

JSN

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL SIDE JURISDICTION
COMPANY APPLICATION (L.) NO. 113 OF 2016
IN
COMPANY PETITION NO. 947 OF 2014

Siddharth Baori and 14 others ...Applicants /
Intervenors
And
Maharashtra Savings ... Petitioners
Versus
Mantri Realty Limited and Another ...Respondents

COMPANY APPLICATION (L) NO. 502 OF 2016
IN
COMPANY PETITION NO. 947 OF 2014

Mantri City SADA Residents Welfare Society ...Applicants/
Intervenors
And
Maharashtra Savings ... Petitioners
Versus
Mantri Realty Limited and Another ...Respondents

Mr. Sanskar Marathe, *for Applicant in CAL Nos. 113 and 502 of 2016.*

Mr. Siddharth Murarka, *with Mr. Anil Agarwal for the Petitioners in CP No. 947 of 2014.*

Mr. Onkar Chandurkar, *for the Official Liquidator in the Bengaluru and Gwalior matters*

Mr. Prathamesh Kamat, *for the Official Liquidator in the Solapur and Mumbai matters*

Ms. Yogini Chauhan, *Deputy Official Liquidator present.*
Mr. Sahil Mahajan, *for Mantri Realty Limited for the Respondents.*

CORAM: G.S. PATEL, J
DATED: 7th October 2016

PC:-

1. Mr. Marathe appears for the Applicants in Company Application (L) No. 113 of 2016 and Company Application (L) No. 502 of 2016 in Company Petition No. 947 of 2014. Company Application (L) No. 113 of 2016 is dismissed as withdrawn. Company Application No. 502 of 2016 is partly allowed in terms of prayer clauses (a) and (b). It is kept pending for consideration of the remaining prayers. The Mantri City SADA Residents Welfare Society shall be joined as a formal Respondent No.2 to the Petition.

2. I have over the past few months passed a series of orders relating to projects undertaken by Mantri Realty Limited (“**MRL**”, “**Mantri**”; “**the Company**”), of which the Provisional Liquidator stands appointed, in regard to its various development and construction projects in Bengaluru (two projects), Mumbai, Solapur (two projects) and Gwalior.

3. This order covers the Gwalior project. This project was being undertaken by the Company on a large tract of land admeasuring 71.77 acres obtained under a 30 years lease dated 29th August 2011 from the Special Area Development Authority (“**SADA**”). The entire complex was a residential-cum-commercial development. There was a combination of plots, villas, shops and flats, the latter in

tower residential blocks. There were 268 plot holders, 35 villa purchasers, 36 purchasers of shop or commercial premises, and 66 purchasers of residential flats, making a total of 411 altogether. These persons have come together to form the Mantri City SADA Residence Welfare Society (“**Society**”), which I have just allowed to be impleaded as Respondent No.2.

4. I notice that the Society has not only assessed the work done, but also the costs required to complete the remaining construction. A comprehensive compilation is tendered. This is to be got spiral bound by the Associate. The compilation shows that a bare minimum of Rs.6,52,80,000/- is required to bring the project to a level where it is merely habitable. Complete construction as originally envisaged would entail a cost of nearly Rs.26.5 Crores. The society has worked out the figures and the *pro rata* contribution required from each class of membership. This is included in the compilation from pages 78 to 81.

5. Had the plot owner been an individual, there should have been no difficulty in carrying this proposal further. But the head lessor is a government authority, SADA. The terms of the lease deed are quite clear. The bankruptcy of the Company, or its liquidation are stated to be breaches of the terms of the lease. That lease also required construction to be completed within a specified period, one that has long since lapsed. This is another breach. The lease deed says that on breach, the lease stands terminated and all rights revert to SADA.

6. This is a most unfortunate situation for the investors who have put their savings into the plots, villas, shops or flats. They did so on the basis that the lease would validly continue in MRL's name for the remainder of the term. Now the very basis of the entire project is undermined. The cooperation of SADA is therefore, essential. I have at this stage no reason to doubt that SADA, being a responsible government agency, will not allow innocent purchasers to suffer or their investments to be lost, and will act positively in order to ensure, with whatever changes are reasonably possible, that these investors and the individuals' interests are fully protected and secured.

7. SADA is not before me today. Let the Registry issue notice to SADA returnable on 23rd November 2016. In addition to service through Court, private service by the applicant society is permitted. I expect SADA to depute a responsible officer who can state what is the current position on the ground and identify the person or persons who will be able to take a decision in the matter.

8. Leave also to the Applicant and the Petitioner to apply both the matter treated as part heard, should the need arise.

(G. S. PATEL, J.)