REPORTABLE

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. 10854 OF 2016

M/S. GOEL GANGA DEVELOPERS
INDIA PVT. LTD. … Appellant (s)

Versus

UNION OF INDIA THROUGH SECRETARY
MINISTRY OF ENVIRONMENT
AND FORESTS & ORS. …Respondent(s)

With

CIVIL APPEAL NO. 10901 OF 2016

CIVIL APPEAL NO. 5157-5158 OF 2018

J U D G M E N T

Deepak Gupta, J.

Applications for intervention/impleadment are allowed. Application for amendment of grounds of appeal in Civil Appeal No.10854 of 2016 allowed.

2. These matters are being decided by one judgment since they all arise out of one original application filed by Shri Tanaji Balasaheb Gambhire (hereinafter referred to as 'the original applicant') before the National Green Tribunal ('the NGT' for short) being Application No. 184 of 2015.

3. The original applicant filed an application before the NGT claiming that the project proponent i.e. M/s. Goel Ganga Developers India Pvt. Ltd., had raised construction in violation of the Environmental Clearance ('EC' for short) granted for the project and also in violation of the various municipal laws. It was prayed that the illegal structures be demolished; the State Level Environment Impact Assessment Authority (SEIAA) and the Maharashtra State Pollution Control Board be directed to initiate appropriate action against the project proponent for violation of the Environment Impact Assessment (EIA) Notification, 2006; the Union of India be directed to take action against the SEIAA; and lastly it was prayed that the project proponent be directed to pay/deposit a heavy amount of compensation in the environment relief fund. The NGT

vide its order dated 27.09.2016 allowed the application in the following terms:

> "54. For the aforesaid reasons, the Applicant succeeds in his legal pursuit to challenge the noncompliance of EC conditions by the Respondent-9 and obtain certain directions. Hence the Application is allowed and we issue following directions:
>
> 1. The Respondent No.9-PP shall pay environmental compensation cost of Rs. 100 crores or 5% (Five percent) of the total cost of project to be assessed by SEAC whichever is less for restoration and restitution of environment damages and degradation caused by the project proponent by carrying out the construction activities without the necessary prior environmental clearance within a period of one month. In addition to this, it shall also pay a sum of Rs. 5 crores for contravening mandatory provision of several Environmental Laws in carrying out the construction activities in addition to and exceeding limit of the available environment clearance and for not obtaining the consent from the Board.
> 2. In view of our finding that there has been manifest, deliberate or otherwise suppression of facts of illegality in the project activity of Respondent No. 9-PP by the officer of PMC, we impose fine of Rs. 5 Lakhs upon the PMC and direct Commissioner PMC to take appropriate action against the erring officers. The amount of Rs. 5 Lakh shall be paid within one month.
> 3. We direct the Chief Secretary, State of Maharashtra and the competent authority to take notice of the conduct of the officers concerned who have misled the Department of Environment in the matter relating to interpretation of F.S.I and BUA in terms of which order dated 31st May, 2016 has been issued in particular the Principal Secretary, Department of Environment who has authored the order dated 31st May, 2016.
> 4. PMC, DoE and SEIAA are directed to pay cost of Rs. 1 lakh each to the Applicant within 4 weeks."

4. Aggrieved by the aforesaid order of the NGT, the project proponent filed Civil Appeal No. 10854 of 2016. The Pune Municipal Corporation ('PMC' for short) also challenged the said order in so far as it adversely affects the PMC by filing Civil Appeal No. 10901 of 2016.

5. Review application being Application No. 35 of 2016 was filed by the original applicant before the NGT. This application was partly allowed on 08.01.2018 and direction No. 1 in the original order dated 27.09.2016 was modified and substituted as under:

> "1. The Respondent No.9-PP shall pay environmental compensation cost of Rs.190 crores or 5% (Five percent) of the total cost of project to be assessed by SEAC, whichever is more, for restoration and restitution of environment damage and degradation caused by the project proponent by carrying out the construction activities without the necessary prior environmental clearance within a period of one month. In addition to this, it shall also pay a sum of Rs. 5 crores for contravening mandatory provision of several Environment Laws in carrying out the construction activities in addition to and exceeding limit of the available environment clearance and for not obtaining the consent from the Board."

6. Thereafter, the project proponent filed I.A. No. 8000 of 2018 for permission to amend its appeal permitting it to challenge the

order passed in review application dated 08.01.2018, which we have allowed.

7. Appeal being Diary No. 3911 of 2018 was filed by the original applicant challenging the original order dated 27.09.2016 as well as the order dated 08.01.2018 passed in review application praying that demolition of the illegal structures be ordered and the compensation be enhanced to Rs.500 crores.

The Factual Matrix

8. The facts briefly stated are that the project proponent purchased 79,100 sq. mtrs. or 7.91 hectare of land comprised in six Survey Nos. 35, 36, 37, 38 39 and 40 in Vadgaon, Pune. These survey numbers were amalgamated in accordance with the rules and the plot became one plot of 79,100 sq. mtrs. From the documents placed on record it is apparent that as per the Development Control Plan for the city of Pune, 3 roads of the width of 36 mtrs., 30 mtrs. and 18 mtrs. bisected this plot into two which for the sake of convenience were referred to as Plot No. 1 and Plot No. 2. As per the Development Plan, there are certain statutory

reservations in addition to the roads and some land has to be left out or reserved for schools, cultural centres, open areas etc.. The remaining area is referred to as the 'Balance Plot Area' which in this case works out to 46,993.79 sq. mtrs.. Out of this 'Balance Plot Area' 15% is to be reserved for amenity space and another 10% area is to be compulsorily left out as open space leaving 'Net Plot Area' of 41,455.21 sq. mtrs.. *Prima facie* these calculations do not appear to be correct. However, this will not impact the merits of the case. Be that as it may, the undisputed fact is that FSI has to be calculated on the 'Net Plot Area'. We may, at this stage, point out that the aforesaid figures are based on the written submissions submitted on behalf of the Union of India by the learned Additional Solicitor General and these figures have not been disputed before us.

