2026:BHC-AS:44658

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION
WRIT PETITION NO.8052 OF 2026

JC Flowers Asset Reconstruction Pvt. Ltd. ... Petitioner
versus
State of Maharashtra and Ors. … Respondents

WITH
INTERIM APPLICATION NO.7818 OF 2026
IN
WRIT PETITION NO.8052 OF 2026

Jogeshwari Shivdarshan SRA Co-op. Hsg. Soc. Ltd. and Anr. … Applicants
and
JC Flowers Asset Reconstruction Pvt. Ltd. ... Petitioner
versus
State of Maharashtra and Ors. … Respondents

WITH
WRIT PETITION NO.10393 OF 2026

Manomay Ventures Pvt. Ltd. … Petitioner
versus
State of Maharashtra and Ors. … Respondents

Mr. Rohan Savant with Ms. S. Choudhary, Mr. Mihir Utekar i/by Dhaval Vussonji and Associates, for Petitioner in WP No.8052 of 2026.
Prakhar Tandon with Mr. Agnel Carneiro, Mr. Tushar Cooper i/by Mulla and Mulla and Craigie Blunt and Caroe, for Petitioners in WP No.10393 of 2026.
Mr. P.V.Nelson Rajan, AGP for State.
Mr. Bhushan Deshmukh with Ms. Ravleen Sabharwal, Ms. Dharani Divekar i/by R.S.Justicia Law Chambers for SRA.
Mr. Jagdish G. Aradwad (Reddy) for Respondent No.4 – AGRC.
Mr. Mayur Khandeparkar with Mr. Vikram Garewal, Mr. Devansh Shah, Mr. Milind Nar, Ms. Pinki Yadav, for Applicants in IA No.7818 of 2026.
Mr. Nadeem Shama with Ms. Bushra Sayed, for Interveners.

CORAM: N.J.JAMADAR, J.

RESERVED ON : 19 OCTOBER 2026
PRONOUNCED ON : 2 NOVEMBER 2026

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JUDGMENT :

1. Rule. Rule made returnable forthwith, and, with the consent of the learned Counsel for the parties, heard finally.

2. By these Petitions under Articles 226 and 227 of the Constitution of India, the Petitioners take exception to an order dated 20 April 2026 passed by the Apex Grievance Redressal Committee (AGRC) in Appeal No.357 of 2025 whereby the AGRC made the following recommendations :

> "a) Recommends to the Hon'ble State Government for necessary action to withdraw benefits of amnesty scheme to the Financial Institution and allowing SRA for floating the tenders for appointment of new Developer;
>
> b) Further, in the meantime, SRA shall use all deposits from the subject S.R.scheme as well as Bank Guarantee (submitted by erstwhile developer in SRA) for payment of rent to the eligible slum dwellers under subject S.R.Scheme, to the extent possible and pro-rata.
>
> c) Also, there are transit tenements, SRA may keep some part of the deposits or Bank Guarantee for maintaining these for the period before new Developers gets appointed."

3. The background facts leading to these Petitions can be stated, in brief, as under :

3.1 The Petitioner in WP No.8052 of 2026 is a company incorporated under the Companies Act, 2013. The Petitioner is registered as an Asset Reconstruction Company with the Reserve Bank of India under Section 3 of

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the Securitisation And Reconstruction Of Financial Assets And Enforcement Of Security Interest Act, 2002 (the SARFAESI Act, 2002).

3.2 A proposal for a composite slum rehabilitation scheme comprising 35 societies of slum dwellers with around 7200 eligible slum dwellers was accepted by the Slum Rehabilitation Authority (SRA). Initially, an LOI was issued to Omkar Ventures Pvt. Ltd. (restructured as Manomay Ventures Pvt. Ltd. - the erstwhile developer) on 20 August 2009. Thereafter, on multiple occasions, revised LOIs were issued; the last one on 5 February 2020. The subject SR scheme is one of the largest SR schemes in Mumbai, involving the rehabilitation of approximately 7200 eligible slum dwellers. The interest of more than 1400 home buyers and multiple financial institutions is also at stake. One of the major lenders was Yes Bank Ltd. It had sanctioned and disbursed various credit facilities aggregating to Rs.780 Crores to the erstwhile developer.

3.3 The subject SR scheme got derailed. Though, a substantial number of slum structures were demolished, only a few of the families got transit accommodation. Initially, transit rent was paid to the eligible slum dwellers. However, the erstwhile developer committed default in payment of the transit rent. One of the rehab buildings has been constructed to accommodate around 107 slum dwellers. Two other rehab buildings are incomplete and the construction thereof has been stalled since the year 2018. Despite the

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passage of a period of over 18 years, rehab components remain substantially incomplete.

