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B. P. JAIN AND ASSOCIATES

v.

STATE OF HARYANA AND ANOTHER

[K. N. SINGH, CJ., R.M.SAHAI AND S. MOHAN, JJ.]

B

DECEMBER 12, 1991

*Haryana Development and Regulation of Urban Areas Act, 1975—
Section 8 (2) & (3)—Applicability of.*

Town Planning—Group housing or housing colony—Object.

C

*Haryana Development and Regulation of Urban Areas Rules, 1976—
Rule 11—Application for licence for group housing scheme—Direction to fulfil
the conditions for grant of licence—Refusal on the ground of non-fulfilment
of conditions—Representation agreeing to fulfil the requirements—Rejected by
authority—Governor's direction to revalidation of the order of authority—
D Held, revalidation of licence/permission on fulfilment of the conditions.*

The petitioner-firm, which was carrying on construction activities owned 24.25 acres of vacant land.

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On 21.7.1983, under the provisions of the Haryana Development and Regulation of Urban Areas Act, 1975 and the Haryana Development and Regulation of Urban Areas Rules, 1976, the petitioner-firm applied for the grant of licence for group housing scheme. The firm was noticed to fulfil the conditions laid down in Rule 11 of the Rules within a period of 30 days.

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The agreement was required to be executed on non-judicial stamp paper of Rs. 3. The petitioner was also called upon to execute a bank guarantee for Rs. 109.30 lacs. On petitioner's request for furnishing the bank guarantee, time was extended by four weeks on two occasions.

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While returning the estimates for development and service plans for 24.45 acres the second respondent directed the petitioner to submit the estimate only for 21.15 acres to which the petitioner replied that the external development charges which were demanded to be reduced in view of the reduction in the area.

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The request of the petitioner was not acceded and the petitioner was called upon to execute an agreement under bank guarantee as already asked for.

After some lapse of time the petitioner explained the circumstances under which he could not arrange for the bank guarantee of Rs. 109.30 lacs earlier and also stated that it was willing to abide by all the directions and conditions, prescribed by the second respondent.

The second respondent refused petitioner's request for grant of a licence since it had failed to fulfil the conditions laid down under rule 11 within the stipulated/extended period.

The petitioner filed a memorandum to the Governor.

The Governor made a suggestion that the licence granted in Feb. 1984 could be revalidated if the petitioner was ready and willing to pay interest on bank rate on the amount of Rs. 109.30 lacs, which the petitioner agreed. The Governor directed to submit a report and to calculate the total amount. With the change of the Government, the directions of the Governor were not implemented.

The petitioner filed this writ petition contending that having given an assurance it was not open to the respondent to withdraw that assurance and in such a case the principle of promissory estoppel would apply; that as the petitioner was willing to comply with the directions as given by the Governor, to refuse to accord licence would amount to acting in an arbitrary and unreasonable manner; that the respondent could not be allowed to frustrate the setting up of the Group Housing Colony as it was provided to help the weaker sections.

The respondents submitted that the petitioner did not exhaust the alternative remedy of appeal and review provided under sections 19 and 20 of the Act; that the writ petition suffered from delay and laches, as the order was passed on 25.9.89, the petition not to be considered at this belated stage; that there was no justification for approaching this Court directly under Article 32 of the Constitution, as the petitioner could have approached the High Court under Article 226 of the Constitution.

Allowing the writ petition, this Court,

HELD: 1. Sections 8(2) & 8(3) are not applicable to the present case, as no licence had been granted to the petitioner. [397 F]

2. The basic need of every citizen of this country is to have a reasonable accommodation to life. The house-building activities is to be

- A encouraged. The Court need not underscore the magnitude of the problem and the urgent need to provide solution, excepting to subscribe to the judicial pronouncement in AIR 1987 SC 2117 and AIR 1990 SC 630.

