

BRIHANMUMBAI MUNICIPAL CORPORATION

No. MDD/ 5824

dt. 14.07.2025.

Office of the
Dy. Municipal Commissioner (Imp.)
Municipal Corporation of Greater Mumbai,
Municipal Head Office Extension Bldg., 6th Floor,
Mahapalika Marg, Mumbai-400 001. INDIA.

- Sub:** (i) Show Cause Notice dated 8th November 2024 issued by Municipal Corporation of Greater Mumbai to M/s. Khanna Construction House and others as to why the lease granted in the year 1961 in respect of Plot No.44, Worli Estate, Scheme No.58, CS No.903 of Worli Division, Mumbai (the "**Property**") should not be terminated ("**Show Cause Notice**");
and
(ii) Hearing Notice dated 20th June 2025 issued by Municipal Corporation of Greater Mumbai for fixing a hearing in respect of the above Show Cause Notice ("**Hearing Notice**")

- Re:** (i) Hon'ble High Court of Bombay Civil Appellate Jurisdiction First Appeal No. 1912 of 2024 (Stamp No.31064 of 2018)

Ghanshyam Saligram Khanna ... Appellant

Versus

Nandalal Balkrishna & Ors. ... Respondents

- (ii) Order dated 7th July 2022 passed by Hon'ble High Court of Bombay.
(iii) Order dated 19th July 2022 passed by Hon'ble High Court of Bombay.
(iv) Order dated 08th January 2025 passed by Hon'ble High Court of Bombay.
(v) Order dated 09th June 2025 passed by Hon'ble High Court of Bombay.

SPEAKING ORDER

1. Pursuant to the Orders passed by the Hon'ble High Court of Bombay, the hearing of the above Show Cause Notice was conducted on 27th June 2025 at 3 p.m. as per the subject Hearing Notice.



BACKGROUND

2. The Property belonging to the Municipal Corporation of Greater Mumbai (hereinafter referred to as "**Corporation**") was granted on lease ("**Lease**") to M/s. Khanna Construction House ("**Firm**") vide lease Deed dated 14th July 1965 ("**Lease Deed**") for a period of 999 years from 12th January 1961. The said Lease was subject to certain terms and conditions as stipulated in the said Lease Deed.
3. Due to inter-se disputes with respect to % share etc. between the then partners of M/s Khanna Construction House, a Suit No. 1010 of 1973 was filed by one - Mr. Nandlal Balkishan before Hon'ble High Court of Bombay for dissolution of the Firm and the Court Receiver, High Court Bombay was appointed as receiver of the Property in October 1973. The suit was later transferred to Hon'ble City Civil Court of Bombay vide Suit No. 10318 of 1973.
4. There was a building standing on the Property known as "Khanna Construction House", which was declared as dilapidated (C1) and the Corporation has issued notice u/s 354 of Mumbai Municipal Corporation Act, 1888 for demolition of the building on 15th June 2018.
5. The Hon'ble City Civil Court of Bombay had passed a preliminary decree (on admission) dated 20th August 2018 in the Suit, dissolving the said partnership firm - M/s Khanna Construction House.
6. It appears that Ghanshyam Saligram Khanna (another partner, not on the record of the Corporation) filed a First Appeal vide stamp No.31064 of 2018 ("**First Appeal**") in Hon'ble High Court of Bombay challenging the order dated 20th August 2018 passed by Hon'ble City Civil Court of Bombay, wherein all the partners and the legal heirs of deceased partners of the Firm were made parties to the First Appeal, although not on the record of the Corporation. Later, the Corporation was impleaded in the First Appeal vide order dated 9th December



2021 in Court Receiver Report No. 14 of 2021 filed in the First Appeal. The First Appeal got admitted in 2024 and finally numbered as F.A 1912/2024.