3.4 Eventually, the loan account of the erstwhile developer was classified as NPA. Yes Bank Ltd. assigned the assets pertaining to the erstwhile developer and Omkar Realtors and Developers Pvt. Ltd. (ORDPL) together with the rights in favour of the Petitioner vide an Assignment Agreement dated 16 December 2022.

3.5 In the wake of the default on the part of the erstwhile developer, corporate insolvency resolution proceedings have been initiated before the NCLT.

3.6 On 25 May 2022, the State Government issued a Govt. Resolution introducing a scheme for the initiation of measures to complete the stalled SR schemes. It, inter alia, provided that, the financial institutions who have made investments in the stalled SR schemes, may be granted benefits under the amnesty scheme and such financial institutions be reckoned as the co-developer and allowed to implement the stalled schemes.

3.7 The Petitioner in WP No.8052 of 2026 expressed an intention to avail the benefit of the aforesaid amnesty scheme. By an order dated 24 September 2024, the Committee constituted for the implementation of the amnesty scheme approved the proposal of the Petitioner to appoint Aspect Buildcon LLP as the developer for the subject SR scheme and directed the

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CEO, SRA, to initiate proceedings under Section 13(2) of the Slum Act, 1971.

3.8 On 6 January 2025, the CEO, SRA, passed an order thereby terminating the appointment of M/s. Omkar Ventures Pvt. Ltd., and the connected entities as developers of the subject SR scheme and confirmed the appointment of the lender / joint developers M/s. Piramal Capital and Housing Finance and the Petitioner along with the developer authorized by the lender, M/s. Aspect Buildcon LLP, in terms of the order passed by the State Government under the amnesty scheme. The financial institutions, including the Petitioner were directed to take necessary steps including the compliance of Circular No.210 of the SRA, regarding the payment of the transit rent.

3.9 Being aggrieved by the said order, appeals have been preferred before the AGRC.

3.10 In the meanwhile, grievances were made on behalf of the slum dwellers that there was no progress in the implementation of the SR scheme and the substantial transit rent remained unpaid. Thus, on 30 September 2025, the Committee constituted to implement and supervise the amnesty scheme took a review of the subject SR scheme and, thereupon, the State Government directed the AGRC vide communication dated 30 September 2025, to take up the issue and hear the parties including the developers and pass orders regarding the payment of the transit rent.

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3.10 Pursuant to the aforesaid directions, the AGRC took up the matter in Suo motu Appeal No.357 of 2025 and posted the said appeal for hearing on 3 October 2025.

3.11 On 3 October 2025, Aspect Buildcon LLP, the developer appointed by the Petitioner and co-lender financial institution, expressed its willingness to withdraw from the subject SR project. Thus, the AGRC posted the matter on 14 November 2025. On that day, the AGRC directed the financial institution to appoint a new developer as soon as possible, but no later than three months thereof. It was further directed that, in the event of failure on the part of the financial institutions to appoint a competent developer, the AGRC may recommend to the State Government for the initiation of necessary action such as withdrawal of the benefits under the amnesty scheme and allowing the SRA to float tenders for the appointment of a new developer.

3.12 On 19 December 2025, the AGRC again noted that the new developer was not appointed. Many slum dwellers had already been evicted and rental payment to the tune of Rs.90 Crores had remained unpaid for several months. The AGRC thus declined to grant any further extension. Eventually, by the impugned order, the AGRC, after noting that on 4 March 2026, the Petitioner had again sought an extension of three months from 15 February 2026 (the day on which three months time stipulated by the AGRC for the appointment of the new developer expired), for completion of the resolution

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process as per the provisions of the IBC, 2016 and rejecting the same, was persuaded to pass the impugned order, extracted above.

3.13 Being aggrieved, the Petitioners have invoked the writ jurisdiction.

4. On 9 July 2026, a learned Single Judge of this Court was persuaded to grant ad-interim relief in the nature of a stay to the effect, execution, operation and implementation of the impugned order dated 20 April 2026.

5. The erstwhile developer, through its resolution professional, has filed WP/10393/2026 raising, by and large, similar challenges.

6. Two of the societies, namely, Jogeshwari Shivdarshan SRA Co-op. Hsg. Soc. Ltd. and Prem Nagar Sahakari Grihnirman Sanstha (Prop.) have preferred Interim Application No.7818 of 2026 seeking their impleadment in WP No.8052 of 2026, or in the alternative, permission to intervene therein and, directions to the Respondents to make immediate arrangements for the temporary transit accommodation for the eligible slum dwellers.