9. On 12.03.2007, the project proponent applied for sanction of lay out and building proposal plan on an area of 15,141.70 sq. mtrs., originally depicted as Plot No. 3 and the sanctioned FSI was 15313.16 sq. mtrs.. Thereafter, on 05.09.2007, revised lay out plan was submitted for an area measuring 28,233.23 sq. mtrs. and the

sanctioned FSI was 39,526.54 sq. mtrs.. The project proponent applied for EC for the project and in the proposal dated 27.06.2007, he had shown that he would be erecting/constructing 12 buildings having 552 flats, 50 shops and 34 offices. The 12 buildings were to have stilts with basement and 11 floors. The total built up area was indicated as 57,658.42 sq. mtrs.. The EC was granted to the project proponent on 04.04.2008. Paras 2 and 3 of the communication granting EC read as under:

> "2. The project proponent is proposing for construction of group housing project at S.No.35 to 40, village Vadgaon Budruk, Singhad Road, Pune, Maharashtra at a cost of Rs. 10,737.14 lakh. The project involves construction of 12 Building with Stilt, Basement plus 11 floors for 552 flats, 50 shops and 34 offices. The total plot area is 79,100.00 sq. m. Total built up area as indicated is 57,658.42 sq. m. Total water requirement will be 745 KLD and 400 KLD of waste water will be generated from the buildings which will be treated in sewage treatment plant. The treated waste water will be used for landscaping, DG set cooling and Horticulture purpose. The solid waste generated from the buildings will be 1500 Kg/day and disposed as per the MSW Rules, 2000. The parking space is proposed for parking of 1072 cars.
>
> "3. The EAC after due consideration of the relevant documents submitted by the project proponent and additional clarifications furnished in response to its observations have recommended the grant of environmental clearance for the project mentioned above subject to compliance with the EMP and other stipulated conditions. Accordingly, the Ministry hereby accords necessary environmental clearance for the project under category 8 (a)

of EIA Notification 2006 subject to the strict compliance with the specific and general conditions mentioned below:"

10. The EC was granted subject to certain conditions. We may refer to certain relevant conditions which read as under:

"PART A- SPECIFIC CONDITIONS

I. Construction Phase

xxx xxx xxx

v. Permission to draw and use ground water for construction work shall be obtained from competent authority prior to construction/operation of the project."

"5. In the case of any change(s) in the scope of the project, the project would require a fresh appraisal by this Ministry."

Concept of 'Built up Area' under the notification dated 14.09.2006:

11. It is not disputed that the EC was granted for built up area of 57,658.42 sq. mtrs.. The main dispute is with regard to the interpretation of the term 'built-up area'. The case of the project proponent is that the term 'built up area' is synonymous with 'Floor Space Index' or FSI and that the constructed area, which is exempted from FSI area or is a non-FSI area is not a part of the 'built up area'. On the other hand, the submission made by the

original applicant as well as by the learned Additional Solicitor General appearing for the Ministry of Environment, Forest and Climate Change is that the built up area will cover all constructed area and the concept of FSI area or non-FSI area is totally alien to environmental laws. Learned senior counsel for the project proponent has drawn our attention to the Development Control Rules for Pune Municipal Corporation, Pune, 1982 ('DCR' for short). Under the DCR, no building can be constructed without grant of building permission/commencement certificate by the Pune Municipal Corporation. There is a detailed procedure for obtaining the building permission/commencement certificate wherein lay out plans, building plans etc. have to be submitted. The main emphasis was on Rule 2.13 of the DCR, which defines built up area as follows:-

> "2.13 **Built-up Area** – Area covered immediately above the plinth level by the building or external area of any upper floor whichever is more excepting the areas covered by Rule No. 15.4.2."

Rule 2.39 defines Floor Area Ratio as follows:-

> "2.39 **Floor Area Ratio (F.A.R.)** – The quotient obtained by dividing the total covered area (plinth area) on all floors excluding exempted areas as given in Rule No. 15.4.2 by the area of the plot.

F.A.R. = Total covered area on all floors
Plot Area

NOTE – The term F.A.R. is synonymous with Floor Space Index (F.S.I.)"

Strong reliance is placed on Rule 15.4.2 which reads as under:-

"15.4.2 In addition to Rule No. 15.4.1.1 (a) (b) and (c) and 17.7.3 the following shall not be included in covered area or F.A.R. and Built-up Area calculations."

(a) A basement or cellar space under a building constructed on stilts and used as parking space, and air-conditioning plant rooms used as accessory to the principal use;

(b) Electric cabin or substation, watchman's booth of maximum size of 1.6 sq.m. with minimum width or diameter of 1.2 m, pump house, garage shaft, space required for location of fire hydrants, electric fittings and water tanks;

(c) Projections as specifically exempted under these rules.

(d) Stair case room and/or lift rooms above the top most storey, architectural features, chimneys, elevated tanks of dimensions as permissible under these rules.

Note: The shaft provided for lift shall be taken for covered area calculations only on one floor upto the minimum required as per these rules.

(e) One room admeasuring 2m x 3m on the ground floor of co-operative housing societies or apartment owners/co-operative societies buildings and other multistoreyed building as office-cum-letter box room.

(f) Rockery, well and well structures, plant, nursery, water-pool, swimming pool, (if uncovered) platform round a tree, tank fountain, bench, chabutra with open top and unenclosed sides by walls, ramps, compound wall, gate, slide, swing, overhead water tank on top buildings;

(g) Deleted.

(h) Sanitary block subject to provision of rules no. 15.4.1 (a) and Built-up area not more than 4 sq. m."

12. The contention of learned senior counsel appearing for the project proponent is that while calculating the built up area the constructions mentioned in Rules 15.4.1.1 (a), (b) and (c) and Rule 17.7.3 in addition to the areas specifically exempted under Rule 15.4.2 are to be excluded. He submits that if the built up area is calculated in accordance with the DCR then the project proponent has till date not constructed the built up area of 57,658.42 sq. mtrs., which it was permitted to construct under the EC granted to it on 04.04.2008. On the other hand, the stand of the Union of India and the original applicant is that built up area means all area which is covered regardless of the area being FSI or non FSI in terms of the EIA Notification of 2006. The Building/Construction projects are covered by Item No. 8 of the Schedule to the EIA Notification dated 14.09.2006. Construction of a project which is

covered under the schedule can be commenced only after obtaining EC in terms of Para 2 of the said notification. The schedule itself categorises the various projects and activities into two categories being 'Category A' and 'Category B'. 'Category A' projects require clearance by the Central Government in the Ministry of Environment, Forest and Climate Change on the recommendation of the Expert Appraisal Committee to be constituted by the Central Government whereas those activities which form 'Category B' of the schedule including modernization and expansion of such projects require EC from the State/Union Territory Environment Impact Assessment Authority (SEIAA) and such authority is required to base its decision on the recommendation of the State/Union Territory Level Expert Appraisal Committee (SEAC). There is further division of 'Category B' into B1 and B2. B1 projects require Environmental Impact Assessment (EIA) report to be prepared and scoping to be done whereas B2 projects do not require any Environmental Impact Assessment report. Item No. 8 of the Schedule, with which we are concerned, reads as follows:

(1)	(2)	(3)	(4)	(5)
8		**Building/Construction projects/Area Development projects and Townships**		

8(a)	Building and Construction projects		≥20000 sq. mtrs. And <1,50,000 sq. mtrs. Of built-up area#	#(built up area for covered construction; in the case of facilities open to the sky, it will be the activity area)
8(b)	Townships and Area Development projects		Covering an area ≥50 ha and or built up area ≥1,50,000 sq. mtrs. ++	++All projects under Item 8(b) shall be appraised as Category B1.

13. From a bare perusal of the two hash tags (#) in Column 4 and 5 of Item 8(a), it is apparent that what is shown under Column 5 is actually a continuation of Column 4 and basically it describes or defines 'built up area' to mean covered construction and if the facilities are open to the sky, it will be taken to be the activity area. This by itself clearly shows that under the notification of 2006, all constructed area, which is covered and not open to the sky has to be treated as 'built up area'. There is no exception for non-FSI area.

