated 16.11.1995 in favour of M/s R.M.X Joss, through its proprietor Petitioner No. 1, for sale of the plot as well as building structures thereon, including other fittings and fixtures etc. Registered irrevocable Power of Attorney dated 16.11.1995 was also issued by M/s Western in favour of Petitioner No. 2, wife of Petitioner No. 1. Petitioner No. 1 decided to carry out some additions/alterations to the existing structure and submitted a request vide letter dated 19.11.1998 for permission, which was granted by the concerned statutory authority vide communication dated 15.12.1998, as per the Sanction Plan. On 22.02.1999, water connection was disconnected to the subject property and all industrial operations on the subject property were seized on 01.03.1999 to carry out the construction. On 18.03.1999, the existing electricity connection was also disconnected and only temporary connection was granted for construction purposes to the subject property.

4. It is averred that civil work was completed in December, 1999 and interior work began. MCD granted Form-D for sanitary and water works,

while water supply was restored on 03.08.2000 followed by sanction of new electrical connection on 06.09.2000. Between March, 1999 to October, 2000, no manufacturing or industrial activity was carried on the subject property in view of ongoing construction/renovation and post-renovation, the area of the mezzanine floor increased from 2032 sq. ft to 10,692 sq. ft between 2000 to 2001.

5. It is averred that on 03.10.2012, Petitioners applied for conversion of subject property from leasehold to freehold and Petitioner No. 1 deposited a sum of Rs. 1,12,62,263/- towards conversion charges. On 04.02.2013, DDA officials inspected the subject property and no misuse was found, which is evident from the noting in paragraph 6(a) of Inspection Report dated 04.02.2013 and Petitioner No. 1 was informed that the subject property was compliant with terms of Perpetual Lease Deed and other applicable rules and regulations and conversion application shall be processed. However, vide impugned Demand Letter dated 24.10.2013, Petitioner No. 1 was informed by DDA that owing to misuse, he was liable to pay misuse charges to the tune of Rs. 2,48,89,151/- and payment of the charges was made a pre-condition for processing the application. Demand Letter did not mention the area or the period of alleged misuse and/or the particulars thereof. Even the basis or calculation of the amount demanded was not disclosed by DDA.

6. It is averred that DDA reiterated the demand vide impugned letter dated 08.07.2014, but again without any detail and Petitioner No. 1 was informed that the amount payable towards interest shall be communicated later. Responding to the demand letters, Petitioner No. 1, who had no knowledge of the misuse alleged, wrote to DDA on 20.08.2014 disputing the levy of misuse charges as there was no misuse in the property and without

prejudice referred to the freehold conversion policy/circular dated 22.04.2014 published in leading newspapers for grant of relief in misuse charges. However, DDA did not respond to this letter and on independent enquiries at DDA's office, Petitioner No. 1 learnt that the basis of the demand were purported show cause notices sent about 16 years ago, which Petitioners had never received and accordingly, wrote to DDA on 25.04.2016 informing that no show cause notice had been received and requesting that the show cause notices be withdrawn. Petitioner No. 1 reiterated his request vide letter dated 27.06.2016 to issue the Conveyance Deed and on 30.06.2016 applied under Right to Information Act, 2005 ('RTI Act') for inspection of the concerned file and records.

7. It is stated that vide letter dated 13.07.2016, DDA rejected the request of Petitioner No. 1 to withdraw the misuse charges. In August, 2016, Petitioner No. 1 received the relevant DDA notings. Noting dated 24.12.1997, revealed that subject property was purportedly inspected on 24.12.1997 and it was endorsed by the inspecting officer that *'Inspection could not be conducted'* as he could not enter the premises, however, he made certain observations from 'outside' that the mezzanine floor of the industrial unit was being used for carrying out industrial activity. RTI information also revealed issuance of show cause notices dated 15.05.1998 and 02.07.1999, which Petitioner No. 1 avers were never received by him. Noting dated 25.02.2013 revealed that misuse charges were calculated by taking the mezzanine floor area as 12,222 sq. ft. and the period of misuse as 24.12.1997 to 23.12.2000, which was wholly incorrect as no industrial activity was carried out in the property in that period and secondly, the entire constructed area of the floor was actually 2032 sq. ft on 24.12.1997

and 10,692 sq. ft even in 2013.