7. Pursuant to Order dated 7th July 2022 (read with Order dated 19th July 2022) passed by Hon'ble High Court in the First Appeal, the possession of the Property (along with dilapidated structure) was handed over by the Court Receiver to the Corporation, the Corporation demolished the dilapidated structure as per directions of Hon'ble High Court and has retained possession of the Property till date.
8. Under the aforesaid Order dated 7th July 2022 passed by Hon'ble High Court, the partners and the legal heirs of deceased partners of the Firm were granted 6 weeks (later it was rectified to 6 months' time by way of Speaking to Minutes Order dated 19th July 2022) to file proposal for redevelopment of the Property. It was clarified that the Corporation shall be at liberty to take over the land from the lessees (the partners and the legal heirs of deceased partners of the Firm), by protecting the rights of the tenants / occupants, if the partners and the legal heirs of deceased partners fail to submit a proposal for redevelopment of the building within 6 months from the date of the Order. The paragraph 4 and 5 of the said order dated 07th July 2022 (read with order dated 19th July 2022) is reproduced below:

"4. Considering the condition of the building, the Corporation to undertake demolition work immediately. The Court Receiver shall handover possession of the building to the Corporation for the purpose of demolition. After the demolition of the building and clearance of debris, the Corporation shall take possession of the vacant plot of land by protecting the rights of the tenants/occupants. The Corporation shall preserve and protect the land from encroachment.

5. In the event the owners of the building agree to redevelop/reconstruct the building, they shall convey the decision to the Corporation within a period of six weeks (rectified to as "six months"). If the owners fail to take the decision to redevelop/reconstruct the building within a period of six weeks (rectified to as "six months"), the Corporation shall be at

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liberty to take over the land from the owners by protecting the rights of the tenants/occupants”

This Order dated 7th July 2022 passed by Hon'ble High Court, was not challenged by any parties including the partners and the legal heirs of the deceased partners of the Firm.

9. On 5th January 2023, North Star Homes Private Limited submitted a Letter / Proposal, along with letters dated 4th January 2023 issued by the legal heirs of deceased partners of the Firm claiming to have 22.86% entitlement to the leasehold Property. The proposal, although submitted within the prescribed timeline, was not submitted by all the partners and the legal heirs of deceased partners with 100% leasehold rights in the Property. Hence, this proposal was rejected by the Corporation for reasons as mentioned in the letter dated 8th November 2024 (issued on 11th November 2024).
10. M/s LD Shah & Co. had also submitted letter dated 6th June 2023 stating that their clients have submitted a letter / proposal on 6th January 2023 (which was submitted on 17th January 2023 viz. after the prescribed time limit) for redeveloping the building Khanna Construction House. Not only was the said proposal submitted beyond the time limit as prescribed by the Hon'ble High Court but was also not submitted by all partners and the legal heirs of deceased partners with 100% leasehold rights in the Property. Hence, the proposal was rejected by the Corporation for reasons mentioned in the letter dated 8th November 2024 (issued on 11th November 2024).
11. Other proposals forwarded by the Court Receiver to the Corporation vide its letter dated 6th September 2024 as received from other developers - Unique Estate Development Company Limited (K Raheja Realty Group), Suvidha Lifespaces (Suvidha Group), K Raheja Corp Real Estate Pvt. Ltd., apart from North Star Homes Pvt. Ltd., were also rejected due to the reasons mentioned in respective letters issued by Corporation.



12. On 8th November 2024, the Corporation issued the Show Cause Notice to all the parties claiming to be partners and the legal heirs of deceased partners in the First Appeal, though their legal heirship and their rights in the Lease are not established by them with the Corporation. Further, the Show Cause Notice was also pasted on the Property, to ensure legal service to all the interested parties.
13. The Show Cause Notice was challenged by one of the partners (Mr. Nandlal Balkishan Sahjwani) of the dissolved firm M/s. Khanna Construction House vide Interim Application Stamp No. 15575 of 2024 filed in the First Appeal along with a submission that a common redevelopment proposal would be submitted within 3 (three) weeks by all the partners and the legal heirs of deceased partners. Accordingly, by the Interim Order dated 8th January 2025, the Hon'ble High Court directed the Corporation to not take any coercive steps till next date. However, the partners and the legal heirs of deceased partners failed to submit any common redevelopment proposal yet again, despite such undertaking before the Hon'ble High Court.
14. Thereafter, the Hon'ble High Court passed a detailed and reasoned order dated 9th June 2025 in the First Appeal, recording the non-compliance and failure on the part of the partners and legal heirs of the deceased partners to submit a common redevelopment proposal, despite having been granted multiple opportunities by the Court. Some of the relevant findings observed by the Hon'ble High Court in Paragraph 12 of its Order dated 9th June 2025 are reproduced below:
- *"In my view, at present the partnership is dissolved. To protect the interest of both the parties, this Court (Coram: Anuja Prabhudessai, J.), by order dated 07.07.2022 read with 19.07.2022, had given opportunity to the owners of the suit property to file a proposal for redevelopment of the suit property..... It shows that the order of this Court has not been complied with by the lessees / partners....."*



