IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

WRIT PETITION NO. 4891 OF 2025

1. Dharampal Sharma]
Age: 82 years, Indian Inhabitant]
residing at 63/64, Juhu Sameep,]
Juhu Versova Link Road, Andheri West]
Mumbai - 400 053.]

2. Vikram Auto Services]
a partnership firm, registered under the]
Indian Partnership Act, 1932 having]
its office at Plot No.5, Survey No.161]
Juhu Versova Link Road, Andheri (W),]
Mumbai- 400 053.]

3. Abha Dharampal Sharma]
Age: 77 years, Indian Inhabitant]

4. Dr. Vikram Dharampal Sharma]
Age: 52 years, Indian Inhabitant]

Both partners of Petitioner No.2 and]
residing at 63/64, Juhu Sameep,]
Juhu Versova Link Road,]
Andheri West, Mumbai 400 053.] ... Petitioners

Versus

1. State of Maharashtra]
through Ministry of Revenue &]
Forest Department]
Through Government Pleader,]
Appellate Side, High Court, Bombay.]

2. Hon'ble Minister (Revenue),]
Revenue, Animal Husbandry and]
Dairy Development,]
Maharashtra State,]
Mantralaya, Mumbai - 400 032.]

3. Joint Secretary (Revenue)]
Main Building, 1st Floor, Madam]
Cama Road, Hutatma Rajguru]
Chowk, Mantralaya,]
Mumbai 400 032.]

4. The Collector, Mumbai Suburban]
District]
Administrative Building, 10" Floor]
Bandra (East), Mumbai 400 051.]

5. Bharat Petroleum Corporation Ltd.]
Through its Territory Manager- Mumbai]
Benzine Installation]
Sewree Fort Road, Sewree (East)]
Mumbai 400 015.] ...Respondents

Mr. Y.S. Jahagirdar, Senior Counsel a/w. Adv. Girish Godbole, Senior Counsel, Adv. Jai Kanade, Adv. Aneesha Munshi, Adv. Sonam Pandey i/by Divya Shah Associates for the Petitioners.

Ms. Usha Rahi, AGP, for the Respondent Nos.1 to 4-State.

Mr. Pankaj Savant, Senior Advocate a/w. Adv. Aarti Abhyankar i/by Indus Law for Respondent No.5.

CORAM : KAMAL KHATA, J.
RESERVED ON : 10th APRIL, 2026
PRONOUNCED ON: 7th July, 2026.

JUDGMENT:

1) Rule. Rule made returnable forthwith and, by consent of the Counsel, the Petition is taken up and heard finally.

2) The Petitioner has preferred the present Petition under

Article 226 of the Constitution of India being aggrieved by the common order dated 5th June 2025 (*"impugned order"*). By the impugned order the Minister of Revenue - Respondent No. 2, in Revision Application No.2622/CR28/G-3 (*"Jt. Secretary's Revision Application"*) and Revision Application No.2623/10/966/CR-12/G-3 (*"BPCL Revision Application"*), in exercise of his revisional jurisdiction under Section 257 of the Maharashtra Land Revenue Code, 1966 (*"the MLRC"*), set aside the order of the Collector – Respondent No. 4 dated 20th April 2021, by which he granted permission to convert the Petitioner's leasehold rights in the subject land into Occupancy Class-I under the MLRC.

3) The Petitioners have challenged the impugned order alleging it to be arbitrary, unjust, illegal and patently erroneous on the ground that it has applied the Government Resolution dated 14th July 2021 retrospectively to set aside the order dated 20th April 2021 ('Collector's Order') passed earlier by the Respondent No. 4.

4) The Collector's Order permitted conversion of the Petitioner's rights in a piece of land admeasuring 1,127 sq. mtrs. or thereabouts, situate at Village Versova, Tehsil Andheri, BSD on

Plot No. 5, on City Survey No.161 of Versova, Mumbai Suburban District ('the said property'), from leasehold rights to Occupancy Class - 1, upon payment of Rs. 6,39,79,790/- as premium under the Maharashtra Land Revenue (Conversion of Occupancy Class-II and Leasehold Lands into Occupancy Class-I Lands) Rules, 2019 ("*the Conversion Rules*").