14. Indeed, the concept of FSI or non-FSI has no concern or connection with grant of EC. The same may be relevant for the purposes of building plans under municipal laws and regulations but it has no linkage or connectivity with the grant of EC. When EC

is to be granted, the authority which has to grant such clearance is only required to ensure that the project does not violate environmental norms. While projects and activities, as mentioned in the notification, may be allowed to go on, the authority while granting permission should ensure that the adverse impact on the environment is kept to the minimum. Therefore, the authority granting EC may lay down conditions which the project proponent must comply with. While doing so, such authority is not concerned whether the area to be constructed is FSI area or non-FSI area. Both will have an equally deleterious effect on the environment. Construction implies usage of a lot of materials like sand, gravel, steel, glass, marble etc., all of which will impact the environment. Merely because under the municipal laws some of this construction is excluded while calculating the FSI is no ground to exclude it while granting the EC. Therefore, when EC is granted for a particular construction it includes both FSI and non-FSI areas. As far as environmental laws are concerned, all covered construction, which is not open to the sky is to be treated as built up area in terms of the EIA Notification dated 14.09.2006.

Notification of 04.04.2011

15. Our attention has been drawn to the notification dated 04.04.2011 issued by the Ministry of Environment and Forests. By means of this notification, the words of Column 5 against Item 8(a) have been replaced and substituted as under:

> "The built up area for the purpose of this Notification is defined as "the built up or covered area on all the floors put together including basement(s) and other service areas, which are proposed in the building/construction projects"."

This notification clearly defines built up area as all constructed area including basement and service areas without any exception.

16. Learned senior counsel appearing for the project proponent has submitted that this notification is only prospective in nature and, therefore, will not affect the notification of 2006. On the other hand, it has been submitted by the original applicant that this is only a clarificatory notification and as such it will come into force with effect from 2006. In our opinion, it is not at all necessary to decide whether this notification is clarificatory or is in substitution of the original notification of 2006. We say this because as held by us above, there is no ambiguity with regard to the definition of 'built up area' even under the notification of 2006 and it covers all

constructed area not open to the sky. The notification of 2011 only provides that the built up area or covered area shall be the area of all floors put together including basement(s) and other service areas. We may again re-emphasize that this definition also is in consonance with the concept of grant of EC for construction as explained above and it is obvious that the concept of FSI or non-FSI area is alien to environmental laws.

Clarification dated 07.07.2017

17. Strong reliance has been placed by the project proponent on the office memorandum dated 07.07.2017 issued by Dr. Ashish Kumar, Joint Director, Ministry of Environment, Forest and Climate Change. The said office memorandum reads as follows:-

F.No. 22-35/2017-IA.III
Government of India
Ministry of Environment, Forest and Climate Change
(Impact Assessment Division)
******

Indira Paryavaran Bhawan
Jor Bag Road, Aliganj,
New Delhi-110 003

Dated 7th July, 2017

OFFICE MEMORANDUM

Sub: Clarification on the date of applicability of notification S.O.(E) 695 dated 04.04.2011 issued by MoEF & CC defining 'Built Up Area' of the project

The Ministry is in receipt of a reference dated 03.04.2017 from Confederation of Real Estate Developers Association of India (CREDAI) seeking clarification on above mentioned subject. The CREDAI has requested that the definition of Built Up Area (BUA) given vide notification S.O.695(E) dated 04.04.2011 should have prospective effect.

2. The matter has been examined in the Ministry. The BUA defined in the notification S.O. 1533 (E) dated 14th September, 2006 mentions at Item 8 (a) columns 4 and 5 "built up area for covered construction, in the case of facilities open to sky, it will be the activity area".

3. The Ministry has further defined BUA vide its notification S.O.695 (E) dated 04.04.2011 which reads as, "the built up or covered area on all the floors put together including its basement and other service areas, which are proposed in the building or construction project."

4. The definition provided in the Ministry's notification will have its effect from the prospective date of the notification only. The projects which are not covered in the period of above notifications should be assessed as per the definition of built up area provided in the building bye-laws or Development Control Regulation (DCR) of the local authorities in the States.

5. This issues with approval of Competent Authority.

Sd/-
(Dr. Ashish Kumar)
Joint Director
Ph:011-24695474
Email:ashish.k@nic.in

All States/UTs/SIEAAs/MoEF & CC Divisions

It is urged on the basis of the aforesaid memorandum that prior to the notification dated 04.04.2011, the built up area had to be calculated and assessed as per the building bye-laws or the Development Control Regulations of the local authorities in the States. On behalf of the original applicant it has been urged that

this memorandum is meaningless and that it has been issued when the matter was pending before the NGT, at the instance of one of the Directors of the project proponent, Shri Atul Goel, who was Joint Secretary of Confederation of Real Estate Developers Association of India (CREDAI), Pune.

18. Without going into this aspect of the matter, we are clearly of the view that such an office memorandum could not and should not have been issued. The notification dated 14.09.2006 is a statutory notification issued in terms of Rule 5(3) of the Environment (Protection) Rules, 1986 which provides that before such a notification is issued the Central Government has to give notice of its intention of issuing a notification and objections to the same are invited. No doubt the Central Government is empowered in public interest to dispense with the requirement of notice but this obviously has to be done in exceptional cases. The notification dated 14.09.2006 was issued by the Central Government and published in the gazette after inviting objections from the public. The first clarification with regard to this notification was issued on 04.04.2011 to which we have adverted above. These two decisions

of the Central Government which were notified as per the provisions of law could not have been set at naught by the Joint Director even if it was issued with the approval of a higher authority. We are of the view that since such decision has not been notified in the gazette the statutory notification dated 14.09.2006 and its subsequent clarification dated 04.04.2011 could not have been virtually set aside by this office memorandum.

19. We are also of the view that the so called office memorandum is not at all clarificatory in nature. As held by us above the notification of 2006 with regard to 'built up area' was absolutely clear and needed no clarification. We fail to understand how the concept of built up area as understood in the building bye-laws or DCR could be introduced into the notification of 2006 by this office memorandum which virtually made the notification of 2006 totally redundant. Therefore, we quash the office memorandum dated 07.07.2017.

20. This is not the first time that we have noticed such clarificatory communications being issued by the officials of the Ministry of Environment, Forest and Climate Change, which

virtually have the effect of nullifying the statutory provisions and notifications. We have adverted to some of these communications in our judgment in ***Common Cause*** vs. ***Union of India***[1]**.** We expect the officials of the Ministry of Environment, Forest and Climate Change to take a stand which prevents the environment and ecology from being damaged, rather than issuing clarifications which actually help the project proponents to flout the law and harm the environment.

