GREEDY AGAINST THE GREENS. THE LEGAL BATTLE J G Kanga

Background

The land occupied by textile mills in Central Mumbai known as Girangaon, was a sacred cow for successive Congress governments in the 80's and 90's. Even though the mills had virtually ceased to function after the disastrous strike of 1970's and early 80's, the congress party which was in power in the state did not allow the owners to sell the land. since the largest unions of workers (INTUC) was controlled by the party... Hence till 1991 no development was allowed to take place on mill lands, as this was considered the only security for the workers dues. Consequently, neither could the mills be revived, nor the workers and banks paid their dues. However, due to the pressure of the Government Of India (GOI) and the Board of Industrial Finance and Reconstruction(BIFR), in 1991 the GOM introduced Reg. 58 in the Development Control Regulations (DCR) allowing the development of surplus mill lands, but only for the revival or modernization of the mills after approval of the BIFR. This regulation DCR 58 prescribed interalia, that every mill applying for permission to develop its lands would have to surrender 33% of it land to BMC for public open space, and 27 to 37% depending upon the area to MHADA for housing. In exchange the owners got the Transfer of development right(TDR) equal to the area so surrendered, which they could exploit, DCR 58 clearly specified that for calculating the area to be surrendered to BMC and MHADA the "Entire open area and the land under the structures was to be considered". Only the structures to be retained for the revived mill were excluded. By this formula, the city would get over 200 acres of open public space and the same amount of land for affordable housing. Which would accommodate 28500 families at the rate of 30 sq m per family...

Because of its peculiar geographical shape and burgeoning population of 15million and rising, Mumbai can claim to have the lowest open space per 1000 population in the world, a miserable 0.015 acres per 1000 population, while even Delhi and Chennai has 5 acres. Also 60 % of the pop live in slums or extremely sub standard housing. Basic services such as water power etc. are so stretched that they are nearly at breaking point. Even though the increase in open space which would be created as a result of this regulation did not amount to a very great improvement in the situation, it gave some relief the most crowded parts of the city i.e. Central Mumbai which had long been neglected. It also gave an opportunity to improve the transport net work as this part of the city was criss- crossed by roads and railway network, and it would have allowed the widening of roads and addressed to a limited extent the problem of housing shortage. Government also recognized the need for integrated planning for the development of this large area where the mills are all situated, so as to avoid piece meal development which is also required by the Maharastra Regional and Town Planning Act (MR&TP). It appointed a study group of expert urban planners in 1996 under the eminent architect and town planner Charles Correa, to make a proper plan for the holistic development of



Mill lands, new developments, and chawls along the eastern coastline of Mumbai. Image courtsey Jehangir Sorabjee, Above Bombay, Eminence Publications

the mill land as and when this took place. This group suggested measures to improve the road and rail network connectivity in this vital part of the city, and also addressed the critical issue of pedestrian movement from the new employment centers which would come up there, to the railway stations. It provided in the plan for open spaces in strategic locations, such as opposite railway stations, to ease congestion. The report of the group was submitted in 1996, but no action was taken on their recommendations. Subsequently in 2000 GOM appointed another committee under Shri Ranjit Desmukh, Minister for textiles to revise the policy for disposal of mill lands and to look into the grievances of the workers and also the mill owners. The committee gave its report in 2001.

Soon there after by a notification dated 21 March 2001 in the purported exercise of its powers under sec 37 of the MRTP Act the government amended the DCR 58. This amended DCR 58 besides modifying the original regulation, changed the very basis for calculating the land to be surrendered for open space and housing. Instead of considering the entire open lands and lands after demolition of structures for calculating the area to be surrendered as in the original reg., it substituted the words "open lands and balance FSI." and dropped the words "lands under the structures." This reduced the area to be surrendered drastically. The reason for this amendment was initially explained by the government as based on the recommendations of the Ranjit Deshmukh and Charles Correa committees, vide affidavit in the high court of Shri R Tiwari Secretary UDD which was later changed to say that it reflects the cabinet decision

and not these committees recommendations.