Petitioner's Submissions:

Retrospective application of GR

5) Mr. Y.S. Jahagirdar, learned Senior Counsel appearing for the Petitioners, submitted at the outset, that the impugned order is illegal and unsustainable because it rests on a fundamental error in applying the G.R. dated 14th July, 2021 retrospectively to a conversion order that had already been passed on 20th April, 2021. He submitted that the said Government Resolution is merely an executive instruction; and cannot override or supplant statutory rules framed under the Maharashtra Land Revenue Code (*"MLRC"*), nor can it be given retrospective effect so as to divest the Petitioner of accrued rights. It was further submitted that, it is a settled principle that executive instructions cannot operate to take away vested rights that have already crystallised under a statutory framework.

6) He submitted that the Conversion Rules of 2019 apply to the lands granted on leasehold for agricultural, commercial or industrial purpose, and that any holder of land is entitled to have the leasehold land converted to Occupancy Class I upon completion of 5 years of lease.

7) He placed reliance on the following decisions of the Supreme Court in support of his contention that executive instructions can only supplement the rules and cannot be sustained in law if it tends to supplant them.

a) *Vanshakti & Anr. Vs Union of India & Ors.*[1]

b) *Uday Pratap Singh & Ors. Vs State of Bihar & Ors.*[2]

c) *Suchitra Component Ltd. Vs Commissioner Central Excise, Gunter*[3]

d) *Ananta Landmarks Pvt. Ltd. v State of Maharashtra and Anr.*[4]

***Findings in impugned order not supported by evidence*:**

8) Learned Senior Counsel submitted that the findings recorded in the impugned order regarding alleged breach of lease conditions, alleged construction of garage and motor parts shop, and the alleged sub-letting are wholly unsupported by any

[1] 2024 SCC Online Bom 3061
[2] 1994 Supp (3) SCC 451
[3] (2006) 12 SCC 452
[4] (2022) SCC OnLine Bom 1199

material on record. The suo motu show cause notice dated 12th October 2022 did not disclose any cogent material, and even the document referred to as “Sanchika” did not contain any material supporting such allegations. He submitted that the Tahsildar, Andheri, had conducted a site inspection and submitted a report dated 22nd December 2020 which categorically recorded that there was no breach of lease conditions, and that no contrary material was produced before the revisional authority.

Employment of handicapped person

9) He further submitted that the impugned order also erroneously proceeds on the ground of alleged non-employment of handicapped persons in breach of lease conditions. However, although the lease condition itself required employment of handicapped persons “as far as practical”, the Petitioners had in fact complied with the said condition. Earlier proceedings initiated by the Collector on the very same ground had been closed by order dated 27th December 2013 upon satisfaction of compliance; and that the revisional authority could not have reopened concluded issues without any fresh material.

Locus of Respondent No.5 to be heard in proceedings:

10) Learned Senior Counsel further submitted that

Respondent No.5 has no locus standi to challenge the Conversion Order. The conversion proceedings pertained to the relationship between the State as lessor and the Petitioners as lessee. Respondent No.5 was neither a party to the Lease Deed dated 5th October 1993 nor had any right, title or interest in the subject land. Even under the Sub-Lease Deed dated 14th May 2003 executed pursuant to the Collector's permission dated 2nd June 2001, Respondent No.5's rights were expressly confined to structures, and it was specifically stipulated that no proprietary interest in land would accrue to the Respondent No.5.

11) He further submitted that the sub-lease in favour of Respondent No.5 had admittedly expired on 11th September 2020, i.e. prior to the Conversion Order dated 20th April 2021, and therefore Respondent No.5 had no subsisting right even under the sub-lease at the relevant time. The finding in the impugned order that Respondent No.5 continued as a sub-lessee by "holding over" is wholly erroneous, as Respondent No.5 was not in possession of the land, and no rent was accepted after expiry of the sub-lease so as to attract Section 116 of the Transfer of Property Act, 1882 ("TOPA").