21. In view of the above, we are clearly of the view that the EC granted to the project proponent on 04.04.2008 was for constructing a total built up area of 57,658.42 sq.mtrs. and this would include all covered construction not open to the sky. No artificial division on the basis of FSI and non-FSI area can be made. Therefore, the NGT was fully justified in coming to the conclusion that the construction raised by the project proponent was in total violation of the EC granted to it.

[1] (2017) 9 SCC 499

Environmental Clearance dated 20.11.2017

22. The project proponent has drawn our attention to the EC for expansion of the project in question granted to it by the State Level Environment Impact Assessment Authority (SEIAA) on 20.11.2017. We may note that this clearance indicates that the existing construction comprises of 738 flats and 115 shops which have been completed, 69 flats and 2 shops which are under construction, meaning thereby that 807 flats and 117 shops are already in existence and in addition thereto 454 more flats and cultural centre are sought to be constructed. This will take the total number of flats to 1261 and number of shops to 117. We may also notice that the SEIAA has laid down general conditions for pre-construction phase and the first condition is as follows :-

> "(1) This environmental clearance (EC) is issued for total built up area of 147219.45 m^2 as approved by local planning authority. It is noted that the total proposed construction area is 147219.45 m^2 which includes the area of previous EC (dated 04.04.2008) 57,658.42 m^2 and the proposed expansion area of 89,561.03 sq.m. However the above area of 147219.45 sq.m. is notional as the NON FSI area component of the previous EC is not included in 1,47,219.45 m^2. After considering the NON FSI area of the previous EC the total built up area becomes 1,81,230.94 m^2. SEIAA has also taken note of the clarification issued by MOEF and CC vide office memorandum dated 7th July, 2017, stating the definition of built up area will be assessed as per the building bye-laws or DCR of the local authorities in the states."

The aforementioned condition itself clearly shows that the non-FSI area constructed by the project proponent under first EC of 04.04.2008 has not been taken into consideration. The project proponent has raised construction in Plot No. 1 of an FSI area measuring 48,424.66 sq. mtrs., and non-FSI area measuring 46,088.47 sq. mtrs.. Therefore, the total construction raised in Plot No. 1 is 94,513.13 sq. mtrs.. In Plot No. 2 the construction raised on an FSI area is 630.55 sq. mtrs. and on the non-FSI area is 4,858.57 sq. mtrs. and, therefore, the total construction already raised in Plot No. 2 is 5,489.12 sq. mtrs.. The total construction raised by the project proponent is 1,00,002.25 sq. mtrs. against the built up area of 57,658.42 sq. mtrs. mentioned in the EC of 04.04.2008. This could not have been ignored by the SEIAA.

23. In case the total construction raised by the project proponent is taken as 1,00,002.25 sq. mtrs. and if the area of the proposed construction is added then the project will fall in B1 category and, therefore, the SEIAA had no authority to grant EC by treating the project as falling under Category B2. Furthermore, the EC dated

20.11.2017 is also illegal as the same has been granted on the presumption of the order dated 31.05.2016 passed by the Principal Secretary, Environment Department, State of Maharashtra holding that the construction of 18 buildings instead of 12 buildings is permissible. The EC completely lost sight of the fact that the order dated 31.05.2016 was quashed and set aside by the NGT in its order dated 27.09.2016. We may note that the official who passed the order on 31.05.2016 was the same official, who held the office of Member Secretary of SEIAA, which granted environmental clearance on 20.11.2017. Therefore, the EC dated 20.11.2017 was beyond the authority of SEIAA and was granted under a totally false assumption and the same is therefore quashed and set aside.

Allegations made by the original applicant against various officials

24**.** The NGT in its order dated 27.09.2016, has found that there was suppression of facts by the officers of PMC. The NGT also directed the Chief Secretary to the State of Maharashtra to take notice of the conduct of the officers who were misleading the Department of Environment. Costs were imposed on the PMC,

Department of Environment and the SEIAA. This has been challenged before us by the PMC.

25. The original applicant both in his original application filed before the NGT and in appeal filed before us as well as in other proceedings has made serious allegations against individual officers of the PMC as well as the SEIAA and specially the Principal Secretary, Environment Department, Govt. of Maharashtra. However, for reasons best known to the original applicant none of these individuals has been made a party in personal capacity in these proceedings. The law is well settled that no person can be condemned unheard. It would, therefore, not be fair on our part, to deal with allegations made against individuals who are not parties to the petition and who have had no chance to reply to the allegations levelled against them. Therefore, we refrain from commenting on the conduct of the officials in their individual capacity.

26. However, as far as their official capacity is concerned, we are of the view that the NGT was fully justified in coming to the conclusion that certain officials of PMC were going out of their way

to help the project proponent and we, therefore, uphold the directions given by the NGT in its order dated 27.09.2016 in this regard. In view of what we have discussed above, it is more than apparent that despite notifications of 2006 and 2011 being clear and unambiguous, the officials of PMC have given an interpretation which was tailor-made to suit the project proponent. This was being done even before the clarification of 07.07.2017 was issued. This clearly indicates that some officials of the PMC were espousing the case of the project proponent at the cost of the environment.

27. We may also observe that *prima facie* we are of the view that the Principal Secretary, Environment Department, Govt. of Maharashtra has not acted in a fair and transparent manner. The allegations made by the original applicant cannot be lightly brushed aside. In the original order dated 27.09.2016, the NGT held as follows :-

> "**42.** From the extracted portion of the order dated 31st May, 2016 of Principal Secretary, Environment Department, it is seen that he has declared construction of 18 buildings on the site instead of 12 buildings is permissible which, according to him, only a changes on configuration of buildings. This opinion undoubtedly is based on his erroneous conclusion that total BUA which is nothing but F.S.I. consumed i.e. 48617.14 sq.mts which is within the EC limit as against the actual construction activity which has

> exceeded over 100000 sq.mtrs BUA. Hence we set aside that order/communication dated 31st May, 2016."

The official holding the post of Principal Secretary must have been aware of these directions because he was a party to the proceedings before the NGT. Despite that, while granting fresh EC on 20.11.2017, this official noticed that reference to the Environment Department for verification of files was withdrawn vide letter dated 31.05.2016 and the matter has been considered afresh. When the letter dated 31.05.2016 had been quashed the obvious result would be that action had to be taken in accordance with the earlier directions in the 27th meeting of SEAC III (Non-MMR) held from 10th to 13th March, 2015 and the 87th meeting of SEIAA held on 10th to 12th August, 2015. This was not done. His actions need to be looked into and, therefore, we uphold the direction given by the NGT directing the Chief Secretary to the State of Maharashtra to take notice of the conduct of the concerned officers. We further direct the Chief Secretary to file detailed report in respect of the conduct of the then Principal Secretary, Department of Environment to the NGT within 3 months which will thereafter pass appropriate directions in the matter.

Challenge to the order dated 08.01.2018 passed in Review Application No.35 of 2016:

28. This order has been challenged both by the project proponent by amending the appeal and by the original applicant by filing a separate appeal.