Though the amendment came into immediate effect, it was not implemented for 2 years as the Municipal Commissioner Mumbai, sought a clarification on 28 March 2001 from the UD Dept on the method of calculation of open land and land for housing to be surrendered. This clarification was not issued till March 2003 during which time no development took place on the lands

The clarification given by the Urban Development Department(UDD) in March2003 changed the picture drastically.

It specified that land which became open upon demolition of existing structures was not to be taken into account for calculating the sharing ratio between BMC, MHADA and the owners. It also stated that the open land does not even mean existing "open lands but the area to be worked out by deducting the land component at FSI 1.33 in the city and at 1.00 in suburbs required for existing built up, from total area". Even if the existing structures are proposed to be demolished and the user is proposed to be changed from industrial to commercial use, that area of land should not be taken into account for calculating the area to be surrendered. In effect this would mean that if in a mill the quantum of existing built up area consumed an FSI of 1.33 or more of the plot area, then no land would have to be shared regardless of the amount of existing open land. This clarification resulted in the reduction of open space from 166 acres to 32 acres, and land for housing from 160 acres, sufficient for 28422 families at 30 sq mts. per family to 25 acres capable of housing only 4433 families.

The concerned citizen groups and some NGO's tried to persuade the GOM to change the regulation as the city could not afford to lose so much open space. However despite various petitions to the GOM including a 'notice of motion' by the Bombay Municipal Council, there was no response from GOM. Efforts were also made to persuade the NTC, the biggest mill owner to voluntarily keep 1/3 area open by a covenant and to use the entire FSI on the balance plot, so as to give the city open space. However, the greed of the mill owners was now wetted by the clarification and they were not willing to give up an inch of space!

Ultimately the NGO's led by the BEAG filed a PIL in the Bombay High Court on 18 February 2005. Admitting that the regulation would cause a substantial loss of open space and housing for the poor and recognizing the concerns of the citizens, the GOM set up a committee under Shri Deepak Parekh, Chairman HDFC Bank, having representatives of the mill owner, mill workers as well as NGOs to reexamine the matter and to suggest how the requirements of balanced development, town planning and environmental considerations regarding open space desperately required for the city, as well as affordable housing. could be reconciled. This committee was to try and work out a viable alternative for government to consider. However, evidently under pressure from builders and mill owners after a few meetings which yielded no results, the term of this committee was not extended when it expired on 25 April 2005.

The Public interest legislation in the High Court (PIL)

The PIL challenged the amended DCR 58 and raised the following issues:

1 The approval of the BIFR was a pre condition to development of the surplus mill lands as it was to be only for revival/modernization of the mills



An ill-maintained spinning unit of Kohinoor Mills 1 & 2. Photograph: Rajesh Vohra

Source: Author

- 2 That the clarification of March2003 by the UDD was contrary to the provisions of MRTP Act and such drastic changes in the DCR could not be carried out under Sec 37 of MRTP Act and was thus void ab initio
- 3 The amended DCR 58 as clarified was contrary to public interest, the promotion and protection of the population which is the basis of Development Plan, and effectively renders impossible the comprehensive planning of mill lands as provided in sec 33 of the MRTP Act
- 4 It is ultra vires Art 21 of the constitution as it causes deprivation of open space, and of Art 14 as it amounts to exploitation of land for commercial purposes at the expense of low income housing and open space
- 5 The commencement of construction without prior sanction of the Ministry Of Environment under the EPA as per notification dated 27 Jan 94 and 7 July 04 was illegal.

The core issue was the true meaning and correct interpretation of DCR 58(1)(b) amended in 2001, and assuming that the petitioners interpretation was correct then whether the clarification dated 28 March 2003 effects an amendment to the amended DCR 58 which is not permissible under Sec 37 MRTP Act.

Shri Iqbal Chagla Senior Consul argued on behalf of the petitioners that

(1) DCR 58 was not intended for allowing commercial exploitation of mill lands but as a measure to revive closed or sick mills, or to modernize them. This was its primary object and the relaxation allowing for use of the land only for industrial use was the

exception and not the rule. This is supported by the affidavit of government which states. "I say that the deteriorating condition of textile units and the need to have sites for public purposes and public housing, prompted government to have a policy which threw open these lands for development or redevelopment to facilitate revival and modernization of mills."