7. The prayer for intervention need not detain the Court. The applicants represent the slum dwellers who are their members. Any order with regard to the implementation of the SR Scheme will directly affect the slum dwellers. The delay in implementation of the SR Scheme and in housing the dishoused slum dwellers in transit accommodation, or for that matter, the non-payment of the transit rent, are the matters which affect the rights of the slum dwellers. Therefore, the applicants deserve permission to intervene in these

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petitions. IA No.7818 of 2026, thus, deserves to be allowed to the extent of permission to intervene.

8. In the wake of the aforesaid facts, pleadings and the material on record, I have heard Mr. Rohan Savant, learned Counsel for the Petitioner in WP No.8052 of 2026, Mr. Tandon, learned Counsel for the Petitioner in WP No.10393 of 2026, Mr. Bhushan Deshmukh, the learned Counsel for the SRA (R2), Mr. Reddy, learned Counsel for AGRC (R4), Mr. Nelson Rajan, learned AGP for the State, Mr. Mayur Khandeparkar, learned Counsel for the Applicants in IA No.7818 of 2026, at some length. Learned Counsel took the Court through the material on record.

9. Mr. Rohan Savant, the learned Counsel for the petitioner, mounted a multi-pronged challenge to the impugned order passed by the AGRC based on jurisdictional competence, breach of the principles of natural justice, and infirmities in the decision-making process. Mr. Savant would urge that, under Section 34A of the Slum Act, 1971, the AGRC is conceived as a statutory appellate authority and can exercise only such powers as are expressly conferred by that Act. The AGRC has no independent supervisory, monitoring or enforcement powers. The AGRC thus lacked subject matter jurisdiction, and that renders the impugned order a nullity. To lend support to this submission, Mr. Savant placed reliance on the judgment of the Supreme Court in the case of ***Harshad Chiman Lal Modi vs. DLF Universal Ltd***. ***and***

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another[1].

10. As a second limb of the submission, Mr. Savant would urge, the AGRC being a quasi judicial authority has usurped the executive and administrative authority. The impugned order which makes recommendations that seriously affects the rights of the Petitioner, conflates the adjudicatory and executory functions and thus cannot be legally sustained as it is clearly beyond the province of the authority of the AGRC.

11. Mr. Savant would further urge the impugned order has the propensity to render the statutory appeals preferred by the erstwhile developer as well as the petitioner against the order passed by the CEO, SRA, under Section 13(2) of the Slum Act, 1971, nugatory. During the pendency of those appeals, the AGRC could not have passed the impugned recommendations, thereby rendering those appeals infructuous.

12. Mr. Savant further submitted that the impugned order has been passed in flagrant violation of the fundamental principles of judicial process and natural justice as no opportunity of hearing was given on 6th February, 2026, which the impugned order indicates. Once an opportunity of hearing is denied in a statutory proceedings, the element of prejudice is inherent and the order is required to be quashed and set aside on that count alone. A very strong reliance was placed by Mr. Savant on a three-Judge Bench decision of the

1 (2005) 7 SCC 791

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Supreme Court in the case of ***Krishnadatt Awasthy vs. State of Madhya Pradesh and others***[2].

13. It was further submitted that, the impugned order lacks reasons. Without ascribing any reason the AGRC has made drastic recommendations which impair not only the rights of the petitioners but also those of multiple stakeholders, including the slum dwellers and 1,400 home-buyers. The AGRC has passed the impugned order as if it were exercising purely administrative powers. Even when an authority exercises the administrative powers, it is enjoined to record reasons. To buttress this submission, Mr. Savant placed reliance on the judgment in the case of ***Kranti Associates Private Limited vs. Masood Ahmed Khan and Others***[3].

14. Mr. Prakhar Tandon, the learned Counsel for the petitioner in WP/10393/2026, supplemented the submissions of Mr. Savant. Mr. Tandon laid emphasis on the fact that as the appeal preferred on behalf of the erstwhile developer against its termination under Section 13(2) of the Slum Act, 1971, awaits adjudication, the impugned order presents the erstwhile developer with a fait accompli.

15. Mr. Savant as well as Mr. Tandon were unison on the point that the impugned order jeopardizes the insolvency resolution process and puts hindrances in the efforts directed at value maximization of the assets.