29. Section 19(4)(f) of the National Green Tribunal Act, 2010 provides that the Tribunal shall have the same powers as are vested in Civil Courts while trying a suit in respect of matters relating to review of its decisions. Therefore, the power of review vested with the NGT is akin to the power vested with the Civil Court. As such, the principles which govern the exercise of review jurisdiction before a Civil Court will apply with equal force to the NGT.

30. Rule 22(2) of the National Green Tribunal (Practices and Procedure) Rules, 2011 provides that a review application shall ordinarily be heard by the Tribunal at the same place of sitting which has passed the order unless the Chairperson may, for reasons to be recorded in writing, direct it to be heard by the Tribunal sitting at any other place. Sub-rule(3) of Rule 22 provides

that ordinarily review application shall be disposed of by circulation.

31. Since the powers of review which the NGT exercises are akin to those of a Civil Court it would be pertinent to refer to relevant portions of ***Order XLVII of Civil Procedure Code, 1908,*** which read as follows:-

> "**1. Application for review of judgment.-** (1) Any person considering himself aggrieved—
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> (a) by a decree or order from which an appeal is allowed, but from which no appeal has been preferred,
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> (b) by a decree or order from which no appeal is allowed, or
>
> (c) by a decision on a reference from a Court of Small Causes,
>
> and who, from the discovery of new and important matter or evidence which, after the exercise of due diligence was not within his knowledge or could not be produced by him at the time when the decree was passed or order made, or on account of some mistake or error apparent on the face of the record, or for any other sufficient reason, desires to obtain a review of the decree passed or order made against him, may apply for a review of judgment to the Court which passed the decree or made the order.
>
> (2) A party who is not appealing from a decree or order may apply for a review of judgment notwithstanding the pendency of an appeal by some other party except where the ground of such appeal is common to the applicant and the appellant, or when, being respondent, he can present to the Appellate Court the case on which he applies for the review.
>
> xxx xxx xxx

> **5. Application for review in court consisting of two or more Judges.-** Where the Judge or Judges, or any one of the Judges, who passed the decree or made the order, a review of which is applied for, continues or continue attached to the court at the time when the application for a review is presented, and is not or are not precluded by absence or other cause for a period of six months next after the application from considering the decree or order to which the application refers, such Judge or Judges or any of them shall hear the application, and no other Judge or Judges of the Court shall hear the same."

32. The project proponent has urged various grounds to challenge the order passed in the review application. The first ground is that whereas the original order was passed by a Bench comprising of Dr. Justice Jawad Rahim and Dr. Ajay A. Deshpande, the review application was heard and decided by a Bench comprising of Justice U.D. Salvi and Dr. Nagin Nanda. It has been urged that Dr. Justice Jawad Rahim continues to be a Judicial Member of the NGT and, in fact, was sitting in the Western Bench at Pune on 08.01.2018 when the impugned judgment in review was pronounced by the NGT.

33. We are clearly of the view that a review petition should normally be heard by the same Bench which originally decided the matter. A review petition should not be heard by any other Bench

unless it is impossible or totally impracticable for the earlier Bench to hear the matter. In a review petition, like in the present case, where the review petitioner contends that certain arguments raised by him have not been considered then it is only the judges who originally heard the matter who can decide whether such point was urged or not. In the present case the review application was based mainly on the contention that the affidavit dated 18.05.2016 was not taken into consideration by the Bench.

34. It is well known that parties raise various contentions in their pleadings or in their evidence. On many occasions when arguments are heard many of the pleas are not urged. Any judicial authority including the NGT which is presided over by a judicial member who may be a retired judge of this Court or of a High Court is expected to deal with all contentions raised before it. There is a presumption that judicial authorities must have dealt with all the contentions raised before them. If a party urges that some of the contentions urged by it have not been taken into consideration then it has to file a review application and it is but obvious that such review

application should be heard by the same Bench which had originally heard the matter.

35. Sub-rule (3) of Rule 22 of the National Green Tribunal (Practices and Procedure) Rules, 2011 clearly lays down that a review application shall be disposed of by circulation. If the review application is to be disposed of by circulation then there is no problem in the matter being circulated before the very same Bench which had earlier heard the matter. This can be done even at a place which may be different from the original place of hearing. It is only if the Bench decides to give oral hearing in the review application and notice is issued to the opposite party that sub-rule(2) of Rule 22 will come into operation. According to sub-rule(2) the matter should ordinarily be heard at the same place of sitting where it was originally decided. However, this is not a mandatory direction because sub-rule(2) itself contemplates that the matter shall 'ordinarily' be heard at the same place. In tribunals like the NGT where members may be transferred from one Bench to another or may be attending a Bench on circuit then problems can sometimes arise. These issues can be easily resolved by resorting to

the latest technology and if necessary the arguments in such cases can be heard by video conferencing. The normal rule that the same Bench should hear the review application should not be disturbed unless it is virtually impossible for the original Bench to hear the matter or the members of the Bench themselves opt not to hear the matter.

36. In this behalf, we must remind ourselves that the power of review is a power to be sparingly used. As pithily put by Justice V.R. Krishna Iyer, J., "A plea for review, unless the first judicial view is manifestly distorted, is like asking for the moon"[2]. The power of review is not like appellate power. It is to be exercised only when there is an error apparent on the face of the record. Therefore, judicial discipline requires that a review application should be heard by the same Bench. Otherwise, it will become an intra court appeal to another Bench before the same court or tribunal. This would totally undermine judicial discipline and judicial consistency.

[2] (1980) 2 SCC 167

37. We may refer to the judgment of this Court in ***Malthesh Gudda Pooja*** vs. ***State of Karnataka and Ors***. [3]. In that case a writ appeal was disposed of by a Division Bench comprising of Hon. V. Gopala Gowda and L. Narayana Swamy, JJ., at the Dharwad Circuit Bench of the Karnataka High Court. Thereafter, a review petition was filed before a Bench comprising of Hon. K. Sreedhar Rao and Ravi Malimath, JJ.. An objection was raised that the review petition should be heard by the same judges who had originally heard the matter but this objection was overruled and the review petition was allowed and the appeal was ordered to be listed afresh before the Division Bench. This appeal was listed before the Dharwad Circuit Bench consisting of Hon. D.V. Shailendra Kumar and N. Ananda, JJ.. This Bench held that the order of review passed was a nullity since the judges who had heard the review should not have heard the same especially when the judges of the original Bench were available. The matter came to this Court and this Court after referring to Order XLVII Rule 5 of CPC and Rule 5 of High Court of Karnataka Rules, 1959 and taking note of the fact that the Chief Justice of the Karnataka High

[3] (2011) 15 SCC 330

Court had passed an order that the review petition be listed as per roster held as follows :-