- *“Accordingly, this Court (Coram: Sharmila U. Deshmukh, J.) by order dated 08.01.2025, directed the MCGM not to take coercive steps till next date and matter was adjourned after three weeks, but no common proposal was filed within three weeks as assured to this Court...”*
- *“It shows that two orders of this Court dated 07.07.2022 and 08.01.2025 have not been complied with by the partners / parties...”*
- *“Majority of original partners are no more, except two partners. The legal heirs of deceased partners are on record. The MCGM is challenging their right over the suit property on the ground that they have not obtained legal heir certificate from this Court to show that they are legal heirs of the deceased...”*
- *“Some of the partners are accepting the order of City Civil Court of dissolution of partnership firm”*
- *“As observed earlier, the partners of the dissolved partnership firm have not taken collective efforts to redevelop the property as directed by this Court in the year 2022 and in January 2025...”*
- *“The termination of lease notice is challenged by one party only”*
- *“In my view, to protect the interest of the partners, this Court has given two opportunities to the partners to redevelop the suit property, but it has not been complied with...”*
- *“They have not paid the property tax of the suit property which runs into crores of rupees. A warrant of attachment of the suit property was issued by the MCGM due to non-payment of property tax. In spite of being aware of this fact, no partners have deposited the said tax, and they have not even claimed partnership records from MCGM. It shows their reluctance in partnership firm...”*

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- *"It appears that the partners only want to claim share in the suit property but do not want to follow the orders of this Court. They have avoided the responsibility of paying taxes and redeveloping the suit property. It appears that there is an internal dispute between them..."*
- *"The possession of the suit property is given to the MCGM as per order of this Court. The said order has not been challenged..."*
- *"The MCGM wants to redevelop the suit property as per procedure of law and to protect the rights of occupants / tenants as directed by this Court. Accordingly, termination of lease notice is issued..."*
- *"As discussed above, suit property is no longer in possession of the Court Receiver. All records pertaining to the suit partnership firm are with MCGM, hence the Court Receiver cannot be continued with the suit property..."*

15. Under the said Order dated 9th June 2025, the Hon'ble High Court, *inter-alia*, discharged the Court Receiver, vacated the interim direction granted on 08th January 2025 (viz. no coercive steps in respect of suit property be taken) and disposed of the I.A. No. 15575 of 2024 filed in the First Appeal. Thereby, the Corporation is permitted to proceed in respect of the Show Cause Notice issued on 8th November 2024 (which was issued in accordance with the High Court Order dated 7th July 2022).

16. The Corporation then issued the Hearing Notice on 20th June 2025 to all the parties claiming to be the partners and the legal heirs of deceased partners in the First Appeal, though their legal heirship and their rights in the Lease are not established by them with the Corporation. Further, the Hearing Notice was also pasted on the Property, to ensure legal service to all the interested parties. The Hearing Notice informed all parties that the hearing would be scheduled on 27th June 2025 at 3 p.m in the chamber of Dy. Municipal Commissioner

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(Improvement) situated at Brihanmumbai Municipal Corporation, BMC Head Office, Annex Bldg. 6th Floor, Mahapalika Marg, Fort, Mumbai – 400 001, and asked all parties to submit their say along with the supporting documents.

