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

+ LPA 809/2024

VINAY KUMAR AGGARWALAppellant

Through: Mr. Ajay Kumar Tandon, Advocate

Versus

UNION OF INDIA & ANR.Respondents

Through: Ms. Manisha Agrawal Narain, CGSC
for UOI.

+ LPA 813/2024

SHRI SUBHASH KUMAR JAIN & ANR.Appellants

Through: Ms. Swati Aggarwal, Advocate.

Versus

UNION OF INDIA & ANR.Respondents

Through: Ms. Ritu Reniwal, SPG with Mr.
Kamal Vashisht, GP for UOI

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Date of Decision: 21.08.2025

CORAM:

HON'BLE THE CHIEF JUSTICE

HON'BLE MR. JUSTICE TUSHAR RAO GEDELA

J U D G E M E N T

TUSHAR RAO GEDELA, J: (ORAL)

1. The present Letters Patent Appeals have been filed assailing the judgment dated 31.05.2024 (hereinafter referred to as '*Impugned Judgment*') passed by the learned Single Judge in W.P.(C) 6937/2013 and W.P.(C) 13812/2023 whereby the learned Single judge held that the properties bearing Municipal nos.1/12, 1/13 and 1/14, M.M. Road (now Rani Jhansi



Road), Delhi are a single unit in the records of the Land & Development Office (hereinafter referred to as '*respondent no.2/L&DO*') and the appellants were required to apply jointly for their conversion from leasehold to freehold as per the Master Plan and other rules and regulations.

2. The facts germane to the present appeals, shorn of unnecessary details and culled out from the writ petition, are as under:-:

a) A perpetual lease deed dated 31.10.1931 was executed between the Secretary of State for India in Council (Lessor) and Banwari Lal Panna Lal Contractors (Lessee) in respect of the subject plot with effect from 12.01.1928. The plot was divided and one-third share was given to Lala Lakshmi Chand s/o Banwari Lal, who thereafter gave his one-third share to his son Vinay Kumar (appellant in LPA 809/2024) through Will dated 06.09.1956.

b) Vinay Kumar sold the property bearing Municipal nos.1/12 and 1/13, 1, M.M. Road (now Rani Jhansi Road), New Delhi to Prem Kumar Jain (Since deceased and represented by his LR namely Urmila Jain, appellant no.2 in LPA 813/2024), Raj Kumar Jain, Padam Kumar Jain, Subhash Kumar Jain (appellant no.1 in LPA 813/2024) *vide* registered Sale Deed dated 27.04.1963.

c) Thereafter, Raj Kumar Jain and Padam Kumar Jain sold their respective shares in the property bearing Municipal nos.1/12 and 1/13 by way of registered Sale Deed dated 10.12.1970 to Subhash Jain and Prem Kumar Jain, in whose names the said property was mutated in the records of Municipal Corporation of Delhi (MCD) *vide* mutation letter dated 24.07.1985 issued by MCD.



- d) Thereafter, Subhash Kumar Jain and Prem Kumar Jain filed an application dated 11.01.2011 to the respondent no.2/L&DO for mutation of title of property bearing Municipal nos.1/12 and 1/13 in their names.
- e) On 03.02.2011, Vinay Kumar filed a conversion application bearing Application no.105455 for conversion of the property bearing Municipal no.1/14 from leasehold to freehold along with a Challan dated 03.02.2011, containing details of payment of Rs.6,36,400/- with regard to the said conversion.
- f) Thereafter, on 11.04.2011 respondent no.2/L&DO issued an inspection notice to the appellants for inspection of the subject properties bearing Municipal nos.1/12, 1/13 and 1/14, 1, M.M. Road (now Rani Jhansi Road), New Delhi. Thereafter, respondent no.2/L&DO issued breach notice dated 12.07.2011 to the appellants, to remedy the breaches before exercising re-entry powers for unauthorized construction/misuse of the subject plot.
- g) *Vide* reply dated 20.07.2011, Vinay Kumar informed the respondent no.2/L&DO that there was no unauthorized construction or encroachment or re-entry in the appellant's property bearing Municipal no.1/14 and further requested respondent no.2/L&DO to process his conversion application dated 03.02.2011. Whereas, *vide* reply dated 09.08.2011 and 22.12.2011, Subhash Kumar Jain and Prem Kumar Jain informed the respondent no.2/L&DO that they had already applied for mutation of title of property bearing Municipal nos.1/12 and 1/13 in their names and requested to mutate the said plot in their favor since it has already been done in the record of MCD.