> "**18.** Order 47 Rule 5 of the Code and Chapter 3 Rule 5 of the High Court Rules require, and in fact mandate that if the Judges who made the order in regard to which review is sought continue to be the Judges of the Court, they should hear the application for review and not any other Judges unless precluded by death, retirement or absence from the Court for a period of six months from the date of the application. An application for review is not an appeal or a revision to a superior court but a request to the same court to recall or reconsider its decision on the limited grounds prescribed for review. The reason for requiring the same Judges to hear the application for review is simple. Judges who decided the matter would have heard it at length, applied their mind and would know best, the facts and legal position in the context of which the decision was rendered. They will be able to appreciate the point in issue, when the grounds for review are raised. If the matter should go before another Bench, the Judges constituting that Bench will be looking at the matter for the first time and will have to familiarise themselves about the entire case to know whether the grounds for review exist. Further, when it goes before some other Bench, there is always a chance that the members of the new Bench may be influenced by their own perspectives, which need not necessarily be that of the Bench which decided the case.
>
> **19.** Benjamin Cardozo's celebrated statement in *The Nature of Judicial Process*, (pp. 12-13) is relevant in this context:
>
> "There is in each of us a stream of tendency, whether you choose to call it philosophy or not, which gives coherence to thought and action. Judges cannot escape that current any more than other mortals. All their lives, forces which they do not recognise and cannot name, have been tugging at them—inherited instincts, traditional beliefs, acquired convictions; … In this mental background every problem finds its setting. We may try to see things as objectively as we please. Nonetheless, we can never see them with any eye except our own."
>
> **20.** Necessarily therefore, when a Bench other than the Bench which rendered the judgment, is required to consider

> an application for review, there is every likelihood of some tendency on the part of a different Bench to look at the matter slightly differently from the manner in which the authors of the judgment looked at it. Therefore the rule of consistency and finality of decisions, makes it necessary that subject to circumstances which may make it impossible or impractical for the original Bench to hear it, the review applications should be considered by the Judge or Judges who heard and decided the matter or if one of them is not available, at least by a Bench consisting of the other Judge. It is only where both Judges are not available (due to the reasons mentioned above) the applications for review will have to be placed before some other Bench as there is no alternative. But when the Judges or at least one of them, who rendered the judgment, continues to be members or member of the court and available to perform normal duties, all efforts should be made to place it before them. The said requirement should not be routinely dispensed with."

38. A perusal of the above judgment leaves no manner of doubt that this Court has held that in terms of Order XLVII Rule 5 of CPC, a review should normally be heard by the same Bench which passed the original order. We may reiterate the reasons given by this Court. These are :-

1) The judges who heard the matter originally have applied their mind and would know best the facts and legal position;

2) They will be in the best position to appreciate the matter in issue when a review is filed;

3) If the matter goes before another Bench that Bench will have to virtually hear the matter afresh;

4) Most importantly, when the matter goes to a new Bench the members of the new Bench may go by their own perspective and philosophy which may be totally different to that of the Bench which originally heard the matter.

We may again re-emphasize that judicial discipline, judicial traditions and consistency in pronouncements require that the Bench which heard the matter originally should hear the review petition unless it is virtually impractical for the original Bench to hear the matter, or where the members of the original Bench recuse.

39. Another ground raised is that the statutory appeal was already pending in this Court against the original order when the review application was taken up for hearing. It is contended, on the basis of Order XLVII Rule 1(2) of CPC, that review application should not have been taken up for hearing because the original applicant could have before this Court taken up all the points which he had taken in his review application. It is also contended that this is not a case where there is an error apparent on record and as such the power of review could not have been exercised. As far as the facts of this

case are concerned we are clearly of the view that the original applicant could have raised all issues which he raised in review application even by filing a counter affidavit in the appeal filed by the project proponent or by challenging the original order in this Court as he has done now. In this context, once this Court was seized of the matter and all issues were being urged, the NGT should not have proceeded to hear the review application.

40. We may add that on 21.12.2016, the review application itself was listed before the Bench of Dr. Justice Jawad Rahim and Dr. Ajay A. Deshpande, which adjourned the matter to 25.01.2017 to hear it regarding maintainability of the review application in view of the statutory appeal provided under the National Green Tribunal Act, 2010. However, the matter got listed before the other Bench and on 25.07.2017, the said Bench considered this objection raised by the project proponent in terms of Order XLVII Rule 1 of the CPC and the Bench held as follows:

> "Having perused the record, we find that the Appellant is seeking quashing of the order of compensation in totality and the Review Applicant is seeking enhancement of the compensation granted by the Tribunal. We do not see any commonality in the grounds resorted to by the Applicant and Appellant in the said Appeal. Exception to Sub-clause 2 of Order 47 Rule 1 of Code of Civil Procedure, therefore, does

> not come to the help of Respondent No.9. We are, therefore, of the considered opinion that the Review Application is maintainable. Plea of non-maintainability of the Review Application is rejected."

41. We are of the view that the aforesaid finding is incorrect. The project proponent had not only challenged the original order of the NGT on the ground that he had not violated the EC but also on the ground that the damages awarded were highly excessive. Therefore, the question that what should be the extent of damages was specifically before this Court. We are therefore, clearly of the opinion that the Bench hearing the review application erred in holding that the review application was maintainable despite the appeal pending before this Court.

42. We may also note that the Bench which heard the review has rejected all other grounds of review mainly on the ground that there is no error apparent on the face of the record but has only dealt with the issue of enhancement of damages to be imposed on the basis of 'Carbon Footprint' relying on the affidavit dated 18.05.2016. The Bench noted that this affidavit had not been taken into consideration by the earlier Bench. How could the latter Bench

hearing the review application know whether any reference was made to this affidavit at the time of original hearing or not? In fact, the project proponent urges that this affidavit was never filed on 18.05.2016.

43. Here, it would be pertinent to mention that according to the original applicant he was given oral permission by the Bench to file such an affidavit on 23.02.2016. We have perused the order dated 23.02.2016 and find that it makes no mention of any such request being made. If there is no such request then the question of issuing an oral direction to file such an affidavit does not arise. We may also add that after 23.02.2016, the matter was listed on numerous occasions i.e. 16.03.2016, 05.04.2016, 18.04.2016, 22.04.2016, 02.05.2016 and 05.05.2016 before the NGT. In none of the orders there is any reference to Carbon Footprint or to any affidavit to be filed by the original applicant. If an oral permission had been given, obviously the original applicant would have either filed an application or would have made a request that he wants to file such an affidavit.

44. The affidavit in question is dated 18.05.2016 and it is alleged that it was filed on 18.05.2016. The matter was listed for hearing on 19.05.2016 on which date also there is no reference to any such affidavit. It would be pertinent to note that in between the project proponent had filed an M.A. No. 389 of 2016 before the Principal Bench stating that an interim order dated 23.12.2015 had been passed against it and the matter was not being heard and, therefore, it may be heard by a Bench presided over by Dr. Justice Jawad Rahim, who apparently was holding Court in the Pune Bench at that time and the Principal Bench allowed the same on 02.05.2016 directing that the matter be listed before the Bench presided over by Dr. Justice Jawad Rahim. On 19.05.2016, the original applicant sought time stating that he had filed review application against the order dated 02.05.2016 before the Principal Bench praying that the matter should be heard by the earlier Bench presided over by Justice U.D. Salvi and, therefore, the matter could not be heard by Dr. Justice Jawad Rahim on that day and was further adjourned to 23.05.2016. There is no reference to Carbon Footprint in the order dated 19.05.2016. On 23.05.2016, the matter was heard by the Bench presided over by Dr. Justice Jawad

Rahim and the orders reserved. In this order also there is no reference to the affidavit with regard to Carbon Footprint. If the filing of the affidavit would have been brought to the notice of the Bench, it would have recorded in the order that some fresh affidavit had been filed. Subsequently, the project proponent, who is the contesting respondent, filed an application on 20.07.2016 praying that in the meantime he had obtained permission of the Environment Department and the SEIAA to which we have adverted hereinabove.