12) He further submitted that the impugned order further

proceeds on an incorrect assumption that Respondent No.5 has an interest in land by reason of the structures erected by it. It is well settled that construction on leased land does not confer ownership of land, and both the lease deed and the sub-lease clearly distinguish between the land and the superstructure. The reliance placed by Respondent No.5 on the definition of "land" in the MLRC and on Section 3 of the TOPA is wholly misconceived and contrary to the contractual arrangement between the parties.

Respondent No.5's involvement in proceedings:

13) The learned Senior Counsel invited attention to clauses of the Lease Deed dated 5th October 1993 executed between the Respondent No.1 and the Petitioner, and to the clauses of the sub-lease whereby the Respondent No.5 undertook to pay lease rent on behalf of the lessee during the subsistence of lease. Since it was the Respondent No. 5's contractual obligation to pay the lease rent and consequently the differential rent demanded by Respondent No.4, Respondent No. 5 was involved in the proceedings. The payment of Rs. 2,94,37,909/- by the Respondent No.5 was towards the arrears of differential rent in discharge of its contractual obligation, and not towards conversion premium; and was paid during the subsistence of lease. Hence, Respondent No. 5's claim to

be heard in the conversion proceedings is wholly misplaced.

***Revenue Minister exceeded his revisional jurisdiction*:**

14) Learned Senior Counsel submitted that the revisional authority has exceeded its jurisdiction under section 257 of MLRC by effectively adjudicating civil rights between the Petitioners and Respondent No.5, which is impermissible in proceedings under the MLRC. The revisional jurisdiction is limited to examining the legality and propriety of orders passed by subordinate officers, and does not extend to adjudicating inter se disputes between the Respondent No. 5 and the Petitioner regarding title or contractual rights.

Gross delay in filing Revision Application by Respondent No.5

15) Learned Senior Counsel submitted that Respondent No. 5 was aware of the conversion order dated 20th April 2021, as evinced by the Petitioner's letter dated 21st April 2021 addressed to Respondent No.5. By the said letter, the Petitioner had communicated its disinclination to renew the sub-lease and had sought conversion of the outlet from Company-owned to Dealer-owned petrol pump. These terms were unacceptable to Respondent No. 5, and therefore instead of filing civil proceedings against the Petitioner No.1, preferred to file a revision application

before the authority after a substantial period of 542 days. Relying on *MTNL v State of Maharashtra*[5] he submitted that where a party approaches the Court with unclean hands, an unsatisfactory explanation for the delay (there, 401 days) warrants refusal of condonation.

Respondents Submissions:

16) Mr. Pankaj Sawant, learned Senior Counsel for Respondent No. 5, at the outset submits that, the matter may be remanded back to the Respondent No. 4 with a direction that Respondent No. 5, which being a sub-lessee that has invested substantially in the subject land, is an affected party.

17) Relying upon the definition of "land" in Section 2(16) of the MLRC to submit that it includes benefits arising out of things 'attached to the earth'; and on the definition of "attached to the earth" in Section 3 of the Transfer of Property Act, 1882 (TOPA) which includes things embedded in the earth, such as walls or buildings attached or embedded for permanent beneficial enjoyment thereof, he submitted that there could be no dispute that Respondent No. 5 had erected structures on the subject property and has intrinsic rights therein, having paid property taxes for it.

[5] (2013) 9 SCC 92

18) He submitted that the Petitioner No.1 was allotted the subject property on the basis of the Letter of Intent (LOI) dated 25th May, 1983 issued by the Respondent No.5, specifically for the purpose of running a petrol pump. He relied on the Letter of Allotment dated 12th September, 1990 issued by Revenue and Forest Department, State of Maharashtra, which specifically stated that the subject property should be given on lease for 30 years to Petitioner No.1 "for running a petrol pump on behalf of Respondent No.5." The letter also categorically stated that the subject land "shall be used only for petrol pump sanctioned to the leaseholder on behalf of Respondent No.5."