8. It is averred that after perusal of the notings, Petitioner No.1 sent a detailed response to DDA on 06.03.2017 disputing the levy of misuse charges on several grounds: (a) Petitioner No.1 never received the show cause notices; (b) Inspection Report dated 24.12.1997 which formed the basis of the impugned demand, was on conjectures without actual inspection of the premises from inside; (c) no manufacturing/industrial activity was carried out in the subject property from 1999 as major renovation work was carried out and which was supported by several official documents pertaining to water and electricity disconnections and approvals issued by statutory authorities; (d) built up area of mezzanine floor was 2032 sq. ft. in 1997 which was established from the Rectification Order dated 26.06.2002 for the Assessment Year 1997-1998; (e) Inspection Report dated 04.02.2013 found no misuse in the subject property; and (f) the show demand letters had been issued after 16 years of the alleged detection of misuse. On receipt of the letter, DDA called Petitioner No.1 for a public hearing during which he reiterated his stand.

9. It is averred that noting dated 03.04.2017 revealed that after considering Petitioner No.1's submissions, the Assistant Director agreed that the Inspection Report dated 24.12.1997 was based on outside observation and documents submitted by Petitioner No.1 corroborated the fact that no industrial activity was carried out from 1999 to 2000. In noting dated 06.06.2017, it is recorded that the documents given by Petitioner No.1 be examined to determine the area under misuse as also the period. Noting dated 21.08.2017 revealed that officials concerned accepted that area of mezzanine floor was not 12,222 sq. ft. in 1997. Contrary to this, Petitioner

No. 1 was informed during the public hearing on 07.11.2017 that misuse period shall be taken as 1997 to 2012, relying upon Inspection Report dated 02.11.2012, which was strongly contested by Petitioner No. 1 and in his letter dated 09.11.2017, he pointed out that this report was invalid in light of Inspection Report dated 04.02.2013. Thereafter, Petitioner No. 1 made several representations for withdrawal of misuse charges but to no avail and impugned communication dated 29.06.2021 was issued by DDA informing that the conversion application dated 03.10.2012 was rejected due to non-submission of misuse charges and copy of payment details be furnished so that conversion charges could be refunded.

10. Learned counsel for the Petitioners argued that the impugned communication dated 29.06.2021, whereby DDA has rejected the conversion application after 9 years of submitting the same as also the impugned demand letters dated 24.10.2013 and 08.07.2014 raising a demand of Rs. 2,48,89,151/- are *ex facie* illegal, arbitrary and unfair. The demand is based on alleged misuse of the mezzanine floor of the subject property, which was purportedly detected in 1997 i.e., 16 years before the demand was raised. The illegal demand of misuse charges is predicated on an Inspection Report dated 24.12.1997 but there was complete silence thereafter until the first communication by DDA on 24.10.2013. *Albeit* DDA contends that show cause notices dated 15.05.1998 and 02.07.1999 were issued, however, no such notices were ever received by the Petitioners and this is fortified by the fact that no action was taken by DDA thereafter till the Petitioners applied for conversion. Impugned communications deserve to be quashed on ground of inordinate delay alone.

11. It was further urged that the impugned demand notices are completely

silent on the area and period of misuse, applicable policy/provision of law, basis of calculation of the demanded amount of Rs. 2,48,89,151/- and Petitioners are in the dark on how the demanded amount towards misuse charges was computed. Demand notices thus deserve to be quashed, being bereft of the basic details and in fact this also goes to show that DDA had no cogent material and/or basis to allege misuse and/or calculate the charges.

12. It was argued that Inspection Report dated 24.12.1997, which forms the basis of the impugned demand is based on conjectures and surmises inasmuch as perusal of the report reveals that the Inspecting Officer did not enter the premises and the report was prepared on 'outside observation', as recorded in the report itself. Therefore, clearly, the report is not based on actual inspection and hence, is false to the extent that the mezzanine floor has been extended upto full workshop hall and is being used for industrial activity. Once the report is false and incorrect, the very basis of the impugned demand falls to the ground and demand letters cannot be sustained in law.