[400 A]

- B 3. As the object is to provide a housing colony and help the weaker sections of the society, it cannot be turned away by contending that the houses or flats, if constructed would be beyond the reach of the weaker sections. Equally, the contentions are fallacious that the petitioner is a big industrialist and it is not expected that after investing crores of rupees in the scheme, it will provide cheaper houses to the poorer people even beyond the cost price. [400G-401A]

- C 4. Revalidation of the licence/permission granted by respondent No.2 for an area to the extent of 21.12 acres to be done on fulfilment of the following conditions: that the petitioner shall comply with all the conditions stipulated in Rule 11 of the Haryana Development of Rural and Urban Areas Rules, 1976; that he shall execute the agreement in Form LC-IV(A) as prescribed under Rule 11 of Haryana Development and Regulations of Urban Area Rules, 1976 within 6 weeks; that initially a bank guarantee shall be furnished to the satisfaction of the second respondent for a sum of Rs. 2.20 crores within 6 weeks which includes interest on Rs. 109.30 lacs from 1984 and that 15% of the constructed house shall be reserved only for the weaker sections. [401 B-E]

- E *Prabhakaran Nair etc.etc. v. State of Tamil Nadu and Others*, AIR 1987 SC 2117; *M/s. Shanlistar Builders v. Narayan Khimalal To-tame and Others*, AIR 1990 SC 630, followed.

- F CIVIL APPELLATE JURISDICTION: Writ Petition(Civil) No. 981 of 1991.

(Under Article 32 of the Constitution of India).

Gobinda Mukhoty, R.C.Kaushik and D.K.Garg for the Petitioners.

K.C.Bajaj and I.S.Goyal for the Respondents.

- G The Judgment of the Court was delivered by

- H MOHAN, J. The petitioner is a firm carrying on business as builders, colonizers and contractors. The petitioner is the owner of 24.45 acres of vacant land situated in village Lakkarpur, near Surajkund, District Faridabad, Haryana State. Being engaged in construction activities it made an application under the

provisions of Haryana Development and Regulation of Urban Areas Act of 1975 (hereinafter referred to as the Act) read with Rules 1976 for the grant of Licence for group housing scheme. This application was submitted by the petitioner on 21st July, 1983 without necessary documents. After several representations the Director of Town and Country Planning Department Haryana, Chandigarh replied that it was proposed to grant licence to the petitioner for setting up of Group Housing Colony at Village Lakkarpur, District Faridabad. The petitioner was called upon to fulfil the conditions laid down in Rule 11 of the Haryana Development and Regulation of Urban Rules 1976 within a period of 30 days from the date of service of that notice. The agreement was required to be executed on non-judicial stamp paper of Rs 3.

The petitioner was also called upon to execute a bank guarantee for Rs. 109.30 lacs as required under Rule 11(1) of the said rules. On a request made by the petitioner for extension of time for furnishing the bank guarantee, time was extended (vide letter dated 5.4.84) by four weeks. A further extension was prayed by the petitioner that was also granted on 5-7-84 granting a further extension by four weeks.

On 19-10-84, while returning the estimates for development and service plans, the second respondent (Director of Town and Country Planning, Haryana, Chandigarh) for 24.45 acres, the petitioner was directed to submit the estimate only for 21.15 acres. On receipt of this letter, the petitioner wrote on 14.11.84 that the external development charges which were demanded by the second respondent might be reduced in view of the reduction in the area. This request of the petitioner was not acceded to by the Director. The petitioner was called upon to execute an agreement under bank guarantee as already asked for.

After some lapse of time, on 12-12-87, the petitioner explained the circumstances under which he could not arrange for the bank guarantee of Rs. 109.30 lacs earlier. The bankers was willing to provide a bank guarantee for Rs. 109.30 lacs within 30 days of his intimating them to do so. It was also stated that he was willing to abide by all the directions and conditions, which had been prescribed by the second respondent. Again, on 26-9-88, 11-10-88, 2-1-89 and 7-1-89, the request was rejected for the revival of the sanction and agreeing to comply with the rules and conditions. On 25.9.89, the petitioner was informed that it is a request for grant of a licence which was refused since it had failed to fulfil the conditions laid down under rule 11 within the stipulated/extended period.