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2 (2025) 7 SCC 545.
3 (2010) 9 SCC 496

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16. Mr. Bhushan Deshmukh, the learned Counsel for the SRA, stoutly countered the submissions on behalf of the petitioners. It was urged with a degree of vehemence that, the slum dwellers are bearing the brunt of the defaults and inaction on the part of the erstwhile developer as well as the financial institutions without any fault on their part. The financial institutions cannot be permitted to abuse the amnesty scheme to the prejudice of the slum dwellers. Despite ample opportunity, the financial institutions have failed to appoint a new developer. Conversely, the slum dwellers continue to suffer as transit rent in excess of Rs.90 Crores is outstanding. In such a situation, the petitioners, who do not genuinely desire to implement the subject SR scheme, cannot be heard much less granted any discretionary relief.

17. Mr. Reddy, the learned Counsel for the AGRC (R4), opposed the prayers in both the petitions, with equal tenacity. Mr. Reddy submitted that the challenge to the jurisdictional competence of the AGRC is wholly misconceived. Under Section 34A(2)(ii) the AGRC is empowered to exercise the powers and perform functions in regard to the issues and matters which are referred to it by the State Government. In view of the failure to appoint a new developer and persistent default in the payment of transit rent, the State Government referred the matter to the AGRC by a communication dated 30th September, 2025. Therefore, the AGRC was well within its rights in inquiring into the matter of non-implementation of the SR scheme in exercise of its

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powers under Section 34A(2)(ii).

18. Mr. Reddy submitted that, the petitioners have raised a bogey of absence of opportunity of hearing though they were put to terms on 14th November, 2025 itself. It was submitted that, apart from merely seeking further time, the financial institution did not demonstrate its willingness to implement the subject SR Scheme by appointing a new developer and making provisions for the rehabilitation of the slum dwellers. Therefore, the AGRC was constrained to make a recommendation to the State Government to withdraw the benefit of the amnesty scheme extended to the financial institution. No fault can be found with such a recommendation, and the same cannot be a matter of challenge under writ jurisdiction.

19. Mr. Khandeparkar, the learned Counsel for the applicants in IA/7818/2026, strenuously submitted that, in the entire process the slum dwellers are forced to live a miserable life. A substantial number of slum structures have been demolished. Slum dwellers have been dis-housed. Transit accommodations have been made available to only a fraction of the slum dwellers. Transit rent of Rs.90 Crores is in arrears. There is no prospect of even the commencement of the subject SR Scheme, leave apart its completion. In these circumstances, the recommendations made by the AGRC are perfectly legitimate. The recommendations do not amount to an order. Therefore, such recommendations cannot be made a subject matter of

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challenge. In order to lend support to this submission, Mr. Khandeparkar placed reliance on the decision in the case of ***Delhi Development Authority vs. Hello Home Education Society***[4].

Consideration :

20. The jurisdictional challenge was premised on the lack of statutory mandate in the AGRC to make the recommendations to the State Government (extracted above). The AGRC is a creature of statute. It has to act within the bounds of the legal framework under which it has been constituted. The AGRC has no inherent, residuary or supervisory jurisdiction, and, therefore, it could not have made the recommendations to withdraw the amnesty scheme extended to the Petitioner. This was the fulcrum of the submission on behalf of the Petitioner.

21. The jurisdictional challenge is required to be appreciated from two perspectives, which are not mutually exclusive. First, the text of the provision under which the AGRC has been constituted and conferred powers. Second, the object of the Slum Act, 1971. Section 34A of the Slum Act, 1971 reads as under :

> "**34A. Constitution of Apex Grievance Redressal Committee**
>
> (1) The State Government shall, by notification in the Official Gazette, constitute, the Apex Grievance Redressal Committee consisting of the Chairperson and such

4 (2024) 3 SCC 148.

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number of members as the Government may deem fit, for the purposes of exercising the powers and performing the functions as may be assigned to it under this Act.

(2) The Apex Grievance Redressal Committee shall exercise the powers and perform the functions, as follows, namely:

(i) to hear and dispose off appeals against orders of the Chief Executive Officer or any Officer to whom the powers are delegated by the Chief Executive Officer, as provided under this Act;

(ii) any issues or matters referred to it by the State Government.

(3) The qualifications of the Chairperson and the members of the Apex Grievance Redressal Committee, the procedure to be followed for transacting its business and quorum for its meetings, shall be such as may be prescribed."

22. On a plain textual reading, the AGRC is empowered to exercise the powers and perform functions in two capacities. First, as the Appellate Authority against the orders of the Chief Executive Officer, SRA or any officer to whom the powers are delegated by the CEO, as provided under that Act. Second, as the authority to which any issues or matters are referred by the State Government.