19) He further relied on the recital to the Lease Agreement dated 5th October, 1993 executed between the Government/State of Maharashtra- Respondent No.1 in favour of the Petitioner No.1 and particularly the words mentioned in the recital namely:

"*Whereas at the request of the lessee, the lessor has agreed to grant on lease to the lessee and the lessee has agreed to take on lease from the lessor for the purpose of installing a petrol pump as per Letter of Intent dated 25th May, 1983 issued in favour of the lessee by the Bharat Petroleum Corporation Ltd....*"

20) He also relied upon the No Objection Certificate (NOC)

dated 2nd June, 2001 issued by the Collector permitting sub-lease of the property to Respondent No.5; the minutes of the meeting dated 18th January, 2002 held between the Respondent No.5 and the Petitioner No.1. He also relied upon the License Agreement dated 15th October, 2002 and 11th June, 2018 in addition to the indenture of sub-lease dated 14th May, 2003 executed between the Petitioners and Respondent No.5, to contend that Respondent No.5 had rights and interest in the subject land. He submitted that throughout the tenure of the lease period, since inception namely establishment of petrol pump, the Respondent No.5 had actively participated and supported the Petitioner No.1 whether it was before the Collector (Respondent No.4) or the proceedings filed before the High Court.

21) The learned counsel submitted that the Respondent No.5 has consistently borne financial liabilities in respect of the subject property, including payment of lease rents, differential rent and other dues demanded by the authorities. He further submitted that, the Collector's communication dated 28th January, 2019 would evince that the communication was addressed not only to the Petitioners but also Respondent No.5 demanding differential rent for conversion of the subject property to Occupancy Class-II.

Respondent No.5 paid a sum of Rs.2.94 crores towards arrears of lease rental and differential rent only on the basis of assurances given by the Petitioner No.1 regarding renewal of the sub-lease. Despite the support received from the Respondent No.5, the Petitioner No.1 applied for conversion of the subject property to Occupancy Class-I without informing the Respondent No.5 and obtained an Order dated 20th April, 2021 from Respondent No.4.

22) He submitted that the Order has directly affected the rights of the Respondent No.5 who has substantially invested in the subject property. He further submitted that the Respondent No.4 ought to have notified the Respondent No.5 and offered them a hearing before passing the Order permitting the conversion of the land to Occupancy Class-I. He submitted that even the Government Notification dated 14th July, 2021 provides that lands which are used for essential services, such as petrol pumps, ought not to be converted into Occupancy Class-I.

23) The learned counsel submitted that the Petitioners had also committed several breaches of the terms and conditions of allotment by using the subject land for running a garage, motor parts shops and clinic, which were contrary to the Government Memorandum dated 12th September, 1990. He submitted that the

Revisional Authority had rightly noted that the Conversion Order dated 20th April, 2021 was passed without verifying Petitioners adherence to the provisions of the Conversion Rules of 2019, thereby rendering the Order unsustainable. He submitted that the Revisional Authority had taken into account of relevant factors including the original terms of allotment, statutory provisions, Government Notifications, prior orders and larger public interest and taken a view that was not only reasonable but also sustainable in law, and therefore, did not warrant any interference under Article 226 of the Constitution of India.

24) He further submitted that, if the Revisional Authority's Order dated 5th June, 2025 was set aside, there is no assurance that the subject property would continue to be used as a petrol pump, thereby defeating the very object of the original allotment. He relied upon the following judgments in support of his submissions:-

i) Lachmeshwar Prasad Shukul and Ors. vs. Keshwar Lal Chaudhari[6]

ii) Lakshmi Narayan Guin & Ors. vs. Niranjan Modak[7]

iii) Beg Raj Singh vs. State of UP[8].

[6] 53 L.W. 373 (FC)
[7] (1985) 1 SCC 270
[8] (2003) 1 SCC 726

25) He further submitted that in view of the afore-stated facts, the Petition was devoid of any merit and it had failed to demonstrate any illegality, perversity or jurisdictional error in the impugned order passed by the Revisional Authority. Consequently, it deserves to be dismissed.