The original DCR 58 was a self contained scheme for achieving these objectives. It envisaged that when a sick mill could be revived or modernized as per the direction of the BIFR, then this rule would apply. Hence the BIFR order was a precondition to such development, as also the formula for surrender of land for public open space and affordable housing. Both these objectives are clear from the above affidavit of the Govt.

- (2) It was further argued that the drastic change resulting from, the interpretation of term 'Open Land' in the U DD's clarification dated 21 March 2003, was in effect an amendment to the new DCR 58, and changes the character of the development plan, and renders the amendment beyond the scope and ambit of Sec 37 MRTP Act and ultra vires of the said provision. For carrying out such a drastic amendment it would be necessary to notify these changes, invite public objections and get it approved after following the proper procedure. It was further explained that as per the MRTP Act once a development plan is sanctioned, then only minor modifications which will not change the character of the Development plan are permitted, thereto under Sec 37 MRTP Act. Any major modification which changes the character of the dev plan is not permitted and can be only made under section 38, or by resort to section 33 which provides for preparation of special plan for an area or areas of comprehensive development. When the area to be surrendered is reduced from 200 acre to 32 acres for BMC and from 162 acres to 25 acres for MHADA, this is a substantial change which changes the character of the Development plan. Even when the development of area such as Nariman Point and Bandra Kurla complex which are much smaller were taken up. Government had appointed a special planning authority and prepared a special plan. The area of mill land is 10 to 15 times those areas and yet this is deemed to be a minor modification.
- (3) It was also argued that DCR 58 was contrary to and violates Art 21 and 15 of the Constitution of India as also the environment laws of the country which mandate an environment impact study and clearance under the environment protection act if the investment in such project exceed Rs. 50 crores. It is a well known fact that the available area of open space in Mumbai is the lowest in any major metropolitan city in the world. Where as the ideal ratio for open space for Mumbai is 4 acres per thousand persons, study conducted in 1970 showed the actual ratio to be 0.03 acres of open land per 1000 population. Today the ratio would be 0.015 acres per 1000, which is 540 times less than the minima recommended. Even Delhi and Chennai have 4 acres per 1000. Despite such a glaring shortage the govt, has by this amendment taken away almost 150 acres of open space that would have been available to the city. It is imperative that the ecological balance be maintained keeping in view the provisions of both the directive principle of State policy, and Art 21 of the constitution. Further Art 12 must give effect to Art 51A(g) which requires the state to protect and improve the natural environment (329 J). It was therefore urged that the amended DCR 58 should be set aside, and the earlier sharing ratio, of open space and for housing, restored.

THE GREAT MILL BETRAYAL?



The lands of United Mills 2 and 3 (right and below) would mainly be used to snace. This could increase the value of commercial

times news network

against the state's move to create a continuous stretch of open space in Parel while moving the housing for mill workers to the suburbs, as reported by TOI on Wednesday

"The government has effectively shown mill workers the direction ou of the city," said an enraged Datta Iswalkar, president of the Girni Kamgar Sangharsh Samiti (GKSS), a prominent mill workers' union. "We open spaces be made contiguous with

"By modifying Development Con-

vice-president of the Maharashtra environmentalists are up in arms. Housing and Area Development Authority (Mhada). "The textile museum will be built over the graves of ill workers," said Prabhi

Soon after the Supreme Court's

ity to the Oval-Maidan style ground would also beln builders sell flats. malls and office space at a premium.

ruling last year (see 'Shrinking pie'). and another unbroken stretch for various pretexts and this land is be the GKSS proposed to the state that mill owners to develop malls, offices ingused for profiteering. This is

will soon hold a massive demon- the land set aside for mill workers' but here they are only too happy to

acre maidan," said housing activist land can use the parks," said for political rallies and religious fund Chandrashekhar Prabhu, a former Iswalkar. He added that the proximitions, We need big grounds for sports

> The government plans to use an unbroken 15-acre stretch to develop an open space and a textile museum and residential complexes in central ousing and transit camps will be shifted to the suburbs