45. The original applicant sought time to file counter affidavit. The matter was adjourned to 28.07.2016 for re-hearing deleting the same from reserved list since there were subsequent developments. On 28.07.2016 the matter was got adjourned to 02.08.2016 on which date some execution application for implementation of the interim orders was taken up and direction was issued to the PMC. The matter was again taken up on 08.08.2016, 19.08.2016 and 24.08.2016 when the hearing was closed and judgment was pronounced through video conferencing on 27.09.2016. In none of these orders any mention was made for Carbon Footprint or to the

affidavit on the basis of which the review application was filed. On 23.05.2016 the project proponent filed reply to the affidavit dated 18.05.2016 filed by the original applicant in which they raised objections that such affidavit was not filed on 18.05.2016 and the copy of the same was handed over to them on 20.05.2016 and the original applicant had no permission to file such an affidavit. All these disputed issues as to whether such an affidavit was filed with the permission of the Court or it was referred to in the first hearing or in the second hearing could only be decided by the Bench which had heard the matter on 23.05.2016 or on 24.08.2016 on which dates the original application was reserved for orders.

46. We are of the considered view that the review application should have been heard by a Bench headed by Dr. Justice Jawad Rahim who was admittedly available and in fact continues to be a member of the NGT. Therefore, we are constrained to set aside the order passed in Review Application No.35 of 2016 dated 08.01.2018

Is Demolition the only answer?:

47. The next issue which arises is that what we should do with the construction. A large number of flats are already occupied and a large number of persons have paid money for occupying these flats. Learned counsel appearing for those persons who have purchased the flats urged that the flats should not be demolished otherwise they shall be put to great monetary loss. As pointed out above now there are 807 flats and 117 shops which are either constructed or under construction. These flats are 1, 1.5 and 2 BHK flats and small shops and offices. The project proponent has already taken money from these persons and a large number of flats and shops have already been occupied and even where the remaining flats and shops are not occupied, persons belonging to the middle class have invested their life's earnings in this project. Keeping in view the interest of these third parties who were not parties before the NGT, we are of the view that in the peculiar facts and circumstances of the case, demolition is not the answer. This would put innocent people at loss. Normally, this Court is loathe to legalize illegal constructions but in the present case we have no option but to do so.

48. We hasten to clarify that the project proponent cannot be permitted to build any more flats. What we are permitting him to do is to only complete construction of 807 flats, 117 shops/offices and cultural centre including the club house. We make it clear that he shall not be allowed to build the two buildings in which he was to construct 454 tenements, and will obviously have to return the money with interest at the rate of 9% per annum to the individual(s) who have invested in the same. There is no equity in favour of these persons since the plan to raise this construction was submitted only after 2014 when the validity of the earlier EC had already ended. Therefore, though we uphold the order of the NGT dated 27.09.2016 that demolition is not the answer in the peculiar facts of the case, we also make it clear that the project proponent cannot be permitted to build nothing more than 807 flats, 117 shops/offices, cultural centre and club house.

Whether the Original Applicant is entitled to Special Damages:

49. On behalf of the original applicant various issues were raised before us which had not been raised before the NGT and find no

mention either in the original order or even in the order under review. We are not considering those issues. It was urged that the project proponent has reduced the area of Cultural Centre. This averment is not correct as pointed by senior counsel appearing for the Union of India. The development plan is not only for the area under the project but covers a much larger area where more than one builder and projects may be involved. It is not the responsibility of only one builder to provide the entire community services and these have to be provided pro rata by all developers of projects in the area. It was also alleged that the builder had built 3 basements which are illegal. On the other hand it was contended by the learned senior counsel for the project proponent that one of the basements has already been blocked and the other two basements shall also not be put in use and would be completely blocked off. We make it clear that PMC and SEIAA will ensure that the project proponent blocks the basements in such a manner that they can never be put to any use. Another argument raised by the original applicant was that the project proponent had stated that though he would not use any ground water, however it has utilized the ground water and violated the condition of the EC. Reliance is

placed on certain photographs showing water being pumped. On the other hand on behalf of the project proponent it has been urged that this water was being pumped out from the excavated area when the building was built and the water level had risen. We cannot decide this disputed question of fact in these proceedings.

50. We may also point out that in this case the original applicant has tried to project the case as if he is filing the case in the public interest and has prayed for certain general directions. He has also claimed special damages for himself. The main grievance of the original applicant is with regard to the violation of the EC and according to him these violations started in the year 2009. The original applicant had applied for a flat in the project in question and had issued notice to the project proponent on 21.10.2011 about deficiency in service. This notice was replied to on 17.11.2011. Thereafter, the original applicant filed Consumer Complaint No. 95 of 2012 on 22.02.2012. This complaint was decided on 20.11.2014. Thereafter, the order of the District Consumer Disputes Redressal Forum was challenged before the State Consumer Redressal Commission both by the project

proponent and original applicant in February, 2015. It appears that thereafter there were complaints and counter complaints filed by the parties against each other and the project proponent filed a civil suit for defamation against the original applicant on 02.12.2015 and it was only thereafter on 07.12.2015 an application was filed in the NGT by the original applicant. We are highlighting these facts only to emphasize the fact that this litigation is obviously not a Public Interest Litigation. Therefore, the claim of the original applicant to award him special damages cannot be accepted.

Quantification of damages:

51. We need to decide and re-assess the issue of damages since the original applicant has also challenged the original order of the NGT. While assessing the damages we may note certain facts:-

1) The EC was granted on 04.04.2008 but construction commenced after issuance of consent to establish dated 20.06.2009 and the EC would be valid for a period of 5 years from the date of such consent, i.e. upto 19.06.2014;

2) The EC dated 04.04.2008 was granted for construction of built up area 57,658.42 sq.mtrs., whereas admittedly, as of now the constructed built up area is 1,00,002.25 sq. mtrs.. Therefore, there is clear-cut violation of the terms of the EC;

3) Any construction raised after 19.06.2014 is without any EC especially since we have held that EC granted on 20.11.2017 is invalid.

Carbon Footprint:

52. The main case of the original applicant is that the damages should be assessed on a scientific basis by calculating the damage caused to the environment by the project proponent on the basis of 'Carbon Footprint'. In the absence of detailed submissions, we find ourselves totally unequipped to go into this aspect of the matter.