17. The scope of the hearing was in respect of the Show Cause Notice dated 8th November 2024 issued by the Corporation for Termination of the Lease and to re-enter upon the said Property. The details of the breaches committed by the Lessee(s) under the Lease and non-compliance of Court Orders are as under:

- a. There is breach of the Orders dated 7th July 2022 read with 19th July 2022, whereby no common proposal has been submitted by all the lessees (the partners and the legal heirs of deceased partners) to redevelop the land / building within 6 months and therefore, the Corporation under the Order is at liberty to take over the Property from the lessee in terms of the said Order dated 7th July 2022;
- b. The Corporation has not received any legal, valid and collective redevelopment proposal from all the lessees (the partners and the legal heirs of deceased partners).
- c. A demand notice dated 10th April 2024 for payment of arrears of property tax since the year 2008 for an amount of Rs.8,39,82,176/-, which remains unpaid and the Corporation has issued Warrant of Attachment dated 10th June 2024 under Section 206 of the MMC Act, 1888;
- d. The partnership firm - M/s Khanna Construction House has been dissolved vide judgment / Order dated 20th August 2018 passed by Hon'ble City Civil Court of Bombay;
- e. The lease rent is outstanding to the tune of Rs. 3,71,488/- since 30th June 1998 and therefore there is a breach of Clause 16(1) of the lease deed which lays down as follows,

“If and whenever any part of the rent hereby reserved shall be in arrear for a space of thirty days whether the same shall have been legally demanded or not and also if any whenever there shall be a breach of any of the conditions or of the covenants on the part of the lessee herein contained the Corporation may re-enter upon the said premises or any part of the said premises in the name of the



whole and immediately thereupon this demise and all rights of the Lessees hereunder shall absolutely determine.”

- f. Further, there has been a breach of Clause No.6, 7 the lease deed as the structural repairs have not been conducted timely leading to dilapidated condition of the building.

18. The Show Cause Notice dated 8th November 2024 mentions the breaches committed by the lessees and has called upon the parties to show cause as to why appropriate action as mentioned in the subject of the Show Cause Notice should not be taken in accordance with the law.

19. M/s. L. D. Shah and Co., Advocates has responded to the Show Cause Notice vide their reply dated 2nd December 2024 and submitted additional reply dated 27th June 2025 on behalf of their clients (1) Mr. Satish Anantram Sabhlok, (2) Mr. Surinder Anantram Sabhlok, (3) Mrs. Sushma Malhotra alias Manisha Shorey, (4) Mrs. Laxmi Rajkiran Grover, (5) Mr. Punit Inder Khanna, (6) Ms. Sheetal Inder Khanna, (7) Mrs. Saroj Balram Khanna, (8) Mrs. Prasannata Vikram Patwardhan, (9) Mr. Shyamsunder Chandwani, (10) Mr. Sunil Shyamsunder Chandwani, (11) Mrs. Aanchal Sadhanani, (12) Mr. Ashrafali Ahmed Petkar, (13) Mr. Ahsaan Ashrafali Petkar, (14) Mr. Nandlal Balkishan Sahjwani, (15) Mr. Vikram Balkishan Sahjwani, and (16) Mrs. Shankuntala Balkishan Sahjwani and contended/objected mainly as follows :

- a. A Special Leave Petition (SLP) has been filed before Hon'ble Supreme Court challenging the Order dated 9th June 2025 passed by Hon'ble High Court of Bombay and no hasty or unjustified action be taken, pending the decision of Hon'ble Supreme Court;
- b. The Court Receiver has been appointed as receiver for the Property in 1973, who failed to collect the rent, pay municipal taxes, lease rent and other outgoings, for which the lessees should not be penalized. The Court Receiver has access to an amount of Rs.50 lacs. Since last 52 years, their clients are looking after the interest of the Firm and have not committed any laxity, leniency, disinterest or deficiencies or defaults in looking after the affairs of the Property;