Environmentalists are also angry that the open space is not being disstration. We will sit outside the min-bousing so that they would have ac-tributed across the city. "With the de-worker housing headed by the chie isters' houses if necessary and we case to parks and grounds too. "That mographic shift to the suburbs the secretary, "In the last meeting, we city has been seeing, it doesn't make trol Regulation 58 (see "Land grab") keep the open spaces and the rede-Mumbai," said Debi Goenka of the and the bhoomipujan would be on veloped mill land both in central Bombay Environmental Action May 1. This is an insult and betray lost hundreds of acres of public land. Mumbai so that the rich people who Group "Past experience has shown al of and now they are tom-tomming a 15 come to live in the towers on mill that big grounds end up being used

but also smaller parks spread all over the city" said Goenka

working class along with their homes, livelihoods, history and cul ture from the centres of cities unde Mumbai, Meanwhile, mill workers' said Simpreet Singh of the Nation al Alliance of People's Movements

Iswalkar was also furious that the proposal was not discussed at the meetings of the committee on mil sense to have a big ground in central keep two mills in Parel for housing mmittee " he added

Development Control Regulation of 1991, mill owners were to surrend one-third of the land to the BMC for open spaces and an equivalent porti to Mhada for low-cost housing if the purposes. But there was a catch. If owners chose not to demolish existing structures, they could do away with the sharing, Between 1991 and 2001. owners of only three defunct private mills-Matulya Mills at Lower Parel Modern Mills at Mahalaxmi and Swadeshi Mill at Kurla-surrendered Mhada. Many of the mills set up mall and offices within existing structures to escape from surrendering land.

The government noted this and modified Rule 58 in 2001. But the modification ended up keeping even less open space for the city. The new rule said that owners had to share only existing open space, not land housing structures, with BMC and Mhada. But open spaces on most mill plots were negligible to start with.

WORKERS' GROUSE

- State had shot down mill worker proposal that open spaces be made contiguous with land set aside for wanted access to open space too
- State has now approved unbroke. 15-acre stretch for open space, while moving workers' housing to suburbs
- builders can now drive up prices of malls offices and flats because they will come along with huge open space
- Furthermore, while the mill workers will be away in the suburbs, only the rich living on former mill lands will have access to the parks
- Workers had been told bhoomiquia for housing in Parel would be on May I

The public's shrinking pie

Mumbai: Since the mid-1980s, the city's once-thriving mills began to fall sick and shut down one after the other, leaving thousand unemployed and hundreds of acres of prime land unused. In 1991, the state government amended Development Control Regulation (DCR) 58, allowing for a three-way division of land between the mill owner, BMC and MHADA—giving each 200 acres of the 600-acre pie. But, only three private mill owners followed the rule.

Then in 2001, the state modified DCR 58 to exclude existing mill structures from this three-way division. Now, only vacant land would be divided three ways. In 2005, the Bombay Environmental Action Group filed a PiL in the Bombay High Court challenging the amendment. In October 2005, the HC ruled in favour of the greens, but the Supreme Court struck down the He order in March 2006.

With this, the land available for open spaces and workers' nousing shrunk drastically. Presently, of the 29 mill edevelopment plans approved, roughly 400 acres of land are up for development. But with 320 acres being on built-up land, a mere 71 acres will be left for housing and open spaces. THE



Mill	Ongoing construction	Buyer	Price
Mumbai Textiles		DLF-Akruti	Rs 702 cr
Apollo	Residential	Lodha	Rs 180 cr
Do Aire	100000000000000000000000000000000000000	SINGA ANDA	0/0 3/0/0-3
Kohinoor	Shopping Complex	Kohinoor CLD	Rs 421 cr
Jupiter	IT Park	Indiabulls	Rs 276 cr
Standard	Residential	Sheth Builders	Rs 130 cr
China	Residential	Dosti Group	Rs 53 cr
Khatau	Not Known	Marathon	Rs 145 cr
Simplex	Residential	Joint venture between owner & Godrej	No sale
Elphinstone	Commercial	Indiabulls	Rs 441 cr
Matulya	Residential	Ashford Housing	NA

On behalf of the Government and the mill owners, an impressive battery of lawyers argued the case. Their main arguments were that the amendment to DCR 58 was due to the fact that the original DCR58 was unattractive and hence very few mills came forward to develop their land. Hence the dues of the workers and the banks remained unpaid. The scheme was therefore consciously liberalized and made more attractive by reducing the sharing ratio in favour of the mill owners. As a result of this change, now all the mills were willing to develop their lands. It was also argued that the clarification dated March2003 did not change the amended DCR 58 and was consistent with the policy of government. It was also argued that the petition deserved to be dismissed as the petitioners did not approach the court in time but after 4 years delay