23. It is, thus, inapposite to contend that the AGRC is an appellate forum and can perform the functions in the context of the Slum Act, 1971, only when

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the appeal comes before it against the orders passed by the CEO, SRA or any other delegate of the CEO, SRA. Under clause (ii) of sub-section (2) of Section 34A, the legislature has advisedly conferred powers on the AGRC to deal with any issues or matters which the State Government may consider it appropriate to refer. The use of the word 'any' expands the scope of the issues or matters that may be referred by the State Government to the AGRC, although those issues or matters must arise in relation to the advancement of the object of the Slum Act, 1971. The legislative intent in making the AGRC a referral body, apart from the quasi-judicial authority, can be better appreciated if the composition of the AGRC under sub-section (1) of Section 34A is construed. The State Government is empowered to constitute the AGRC, consisting of the Chairperson and such number of members as the State Government may deem fit, for the purposes of the exercising the powers and performing its functions as may be assigned to it under that Act. In accordance with sub-section (3) of Section 34A, the State Government has framed rules and prescribed the qualification of the Chairperson and members of the AGRC.

24. Pursuant to the said provisions, the State Government, by the Notification, Housing Department No.ZOPASU. 1008/C.R.143(1)/SLUM-1, dated 8th March 2017 (the Notification), in exercise of the powers under sub-section (1A) of Section 35 of the Slum Act, 1971, read with the Maharashtra

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Slum Areas (Improvement, Clearance and Redevelopment) (Grievance Redressal Committe) Rules, 2017, constituted the AGRC for all the areas of the SRA in the State, consisting of the Chairperson and four members, namely : (a) the Additional Chief Secretary (Housing) as Chairman; (b) the Vice President and Chief Executive Officer, MHADA; (c) the Chief Executive Officer, sRA, Mumbai; and (d) an Additional Commissioner of the MCGM, as authorized by the Municipal Commissioner; and (e) an Additional Commissioner of the MMRDA, as authorized by the Commissioner. The Notification has been re-enacted with retrospective effet from 8th March 2017 by Section 9 of Maharashtra Act No.33 of 2023, and is deemed to have been duly and validly issued and operative at all material times.

25. The composition of the AGRC would, thus, indicate that, it is considered as a consultative body comprising of the Officers who by virtue of the office they hold are presumed to have the knowledge and experience of the issues that arise, the challenges that are faced and the solutions that may appear practicable. in the implementation of the SR schemes and the advancement of the object of the Slum Act, 1971, for securing the right of livelihood to the disadvantaged sections of the society who are forced by the circumstances to reside in a slum. Therefore, the legislature has thought it appropriate to empower the AGRC to deal with any issues or matters that the State Government may consider it appropraite to refer to the AGRC.

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26. In the Schedule appended to the Notification dated 8 March 2017, referred above, in column No.5 indicating the scope of AGRC, any issue referred by the State Government by executive orders is included at Item (b). Cumulatively, the provisions of the Slum Act, 1971 and the rules framed thereunder, make it explicitly clear that the AGRC is empowered to deal with any issue or matter, referred by the State Government for the purpose of advancement of the object of the Slum Act, 1971.

27. The object of the Slum Act, 1971, has been expounded by the Supreme Court and this Court in a series of judgments on the touchstone of the right to livelihood of the fellow citizens. The Slum Act, 1971 is certainly not envisaged as a vehicle for the advancement of the private interests of the developers, or for that matter, the financial institutions who advance financial facilities to the developers. The protection of the commercial interests of the owners, developers and the financial institutions is not the object of the Slum Act, 1971, though in the implementation of the SR schemes private parties may reap financial benefits.

28. In the case of **Tulsiwadi Navnirman Co-op. Hsg. Soc. Ltd. V/s. State of Maharashtra and Ors.**[5], a Full Bench of this Court has enunciated that the SRA has been conferred with certain powers and each one of them is coupled with a duty. If the slum dwellers are eligible to be rehabilitated at the site and

5 2007 SCC Online Bom 1000

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within a reasonable period, they cannot be left at the mercy of developers and builders. The slum dwellers cannot be expected to occupy a transit accommodation endlessly, without proper maintenance, and hygiene. An independent and impartial implementation, supervision and monitoring of the projects is the purpose for which the authority has been set up under the Act.

29. In the case of **Galaxy Enterprises v/s. State of Maharashtra and Ors.**[6], this Court emphasised the necessity of the timely implementation of the SR Schemes. It was held, the SR Scheme involves the right to livelihood of the slum dwellers who are living in inhuman conditions. The said right is a concomitant of the right to livelihood guaranteed under Article 21 of the Constitution. The developer cannot shut his eyes to the hard realities. For the developer, there must be relentless action on day to day basis, as any delay in implementing the slum scheme is not only detrimental to the slum dwellers, but to the society at large. Delay in effective implementation of the slum scheme would defeat the very goal, the ideals and the purpose of the slum redevelopment scheme.