- c. The lessees (the partners and the legal heirs of deceased partners) also hold various tenancies in their individual capacities. There are differences between the list of tenants/occupants prepared by the Court Receiver and the Corporation, which need to be reconciled;
- d. The demand for arrears of property taxes for an amount of Rs. 9,80,18,624/- is excessive, unlawful and unreasonable, which has been increased to Rs. 11,04,77,097/-;
- e. Their clients had offered to pay the lease rent, but it was refused by the Corporation;
- f. Their clients had expressed their intention to redevelop the said property and informed the Corporation about the steps being taken. The Order dated 7th July 2022 (read with 19th July 2022) only required a willingness to be conveyed and not the redevelopment proposal. Hence, there is no non-compliance on part of their clients. While issuing the Show Cause Notice, the Corporation has misconstrued and incorrectly relied upon the Order of 7th July 2022 and issued the Show Cause Notice at the behest of third party;
- g. Their clients are entitled to 91.91% share in the leasehold rights of the Property and therefore entitled to redevelop the Property. Further, one of their client – Mr. Nandlal Balkishan Sahjwani has submitted a redevelopment proposal in IA in the First Appeal by way of an affidavit dated 13th March 2025. The balance 8.09% lessees have transferred their rights to a third-party developer named North Star Homes Private Limited, which is subject matter of challenge and could not have put a legitimate proposal for re-development;
- h. The contention in the Show Cause Notice that on dissolution of the Firm, the rights in respect of the leasehold Property is also gone is incorrect interpretation of law.

20. The Corporation has gone through the issues raised by the clients of M/s LD Shah & Co. and deal with each of them as follows:

- a. Although a SLP has been filed by some of the client(s) of M/s L.D Shah & Co., there is no status-quo order restraining the Corporation to

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proceed further with the hearing and passing of necessary Orders. Given the elongated dispute amongst the partners and their legal heirs, and breaches, it is important for the Corporation to move forward for larger public interest and to secure the interest of tenants/occupants. The Hon'ble High Court has asserted in its order dated 9th June 2025 that,

“this Court cannot deprive the rights of the occupants/tenants of the suit property who are out of their premises for more than seven years. The interest of the occupants/tenants is of paramount importance”.

Accordingly, the Corporation is inclined to proceed further in the matter.

- b. It may be noted that as a general principle and established jurisprudence, the appointment of a Court Receiver does not absolve the owners/main parties from their statutory or contractual liabilities. The lessees (the partners and the legal heirs of deceased partners) have failed to discharge their liabilities and maintain/repair the building standing on the Property, which eventually led to demolition and ousting of the tenants/occupants, constituting another breach of terms and conditions of the Lease Deed dated 14th July 1965. Under Clauses 1 and 2, Page 10 of the Lease, if lease rent is unpaid for a period of 30 days, it shall be considered breach of the covenants on the part of the Lessee.
- c. The reconciliation of the list of tenants/occupants is a factual exercise, which will be undertaken by the Corporation as per its procedure and in line with Order passed by Hon'ble High Court, upon submission of appropriate supporting documents by the tenants / occupants.
- d. The dispute raised about the Property Tax, after issuance of demand and warrant of attachment, seems an afterthought and cannot be considered as a valid ground at this stage, especially after being notified by the Court Receiver to the parties (through their advocates) for the payment of pending dues vide its letter u/n 6926-6933 dated 19th June 2024. Furthermore, the clients of M/s LD Shah & Co. have claimed that the Court Receiver had monies around Rs. 50,00,000/-, which could've been utilised to pay the municipal dues. However, letter dated 10th June 2024 from Court Receiver clearly reveals that the Court Receiver has

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communicated that funds in the suit accounts are insufficient and that the lessees should pay the property tax. However, the lessees have selectively ignored the same, despite the clear order passed by Hon'ble City Civil Court of Bombay on 6th January 2015 as follows:

"8. As stated by the Court Receiver in the meeting held on 31/10/2012 representatives of the plaintiff and defendants who were present in the meeting have stated that they are ready to deposit an amount to be paid to the BMC by personal cheques and in case there is any shortfalls, they will again make payment to that effect, So it appears that the problems of the Court Receiver in regard to making payment to the BMC are known to the plaintiff and defendants and they are aware that the payments to the BMC in regard to Property tax cannot be made from the payment which would receive from the monthly rent. The income from the monthly rent requires to make payment to the watchmen and sweepers wages and also towards electricity charges. So in the given set of circumstances the parties to the suit requires to contribute the amount for making payment to the BMC towards property tax and also for making payment towards other requisite expenses to maintain the suit property and to keep the suit property in habitable condition."

No court has granted any status quo on the demand raised by the Corporation for the Property Tax. Thus, the Corporation is empowered to evict the lessee under Section 105B of the Mumbai Municipal Corporation Act, 1888 in case of non-payment of the rent, taxes, fees or compensation for more than two (2) months. In the present case, no eviction is separately required as the Property is under possession of the Corporation, pursuant to the orders of Hon'ble High Court.

