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NDMC set to scrap licence of Le Meridien hotel

NEW DELHI: The [New Delhi Municipal Council](#) has decided to terminate the [licence of Le Meridien hotel](#), a landmark built during the 1982 Asiad, because of dues amounting to Rs 523 crore.

The decision was taken during a council meeting held on Thursday, which was chaired by CM [Arvind Kejriwal](#). After the meeting, he tweeted, "Important decisions (at) today's NDMC meeting — cancel Le Meridien Hotel licence." Senior NDMC officials said the Le Meridien property had been termed unauthorised. "Under the Public Premises Eviction Act 1971, there is a provision that if the licensee fails to pay the licence fee then the licence can be terminated by the governing body. We will file a petition with the NDMC estate law officer to initiate action and will apprise to high court about it," the official said.

In 2015, a one-time fee of Rs 150 crore was paid by the hotel as "settlement" to NDMC to clear pending licence fee dues and the high court had ended the case.

It is alleged that the "settlement", which NDMC officials accepted, had resulted in a loss of Rs 400 crore to the exchequer.

In its plea in HC, the council had termed the settlement with

Le Meridien as a "fraud", saying that as per the NDMC Act, the chairman was allowed to settle dues only up to Rs 1,000. The hotel had opposed the plea. The ministry of home affairs had also ordered an internal inquiry and passed on the case to CBI. However, in August 2016, the high court revived the suit and directed NDMC to raise a fresh demand of licence fee dues.

"As per the agreement, NDMC is supposed to get Rs 2.68 crore annually as licence fee and Rs 523 crore is due till date. In November last year, following the high court order to raise a fresh demand, NDMC in its letter directed the hotel to pay the outstanding arrears within 30 days and a notice was also issued," said the senior official.

"We have already raised the fresh demand as directed by the high court and due to non-payment of licence fee the council can revoke the licence. After we file a petition with the law estate officer, it will take three-four months for the eviction process to be initiated, if there is no interruption," the official said.

Le Meridien spokesperson, however, said the hotel had not received any official communication from the NDMC yet.

"The case is sub judice and all hotel operations continue uninterrupted," the spokesperson said.