



**SLUM REHABILITATION AUTHORITY**  
BEFORE THE CHIEF EXECUTIVE OFFICER,  
SLUM REHABILITATION AUTHORITY

Suo-moto proceeding

1. Dr. Ambedkar CHS Ltd.  
Ground Floor, Asmita Apartment,  
Dr. Ambedkar Road, Khar (W),  
Mumbai - 400 052

2. M/s. Lok Housing & Construction Pvt. Ltd.  
Lok Bhavan, Lok Bharti Complex,  
Marol Maroshi Road, Marol,  
Andheri (E), Mumbai- 400 059

3. Krantisurya Dr. Babasaheb Ambedkar CHS (Prop.)  
9/114, 1<sup>st</sup> Floor, New Pali, Dr. Babasaheb Ambedkar Marg,  
Khar (West), Mumbai 400 052



... Parties

... Intervener

ORDER  
(Passed on 16.10.2018)

The present suo-moto proceeding is initiated by the SRA, pursuant to the order dated 07.02.2013 passed by the Hon'ble High Court in Appeal From Order bearing No.1019 of 2010. In the said Petition the Hon'ble High Court has observed that, when the Slum Rehabilitation Projects which are undertaken by Statutory Authority with enormous Statutory Powers, they must ensure timely completion of project by appropriate intervention. In the present case the Party No.2 i.e. M/s. Lok Housing & Construction Pvt. Ltd has submitted the S.R. Scheme on plot of land bearing CTS No. E- 86/14A & B and E- 86/15A & B of Village Bandra, Taluka - Andheri for Party No.1 i.e. Dr. Ambedkar CHS Ltd on 04.03.1999. The Annexure II in respect of said S.R. Scheme is issued by the Competent Authority on 16.09.1998. On the basis of Annexure II, the SRA has issued permissions to the Party

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19-10-18

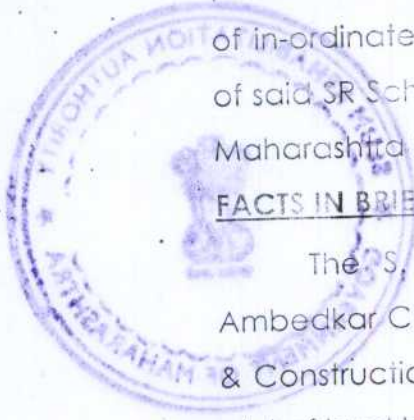
No.2. But Party No.2 did not started further construction since last permission obtained from SRA on 21.03.2011. Therefore, on the ground of in-ordinate delay caused by the Party No.2 while implementation of said SR Scheme, the present proceeding is initiated u/s 13(2) of the Maharashtra Slum Areas (I, C & R.) Act, 1971.

**FACTS IN BRIEF:**

The S. R. Scheme proposal for Party No.1 Society i.e. Dr. Ambedkar CHS Ltd. was submitted by Party No.2 i.e. M/s. Lok Housing & Construction Pvt. Ltd. and the same was accepted by SRA on the plot of land bearing CTS No. E- 86/14A & B and E-86/15A & B of Village Bandra, Taluka - Andheri, for implementation of the Scheme for Party No.1. The said plot of land is owned by the Government. The Competent Authority i.e. the Additional Collector (Enc. & Rem.), has issued certified Annexure-II on 16.09.1998 for 602 slum dwellers out of which 400 slum dwellers were held eligible. The Supplementary Annexure-II was issued by the Secretary/SRA and 108 additional slum dwellers were held eligible in original Annexure II. On the basis of the said certified Annexure-II, LOI was issued on 14.06.1999 as per then prevailing policy residential rehab tenements each having carpet are 225 sq. ft. was proposed. IOA for Rehab Building No.1 was issued on 14.06.1999, IOA for Rehab Building No.2 was issued on 17.10.2001 & IOA for Rehab Building No.3 was issued on 21.03.2011 & IOA for Rehab Building No.4A was issued on 14.01.2004 and other permissions were also granted.

On the ground of in-ordinate delay caused by the Party No.2 while implementation of said SR Scheme, hearing notice dated 24.05.2018 u/s 13(2) of the Slum Act was issued against the parties to remain present on 05.06.2018. The matter was heard on 05.06.2018, 25.07.2018, 13.08.2018, 23.08.2018 and 30.08.2018.