- e. The Corporation has validly refused to accept the lease rent arrears of Rs. 3,71,488/- from the selective parties, who are not the lessees as per the Corporation records.



- f. The interpretation of the Order dated 7th July 2022 (read with 19th July 2022) by the clients of M/s LD Shah & Co. seems incorrect, as the Hon'ble High Court has granted 6 months' timeline to submit a common redevelopment proposal, and not just the intention to redevelop by selective lessees, in absence of collective participation or consensus. In fact, the Hon'ble High Court in its Order dated 9th June 2025 (Paragraph-12) has recorded that

"This Court (Coram: Anuja Prabhudessai, J.) by Order dated 07.07.2022 read with 19.07.2022 had given opportunity to the owners of the suit property to file proposal of redevelopment of the suit property" and "it shows that two Orders of this Court dated 07.07.2022 and 08.01.2025 has not been complied by the partners/parties".

- g. The Corporation cannot interfere with or get itself involved between the inter-se disputes amongst the partners and the legal heirs of deceased partners with respect to % share or entitlement, pursuant to which the Court Receiver was appointed, and the Property was made custodia-legis. It may be noted that the partners and the legal heirs of deceased partners have failed to get themselves on the Corporation -record (Estates Department), despite multiple opportunities, which also constitutes a breach of terms and conditions of the Lease Deed dated 14th July 1965. Further, the affidavit filed by one of the partners – Mr. Nandlal Balkishan Sahjwani, without 100% consent of other partners and their legal heirs, cannot be construed as common redevelopment proposal. It is noteworthy that this group of partners and the legal heirs of deceased partners (viz. the clients of M/s LD Shah & Co.) themselves expressly acknowledge (also during the hearing dated 27th June 2025) that they do not represent 100% of the partners and the legal heirs of deceased partners. Therefore, they are unable to submit a common redevelopment proposal.
- h. Upon perusal of the Show Cause Notice, it is evident that the Corporation has not contended that the rights of partners or their legal

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heirs are no longer existing due to dissolution of partnership, as otherwise claimed by the clients of M/s LD Shah & Co..

Therefore, the Corporation does not find any merits in the objections/contentions raised by the clients of M/s LD Shah and Co.

21. Upon pointing out during hearing on 27th June 2025 that all partners and the legal heirs of deceased partners are not on the record of Estate Department of the Corporation, M/s LD Shah & Co., vide their letter dated 4th July 2025 requested the Corporation to bring their clients on record by submitting details of the purported devolution of rights claimed by their clients in respect of the Property, without furnishing any supporting documentation. In response, the Corporation, through its reply dated 8th July 2025 issued u/no. AC/Estates/555842/LB-III, has notified them that, in the absence of supporting documents, the request to bring their clients on record cannot be considered.

22. Mr. Sandeep Singh, Advocate has submitted his response to the Show Cause Notice vide his letter dated 1st July 2025 on behalf of his clients – 1) Mr. Jitender Sabhlok alias Chintu Anantram Sabhlok, 2) Mr. Baldev Malhotra, 3) Mr. Vivek Makhija 4) Ms. Shipra Parwani, 5) Mr. Harish Jashanmal Khanna 6) Mr. Pawan Nandlal Khanna 7) Mr. Vinod Nandlal Khanna and 8) Mr. Chander Jashanmal Khanna (now deceased, represented by his legal heirs) and contended/objected mainly as follows:

- a. His clients are entitled to 24.61% share in the leasehold Property and refuses that the clients of M/s LD Shah & Co. have 91.91% share in the leasehold Property.
- b. His clients and the clients of M/s LD Shah & Co. are not together, and no common redevelopment proposal can be submitted.
- c. The Corporation should consider the redevelopment proposal submitted by North Star Homes Private Limited, as the proposal was submitted within the prescribed 6-month timeline.