Upon receipt of this letter, the petitioner filed a memorandum to the Governor of Haryana on 4-5-91 since the State of Haryana was under

- A President's Rule. It appears from the affidavit that the Governor made a suggestion that the licence granted in Feb. 1984 could be revalidated if the petitioner was ready and willing to pay interest on bank rate on the amount of Rs. 109.30 lacs which was demanded as a security by the Director of Town and Country Planning, Haryana, Chandigarh w.e.f. 1984. Thereupon, the petitioner consented to such a course. The affidavit further avers that the Governor while
- B recording the statement of the petitioner directed to submit a report and to calculate the total amount.

With the change of the Government, these directions of the Governor were not implemented. Hence, in this present petition, the petitioner prays for an order in the nature of Mandamus to direct the State of Haryana to revalidate

C the licence/permission granted by the Director by his letter dated 'Nil' Memo No. 1823-5 DP-84 permitting the petitioner to construct the multi-storeyed houses and flats in accordance with law by accepting security/bank guarantee to the tune of Rs 109.30 lacs as demanded by the respondent under rule 11(a).

- A further prayer is for permission, approval or sanction to enable the
- D petitioner to construct the multi-storeyed houses in pursuance of the licence granted by the second respondent in the year 1984.

In support of the petition, the grounds are as under:

- E (a) since the petitioner is the owner of the land and permission has been granted subject to compliance with rule 11, on furnishing bank guarantee of Rs. 109.30 lacs by grant of extension of time for compliance with those conditions no prejudice whatsoever is caused to the respondent.
- F (b) Having given an assurance it is not open to the respondent to withdraw that assurance and in such a case the principle of promissory estoppel will apply. In any event, the petitioner was willing to comply with the directions as given by the Governor. Under those circumstances, to refuse to accord licence would amount to acting in an arbitrary and unreasonable manner, more so, when the second respondent is exercising powers under sections 8(2) & (3) of the Act. Certainly, the respondent could not be
- G allowed to frustrate the setting up of the Group Housing Colony.

- The counter affidavit has been filed on behalf of the respondents in which the preliminary objection is taken that the petitioner has not exhausted the
- H alternative remedy of appeal and review provided under section 19 and 20 of

the Act. Disputed question of facts sought to be raised cannot be adjudicated upon in a writ petition under Article 32 of the Constitution. The writ petition also suffers from delay and laches as the impugned order was passed on 25-9-89 the petition cannot be considered at this belated stage.

There is no justification for approaching this court directly under Article 32 of the Constitution. The petitioner could well approach the High Court under Article 226 of the Constitution. On the merits it is submitted that there is no violation of fundamental rights so as to enable the petitioner to approach this court.

The petitioner's scheme was to construct multi-storeyed building but it is made out that his scheme is to accommodate/give shelter to the weaker sections of the society. The flats, if constructed, can only be purchased by high/middle-class group of people as the site where the petitioner wanted to build up his colony falls in a well-developed area. Hence, it would be beyond the reach of the weaker sections of the society to purchase these multi-storeyed flats.

When the petitioner was called upon to execute the necessary agreements and furnish bank guarantee, it did not do so. Therefore, the blame lies only at the door of the petitioner. When repeated extensions were granted in order that the provisional decision to grant licence could be finally ordered, the petitioner did not do so. It is denied that the petitioner ever submitted a letter on 4-5-91 to the Governor of Haryana. In any event, it could be considered an appeal under section 19 of the Act.

Section 8(2) & (3) are not applicable to the present case, as no licence had been granted to the petitioner.