Submissions of Respondent No. 1 to 4 (State)

26) Ms. Usha Rahi, the learned AGP appearing for Respondent Nos.1 to 4 supported the contentions of Respondent No.5. She submitted that the Petitioners rights must be tested strictly within the framework and terms and conditions of the lease bid dated 5th October, 1993. She took exception to Petitioner Nos.2 to 4, having been joined as Petitioners in the Writ Petition as they had no privity of contract with Respondent No.1 to file the present Writ Petition. She laid emphasis on the terms and conditions of the lease as well as the sub-lease dated 14th May, 2003 whereby the Respondent No.4 granted NOC to the Petitioner No.1 to sub-lease the subject property in favour of Respondent No.5.

27) She submitted that the Government Resolution dated 14th July, 2021 was a subject matter of a separate Writ Petition and was pending adjudication. It was therefore not appropriate for the

Petitioners to indirectly assail the same in the present proceedings without obtaining relief in that Petition.

28) She laid emphasis on the requirement of engaging a handicap person in running the petrol pump as it formed integral part of the allotment scheme. She relied upon the show cause notice dated 8th February, 2011, which indicated that the Petitioners had violated the terms and conditions of the Government Memorandum by not employing any handicap or disabled person at the petrol pump. She relied upon the Petitioners reply dated 1st March, 2011, to submit that, the letter itself demonstrated the non-compliance. She submitted that the documents attached to the Petitioners communication revealed that the Petitioner No.1 had attempted to deal with the subject land by offering space to various third party's institution such as FPH, Haji Ali, NASEOH Chember, Equal Opportunities Chembur, Dhishu Kalyan Kendra, Andheri and Sanskardham Vidyalaya, Goregaon and Dignity Foundation, Topiwala Lane, Mumbai, and had facilitated operation of a medical centre by his son on the subject land.

29) She submitted that, such conduct of the Petitioner amounted to clear violation of the terms and conditions of the

lessee. She relied upon the material on record to submit that besides a petrol pump, the Petitioner No.1 had put up additional construction such as a garage and motor parts sales shop and also sub-let the said premises thereby constituting a breach of the lease contentions. She submitted that in the Revision Proceedings initiated by Respondent No.3 namely Revision Application No.2622/CR28/G-3 dated 12th October, 2022, specific grounds were raised that such category of lease granted on lease were not covered under the Notification dated 8th March, 2019. In their replies dated 15th October, 2022 and 8th November, 2022 the Petitioners had admitted the land being used for commercial purposes and for conducting a private business of sale of petrol products. She submitted that the Petitioner admitted justifying the activity as permissible falling under the essential services. She submitted that the Petitioners were also in breach of lease conditions by converting a proprietary concern into the partnership firm without obtaining permission from Respondent No.1.

30) She relied upon the Government Resolution dated 14th July, 2021 to submit that lands allotted for essential services cannot be converted from Class-II or leasehold category into Class-

I and that the subject land squarely falls within the ambit of policy and could not have been converted.

31) She submitted that in view of the afore-stated facts, the Petitioners had failed to make out any case for interference with the order of the Revisional Authority under Article 226 of the Constitution of India and the Petition was accordingly liable to be dismissed.

Reasons and Conclusion:

32) I have heard the learned senior counsel Mr. Jahagirdar, learned senior counsel Mr. Girish Godbole appearing for the Petitioners, learned senior counsel Mr. Pankaj Savant, appearing for Respondent No.5 and Ms. Usha Rahi, AGP, appearing for Respondent Nos.1 to 4. I have also carefully perused the entire record. Two questions that arise for determination in the present Petition are as follows:-

(a) Whether the concerned Authority could apply the Government Resolution dated 14th July, 2021 retrospectively so as to invalidate and set aside the conversion order passed prior to the issuance of the Government Resolution? and

(b) Whether the Respondent No.5, being a sub-lease, has

any locus standi to prefer a Revision Application before the concerned authority for challenging the conversion order whereby the leasehold lands allotted to the Petitioners was converted to Occupancy Class-I land?