30. In the case of **Susme Builders Pvt. Ltd. V/s. Chief Executive Officer, SRA**[7], the Supreme Court in the context of the role of the Slum Rehabilitation Authority postulated that, a bare reading of the provisions contained in Section 3A of the Slum Act, 1971 would indicate that the SRA not only has

6 2019 SCC Online Bom 897
7 AIR 2018 SC 237

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the power, but it is duty bound to get the slum rehabilitation scheme implemented and to do all such other acts and things as will be necessary for achieving the object of rehabilitation of slums. In that case, since the SRA was confronted with a situation where the slum dwellers were suffering for more than 25 years, the Supreme Court found that the action taken by the SRA to remove the developer for the unjustified delay was totally justified.

31. In the case of **Yash Developers V/s. Harihar Krupa Co-op. Hsg. Soc. Ltd. and Ors.**[8], the Supreme Court emphasised that the execution of the project under the SR scheme cannot be viewed as a real estate development project. There is a public purpose involved and that is inextricably connected to the right to life of some of our brother and sister citizens who are living in pathetic conditions. The Supreme Court also emphasised that the CEO and SRA are accountable for their actions in the larger scheme of things, and the primary responsibility to implement Section 13 of the Act and allied provisions and to monitor compliances of schemes and agreements lay on the CEO. If the actions of the CEO are based on the directions of the SRA, then the SRA must equally bear the responsibility.

32. The aforesaid objects of the Slum Act, 1971, the ultimate purpose of the implementation of the SR Schemes, and the duties cast on the authorities under the Slum Act, 1971, are adverted to by this Court to underscore the fact

8 (2024) 9 SCC 606

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that the authorities under the Slum Act, 1971 be they CEO, SRA, SRA or AGRC not only have the power but also corresponding duties to advance the object of the Slum Act, 1971. Undoubtedly, the AGRC discharges appellate functions. However, that is not the be all and end all. Once the matter is referred to the AGRC by the State Government, it gets a statutory authority to deal with the same and pass appropriate orders/directions or make recommendations to the State Government for the effective implementation of the Slum rehabilitation scheme. Therefore, the submission on behalf of the Petitioners that the impugned recommendations transgressed the jurisdictional powers of the AGRC, cannot be countenanced.

33. In the aforesaid context, it has to be seen whether there was a reference to the AGRC by the State Government under clause (ii) of sub-section (2) of Section 34A. As is evident from the record, on 16th January, 2025, the CEO, SRA (R3), passed an order under Section 13(2) of the Slum Act, 1971, *inter alia*, accepting the appointment of M/s Aspect Buildcon LLP as the developer of the project. Evidently, the scheme did not progress. It was not the case of the petitioners that M/s Aspect Buildcon LLP initiated measures to implement the subject SR scheme. As there was no progress despite the appointment of a new developer, the grievances reached the State Government. The communication dated 30th September, 2025, though brief, spells out vital facts which necessitated the reference of the matter to

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the AGRC and what the AGRC was expected to do. First, it records that numerous complaints were received regarding the non-payment of transit rent by the erstwhile developer. There were substantial arrears of transit rent. Second, the new developer appointed under the amnesty scheme had also not paid the transit rent. Third, the aforesaid facts emerged in the review of the scheme being developed under the amnesty scheme. Fourth, the AGRC was, therefore, directed to hold a hearing in connection with the said grievances and take a decision in that regard.

34. In the considered view of this Court, the aforesaid communication dated 30th September, 2025 is self-explanatory and clearly falls within the ambit of clause (ii) of sub-section (2) of Section 34A, which empowers the State Government to refer any issue or matter to the AGRC. The submission on behalf of the petitioners that the AGRC had no jurisdictional competence, therefore, does not merit any countenance. A matter concerning thousands of slum dwellers, who have been left in the lurch, with no prospect of implementation of the SR Scheme, even under the amnesty scheme, cannot be said to be beyond the jurisdictional competence of the AGRC, when specifically entrusted to it by the State Government.

35. The submissions on behalf of the petitioners premised on the breach of the principles of natural justice, if considered in the light of the material on record, do not appear to carry much substance. It seems that, after receipt of

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the aforesaid communication dated 30th September, 2025, directing the AGRC to hold an inquiry, the latter issued notice to the parties and posted the *suo motu* Appeal No. 357/2025 on 3rd October, 2025.

