

**BEFORE THE MAHARASHTRA
REAL ESTATE REGULATORY AUTHORITY, MUMBAI**

Virtual Hearing held through video conference as per
MahaRERA Circular No.: 27/2020

REGULATORY CASE NO. 325 OF 2025

PROMOTER NAME SHETH DEVELOPERS PRIVATE LIMITED

PROJECT NAME SHETH ZURI

MAHARERA PROJECT REGISTRATION NO. P51700007274

ORDER

(In an extension application)

February 06th, 2025

(Date of hearing –04.02.2025 matter reserved for order)

Coram: Manoj Saunik, Chairperson, MahaRERA

Advocate Rahul Arora present for promoter.

1. The applicant is the promoter/developer within the meaning of Section 2(zk) of the Real Estate (Regulation and Development) Act, 2016 ("**Act**") of Real Estate Regulatory Authority ("**RERA**") and had registered the project "SHETH ZURI" under section 5 of the said Act bearing MAHARERA Registration No. **P51700007274** (hereinafter referred to as the "**Project**").
2. The promoter has filed an extension application no. EXT51700024847 on 21.10.2024 (hereinafter referred to as "**extension application**") seeking for extension of the said project under section 7(3) of the said Act which was heard by this Authority on 04.02.2025 wherein the following roznama was recorded:
"Heard the learned advocate for the promoter at length. The matter is reserved for order."
3. Before moving ahead, the Authority notes the registration details already on record. The promoter while seeking registration of the said project had submitted the date of completion as 31.12.2023. MahaRERA granted three (3) extensions on the ground of Covid-19 pandemic which were granted to all the

projects registered with MahaRERA and qualifying under Notifications / Orders Nos. 13, 14 & 21 dated 02.04.2020, 18.05.2020 & 06.08.2021 whereby the date of completion was extended up to 30.12.2024. The promoter states the delay in the completion of the real estate project has been primarily caused due to three reasons one being stop work notice issued by labour department, cheating by TDR seller and lastly due to misinterpretation of sanad permission conditions by TMC. Hence, the promoter has applied for extension vide the said extension application herein under section 7(3) of the said Act for the period from 31.12.2024 to 29.12.2027.

4. Thus, the issue before this Authority is regarding grant of extension under Section 7(3) of the said Act. In this regard it is pertinent to note that the promoter this time has not been able to obtain 2/3rd majority consents of the allottees of the said project. In this context the relevant extract of Section 7(3) is reproduced hereinbelow for ease of reference:

“7 (3) The Authority may, instead of revoking the registration under sub-section (1), permit it to remain in force subject to such further terms and conditions as it thinks fit to impose in the interest of the allottees, and any such terms and conditions so imposed shall be binding upon the promoter.”

Section 7(3) provides that instead of revoking the registration this Authority can impose certain terms and conditions as it thinks fit to let the registration remain in force.

5. The following observations are noteworthy before examining the issue of grant of extension under Section 7(3) of the said Act of registration of the said project:
 - a. The promoter submits that project is 77% complete.
 - b. That the project comprises of three towers of 28 floors each, of which construction of two towers are almost completed and for third tower the construction is completed till 20th floor. Further the promoter submits that they have applied for occupancy certificate for the Tower No.2.
 - c. The promoter submits that there was delay due to followings reasons:
 - i. Stop work notice by labour department (delayed period 21.01.2020 to July 2020): On 21.01.2020, the Labour Department issued a letter

(Inward No. 3457) addressed to the Thane Municipal Corporation (TMC), resulting in a notice on February 20, 2020. This effectively halted all construction activities on the Zuri Project.