13. It was also argued that Petitioners were never informed of the period or area of alleged misuse and it was only in August, 2016 that they learnt through file noting dated 25.02.2013 given in response to the application under RTI Act, wherein it is recorded that misuse charges were calculated taking the period as 24.12.1997 to 23.12.2000 and area of mezzanine floor as 12,222 sq. ft. *Albeit* it is a categorical assertion of the Petitioners that there was no misuse of the mezzanine floor, however, without prejudice, assuming there was any misuse, the same could only be upto 1998 since the subject property underwent major renovations and alterations during 1999 to 2000 and there was no question of using the mezzanine floor for any

industrial activity. This position is fortified by several official documents pertaining to disconnection of electricity to the subject property on 18.03.1999; completion of civil works and modification of interior work in December, 1999; grant of Form-D by MCD in relation to sanitary and waterworks undertaken on 21.12.1999; request for disconnection of water supply on 22.02.1999; request for reconnection of water supply on 03.08.2000; sanction of new electrical connection load of 400 H.P. by DVB on 06.09.2000; and removal of temporary electricity connection on 14.12.2000, which were given to DDA by Petitioner No.1. In fact, in DDA's own internal noting dated 03.04.2017, it is noted and admitted that documents such as disconnection of electricity and water did prove that no industrial activity could have been carried out in the absence of electricity and water connection and that the only defect in the stand of the Petitioners was that they did not bring these facts to the notice of DDA when given show cause notices. It was also noted that Inspection Report dated 15.12.1997 is indeed a report of outside observation. Therefore, the basis of calculating the misuse charges from 1997 to 2000 is faulty and illegal.

14. It was argued that noting dated 25.02.2013 further revealed that while calculating the impugned demand, DDA has taken into consideration 12,222 sq. ft of area of the mezzanine floor, which is wholly factually incorrect since on 24.12.1997, the area was only 2032 sq. ft. and even in 2013, after renovation/alteration, constructed area of floor was only 10,692 sq. ft. This position is substantially supported by Rectification Order dated 26.06.2002. The rectification order notes that prior to renovations, the mezzanine floor measured 2032 sq. ft. This is also fortified by the Sanction Plan dated 05.09.1974. Both these documents find mention in column 5 in Inspection

Report Form of DDA by way of 'options' to determine the building status. In fact, in DDA's noting dated 05.04.2021, it is recorded that based on facts and documents submitted by Petitioner No.1 it appears that the area of the mezzanine floor during the site inspection in 1997 was 2032 sq. ft. This fact also finds mention in file notings dated 06.12.2019, 27.12.2019 and 13.01.2020. Till date, DDA has been unable to place any substantive material before this Court, which indicates that the area of the mezzanine floor was 12,222 sq. ft. Moreover, once the area and/or the period of alleged misuse were not mentioned in the demand notices, the same cannot be relied upon by *ex post facto* explanation in the counter affidavit filed in this Court as held by the Supreme Court in ***State of Himachal Pradesh and Another v. OASYS Cybernatics Pvt. Ltd., 2025 SCC OnLine SC 2536***.

15. It was also argued that the Inspection Report dated 07.11.2012 heavily relied upon by DDA in its counter affidavit can be of no avail. In the said report, it is stated that the mezzanine floor was being used for manufacturing of garments and storage of clothes. This report is signed by only one officer of DDA and contains patently wrong findings. After this report was rendered, Petitioners requested DDA to carry out a fresh and independent inspection owing to the falsity of the contents of the said report and on their request, premises was re-inspected on 04.02.2013. Report dated 04.02.2013 in column 6(a) records that there was 'no' misuse at the time of inspection and hence, the Inspection Report dated 07.11.2012 stands superseded by the the second report. It is also significant that while the report of 07.11.2012 was signed by one officer, report of 04.02.2013 is based on inspection by joint team of Assistant Engineer, Mr. Chanveer and Assistant Directors. Therefore, going by the reports of 1997 and 2013, no misuse was found on

the subject property and there is no independent evidence or material to show misuse between 1997 to 2000, as alleged.

16. Arguing on behalf of DDA, learned counsel submitted that writ petition is not the appropriate remedy of the Petitioners since they raise disputed question of facts and the only remedy available is to file a civil suit and on this ground alone, the writ petition deserves to be dismissed. Without prejudice to this objection, it is urged that M/s Western was allotted the subject property admeasuring 2420 sq. yards. DDA executed a Perpetual Lease Deed dated 31.03.1978 in its favour through its partners, who in turn executed a registered Agreement to Sell dated 16.11.1995 in favour of M/s R.M.X Joss through its proprietor Petitioner No. 1 and a Power of Attorney was executed on 16.11.1995 itself in favour of Petitioner No. 2. Inspection conducted by DDA on 24.12.1997 revealed that mezzanine floor had been extended upto full workshop hall and was being used for industrial activity in violation of lease deed and show cause notices were issued on 15.05.1998 and to 02.07.1999 to which no response was filed by the Petitioners.