Learned counsel for the petitioner submitted before us that the only condition on which the provisional decision to grant licence could not be finalised was because of the non-execution of agreement by the petitioner as well as non-furnishing of bank guarantee by way of security for a sum of Rs 109.30 lacs. As of today, the petitioner is willing to comply with all the conditions set out under rule and will deposit such amount as is required. As a matter of fact, on the basis of the suggestion of the Governor, inclusive of interest from 1984 it has come to 2.20 crores, which the petitioner is willing to deposit. Since, essentially, the housing scheme is intended to benefit the weaker sections, 15% of the houses will be reserved for weaker sections only.

Subject to these conditions, if licence is granted, no prejudice is caused

- A to the respondent. The respondent cannot be allowed to act arbitrarily and unreasonably, merely because at the time when the petitioner was called upon to furnish bank guarantee, it was in difficult circumstances.

- B The learned counsel for the respondents would reiterate the averments in the counter affidavit and would urge upon us that the petitioner had not exhausted the alternative remedy. Nothing prevented it from approaching the High Court since there is no violation of any fundamental right under articles 14, 19 or 21 of the Constitutions.

- C When the petitioner itself failed to carry out the conditions of executing the agreement and furnishing bank guarantee, it cannot go after so many years turn round and say that it is now willing regardless of passage of time. There is no arbitrariness or unreasonableness in the act of the respondent in not granting further extensions, especially so, when two extensions were granted.

- D We will now proceed to consider the above submissions. It is not disputed before us that there is acute housing problem in the State. In fact the respondent in the counter admits and states as follows:

"It is not disputed that in some areas there is a housing problem but that is general problem".

- E About the necessity for promoting a national housing policy to overcome the acute shortage of housing in our country, this Court has occasion to consider in *Prabhakaran Nair etc. etc. v. State of Tamil Nadu and others*, AIR 1987 SC 2117. In para 38, it was stated as under:

- F "It is common knowledge that there is acute shortage of housing, various factors have led to this problem. The laws relating to letting and of landlord and tenant in different States have from different States' angles tried to grapple the problem. Yet in view of the magnitude of the problem, the problem has become insoluble and the litigations abound and the people suffer. More houses must, therefore, be built, more accommodation and more spaces made available for the people to live in.....Men with money should be given proper and meaningful incentives as in some European countries to build houses, tax holidays for new houses can be encouraged. The tenants should also be given protection and security and certain amount of reasonableness in the rent. Escalation of prices in the urban properties, land, materials and houses
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- H

must be rationally checked. This country very vitally and very urgently requires a National Housing Policy if we want to prevent a major breakdown of law and order and gradual disillusionment of people. After all shelter is one of our fundamental rights. New national housing policy must attract new buildings, encourage new buildings, make available new spaces, rationalise the rent structure and rationalise the rent provisions and bring certain amount of uniformity though having scope for sufficient flexibility among the States to adjust such legislation according to its needs".

Again, in *M/s. Shanlistar Builders v. Narayan Khimalal Totame and others*, AIR 1990 SC 630, dealing with the case, it was observed as under :

"Basic needs of man have traditionally been accepted to be three—food, clothing and shelter. The right to life is guaranteed in any civilized society. That would take within its sweep the right to food, the right to clothing, the right to decent environment and a reasonable accommodation to live in. The difference between the need of an animal and a human being for shelter has to be kept in view. For the animal it is the bare protection of the body; for a human being it has to be a suitable accommodation which would allow him to grow in every aspect—physical, mental and intellectual. The constitution aims at ensuring fuller development of every child. That would be possible only if the child is in a proper home. It is not necessary that every citizen must be ensured of living in a well-built comfortable house but a reasonable home particularly for people in India can even be mud-built thatched house or a mud-built fireproof accommodation.