After considering all the arguments by both sides, the Hon Justices Dr. Ramakrishna and Dharmadikari gave the following verdict,

- 1 The petition dealt with a very vital issue concerning the welfare of the city and though it was filed late it was allowed to be filed.
- 2 That the development of the mill lands were to be allowed only after BIFR 's permission and only for revival/modernization of the mills
- In the amended DCR 58(1)(b) "open lands " would also include lands after demolition of structures.
- 4 The Clarification dated 28 March 2003 to DCR 58 is so drastic that it clearly violated Art 21 of the constitution.
- 5 The issue whether amended DCR 58 can be issued under Sec 37 MRTP Act is kept open
- 6 All constructions carried out without environmental clearance and which violates the ETA notification was illegal..
- 7 All sale by NTC were in violation of the Supreme court's interim orders and contrary to BIFR scheme

Thus the verdict was clearly in favour of the petitioners, and all the contentions raised by them were allowed. What is more significant is that the judges Dr. Radhakrishna and Dharmadhkar have besides allowing the petition shown a unique appreciation of the environmental problem Mumbai is facing and the urgent need for more open space and housing. They stated,:

"It is vital to note that we are neglecting the importance of these open spaces both from environmental angle and from the ecological angle, and the importance has been grossly underestimated and undervalued. As a direct result, Mumbai has already lost a large number of fresh water reservoirs, tanks etc., and even the existing ones are under perennial threat. This has been one of the major causes for heavy flooding in Mumbai during the last week of July, 2005............ Today no one can dispute that all cities and towns need green spaces as much as other amenities like hospitals, educational institutions, roads, public chowks etc.. That is the reason these green and open spaces are called lungs of the cities......... In view of lack of proper outdoor recreation facilities, the social behavior pattern get seriously affected........... "Hence, they conclude that in our city of Mumbai, we might start having a large number of children born with various mental and physical infirmities, if the oxygen level goes on reducing gradually in view of lack of green & open spaces and lack of recreation facilities. They concluded that "Development must be sustainable in nature".

These are very bold and encouraging statements which most people staying in Mumbai will agree with (Except the millowners and builders!)

They therefore gave the clear finding that:

"Both un amended and amended regulations (DCR 58) are framed to fulfill the purpose of achieving revival and rehabilitation of the textile mills and curbing uncontrolled and unregulated development of their lands. In this view of the matter, it is not permissible to hold that there is no obligation to revive, rehabilitate or modernize the mills. The intention is not to allow mill owners to trade in property. If the aforesaid interpretation is placed on the regulations then all arguments of the Government as well as mill owners would have to be turned down. There is no question of allowing a contention that the scheme is unworkable and the regulation does not allow enough free play to meet the obligations towards workers and financial institutions."

The Special Leave Petition in the Supreme Court

All the Mill owners filed a Special leave petitions (SLP) in the Supreme court challenging the order of the Bombay High Court, and fielded almost all the top lawyers of India to argue their cases. On their behalf it was argued that the reason for amending DCR 58 was to hasten the development of the mill lands as the old DCR 58 was not attractive enough, and consequently piece meal and unplanned development was taking place. Hence it was a conscious decision of the government to give more land to the millowners so as to induce them to develop lands in a planned manner. Hence the mill owners were allowed to retain lands under structure, and such lands were consciously excluded from 'open lands' to be shared. It was also argued that the amendment and the clarification was not ultra vires Art 21 and 14 of the constitution, and was also within the scope of Section 37 MR&TP Act. There was also gross delay in filing the PIL during which time third party interest was created. Hence the decision of the High Court deserved to be reversed.

The SC judges Justices Sinha and Neolekar considered all the issues decided by the H C and held an entirely contrary view.