17. It was further submitted that conversion application was filed by Petitioners on 03.10.2012, however, since the subject property was under misuse, a fresh site inspection was carried out on 07.11.2012, which showed that mezzanine floor was being used for manufacture of garments and storage of clothes. On request of the Petitioners, another inspection was carried out and report dated 04.02.2013, also reveals that mezzanine floor was used for industrial activity. Accordingly, as per the existing Misuse Policy dated 26.03.2010, the misuse dates were calculated as per category (i) (II) being from 24.12.1997 to 23.12.2000 and the area under misuse was found to be 12,222 sq. ft. Accordingly, misuse charges were demanded vide

the impugned demand letters, which Petitioners have chosen to challenge before this Court after an inordinate delay. There is no infirmity in the demands raised towards misuse charges and the same are based on three inspections conducted by responsible officers of DDA.

18. It was also argued that contention of the Petitioners that constructed area of mezzanine floor was 2032 sq. ft is incorrect. Reliance placed on the MCD's assessment order dated 26.06.2002 and Sanction Plan dated 05.09.1974 is of no consequence in light of the inspection reports of DDA. Moreover, the Property Tax Bye-laws, their amendments and policies of MCD are in different tax regime and have nothing to do with the misuse charges levied by DDA for misuse of one floor of the subject property, in violation of the lease deed. In fact, it is not the case of the Petitioners that MCD officials ever conducted physical inspection of the mezzanine floor to verify and/or certify the exact area. If there was any truth in the submission of the Petitioners regarding the use of mezzanine floor and/or its area, they ought to have availed the opportunity of replying to the two show cause notices sent by DDA. The demand has been raised correctly based on the period and area of misuse and unless the demanded amount towards misuse charges is paid, conversion application cannot be processed.

19. Heard learned counsels for the parties and examined their submissions.

20. By this writ petition, Petitioners seek quashing of impugned demand letters dated 24.10.2013 and 08.07.2014 as also communication dated 29.06.2021, whereby application filed by Petitioner No.1 for conversion of the subject property into freehold has been rejected, owing to non-payment of alleged misuse charges. Petitioners have challenged the demand of Rs.

2,48,89,151/- on multiple grounds: (a) demand letters are completely silent on the area and period of misuse; (b) there is no inspection report and/or any other material on record, which supports the allegation of misuse of the mezzanine floor in the subject property; (c) non-application of mind is evident from the fact that while DDA claims that the period of misuse is from 1997-2000, documents placed before DDA as also filed before this Court issued by MCD and other statutory authorities substantiate that Petitioner No.1 had stopped all manufacturing and industrial activities in 1999 to carry out major renovations in the subject plot; and (d) built up area of mezzanine floor was 2032 sq. ft in 1997 and even after the renovations which took place in 1999-2000, the total area was 10,692 sq. ft and this fact is also admitted by DDA in its internal notings and hence, it is not understood how an area of 12,222 sq. ft. has been taken for computing the alleged misuse charges. DDA on the other hand contends that three Inspection Reports dated 24.12.1997, 07.11.2012 and 04.02.2013 point out to the fact that the mezzanine floor was misused by the Petitioners for carrying out manufacture of garments and storage of clothing which is an industrial activity. Documents pertaining to area of mezzanine floor are official documents of MCD and it is not known whether actual physical verification of the area was done by MCD officials. It was urged that since Petitioners did not pay the misuse charges, conversion application was rightly rejected since the misuse was in violation of terms of Lease Deed dated 31.03.1978. Petitioners neither responded to the two show cause notices served on them nor took steps to remove breaches and DDA had no option but to reject the conversion application.

