
IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
INTERIM APPLICATION (L) NO.3924 OF 2025
IN
COMMERCIAL ARBITRATION PETITION NO.136 OF 2022

Shri Saroj Sadan Co. Operative
Housing Soceity Ltd. ...Applicant
Versus
Vini Developers ...Respondent

Mr. Vishal Kanade a/w. Ms. Janhavee Joshi & Mr. Haresh Lulia,
Advocates for Applicant.

CORAM: SOMASEKHAR SUNDARESAN, J.

DATE : APRIL 22, 2025

PC :

1. A Chart indicating the details of the flats allotted to individual members of the Society has been tendered across the bar today. It is marked 'X' for identification and taken on record. On the next date, the allocation of flats to the individual members will be monitored by the Court.

2. Having heard the parties at length, the following order is passed:-

A] Evidently, the Respondent No.1-Developer in the original Petition is in violation of not only a Development Agreement, but also the Consent Terms pursuant to which

the parties had attempted to put an end to their disputes. The amounts payable in terms of the consent terms have not been paid. Such amounts were payable in terms of Clause 10 of the consent terms. The value of the amounts payable under Clause 10 computed as of April 17, 2023 was Rs.1.5 Crores. The Consent Terms also recorded that two unsold Flats, namely, Flat No.701 and 702 admeasuring 300 sq. ft. and 600 sq. ft. carpet area would not be sold and no third-party interest would be crated on them, since they were meant to be the basis of securing the amounts payable to the Applicant-Society;

B] Admittedly, not only is there an default in paying the amounts due under the Consent Terms but also Flat Nos.701 and 702 are admittedly sold by Respondent No.1-Developer;

C] The sale deeds by which the two flats have been sold shall be brought to Court under an affidavit to be filed by Mr. Pritesh Savla, the promoter of the Respondent-Developer no later than ***April 29, 2025***;

D] As stated by Learned Counsel representing the Respondent No.1-Developer, on instructions from Mr. Savla who is present in Court, there is only one last flat, namely, Flat No.803 which is yet to be sold. The Title-Deeds for the said flat shall be deposited in Court no later than ***April 29, 2025*** and the Learned Court Receiver shall take possession of the same. It shall be open to Mr. Savla to negotiate a sale of this flat and bring the draft agreement and conveyance under which such sale is proposed to be finalized for approval by this Court. Upon approval, the Title Deeds would be released

from the Registry of this Court for release to the buyer at the time of registration;

E] This arrangement is meant to secure the amount of Rs.1.5 Crores that was payable by Respondent No. 1 to the Society as of April 17, 2023. Since two years have gone by without any payments being made, interest on such amount shall also have to be paid at the rate of 15% per annum from April 17, 2023 until the date of actual payment;

F] Should such payment with interest up to the date of payment be made, the Title Deeds for Flat No.802 may be released upon satisfaction of this Court that full compliance with the payment obligations has been made, and that the Occupation Certificate in respect of the building has actually been obtained. This condition is being imposed since it is a contention of the Petitioner-Society that statutory dues that are necessary to be paid for issuance of Occupation Certificate are pending. This facet is controverted on behalf of Mr. Savla, and it is stated that no statutory dues are pending and the issuance of the Occupation Certificate is imminent. Should the issuance of the Occupation Certificate be that imminent, it should be easy to obtain it and demonstrate to this Court that it has been issued;

G] The aforesaid arrangement shall continue until the later of: (a) the issuance of the Occupation Certificate; and (b) completion of payments due under the consent terms as further enhanced with interest amount at 15% per annum until the date of payment; and

H] Status-quo obtaining as of today, shall also be maintained in respect of Flat Nos.701 and 702 and “fit-out” possession pursuant to the agreements which they are said to have been given in violation of the Consent Terms shall not be acted upon any further. Needless to say, once the agreements to sell these two flats are tendered before Court as directed above, upon review of the same, appropriate notice may be issued to the counter-parties who are purported to have acquired these flats, for considering what directions may be issued in respect of those flats.

3. This Court is conscious that the original amount payable was in the region of Rs.5 Crores, which was significantly discounted down to Rs 1.5 Crores and that amount due two years ago is yet to be paid. In these circumstances, the interest rate of 15% imposed is more than reasonable, and in fact runs the risk of being perceived as being the license fee payable for violating the Court's orders. Lest such misconception be held, it is clarified that this arrangement would not be a defense while considering any action for contempt. The aforesaid observation is being made to ensure that the Developer fulfills the obligations owed in law and as committed to this Court since it gives the Court no joy to inflict punishment for contempt of Court and the counterparties would rather than be their homes that they have been removed from for a significantly long period of time.

4. List first on *April 30, 2025* to review the status as of that date, and then on *May 7, 2025* for further hearing in the matter.

5. All actions required to be taken pursuant to this order, shall be taken upon receipt of a downloaded copy as available on this Court's website.

[SOMASEKHAR SUNDARESAN, J.]