- 1 They held that the definition of open land as argued by the petitioners before the High Court was not correct and the land under the building even if they are demolished should not be included for calculating the area to be shared. It held that the state intended to give more benefits to the mill owners, by reason of 2001 regulation and, thus if after demolition of the entire structure the whole plot is to be treated to be open land the object of the amendment will be defeated.
- That the clarification issued by the UDD to DCR 58 dated 28th March 2003 did not amount to an amendment, and further the amendment to DCR 58 was not violating the constitutional provisions under Art 21 and Art 14 of the Constitution of India
 On the question of the need of the city for open spaces the S C judges took a very
- narrow view of Art 14.. and Art 21. They stated that:

 "The court normally would lead in favour of environmental protection in view of the creative interpretation made by this court in finding a right of environment including right to clear water, air etc under Art 23 of the Constitution of India. But in this case, we are not dealing with a similar problem. It must be borne in mind, while interpreting DCR 58 that there exists a stark distinction between interpretation of planning and zoning statutes and enforcing ecology, vis-à-vis

industrial effluents and hazardous industries and those related to concerted efforts at rehabilitating the industry.......DCR 58 can not be struck down solely on the ground that the interest of the common citizen (from the ecological point of view) has been affected, unless its actions are considered to be unfair."

The entire tone and tenor of the two judgments are very different. While the High Court took a view sympathetic to the needs of Mumbai with its lack of green spaces and housing for slum dwellers, the Supreme court treated it a a matter of interpretation of a town planning statute. While the High Court emphasized the need for public open spaces and relied on a number of earlier Supreme court rulings as to the need for safeguarding this for future generations, the Supreme court referred to the argument that there would be more private greens now and that would certainly enhance the ecological balance. However, it stated that by reason of the fact that more public greens could have been available under the earlier regulation, it cannot be concluded that a change in the character of the plan itself has taken place.

- 3 That approval of BIFR was not a necessary precondition to development, and the sale of surplus land was not only for revival or modernization of sick mills.
- They held that the changes as a result of the amendment, would not constitute 'significant modifications' in the Development plan, and are therefore permissible under Sec.37 MRTP Act. In coming to this conclusion it has compared the ratio of the area of mill lands to the total area of the ward and concluded that "the change on an average would be approximately 3.07% of the total ward area, and the mill lands occupy only 0.6% of the entire land area of Bombay". Thus the court has given an entirely different interpretation to the terms 'significant modification' which is capable of being misused by the Government for bringing about changes in the Development Plan in a piecemeal fashion even after the Development Plan is finalized.
- 5 It also held that besides other reasons, the delay in filing the petition was one of the factors considered for its rejection of the SLP.
- It finally did not agree with the approach of the HC "in interpreting the provisions having regard to certain other factors, namely the deluge in Bombay in the year 2005 as well as the requirements of the entire population from environmental aspect. Such factors can not be taken into consideration for interpretation of a statute....we have to consider what the legislature thought....subject of course to the constitutional and other limitations

Conclusions

The battle for the mill lands is now finally over. The decision of the highest court of the land is irrevocable. The victors are the mill owners, builders and land sharks who have swooped on this valuable real estate like vultures at a corpse, to build Malls and high rise buildings with swimming pools and tennis courts for the rich. The poor and the homeless can only stand behind the walls and gaze. Those bureaucrats who engineered this will smirk and say we told you so. But the long term consequences of this decision will, be very serious. In the words of the eminent judges of the High Court "we might start having a large number of children born with various physical and mental infirmities, if the oxygen level goes on reducing gradually in view of the lack of green

and open spaces and lack of recreational facilities. Since piecemeal development of each plot will now take place instead of integrated planning, the area will be converted into an urban jungle.

Who are responsible for this? Can we put the blame on the Supreme Court for not understanding that Mumbai is like a starving child asking for parks and public greens for fresh air and recreation. Perhaps the Supreme Court has only interpreted in their own view what they assumed the politicians had wanted to do, when they amended DCR 58. i.e to bestow valuable largess upon their friends, the builders and mill owners. The politicians and mill owners will wax sanctimoniously that it was necessary to pay the dues of the workers and banks, but when the final accounts are done it will show that they have got much, much more and the politicians will have their share of this too. While they laugh their way to the banks, the poor will be deprived of open spaces and affordable housing. All that can be said is that the city has lost a golden opportunity for urban renewal. To paraphrase the title of Alan Paton's book about South Africa during apartheid, Cry my beloved city.