21. There is merit in the contention of the Petitioners that the two demand

letters dated 24.10.2013 and 08.07.2014 do not mention the period and/or the area of the mezzanine floor in respect of which misuse charges to the tune of Rs. 2,48,89,151/- have been levied. There is no gainsaying that it was the obligation of DDA to disclose in the demand letters the period and area of alleged misuse as also the method of computation. Reference to this data, post-facto in the file noting dated 25.02.2013 and/or in the affidavit before this Court is of no consequence and this is enough to hold that the demand is *ex-facie* illegal and arbitrary. Petitioners urge and rightly so, that the show cause notices were never served on them and they learnt of the same only from DDAs file notings received under RTI Act in 2016. DDA has not placed any material on record even today which substantiates that the show cause notices were served. This amounts to violation of principles of natural justice and makes the demand notices vulnerable.

22. On merits of the demand of misuse charges, the question that arises for consideration is whether Petitioners are liable to pay the misuse charges amounting to Rs. 2,48,89,151/- and this in turn begs a question as to what material was available with DDA to come to a conclusion that there was misuse in the mezzanine floor of the subject plot.

23. DDA relies on three Inspection Reports dated 24.12.1997, 07.11.2012 and 04.02.2013 to support the levy of misuse charges. Be it reiterated that the period of alleged misuse as per DDA was 1997-2000 and even as per file notings, the only basis of levying the charges is Inspection Report dated 24.12.1997, *albeit* it be mentioned that at some places in the notings the date is erroneously referred to as 15.12.1997. A bare perusal of the Inspection Report shows that when the Inspecting Officer went to conduct the inspection, he was unable to enter the premises and it was on his 'outside

observation' that he noted in the report that the mezzanine floor had been extended to full workshop hall and was being used for industrial activity. Court fails to comprehend how anyone can make an observation of misuse of a floor for industrial activity without even entering the premises and therefore, to this extent Petitioners are right that this report cannot form the basis of misuse charges. Pertinently, in DDA's noting dated 03.04.2017, the concerned officer after looking into the Site Inspection Report dated 24.12.1997 and after hearing the Petitioners as also taking on record the documents submitted by the Petitioners observed that *"In view of above facts and documents submitted by the unit, the following facts emerged: i. The inspection report dated 15.12.1997 is indeed the report of outside observations,....vii. The case for levy of misuse charges are based on the inspection report i.e. 15.12.1997 which is also a outside observation,…"*. Since no inspection was admittedly carried out within the premises of the mezzanine floor and the report is based on an observation from outside, the same cannot be taken as cogent or relevant material to come to a conclusion that there was misuse and since as per the noting, this was the only basis for the demand, case of DDA fails.

24. Insofar as the Inspection Report dated 07.11.2012 is concerned, it is matter of record that Petitioners pointed out to the concerned officials of DDA that the report contained incorrect finding and on their asking, third inspection was carried out on 04.02.2013 and in this report, it is categorically stated in clause 6(a) that there was 'no' misuse in the mezzanine floor. In fact, in my view, neither of the two reports could reflect the correct and true position of use in 1997 as the property had undergone major renovations and alterations. In any event, there is a serious

inconsistency in the 2012 and 2013 reports. Thus, the only report which could form the basis of alleging misuse is the 1997 report, which is admittedly not based on actual physical inspection of the premises.

25. Once DDA is unable to substantiate misuse for the period 1997-2000, the relevance of area in question, which is the second factor for computing the misuse charges, goes into oblivion and Court need not detain itself into entering into the exercise of determining the actual area of the mezzanine floor at the relevant time *albeit* for the sake of completeness and for record, be it noted that there is a complete fallacy in the impugned demand even on this score. Strangely, DDA has taken into consideration an area of 12,222 sq. ft. for computing the misuse charges. Firstly, it is not known on what basis the area was calculated as 12,222 sq. ft. inasmuch as this figure suddenly emerges in the noting dated 25.02.2013, as per records provided to the Petitioners. Secondly, Petitioners have been able to demonstrate that M/s Western had entered into Lease Deed dated 31.03.1978 with DDA and the Lease Deed refers to an area ad measuring 2420 sq. yards. Copy of the Lease Deed has been placed on record. It is stated in the petition that M/s Western carried out construction on the subject plot as per plan sanctioned by DDA on 05.09.1974, whereafter Occupancy Certificate was issued on 06.07.1979 in respect of the entire building which included mezzanine floor and copy of the Occupancy Certificate is also filed along with the writ petition and none of these facts have been controverted by DDA in the counter affidavit. Petitioners have further averred that in 1998-1999, they sought permission from concerned authorities to carry out additions/alterations, which was granted vide letter dated 15.12.1998 and after construction was carried out the total area increased to 10,692 sq. ft,