- h) In the year 2012, Subhash Kumar Jain and Prem Kumar Jain had filed an indemnity bond dated 06.09.2012 and undertaking before respondent no.2/L&DO for the conversion of property bearing Municipal nos.1/12 and 1/13 from leasehold to freehold. Thereafter, Subhash Kumar Jain and Prem Kumar Jain also filed a conversion application bearing no.103335 dated 12.09.2012 and deposited a fee of Rs.60,000/- as a conversion charge for leasehold into freehold to the respondent no.2/L&DO.
- i) Thereafter, the respondent no.2/L&DO issued another inspection notice dated 19.09.2012 to Vinay Kumar for inspection of the subject plot and deputed Mr. Jai Bhagwan, Surveyor to inspect the said premises on 19.10.2012. In response thereof, Vinay Kumar *vide* its reply letter dated 06.10.2012 clarified that he did not own property bearing Municipal nos.1/12 and 1/13 as they had been sold 50 years back by the way of sale deed in 1963.
- j) Thereafter, the respondent no.2/L&DO issued a letter dated 01.01.2013 intimating the appellants that a Mutation Application had been received from Subhash Kumar Jain and Prem Kumar Jain in respect of properties bearing Municipal nos.1/12 and 1/13, and that as per the records of the respondent no.2/L&DO, the property bearing Municipal nos.1/12, 1/13 and 1/14 had been taken as a single unit and shall only be considered for withdrawal of re-entry and other purposes if they apply jointly.
- k) Being aggrieved by the aforesaid actions, orders and communications of the respondent nos.1 and 2 in not converting the properties of the appellants from leasehold to freehold, the



appellants preferred W.P.(C) 6937/2013 and W.P.(C) 13812/2023 before this Court.

1) *Vide* the impugned judgment dated 31.05.2024, the learned single Judge upheld the decision of the respondent no.1 and 2 in not converting the subject plots from leasehold to freehold and consequently, dismissed the petitions by the common impugned judgment. Hence, the present appeals.

3. We have heard the learned counsel for the parties, perused the impugned judgment and scrutinized the records of the case.

4. It is the admitted case of the parties that *vide* the lease deed dated 31.10.1931, the subject plot was given on lease to one M/s. Banwari Lal Panna Lal Contractors. Consequently, subject properties were constructed on the said plot of land. It appears that the building which is constructed was a double-story building that is quarter no.4, bearing Municipal nos.1/12, 1/13 and 1/14. The present appellants are the legal heirs of the original lessee which fact is not denied. It appears that *vide* the registered sale deed dated 27.04.1963, Mr. Vinay Kumar sold property bearing Municipal nos.1/12 and 1/13 to Prem Kumar Jain, Raj Kumar Jain, Padam Kumar Jain, Subhash Kumar Jain, retaining property bearing Municipal no.1/14. The intimation of such sale was also tendered to the respondent no.2/L&DO which was received by the department on 10.05.1963. There is no denial by the respondents that such intimation was indeed received by the respondent no.2/L&DO.

5. In the interregnum the respondent no.2/L&DO appears to have floated a policy in 2003, namely, "Conversion from Leasehold into Freehold" (hereinafter referred to as "*the Policy*") offering an opportunity for conversion of leasehold plots to freehold in the name of the



occupier/occupants/lessees on payment of certain charges. Pursuant thereto the appellants appear to have submitted an application dated 03.02.2011 (conversion application of Vinay Kumar) and an application dated 12.09.2012 (conversion application of Subhash Kumar Jain and Prem Kumar Jain) for conversion of the subject plot from leasehold to freehold, under the aforesaid policy. Undeniably, a sum of Rs. 6,36,400/- (Vinay Kumar) and Rs.60,000/- (Subhash Kumar Jain and Prem Kumar Jain) were also deposited by the appellants under the head of charges payable for such conversion. *Vide* the letter dated 01.01.2013 the appellants were informed about the rejection of the application on the basis that, (i) in the records of the office of the respondent no.2/L&DO, unit nos.1/12, 1/13 and 1/14 have been taken as a single unit; and (ii) according to the procedure, conversion if any, would be considered after withdrawal of re-entry and other purposes, only by treating the whole premises as a single unit. Based thereon the appellants were requested to apply jointly for withdrawal of re-entry and other purposes.

