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

WRIT PETITION NO. 3155 OF 2026

M/s. SMS Limited

... Petitioner

vs.

The Municipal Corporation of
Greater Mumbai & Ors.

... Respondents

.....

Mr.Karl Tamboly with Mr.Zahan Setalvad and Mr.Atharva Salvi for the
Petitioner.

Ms.Madhavi Nalluri with Ms.Oorja Dhond for Respondent Nos. 1 to 3-
Municipal Corporation.

Mrs. Rita Joshi, AGP for Respondent No.4, the State.

Mr.Sachin Hanamdar, Assistant Engineer (Roads and Traffic) is present.

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CORAM : RAVINDRA V. GHUGE, ACJ
&
GAUTAM A. ANKHAD, J.

DATE : 17 JULY, 2026

P.C.:

1. **Issue notice** to the Respondents, returnable on 18.08.2026.

The matter to be listed in the urgent supplementary board.

2. The learned Advocate waives service of notice on behalf of
Respondent Nos. 1 to 3, the Municipal Corporation and the learned AGP
waives service of notice on behalf of Respondent No.4, the State.

3. The grievance of the Petitioner is that his contract and the work order received by him have been abruptly stopped, and the work has now been brought to a standstill. He has already initiated arbitration proceedings with regard to the same. He further submits that the State is now in the process of issuing a fresh advertisement by modifying the project.

4. The learned Advocate for the Petitioner submits that, the Petitioner has already initiated arbitration proceedings, considering the huge loss suffered by him.

5. In such matters, we find that authorities like a Corporation or State instrumentalities or sometimes even the State, cancel a project midway through, or there is a stop-work notice, etc. This causes tremendous loss to the State Exchequer in view of the part progress of the project. The added loss is that the affected party moves, either for arbitration or for damages, before the appropriate forum. If such damages are awarded on account of the illegal acts of cancellation of projects or termination of projects abruptly/ midway, such compensation or damages are paid from the taxpayers' money.

6. We find that, in such situations where certain officers are responsible for such decisions of illegal cancellation of projects midway through and that results in the payment of damages, the time has come to hold such officers personally liable to pay such damages from their salary accounts because the taxpayers are not at fault when such illegal decisions are taken by authorities who are in seat of power.

7. The learned Advocate for the Municipal Corporation informs us that the Municipal Corporation was not inclined to stop the project which had already been undertaken by the Petitioner, who had already made a headway into the project, and the construction had been carried out up to the plinth level. The Municipal Corporation has also requested the State Government to accord permission for proceeding with the project from the stage at which it was paused and that the project be completed. The State is yet to take a decision. The communications dated 12.07.2024, 24.10.2024 and 21.03.2025, would indicate that the Municipal Corporation was inclined to proceed with the project. She further submits that a meeting was held between the Petitioner and the Municipal Corporation on 24.04.2026, and it was

resolved to once again request the State to permit the completion of the project which had been awarded to the Petitioner.

8. We grant leave to the Petitioner to amend the Petition in view of the information received by the Petitioner that the Municipal Corporation would now be floating a fresh tender for certain public works in relation to the Mumbadevi Temple, which may include even the work allocated to the Petitioner. The Petitioner, therefore, desires to amend the Petition. Leave to amend is granted if the Petitioner notices that the new tender also includes the parking project site which has been allocated to the Petitioner. Amendment to be carried out within one week. The amended Petition shall be served upon the Respondents.

9. In view of the above, the Municipal Corporation as well as the State Government would file their affidavits in reply, on or before 07.08.2026, with copies to be served upon the Petitioner, urgently.

(GAUTAM A. ANKHAD, J.)

(ACTING CHIEF JUSTICE)