36. It is not the case that the petitioners did not appear on 3rd October, 2025. The *roznama* of the proceedings records that, on that day, M/s Aspect Buildcon LLP, the new developer appointed under the aegis of the financial institutions, backed out from the said project. After recording the aforesaid fact, the AGRC posted the matter on 14th November, 2025.

37. On that day also, not only the financial institutions but even the resolution professional of the erstwhile developer appeared before the AGRC. After hearing the parties, the AGRC passed the following directions:

> "Minutes of Decision:
>
> (Date: 14.11.2025)
>
> 1. On the last date of hearing i.e. on 03.10.2025 Developer Aspect Buildcon LLP has informed this Committee that they want to withdraw their appointment as Developer for implementation of' subject S. R. Scheme.
>
> 2. However, during the hearing today. representative of the subject Society submitted that all the slum dwellers are living in very dismal conditions due lo non-payment of rent and therefore they requested this Committee lo take appropriate decision in the matter so that outstanding rent may be paid and implementation of subject S. R. Scheme get speeded up.
>
> 3. Considering the aforesaid submissions and the fact that amnesty scheme was floated fundamentally for allowing Financial Institutions opportunity to protect their investments in the projects as a scheme though not mandated by statutes and as thus cannot be allowed ad-infinitum as rights of slum dwellers for rehabilitation get compromised, Financial Institution is hereby directed to appoint new Developer as soon as possible but without fail within 3 months from today. Appointment of new

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> developer, if any, by Financial Institution shall be done only after the said developer agrees to pay the rent due and also future rents are deposited with SRA as per the circulars, though given the amount of these liabilities, SRA may decide on some upfront payment before appointment and rest may be given reasonable installments provided all the pending rents get paid within six months. If the Financial Institution fails to comply the same by forwarding a competent developer within the time period mentioned herein, this Committee recommends to the State Government for necessary action such as withdrawing benefits of amnesty scheme to the Financial Institution and allowing SRA for floating the tenders for appointment of new Developer. In the meantime, SRA shall use all deposits from the scheme as well as Bank Guarantee (submitted by Developer in SRA) for payment of rent to the eligible slum dwellers under subject S. R. Scheme, to the extent possible and pro-rata. As there are transit tenements, SRA may keep some part of the deposits or BG for mandating these for the period before new developer gets appointed."

38. The aforesaid order makes it abundantly clear that the AGRC had clearly put the parties to notice that, as M/s Aspect Buildcon LLP had withdrawn from the scheme, three months time was granted to the financial institutions to appoint a new developer. Such a new developer was to agree to pay the arrears of transit rent and deposit the future transit rent with the SRA, as per the circulars. If the financial institutions failed to appoint a new developer within the stipulated period, the AGRC would recommend to the State Government to initiate necessary action, including withdrawal of the benefit of amnesty scheme extended to the financial institutions and allowing the SRA to float tenders for the appointment of a new developer.

39. In the face of the aforesaid order, the petitioners cannot be heard to urge that, they were not given an efficacious opportunity of hearing. In a

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sense, the AGRC had put the petitioners to notice as to the order that may be passed by the AGRC in the event of a default in the appointment of a new developer. In the further proceedings in the said appeal, the AGRC was required to ascertain whether the aforesaid directions were complied with or not. It is not the case of the petitioners that a new developer was appointed within the time stipulated by the AGRC.

40. On the contrary, the communications under which the petitioners sought extension of time betray an intent not to develop the subject SR Scheme by taking the benefit under the amnesty scheme but to defer the decision till orders were passed in the insolvency resolution proceedings. Thus, on 4th March, 2026, the financial institution sought an extension of three months time with effect from 15th February, 2026, (granted by the AGRC for appointment of a new developer), not for appointing a new developer, but for completion of the resolution process as per the provisions of the Insolvency and Bankruptcy Code, 2016. The AGRC was therefore fully justified in rejecting the prayer for extension of time. It further appears that, even after the passing of the impugned order, vide communication dated 29th April, 2026, the financial institution sought further extension of time of two months, with effect from 20th April, 2026, (the date of the impugned order) for completion of the resolution process.