6. From the records available, it appears that there were a number of correspondences including show-cause notices issued for alleged “misuse of leased lands” which were issued after the application for conversion were submitted by the appellants. The correspondences also revealed that the appellants had individually informed that there was no misuse or unauthorized construction or encroachment on account whereof the respondents could threaten re-entry. There is nothing on record to show as to whether the notices regarding alleged misuse and the threat of re-entry, ever reached their logical conclusion. The respondent no.2/L&DO has failed to place on record even a single document to show as to whether any order was indeed passed on the said show-cause notices. In the absence whereof, the



question of withdrawal of re-entry, mandated as a pre-condition for conversion *vide* the rejection letter dated 01.01.2013, appears to be non-existent. Obviously, if the competent authority of the respondents had conducted proceedings for affecting re-entry and had passed any such order thereon, the same would have not only been available but also would have been filed on record. On a pointed query, learned counsel for the respondent no.2/L&DO is unable to provide any satisfactory answer at all. Thus, the issue of conversion of the subject plot from leasehold to freehold being conditional upon withdrawal of re-entry loses its relevance and pales into insignificance.

7. With respect to the objection of the respondent no.2/L&DO regarding the subject plot being considered as a single unit is concerned, no document has been placed on record by the respondent to indicate any such intention which could have been gathered from the recitals of such document. In this regard, the only document which is available on record is the lease deed dated 31.10.1931. Learned counsel for the appellant had brought to our notice sub-clause 11 of Clause 2 of the said lease deed which reads thus:

“(11) The Lessee will upon every assignment, transfer or sublease of the said premises hereby demised or any part thereof and within one calendar month thereafter deliver a copy of the deed of assignment, transfer or sublease to the Lessor or the Chief Commissioner of Delhi, and all such assignees, transferees and sub-lessees shall be bound by all the covenants and conditions herein contained and be answerable in all respects therefore.”

Perusal of the said sub-clause makes it clear that the lessee was entitled to assign, transfer or sub-lease the said property or any part thereof subject to delivering a copy of such deed of assignment, transfer or sub-lease to the lessor or the Chief Commissioner of Delhi. The delivery of such document was meant to bind such assignees, transferees and sub-lessees to



all covenants and conditions contained in the said lease deed. What can be gathered from the said sub-clause is that there was no prohibition placed upon the lessee from transferring or assigning the whole of the premises or any part thereof to a third party, subject only to intimation being given to the respondent no.2/L&DO of the document of such assignment or transfer.

8. In the present case, undoubtedly, the sale deed dated 27.04.1963 was submitted to the respondent no.2/L&DO on 10.05.1963 which was within 30 days of the execution of the sale deed dated 27.04.1963. *Ex facie*, sub-clause (11) of Clause 2 was complied with, in letter and spirit, by the appellants.

9. On a query, learned counsel for the respondent no.2/L&DO has fairly and candidly admitted that the perpetual lease dated 31.10.1931 did not contain any covenant prohibiting either sale or any condition where the subject premises would be treated as a single unit. In the absence of such specific prohibition or a bar or even a covenant treating the subject premises as a single unit, the rejection *vide* the letter dated 01.01.2013 of the application seeking conversion of the subject premises from leasehold to freehold, is unsustainable and is liable to be set aside.

10. No other argument or any document which would impede the setting aside and quashing of the impugned letter dated 01.01.2013 was addressed or shown to this Court. Resultantly, the rejection letter dated 01.01.2013 is hereby quashed and set aside.

11. The respondent no.2/L&DO is directed to process the application of the appellants seeking conversion from leasehold to freehold of the respective portions in their own names within six weeks from today. Ideally, for such delay and procrastination on the part of the department we should have imposed exemplary cost, however, we refrain from doing so.



2025:DHC:7315-DB



12. The appeals are allowed in above terms. Pending applications, if any, are disposed of accordingly.

TUSHAR RAO GEDELA, J

DEVENDRA KUMAR UPADHYAYA, CJ

AUGUST 21, 2025/*rl*