53. In the original application filed by the original applicant before the NGT, there is no reference to Carbon Footprint. Even when evidence was initially led, no reference was made to the same. The concept of Carbon Footprint was introduced by the original

applicant only in his affidavit dated 18.05.2016. In fact, according to the project proponent this affidavit was not even filed on 18.05.2016. It appears to us that there is no order of the NGT specifically permitting the original applicant to file such an affidavit. The submission of original applicant is that he was orally permitted to file the same. These disputed questions would have been only decided by the Original Bench and, therefore, we have already set aside the order passed in the review application dated 08.01.2018.

54. Courts cannot introduce a new concept of assessing and levying damages unless expert evidence in this behalf is led or there are some well established principles. We find that no such principles have been accepted or established in the present case. When there are no pleadings in this regard we fail to understand how the concept of Carbon Footprint can be introduced after evidence has been closed, at the stage of arguments. We cannot assess the impact in actual terms and, therefore, we can only impose damages or costs on principles which have been well settled by law.

55. We may also note that the method to which the original applicant referred to is not part of any law, rule or executive instructions. This method is no doubt used to compensate and impose damages on nations but we cannot apply this method while imposing damages on a person who violates the EC. We may also add that the calculation made by the original applicant in his affidavit dated 18.05.2016 filed before the NGT are based on assumptions some of which we have not found to be correct namely – (1) use of ground water; (2) reduction of Cultural Centre space; (3) construction of basements etc..

56. We may make it clear that we are not laying down the law that damages cannot be assessed on the basis of Carbon Footprint. In a case where expert evidence in this behalf is led or on the basis of empirical data it is established that by applying the principles of Carbon Footprint damages can be assessed, the Court may, in the facts and circumstances of the case, rely upon such data but, in the present case, there is no such reliable material.

57. Having held so we are definitely of the view that the project proponent who has violated law with impunity cannot be allowed to go scot-free. This Court has in a number of cases awarded 5% of the project cost as damages. This is the general law. However, in the present case we feel that damages should be higher keeping in view the totally intransigent and unapologetic behaviour of the project proponent. He has maneuvered and manipulated officials and authorities. Instead of 12 buildings, he has constructed 18; from 552 flats the number of flats has gone upto 807 and now two more buildings having 454 flats are proposed. The project proponent contends that he has made smaller flats and, therefore, the number of flats has increased. He could not have done this without getting fresh EC. With the increase in the number of flats the number of persons, residing therein is bound to increase. This will impact the amount of water requirement, the amount of parking space, the amount of open area etc.. Therefore, in the present case, we are clearly of the view that the project proponent should be and is directed to pay damages of Rs.100 crores or 10% of the project cost whichever is more. We also make it clear that while calculating the project cost the entire cost of the land based

on the circle rate of the area in the year 2014 shall be added. The cost of construction shall be calculated on the basis of the schedule of rates approved by the Public Works Department (PWD) of the State of Maharashtra for the year 2014. In case the PWD of Maharashtra has not approved any such rates then the Central Public Works Department rates for similar construction shall be applicable. We have fixed the base year as 2014 since the original EC expired in 2014 and most of the illegal construction took place after 2014. In addition thereto, if the project proponent has taken advantage of Transfer of Development Rights (for short 'TDR') with reference to this project or is entitled to any TDR, the benefit of the same shall be forfeited and if he has already taken the benefit then the same shall either be recovered from him or be adjusted against its future projects. The project proponent shall also pay a sum of Rs. 5 crores as damages, in addition to the above for contravening mandatory provisions of environmental laws.

58. Normally, this Court is not inclined to grant *ex post facto* EC. However, in the peculiar facts of this case we direct that once the project proponent deposits the amount of damages as directed by

us then the project proponent may approach the appropriate authority for grant of EC. The authority may impose such conditions for grant of EC as it deems necessary.

Findings and Directions:

59. We summarise our findings and directions as follows:

(i) That built up area under the notification of 14.09.2006 means all constructed area which is not open to the sky;

(ii) Built up area under the notification of 04.04.2011 means all covered area including basement and service areas;

(iii) The communication dated 07.07.2017 is totally illegal and accordingly quashed;

(iv) The original application cannot be treated as a public interest litigation;

(v) We are not taking note of the allegations levelled against the individuals who have not been arrayed as parties;

(vi) That the order dated 27.09.2016 of the NGT is upheld except in so far as Direction No. 1 is concerned;

(vii) The order in review application passed by the NGT on 08.01.2018 is held to be totally illegal and is accordingly set aside;

(viii) We uphold the original order dated 27.09.2016 holding that the construction raised by the project proponent was in violation of the environmental clearance granted to it on 04.04.2008. We uphold the fine imposed upon the PMC and the direction given to the PMC to take appropriate action against the erring officials. We also uphold the direction given to the Chief Secretary to the State of Maharashtra and in addition, direct that the Chief Secretary to the State of Maharashtra shall look into the conduct of the official holding the post of Principal Secretary (Environment) to the Government of Maharashtra on 27.09.2016 and will submit his report to the NGT within three months from today;

(ix) We impose damages of Rs.100 crores or 10% of the project cost, whichever is higher on the project proponent and in addition thereto, project proponent will pay Rs.5 crores as levied by the NGT in its order dated 27.09.2016;

(x) Project proponent shall not be permitted to raise construction of two buildings having 454 tenements;

(xi) We direct that the project proponent shall only be permitted to complete construction of a total 807 flats, 117 shops/offices and cultural centre including club house;

(xii) The project proponent will only be permitted to seek environmental clearance for completion of the project subject to payment of costs in the aforesaid terms and it may be granted *ex post facto* environmental clearance in the peculiar facts of the case, on such terms and conditions as the environmental authority deems fit and proper;

(xiii) The project proponent is granted six months' time to deposit the amount of damages imposed in terms of

direction no. (ix) *supra* in the Registry of this Court. In case the project proponent does not deposit the amount within six months then all the assets of the project proponent i.e. M/s. Goel Ganga Developers India Pvt. Ltd. as well as its Directors shall be attached and the amount of damages shall be recovered by sale of those assets. It is further directed that in case this amount is not deposited within the period of six months then the licence/registration/permission granted to M/s. Goel Ganga Developers India Pvt. Ltd. to develop any "real estate project" within the meaning of the Real Estate (Regulation and Development) Act, 2016 shall be cancelled and the project proponent i.e. M/s. Goel Ganga Developers India Pvt. Ltd. and its Directors shall not be granted permission to develop any "real estate project" under the Real Estate (Regulation and Development) Act, 2016 without permission of this Court.

(xiv) The matter be listed on 22.10.2018 for issuing appropriate directions as to how the amount of damages are to be utilised;

60. All the appeals are disposed of in the aforesaid terms. Pending application(s) if any, shall also stand disposed of.

.....**J.**
(Madan B. Lokur)

.....**J.**
(Deepak Gupta)

New Delhi
August 10, 2018