With the increase of population and the shift of the rural masses to urban areas over the decades the ratio of poor people without houses in the urban areas has rapidly increased. This is a feature which has become more perceptible after independence. Apart from the fact that people in search of work move to urban agglomerations, availability of amenities and living conveniences also attract people to move from, rural areas to cities. Industrialisation is equally responsible for concentration of population around industries. These are features which are mainly responsible for increase in the homeless urban population. Millions of people today, live on the pavements of different cities of India and a greater number live animal like existence in Jhuggis".

A Thus, it would be clear that both the decisions clearly emphasis the basic need of every citizen of this country to have a reasonable accommodation to life. They also emphasize the need to encourage house building activities. We need not underscore the magnitude of the problem and the urgent need to provide solution excepting to subscribe to the above judicial pronouncements.

B Here, the petitioner desires to build houses on his own land. It cannot be denied and it is not denied before us that on his application dt. 21.7.83, the Director of Town and Country Planning, Haryana, Chandigarh categorically stated, "it is now proposed to grant licence to you for setting up Group Housing Colony at village Lakkarpur, District Faridabad".

C Of course, this proposal was subject to the following conditions:

(i) fulfilment of the conditions laid down in Rule 11,

(ii) executing of bank guarantee of Rs. 109.30 lacs as required under Rule 11(a); and

D (iii) to give an undertaking to the effect that the petitioner shall pay the proposed developmental charges to be determined by the Director.

No doubt he could not comply with these conditions inspite of two extensions one on 5-4-84 and the other on 5-7-84 for four weeks respectively. However, on 12-12-87, the petitioner did make it clear that he was willing to abide by all the conditions. There is no justification for the respondent to keep silent inspite of repeated requests made in several communications by the petitioner. It was only on 25-9-89, the petitioner was informed that his requests for revalidation could not be considered as he had failed to fulfil the stipulated conditions. But the matter did not rest there, as the petitioner did approach the Governor. It was suggested that licence could be re-validated should the petitioner be (1) willing and ready to pay interest at bank rate on Rs. 109.30 lacs, with effect from 1984. Though the respondent denies the submission of this letter dated 4-5-91 to the Governor, we cannot agree with the respondent as if the document is introduced for the purpose of this case. Even otherwise, as rightly contended by the petitioner what is the prejudice caused to the respondent so long as the petitioner is willing to comply with each and every condition? As stated by the learned counsel, after all, the object is to provide a housing colony and help the weaker sections of the society. It cannot be turned away by contending that the houses or flats, if constructed, would be beyond the reach of the weaker sections. Equally, the contentions are fallacious that the petitioner is a big industrialist and it is not expected that after investing

crores of rupees in the scheme, it will provide cheaper houses to the poorer people even beyond the cost price. These arguments proceeded on hypothetical lines. Hence, we reject them. We are firmly of the view that having regard to the undertaking given by the petitioner's Counsel as stated above, it is a case in which the petitioner is entitled to succeed. Accordingly, we allow this Writ Petition, subject to the following conditions: A

- (i) The petitioner shall comply with all the conditions stipulated in Rule 11 of the Haryana Development of Rural and Urban Areas Act, 1976. B
- (ii) He shall execute the agreement in Form LC-IV(A) as prescribed under Rule 11 of Haryana Development and Regulations of Urban Act, 1976 within 6 weeks from today. C
- (iii) Initially a bank guarantee shall be furnished to the satisfaction of the second respondent for a sum of Rs. 2.20 crores within 6 weeks which includes interest on Rs. 109.30 lacs from 1984. D
- (iv) 15% of the constructed house shall be reserved only for the weaker sections. D

As to who constitute the weaker sections will be decided by the Director of Backward Classes or the Director, Social Services, Govt. of Haryana. E

On fulfilment of the above conditions there shall be a re-validation of the licence/permission granted by the respondent No. 2 in his letter dated 'nil' vide Memo No. 1823-5DP-84.

We make it clear that this permission is required to be granted only for an area to the extent of 21.15 acres. F

There will be no order as to costs.

V.P.R.

Writ petition allowed.