- ii. Cheating by TDR Seller (delayed period 05.11.2020 to 04.05.2023):
The promoter entered into a TDR Purchase Agreement with Krishna Developers Pvt. Ltd. On 05.11.2020, with plans to use TDR available with Krishna Developers Pvt. Ltd. in this Project. Unfortunately, Krishna Developers Pvt. Ltd. did not abide by the TDR Purchase Agreement and fraudulently sold the TDR agreed to be used in this project to a third party. The promoter lodged complaints with the TMC and filed a police complaint against Krishna Developers Pvt. Ltd. and they also initiated a Special Civil Suit no. 303 of 2023 before the Thane City Civil Court against the Krishna Developers Pvt. Ltd. Subsequently, Sheth Developers Pvt. Ltd. and Krishna Developers Pvt. Ltd. entered into a deed of modification cum confirmation deed of transfer of TDR on 04.05.2023, whereby, Krishna Developers Pvt. Ltd. agreed to transfer the balance TDR to promoter. Though the issue ultimately came to be resolved; it considerably delayed the project by 30 months.
- iii. Misinterpretation of Sanad Permission Conditions by TMC (delayed period November 19.12.2020, to 06.09.2023): The promoter obtained sanad land permission dated 12.10.2010, from the Collector of Thane after paying unearned income for the land, specifically project land bearing Survey No. 85/1(part). However, the TMC has stopped further amendments pending clarifications on certain conditions of the aforesaid Sanad Permission and accordingly refused to load TDR on the said Sanad Land. The promoter submitted applications on 19.12.2022, 27.03.2023, and 07.08.2023, for clarification. The Revenue & Forest Department of the Government of Maharashtra finally provided clarification letter dated 06.09.2023.
- iv. Complaints and all project files seized from inquiry (delayed period 27.09.2022 to 17.06.2023):
As a consequence of complaints made with the Government of Maharashtra, all project files with TMC were seized and forwarded to the office of Assistant Director, Town Planning, Konkan Division, New Mumbai by TMC vide its letter dated 27.09.2022, for inquiry and scrutiny. The project files were returned by the office of Assistant Director, Town Planning, Konkan Division, New Mumbai vide letter dated 17.06.2023 to TMC. During this time the project files were not available for further sanctions and amendments in the plans of the project. These circumstances have also caused further delays in the timelines of the project.

- d. The promoter has sought extension till 29.12.2027.

6. In view of the above, the issue of the extension under Section 7(3) of the said Act as sought by the promoter without 2/3rd consents of the allottees needs to be examined considering the above-mentioned fact. The Authority would like to bring on record the statements of objects and reasons of the said Act which are reproduced hereinbelow for ease of reference:

“An Act to establish the Real Estate Regulatory Authority for regulation and promotion of the real estate sector and to ensure sale of plot, apartment or building, as the case may be, or sale of real estate project, in an efficient and transparent manner and to protect the interest of consumers in the real estate sector and to establish an adjudicating mechanism for speedy dispute redressal and also to establish the Appellate Tribunal to hear appeals from the decisions, directions or orders of the Real Estate Regulatory Authority and the adjudicating officer and for matters connected therewith or incidental thereto.”

7. The whole aim of the said Act is to promote the real estate sector in an efficient and transparent manner and protect the interest of the consumers (*including home buyers / allottees*). Thus, by not extending the registration of the project the same will come to a halt. The promoter shall not be able to take actions for efficient completion as may be required in view of the lack of registration. Such an action will only be detrimental to the interest of the consumers (*including home buyers / allottees*). Thus, the balance of convenience lies in allowing the extension with conditions to ensure completion. Further, the Authority also notes that this extension under Section 7(3) needs to be granted so that the completion of the said project is not interrupted. However, during the hearing the promoter submitted that overall construction of the work is 77% completed and that construction for two towers is almost completed and they are in the process of obtaining OC for Tower no. 2. Further the construction for the third tower is also completed till 20th floor out of 28 floors. Considering the need for additional time to complete the remaining eight floors and obtaining full OC for the project, the Authority acknowledges the requirement for an extension. However, in interest of the allottees the Authority grants an extension only until **29.12.2026**. Thus, the Authority grants the extension to the registration of the said project from **31.12.2024 to 29.12.2026**. This extension will be without prejudice to the rights of the allottees under the said Act. In view thereof, this

Authority allows the said extension application keeping the rights of the allottees intact with certain directions hereinbelow.

FINAL ORDER

The said extension application is **allowed** and the extension for the said project is granted from **31.12.2024 to 29.12.2026** with the following conditions:

- A. The promoter shall complete the construction work and obtain occupancy certificate (OC) for the said project. The allottees of the said project shall co-operate with the promoter. That the rights of the allottees under the said Act shall however remain intact.
- B. The promoter is directed to submit within 15 days of this order date the PERT CPM / BAR charts about the milestones to be achieved with respect to the completion of the said project. The same shall also be shared with the Allottees of the said project.
- C. The promoter herein is also directed to submit monthly progress reports of achievements of such milestones and/ or delay if any, to MahaRERA, the association of allottees, if any formed and the allottees of the said project.
- D. That upon receipt of the part / full OC the promoter shall inform this Authority about the same and update all progress on the said project registration webpage from time to time.

Manoj Saunik
Chairperson, MahaRERA