**HEARING:**



Shri Vaibhav Diwakar More, President of Party No.1 alongwith other members were present. Adv. Bhupesh Ghumatkar appeared on behalf of Party No.2. During the hearing held on 23.08.2018, the CEO/SRA has directed the Party No.2 to personally remain present to explain as to how many premises were completed for rehabilitation component. Inspite of the said direction Party No.2 on 30.08.2018 remained absent. Advocate for Party No.2 argued the matter and matter was closed for order.

**AGRUMENT OF PARTY NO.1 VIZ. DR. AMBEDKAR CHS LTD.**

The Party No.1 has submitted written submission on 24.07.2018 and stated that, the said project is being implemented since the year 1996 & for last 21 years the project is stands still. The Party No.1 entered into Development Agreement in the year 1978 under the SRD Scheme and the same is converted into SRA. Since lapse of more than 21 years the Party No.2 has not even completed 50% work of the said project. The said Development Agreement is expired in the year 2013. The party No.2 for the last 18 years not tried to decide the eligibility of the slum dwellers. The 5 Rehab Building constructed under the said scheme are of inferior quality and with lots of defects. The Party No.2 has not obtained Occupation Certificate for any of the Buildings. Party No.2 has not taken any step for getting eligibility of the slum dwellers even after shifting of slum dwellers for last so many years and he has nor bother to pay the rent compensation to slum dwellers. The terms and conditions of the Agreement are also not complied by the Party No.2. The Party No.2 have failed to pay property tax, maintenance charges, light bill, water charges, lift maintenance bill etc. for the Rehabilitation Building.

The Party No.2 failed to deposit Rs.20, 000/- per tenements before SRA. Party No.1 submitted that Party No. 2 also failed to stop encroachment on the vacant land. Party No.2 also did not take any

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steps for eligibility as new cut off dated 01.01.2000 and also did not proceed for the approval of area of the tenements adm. 269 Sq. ft or 305 Sq.ft.

The Party No.1 further stated that numbers of Society are waiting for rehabilitation for last 54 years. But till date their rehabilitation is pending and even they did not get proper rent for the party No. 2. Party No. 2 failed to construct the Buddha Vihar, scheme and market as per the Development agreement from last 25 years and he betrayed them. Therefore he is liable for atrocity Act. Party No. 1 further stated that the limitation of the development agreement expired in the year 2013. But Party No.2 developer did not implement the subject S R Scheme even after lapse of the 5 years from 2013. Party No. 1 stated that in view of incapability of financial condition of the Party No. 2 they are not ready to extend the limitation of the development agreement.

Party No. 1 further stated that Party No. 2 constructed Sale building before the constructions of the rehab building and without Occupation Certificate, created third party right in the sale component.

The Party No.1 have submitted copies of communicated letters to the Party No.2 and requested to terminate the appointment of the party No.2 as Developer from the said Scheme.

ARGUMENT OF INTERVENER i.e. KRANTISURYA DR. BABASAHEB AMBEDKAR CHS (Prop.)

The intervener by letter dated 13.08.2018 stated that the scheme was submitted by Party No.1 through Party No.2 Developer on the plot belonging to Government of Maharashtra. The LOI was issued in the year 1999. The Party No.2 has constructed 3 rehab and 1 sale building and OC to 3 rehab building was not granted. The rehab



building constructed is of bad quality. Even after lapse of 20 years, 230 to 240 slum dwellers are deprived of their rights of their rehabilitation. The intervener on the various occasions requested the Competent Authority for deciding eligibility of slum dwellers. Therefore, the intervener requested to allow their Application for intervention and terminate the Party No.2 from the subject SR Scheme.

**ARGUMENTS OF PARTY NO.2 VIZ. M/S. LOK HOUSING & CONSTRUCTION PVT. LTD.**

The Party No.2 filed Affidavit in Reply dated 13.08.2018 to the Show Cause notice dated 11.07.2018 issued u/s. 13 (2) of Slum Act. The LOI was issued on 14.06.1999. The Party No.1 entered an agreement dated 19.11.1978 and allowed M/s. L.L. Construction to develop the said property on the terms and conditions contained in the Agreement dated 19.11.1978.

The Party No.2 submitted that M/s. L.L. Construction transferred all their right, title and interest in respect of the said property including the benefits under the Agreement dated 19.11.1978 in favour of Lok Shelters Ltd. Thereafter vide modificatory Agreement dated 01.10.1996 agreed to provide 100 society members two flats each of area 225 sq. ft. as per the slum rehabilitation scheme on ownership basis and free of cost. LOI was issued to Lok Shelters in name of Mr. Shupendra Patrawala, the Architect on 19.06.1999. Lok Shelters began their construction as per the terms of the approved SR Schemes. In the year 2007, Lok Shelter and Party No.2 Developer applied for amalgamation before the Company Court, Mumbai. By an order dated 02.11.2011, the Company Court allow the amalgamation. Pursuant to the said order all the assets and entire Business of Lok Shelters vested upto Party No.2.