41. At this juncture, the nature, scope and import of the Govt. Resolution

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dated 25 May 2022, introducing the scheme for implementing the stalled SR schemes, deserves to be considered. The problem of the developers committing default in the implementation of the SR Schemes was under consideration of the State Government. It was realized that the developers despite having availed financial assistance from the approved financial institutions were not implementing the SR Schemes. The transit rent of the slum dwellers remained unpaid. The schemes were stalled without any progress. The State Government, thus, devised two methods to complete the retarded SR schemes. First, by empowering the SRA to implement the SR schemes by appointing a new developer after following a tender process. Second, in cases where the financial institutions had made investments and despite availing of the financial facilities, the developers had committed default in payment of the transit rent, and, were not implementing the SR Schemes, it was considered appropriate to permit the financial institutions to complete the SR Schemes. The financial institutions who had provided the finance would be made co-developer for the purpose of implementation of the stalled SR schemes.

42. However, the conditions prescribed in the said Govt. Resolution make it explicitly clear that the State Government made it obligatory for the new developer, or the financial institutions who availed the benefits under the amnesty scheme, to implement the SR schemes, especially the rehab

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component within the prescribed time frame. It was also obligatory on the new developer to pay the transit rent to the eligible slum dwellers.

43. The aforesaid amnesty scheme was, in a sense, a mechanism to provide an avenue to the financial institutions to mitigate its losses on account of the default on the part of the developer to whom they had provided financial assistance. Once the financial institution avails the benefit of the amnesty scheme, it cannot be heard to urge that it has no obligation to implement the SR Scheme within the stipulated period, or was not liable to discharge the obligation to pay the transit rent. In fact, the new developer is made explicitly liable to pay the transit rent to the eligible slum dwellers. The amnesty scheme, therefore, cannot be construed as conferring a vested right in the financial institutions to the detriment of the object of the Slum Act, 1971, in general, and, the slum dwellers, in particular.

44. In the case at hand, as noted above, a new developer selected by the financial institution backed out after 9 months. Despite an opportunity, the financial institution failed to appoint another developer. In fact, unwillingness of the financial institution to appoint another developer and implement the SR scheme becomes clear from the fact that time was repeatedly sought by the financial institution not for the purpose of appointment of the new developer but to complete the insolvency resolution process before the NCLT. In such a situation, the financial institution cannot be permitted to turn around and urge

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that no effective opportunity was given to it to implement the subject SR Scheme by availing the benefit under the amnesty scheme.

45. The submission on behalf of the Petitioners that the impugned order renders the appeals preferred against the order passed by the CEO, SRA under Section 13(2) of the Slum Act, 1971, does not merit acceptance. The challenge to the termination of the appointment of the developer may be examined by the AGRC on its own merits and in accordance with law. By the impugned order, what the AGRC has recommended is the withdrawal of the benefit under the amnesty scheme and initiating steps to appoint a new developer.

46. So far as the erstwhile developer, it cannot be ignored that under the amnesty scheme, Aspect Buildcon LLP was already appointed. In the wake of withdrawal from the scheme by Aspect Buildcon LLP, the necessity of appointment of a new developer had arisen. Thus, the contention on behalf of the Petitioners that, till the determination of the appeals preferred against the order passed by the CEO, SRA under Section 13(2) of the Slum Act, 1971, no steps could have been taken, cannot be countenanced as it would amount to granting stay to the said order for the mere reason that the appeals were preferred against those orders.

47. Finally, the nature of the impugned order also cannot be lost sight of. The AGRC has, as indicated in the order dated 14 November 2025,

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recommended to the State Government to initiate measures to withdraw the benefit of amnesty scheme and permit the SRA to commence the tendering process to appoint a new developer. The ultimate decision vests with the State Government. Though, the decision in the case of **Delhi Development Authority (supra)**, may not squarely govern the facts of the case at hand, yet, the fact remains that the impugned order is recommendatory in nature. Those recommendations were necessitated on account of the reference made by the State Government to the AGRC under Section 34A(2)(ii) of the Slum Act, 1971. Therefore, this Court in exercise of its extraordinary writ jurisdiction is not inclined to interfere with the impugned order. The State Government may take an appropriate decision on the recommendations made by the AGRC, after considering all the facts and circumstances which bear upon such decision.

48. Hence, the following order :

ORDER

(i) IA No.7818 of 2026 stands allowed to the extent of allowing the intervention of the applicants in the Writ Petitions.

(ii) The Writ Petitions stand dismissed.

(iii) Rule discharged.

(iv) No costs.

(N.J.JAMADAR, J.)

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49. At this stage, Mr. Savant, learned Counsel for the Petitioner in WP No.8052 of 2026 seeks continuation of the ad-interim relief granted by this Court on 9 July 2026.

50. In the light of the view this Court is persuaded to take, the prayer for continuation of the interim relief does not merit acceptance. Thus, the oral application for continuation of ad-interim relief stands rejected.

(N.J.JAMADAR, J.)

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