Re: Question (a): Retrospective application of the GR

33) I find merit in the submission of the learned senior counsel Mr. Jahagirdar appearing for the Petitioners that, the Government Resolution dated 14th July, 2021 is merely an executive instruction and cannot be applied retrospectively; it must necessarily be read as operating only prospectively. A perusal of the Government Resolution dated 14th July, 2021 bears testament to this submission and proposition to be operating only prospectively from the wordings stated therein. In the introductory paragraph, the Government Resolution states as under:-

> "Accordingly, the Government premises provided to companies/institutions/individuals for essential services (e.g. petrol pump/CNG Gas etc.), if converted for other purposes in the future, the intention of the Government to provide the premises for that purpose and thus public interest will not be achieved and the public will be

inconvenienced and the revenue of the Government will be lost."

In the paragraph with the heading "*Government Decision*" :

"Occupiers of Government premises provided for any such essential services in accordance with the continuous use of land/plot provided by the Government to various institutions, Central and State Government departments, Corporation, individuals for providing public conveniences, facilities and essential services cannot be converted from Class-II/into occupier Class-I in lien of the lessee. Also, henceforth, while allotting land for essential services, this condition should be clearly mentioned in the land allotment order."

34) The expressions "in the future" and "henceforth" negate the submissions of the Respondents that, it reflects a binding policy decision to be effected retrospectively. Consequently, the reliance on the Government Resolution by the Revisional Authority to the Petitioners case is unsubstantiated and unwarranted.

35) The reliance placed upon the judgment in *Vanshakti* (supra) clearly applies to the present case. The Conversion Rules

of 2019 framed under the MLRC, set out the eligibility conditions, procedure and consequences of conversion of leasehold lands to Occupancy Class-I. It does not contain any restriction on conversion of lands that are being used as petrol pumps.

36) The restriction upon the conversion of lands set out in the Government Resolution dated 14th July, 2021 is introduced for the first time. Since this restriction does not find any place in either the MLRC or Conversion Rules of 2019, it is nothing else but purely an executive policy decision. Therefore, the contention that the executive decision should be effected retrospectively and thereby modify the conversion order would be wholly untenable. It is a well settled principle of law that all executive decisions operate prospectively unless expressly stated. The Government Resolution dated 14th July, 2021 does not expressly state that it will operate retrospectively.

37) The reliance placed on *Suchitra Component Ltd.* (supra) that, an order which was valid and lawful when passed cannot be invalidated by subsequent change in policy, supports the aforesaid view. It evident from the report that the Conversion Order dated 20th April, 2021 was passed by the Competent Authority namely the Collector under the Conversion Rules of 2019 in accordance

with the law. The order is therefore not open to challenge as there were no restrictions or policy decision of the Government at that time.

38) I find no merit in the contention of Respondent Nos.1 to 4 that the Conversion Rules of 2019 do not apply to the present case. No material is placed before this Court to show that the Conversion Rules of 2019 would not be applicable to the present case. I find merit in the submission of the Petitioners counsel that any holder of land is entitled to get the leasehold land converted into the Occupancy Class-I after completion of 5 years of lease.

39) In the present case, the Petitioners were lessees of the subject property for nearly 30 years and consequently were entitled to its conversion. I also cannot ignore that, pursuant to the Conversion Order, the Petitioner No.1 has paid a substantial premium of Rs. 6,39,79,790/-. Such payment has crystallized his right to ownership over the subject property much prior to the Government Notification. The reliance placed on the decision in *Uday Pratap Singh* (supra), for the proposition that the vested right in the property cannot be taken away by an executive order without authority of law, will squarely apply to this case.