The Party No.2 stated that, pursuant to the amalgamation the Party No.1 vide resolution dated 14.11.2007 appointed Party No.2 as



Developer to said Scheme. The said facts were recorded in Supplementary Agreement executed between the Party No.2 and Party No.1. The Party No.2 has also paid Rupees 1 Crore towards the contribution to the Party No.1. The said contribution included Rs.40 Lakhs towards statutory deposit and also provided Rupees 10 Lakhs only as a Bank Guarantee in continuation of the terms agreed dated 19.11.1978 and modificatory Agreement dated 21.10.1996. The said facts are also recorded in the Supplementary Agreement.

The party No.2 stated that, the he had to construct 4 Rehab Building to accommodate around 844 slum dwellers, out of which 602 has been declared eligible in Annexure II. The Party No.2 has already completed 3 rehab Building out of 4 rehab Building and already housed 78% of total number of slum dwellers. The Party No.2 has also made an application to Competent Authority to finalize the Annexure II for the remaining members. Out of the 4 Rehab Buildings the party No.2 has completed construction of Rehab Building No.1 consist of Gr.+4 floors. Rehab Building No.2 consist of Gr.+4 floors, Rehab Building No.3 consist of Gr.+14 floors. Party No.2 has already obtained approved CC upto plinth with respect to Rehab Building No.4 which is the last Rehab Building to be completed.

The Party No.2 has stated that they have accommodated the eligible members in the 3 Rehab Buildings and even obtained the part OC for Rehab Building No.1. The Party No.2 completed construction of 4 Buildings of free sale component out of the 7 Buildings bearing A-1, A-2, A-3 & A-4 and the 3 Buildings bearing A-2, A-3 & A-4 have been fully occupied by the Purchasers. The party No.2 entered into Joint Venture with Rustomjee Builders to further construct the free Sale Buildings No.A-6 & A-7. But in the due course of construction Rustomjee breached the conditions of the Completion Certificate



issued by the Corporation due to which the Authorities stop construction work of A-5 & A-6 Building and the work is now stalled.

The Party No.2 have been paying rent since 2001 and also paying the maintenance charges as per the terms and conditions of LOI. The Party No.2 has invested Rs. 80 Crores till date and have completed and complied with all conditions of LOI dated 14.06.1999. The SRA has also issued revised LOI dated 03.10.2017. SRA admitted the construction of 3 Rehab Buildings and 3 Sale Buildings by the Party No.2.

Party No.2 stated that Commercial Suit (L) No.725 of 2017 has been filed by one Mr. Rajesh Sawlani and another Commercial Suit (L) No.726 of 2017 filed by one Mr. Kiran Sawlani. In the said Suit by an order dated 23.03.2018, the Hon'ble Court has directed the Additional Collector (Enc./Rem.), Khar Bandra to carry out the verification/processing of the pending applications of the 336 persons who have already occupied Buildings to be included in the Annexure for the Party No.1 society and it is clearly recorded in the said order that some of the members have been housed by the Party No.2 Developer in the Rehab Building. Therefore it is clear that the Party No.2 Developer has performed duties and subsequently completed the construction under the approved SR Scheme. The Party No.2 further stated that this clearly shows that there is no delay and default on the part of Party No.2 in implementation of the said SR Scheme. Therefore party No.2 Developer prayed to allow them to continue the construction work and complete the remaining work and no action been taken u/s 13 (2) of the Slum Act.

#### DISCUSSION AND CONCLUSION:

In the present case Suo - Moto cognizance was required to be taken as the scheme has not been completed till date, in which the



LOI was issued in the year 1999 and revised thereafter. For the hearing party no.1, Society was summoned. They have also made grievance for not completing the scheme inspite of passage of more than 20 years.

Krantisurya Dr. Babasaheb Ambedkar was also intervener and place their grievance as to non-completion of scheme for 20 years.

The Developer, party no.2 has been given opportunity to point out how this delay can be justified on his part. The party no.2 has admitted that there was Development Agreement dated 19.11.1978 between party no.1 Society and M/s. L.L. Construction for the development of the said scheme. The present Developer, party no.2 entered into modificationary Agreement dated 21.10.1996 and has undertaken all the responsibilities of the development of the scheme under the Development Agreement dated 19.11.1978. Since then the party no.2 is in implementation of the scheme.