which is evident from the Rectification Order dated 26.06.2002 issued by MCD. In this regard DDA's noting dated 05.04.2021 is significant. It flows from the noting that based on the representation dated 18.02.2021 given by Petitioners during public hearing for conversion of property, the matter was examined taking into consideration the documents furnished, which included Rectification Order. It is recorded that misuse data was firmed up on the basis of Site Inspection Report dated 24.12.1997, however, from the documents and facts furnished by the Petitioners such as Rectification Deed dated 26.06.2002, it appears that the area of mezzanine floor during the site inspection in 1997 was 2032 sq. ft. It is also captured in the noting that Petitioners had brought forth that in 1998, there was major renovation work and the area taken by DDA as 12,222 sq. ft. was totally wrong as increase in area was only 8,660 sq. ft. Based on these facts and documents as also a query by Commissioner (LD) after the file was put up for reduction of area, it was decided to submit the file to the Competent Authority for taking a comprehensive decision with respect to the area in question. It is again not known what transpired thereafter. Even before this Court, DDA is unable to place any material which contradicts the stand of the Petitioners that the total area of the mezzanine floor between 1997-2000 was 2032 sq. ft., while Petitioners are able to demonstrate through official documents of MCD that the initial area was 2032 sq. ft.

26. Therefore, what emerges from a holistic reading of the averments in the writ petition, counter affidavit and the documents appended to the writ petition including file notings of DDA is that there is no inspection report on record of DDA and/or any other material which substantiates that the mezzanine floor was misused during 1997-2000, the period in question. The

1997 report, which even as per DDA is the sole basis of the impugned demand, was basis an 'outside observation'. The Inspecting Officer did not enter the premises concerned and therefore, was neither privy to the activities carried out inside the premises nor was in a position to take the measurements of the area of the mezzanine floor. From 1999, there were major renovations carried out by the Petitioners, which is amply demonstrated from documents issued by Statutory Authorities. Petitioners placed on record before the DDA several documents such as: (a) application for disconnection of water connection on 22.02.1999; (b) disconnection of electricity connection on 18.03.1999; (c) new MCD factory license granted on 18.04.2000; (d) pollution control permission dated 25.09.2000; and (e) requisite NOC from Delhi Fire Service dated 20.05.2010, which is evident from the file noting dated 03.04.2017, to prove this point. It is thus clear that the misuse charges levied on the Petitioners have no legs to stand on and deserve to be quashed.

27. It bears repetition to state that DDA neither ensured service of show cause notices on the Petitioners before raising the impugned demand nor intimated the details of area/period of alleged misuse. Had the notices been sent and there was no response to the alleged misuse and consequently breach of the conditions of the Lease Deed, DDA would have taken coercive action of terminating the Lease Deed, which it did not do. In fact, after the Inspection Report dated 24.12.1997, there was no action by DDA with respect to the alleged misuse of the property in terms of the Lease Deed and it is only after the Petitioners applied for conversion on 03.10.2012 that DDA raised a demand vide letter dated 24.10.2013 alleging misuse. Having slept for over 15 years, DDA cannot be heard to say even otherwise that

there was misuse in the subject plot for the period 1997-2000.

28. Accordingly, this writ petition is allowed quashing demand letters dated 24.10.2013 and 08.07.2014, whereby DDA directed the Petitioners to deposit misuse charges to the tune of Rs. 2,48,89,151/-. Consequently, communication dated 29.06.2021, whereby the conversion application of Petitioners was rejected for non-deposit of misuse charges is also quashed. DDA is directed to process the conversion application filed by the Petitioners bearing no. 01629 dated 24.09.2012 for which Petitioners have already deposited conversion charges to the extent of Rs. 1,12,62,263/-, in accordance with law and execute the Conveyance Deed on completion of necessary formalities by the Petitioners. Needless to state that if any further legitimate charges for conversion are due from the Petitioners, DDA shall intimate the same within three weeks from today. The entire exercise will be completed within 3 months from today.

29. Writ petition stands disposed of in the aforesaid terms along with the pending application.

JYOTI SINGH, J.

MAY 15, 2026/YA/*S.Sharma*