Re Question (b): Locus standi of Respondent No. 5

40) With regard to the locus standi of Respondent No.5, I find merit in the submission of the Petitioners counsel that, the issue of conversion from leasehold rights to Occupancy Class-I is a matter between the lessor namely the State and the lessee namely the Petitioner. The sub-lessee namely the BPCL will have absolutely no right, title or interest in the subject property. The terms of sub-lease dated 14th May, 2003 revealed that, Respondent No.5's interest is only limited to the structures constructed on the subject property. The terms and conditions of the sub-lease expressly provide that the acts of direct payment of rent on behalf of the Petitioner will not confer any special right or any right whatsoever on the sub-lessee namely the BPCL. Even the Collector's Order dated 2nd June, 2001 whereby permission to sub-lease was granted in favour of Respondent No.5 (BPCL) expressly provided that, the permission granted for sub-leasing the subject property will not give any right in the subject property to Respondent No.5.

41) The record further reveals that the sub-lease in favour of the Respondent No.5 (BPCL) had expired on 11th September, 2020. The Conversion Order was, however, passed much later on 20th

April, 2021. It is therefore clear that, on the date of passing of the Conversion Order, the sub-lease in favour of the BPCL had already expired. I find no merit in the contention that the Respondent No.5 continued to be a sub-lessee by holding over. The Respondent No.5's interest is limited to the structures on the subject property. The communications addressed by the Petitioner with the Respondent No.5 also reveal that, the Petitioners had informed the Respondent No.5 that, he did not wish to renew the sub-lease in favour of the Respondent No.5. In fact, the Petitioner had requested the Respondent No.5 to convert the petrol pump from 'A' site (company owned) to 'B' site namely dealer owned.

42) In the aforesaid circumstances, I find merit in the contention of the Petitioner that, the Respondent No.5 was not continued as a sub-lessee after the expiry of the Agreement and cannot claim rights by holding over.

43) I do not find any merit in the Respondent No.5's contention that the Respondent No.5 was involved and was a party to the proceedings before the authorities as well as the Court and consequently their rights in the subject property have been recognized by not only the authorities but also by the High Court. In my view, the Respondent No.5 supported the Petitioner in the

proceedings before the authorities as well as the High Court since it was contractually obligated to pay the lease rent as per the terms and conditions of the sub-lease agreement. In my view, the participation in proceeding by itself does not give any right, title or interest to Respondent No.5 in the subject property so far as the proceedings for a conversion of leasehold land to Occupancy Class-I proceedings are concerned.

44) The reliance placed on the judgment in *Lakshmi Narayan Guin* (supra), for the proposition that the person who is not formally a party to the proceedings, but whose rights are directly and substantially affected by the Order in such proceedings has locus standi to challenge the same is misplaced in the facts of the present case. The LOI issued by the Respondent No.5 is abundantly clear. It required the Petitioner to procure a suitable plot of land either by purchase or on lease for more than a period of 10 years. The Petitioner No.1 had accordingly opted for land on lease and accordingly entered into an agreement with the Respondent No.5. Thus, the conversion of the land from leasehold to Occupancy Class-I cannot be challenged by the Respondent No.5. In the event, that the agreement to run the petrol pump is not renewed, the Respondent No.5 has a remedy before the Civil

Court to recover the losses or damages, if any, caused to it on account of the investments made by it on the subject property. Respondent No.5, however, can have no right to challenge the Conversion Order itself.

45) The Suo Motu Revision Proceedings initiated by Respondent No.3 is also unwarranted. Record indicates that the same was initiated belatedly after more than 540 days of passing the Conversion Order. The grounds for initiating the same are not substantiated by any previous complaints or breaches that continued till the date of the application for conversion. It appears that the authority has attempted to rake up non-issuance in the Suo Motu Revision Proceedings. The Respondent Nos.1 to 4 have not produced any documentary evidence to prove the continuing breaches by the Petitioner, which by itself would disentitle him for the conversion. On the contrary, the inspection report submitted by the Tahsildar, Andheri, dated 22nd December, 2020 after a physical inspection of the site clearly revealed that, there was no breach of any condition of the lease agreement dated 5th October, 1993.

46) The Revisional Authority established under Section 257 of the MLRC is a supervisory jurisdiction. It does not have plenary

jurisdiction to adjudicate all disputes that may arise between the lessee and the sub-lessee or the civil rights between them. The Revisional Authority cannot adjudicate rights that are required to be established by a Civil Court.