The party no.2 has admitted that, LOI was issued on 19.06.1999. Accordingly to the said Developer 4 Rehab building were to be constructed to accommodate around 844 slum dwellers. Out of these slum dwellers 602 are eligible as per Annexure II. Apparently, the Annexure II was issued in and around 1999. The Developer claims that the rehab building no.1, 2 and 3 are constructed by him. However SRA already issued CC for the same. He has obtained plinth CC for rehab building no.4. He claims that he has already housed 78% of total slum dwellers in those buildings. Considering this aspects it is clear that for such number of long years he has not taken efforts to complete the rehab component of the scheme. He has allowed the slum dwellers to occupy the building only on the basis of part OC for Building No.1. It is an illegal act on his part and it must have been done with intention to avoid to pay rent compensation.



He was entitled to construct 3 sale component buildings. It seems that those buildings have been completed and have sold to the purchaser. Those are occupied by such purchasers. He has also pleaded that he had entered into Joint Venture Agreement with Rustomjee Builders for construction of free Sale Building No. A-6 & A-7 and there is a contravention in construction by said Rustomjee Builders. Stop work notice has also been issued in respect of said buildings. As such there is activity of completion of the sale building and sale tenements from the same obtained CC or OC. This is total illegal act to make the money without fulfilling the obligation of lawful rehabilitation of the slum dwellers.

The Party No. 2 has also pleaded that he has paid Rs. one crores towards the contribution to party no.1 out of which 90 lakhs towards statutory deposit and 10 lakhs by way of Bank Guarantee towards the terms of Agreement dated 19.11.1978 and 21.10.2016. He also claims that he has invested Rs.80 crores for construction. Merely because this expenses and statutory expenses are made, theordinate delay cannot be condoned. His submissions that SRA has issued revised LOI, SRA has admitted construction of 3 rehab and 3 sale buildings. Revision of LOI does not mean issuance of OC or any permission accepting the change of certain parameters as prayed by the Developer.

Considering this factors, it will have to be observed that Developer has not shown any due diligence in completing the scheme, particularly the rehab component. On the other hand, the developer has indulgence to illegal and unwarranted financial games by construction of sale building and sale tenements therein.

All this facts and arguments were consider and operative order was passed and pronounced in presence of party no.1 and



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Advocate of party no.2 on 30.08.2018 and reasoned order is signed today.

ORDER

1. The appointment of Party No.2 Developer i.e. M/s. Lok Housing & Construction Pvt. Ltd. in respect of the S.R. Scheme the plot of land bearing CTS No. E- 86/14A and E- 86/15A of Mauje - Bandra Taluka - Andheri for Party No.1 society viz. Dr. Ambedkar CHS Ltd. hereby stands terminated.
2. The Party No.1 society and it's all eligible members are at liberty to appoint new Developer of their own choice within period of 90 days as per law, rules, regulations and prevailing norms and policy of SRA, to complete the further implementation of subject S.R. Scheme.
3. It was further directed that the legal expenses incurred by the Party No.2 Developer as approved by the Government Valuer to be borne by the newly appointed Developer as per norms of SRA.

Date: 16/10/2018  
Place: Mumbai

Chief Executive Officer  
Slum Rehabilitation Authority

No.: SRA/DYCO/OW/2018/12382  
Date: 19.6 OCT 2018

Copy to:

1. Dr. Ambedkar CHS Ltd. Ground Floor, Asmita Apartment, Dr. Ambedkar Road, Khar (W), Mumbai - 400052.
2. M/s. Lok Housing & Construction Pvt. Ltd. Lok Bhavan, Lok Bharli Complex, Marol Maroshi Road, Marol, Andheri (E), Mumbai- 400059
3. Krantisurya Dr. Babasaheb Ambedkar CHS (Prop.)



9/114, 1<sup>st</sup> Floor, New Pali, Dr. Babasaheb Ambedkar Marg,  
Khar (West), Mumbai 400 052

4. PA to Hon'ble CEO/SRA
5. Dy. Collector (City)/SRA.
6. Dy. Chief Engineer-I/SRA.
7. Executive Engineer (H/W)/SRA.
8. Financial Controller/SRA
9. Jt. Registrar/SRA
10. Information Technology Officer/SRA.
11. Chief Legal Consultant/SRA.