23. The Corporation has gone through the issues raised by the clients of Mr. Sandeep Singh, Advocate and deal with each of them as follows:



- a. The Corporation can't interfere with or get itself involved between the inter-se disputes amongst the Partners and their legal heirs with respect to % share or entitlement.
- b. This group of legal heirs too expressly acknowledge (also during the hearing dated 27th June 2025) that they do not represent 100% of the partners/legal heirs - and are therefore unable to submit a common redevelopment proposal.
- c. The proposal of North Star Homes Private Limited submitted earlier has already been rejected by the Corporation. Any redevelopment proposal can only be considered at appropriate stage as per development regulations and the Corporation procedures, as per the Order dated 9th June 2025 passed by Hon'ble High Court.

Therefore, the Corporation does not find any merits in the objections/contentions raised by the clients of Advocate Sandeep Singh.

24. Upon pointing out during hearing on 27th June 2025 that all partners and the legal heirs of deceased partners are not on the (Estates Department) record of the Corporation, Mr. Sandeep Singh, Advocate, vide his letter dated 7th July 2025 requested the Corporation to bring his clients on records, by submitting the copies of letters dated 23rd June 2025 issued by his clients setting out details of the purported devolution of rights claimed by his clients in respect of the Property, without furnishing any supporting documentation. In response, the Corporation, through its reply dated 11th July 2025 issued u/no. AC/Estates/000585/LB-III, has notified him that, in the absence of supporting documents, the request to bring his clients on record cannot be considered.

25. M/s Law Loyals, Advocates has submitted their response to the Show Cause Notice vide their letter dated 3rd July 2025 on behalf of their clients – Meghraj Financial Consultants Private Limited and other tenants/occupants and contended mainly as follows:

- a. The Tenants/Occupants have been out of possession from the Property since 2018-19.



- b. Due to long-pending disputes amongst the partners and the legal heirs of deceased partners of erstwhile Firm, non-maintenance of building, non-compliance of Orders dated 07th July 2022 (read with 19th July 2022) and 08th January 2025, the Lease granted to M/s Khanna Construction House (to its partners) be terminated by the Corporation.
 - c. The tenants / occupants should be allowed to redevelop the property under Regulation 33(7)(A) of the DCPR 2034 through the association/proposed co-operative society.
26. The Corporation has gone through the issues raised by the clients of M/s Law Loyals, Advocates and deal with each of them as follows:
- a. As per Orders passed by Hon'ble High Court, the interest of ousted tenants/occupants shall be protected by the Corporation as per its procedures.
 - b. After the Order dated 9th June 2025, there are no restraints on the Corporation in proceeding further to the Show Cause Notice and the Hearing Notice.
 - c. Any redevelopment proposal from tenants/occupants can only be considered at an appropriate stage, as per the Order dated 9th June 2025 passed by Hon'ble High Court of Bombay.

Therefore, the tenants/occupants are not objecting to the Show Cause Notice and the Hearing Notice issued by the Corporation.

27. The Corporation has further carried out Public Announcement in Times of India, a widely circulated newspaper, on 3rd July 2025 whereby any person(s) having any claim in the Property can submit their written say / submission (along with supporting documents) to Dy. Municipal Commissioner (Improvement) within 5 days from the date of the issue of such public notice.

28. In response to the Public Announcement dated 3rd July 2025, the following submissions were received by the Corporation vide their letters dated 7th July 2025:



- a. M/s LD Shah & Co. (acting for their aforesaid clients) claiming tenancy/occupancy rights in respect of premises being 4698 sq. ft. on ground floor surrendered by Government Central Press, 2174 sq. ft. on second floor surrendered by Director of Ayurveda, 1560 sq. ft. on fourth floor surrendered by Deputy Inspector General of Police and 1900 sq. ft. on fourth floor surrendered by Enameled Wires Private Limited, all of which belongs to the Firm and their clients, in view of surrender of such premises by these parties to the Court Receiver.
- b. Advocate Subham S. Chatterjee (on behalf of his client – Mr. Abdul Aziz Ebrahim Rakhangi – Rakhangi General Stores) claiming tenancy/occupancy rights in respect of Shop No. 7 admeasuring 230.17 sq. ft. on the ground floor in the demolished building.
- c. M/s Radio Centre claiming tenancy/occupancy rights in respect of premises no. 1 admeasuring 1017 sq. ft. on ground floor, Premises No. 2 admeasuring 323 sq. ft. on ground floor and Premises no. 3 admeasuring 2980 sq. ft. on second floor in the demolished building.
- d. M/s GS Khanna & Co. claiming tenancy/occupancy rights in respect of premises admeasuring 4300 sq. ft. on first floor in the demolished building.