47) In my view, by adjudicating upon the contractual rights between the Petitioner and Respondent No.5, the Revisional Authority travelled beyond its jurisdiction under Section 257 of the MLRC and thereby constituted a jurisdictional error.

48) The reliance placed by Respondent No.5's counsel upon the judgment in *Lachmeshwar Prasad Shukul* (supra) does not assist the Respondent in the present context. The Federal Court was concerned with the question whether a change in law affects pending jurisdictional proceedings. In my view, this judgment has no bearing on whether the Revisional Authority under the MLRC can expand its jurisdiction beyond the limits prescribed by the Statute to adjudicate civil disputes *inter se* between the lessee and the sub-lessee.

49) The record also indicates that, the Revisional Authority relied upon the contentions of the show cause notice and findings which were not based on any independent material or fresh inspection report to raise the allegations made in the show cause

notice. The impugned Order fails to explain the basis on which the notice was issued, especially when the Tahsildar's inspection report dated 22nd December, 2020 was on the record. Moreover, the said Tahsildar's inspection report was not contradicted by any subsequent inspection of the subject property or any evidence to substantiate the allegations in the show cause notice.

50) In my view, the suo motu action and entertaining of the Intervention Application or Revisional Application by the Respondent No.5 is thoroughly misplaced and clearly an afterthought. I also do not find any merit in the contention that, the proprietary concern was converted to a partnership without the permission from the concerned authority. There is no material on record produced by the Respondents to demonstrate that, the formation of the partnership resulted in any sort of transfer or assignment of the leasehold interest in the subject property by the Petitioner No.1. No documentary evidence is produced to show that any authority had raised any of the objections and had taken action either against the Petitioner No.1 for breaches or against the concerned authority for having failed to take action for any alleged breach against the Petitioner No.1. I also find no merit to remand the matter to the Collector, as Respondent No.5 has no

locus to be heard.

51) For the reasons set out herein-above, the impugned common Order dated 5th June, 2025 passed by the Respondent No.2 in Suo Motu Revision Application No2622/CR28/G-3 and in Revision Application No. 2623/10/966/CR12/G-3 is hereby quashed and set aside.

52) The Conversion Order dated 20th April, 2021 passed by the Collector, Mumbai Suburban District, converting the subject property admeasuring 1127 sq. mts. at Village Versova, Taluka Andheri, on plot No.5, City Survey No.161, Mumbai Suburban District from leasehold occupancy to Occupancy Class-I in favour of Petitioner No.1, is hereby restored and shall be treated as valid and subsisting.

53) Petition is allowed and Rule is made absolute in the above terms.

54) There shall be no order as to costs.

(KAMAL KHATA, J.)

55) At this stage, Mr. Vikrant Parshurami, learned AGP appearing for Respondent Nos. 1 to 4 - State and Mr. Pankaj

Savant, learned Senior Advocate for Respondent No.5, seeks stay of the Order.

Ms. Aneesha Munshi, learned Advocate for the Petitioners opposed the grant of stay.

In view of what is stated in the Order, stay is rejected.

(KAMAL KHATA, J.)

List of Judgments Relied upon:

1) Vanshakti & Anr. Vs Union of India & Ors. 2024 SCC Online Bom 3061
2) Uday Pratap Singh & Ors. Vs State of Bihar & Ors. 1994 Supp (3) SCC 451
3) Suchitra Component Ltd. Vs Comissioner Central Excise, Gunter 1994 Supp (3) SCC 451
4) Ananta Landmarks Pvt. Ltd. vs. State of Maharashtra & Anr. (2022) SCC OnLine Bom 1199.
5) MTNL vs. State of Maharashtra (2013) 9 SCC 92.
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7) Lakshmi Narayan Guin & Ors. Vs Niranjan Modak (1985) 1 SCC 270
8) Beg Raj Singh Vs State of UP (2003) 1 SCC 726