29. The Corporation has gone through the aforesaid claims dated 7th July 2025 received in response to the Public Announcement dated 3rd July 2025 with respect to tenancy/occupancy rights as claimed by various claimants. However, the reconciliation of the list of tenants/occupants and verification of claims of tenants/occupants is a factual exercise, which will be undertaken by the Corporation as per its procedure and in line with Order passed by Hon'ble High Court, upon submission of appropriate supporting documents by the tenants / occupants.

30. Based on proceedings in First Appeal before Hon'ble High Court of Bombay, I note that all the partners and their legal heirs, who are claiming entitlement to the leasehold Property have filed their submissions. The Corporation has also given the opportunity of oral hearing on 27th June 2025 and have considered the



written submissions/claims of all parties, Orders passed by Hon'ble City Civil Court of Bombay and Hon'ble High Court of Bombay.

31. The Corporation notes that the status quo granted vide order dated 08th January 2025 passed by the Hon'ble High Court in I.A No.15575 of 2024 in First Appeal No.1912 of 2024, restraining the Corporation from proceedings/ taking any coercive steps has been vacated vide order dated 09th June 2025 passed by the Hon'ble High Court. It is also noted that no further interim orders have been obtained by any party by the Hon'ble High Court or by the Hon'ble Supreme Court in SLP No. 17680 of 2025 and thus, there is no impediment for the Corporation to pass the order in accordance with law.

32. Accordingly, I hold as follows:

- a. The partners and the legal heirs of deceased partners of M/s Khanna Construction House (since dissolved) ("Lessees") have failed to comply with the Orders dated 07th July 2022 (read with 19th July 2022) and 08th January 2025 passed by Hon'ble High Court of Bombay. Even till date, the Lessees have not submitted any common redevelopment proposal. The Hon'ble High Court has allowed the Corporation to take over the Property from the Lessees in its Order dated 7th July 2022 (read with Order dated 19th July 2022). The Order dated 7th July 2022 (read with Order dated 19th July 2022) was not challenged by any parties, therefore attained finality, as also recorded by Hon'ble High Court of Bombay in its order dated 9th June 2025.
- b. The Lessees have committed breach of the terms and conditions of the Lease Deed dated 14th July 1965 as above mentioned in Paragraph 20 and also mentioned in Show Cause Notice dated 08th November 2024.
- c. After perusal of the records, I find that the lessees have not conducted timely repairs of the buildings, leading to its deterioration and dilapidated condition. Due to the said condition of the building, the Hon'ble High Court of Bombay directed the Corporation to demolish the building.



- d. The Corporation must safeguard its interest in the Property and secure the rights of tenants/occupants as per the Orders of Hon'ble High Court of Bombay.
- e. From the above narration it is evident that the lessee i.e. M/s Khanna Construction House through its partners have clearly breached the conditions of the lease deed and hence the Corporation is well within its right to terminate the Lease.

ORDER

In view of the above findings, I, Sanjog Kabare, Deputy Municipal Commissioner (Improvement), by virtue of powers deputed to me by Municipal Commissioner – Shri. Bhushan Gagrani u/s 56B of Mumbai Municipal Corporation Act, 1888, hereby pass the following Order:

- a. The Show Cause Notice dated 8th November 2024 issued by the Corporation is justified.
- b. The Assistant Commissioner (Estates) is directed to initiate the process for the termination of the Lease granted by Lease Deed dated 14th July 1965 in favour of (1) Jashanmal Saligram Khanna (2) Saligram Gurdasmal Khanna (3) Nand Jashanmal Khanna (4) Indar Jashanmal Khanna (5) Balkrishna Jiwandas (6) Nandlal Balkishna, the Partners of M/s. Khanna Construction House and as the property is already in the possession of BMC, Assistant Commissioner (Estates) will make the necessary note in the Estate records.


(Sanjog Kabare)
Deputy Municipal Commissioner
(Improvement)