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Ref. No. MCHI/PRES/18-19/115

January 10, 2019

To,
Hon'ble Shri Devendra Fadnavis
Chief Minister
Government of Maharashtra
Mantralaya,
Mumbai - 400032

मुख्यमंत्री सचिवालय
महाराष्ट्र शासन
मंत्रालय, मुंबई - ४०० ०३२.
दिनांक १०/११/२०१९

Sub: Developer's Being Threatened by Blackmailing activities of RTI ACTIVIST.

Dear Sir,

As the apex body of developers in the Mumbai metropolitan region, on behalf of our 1800+ members, we convey our immense gratitude to you for your ever-supportive and pro-active stand towards the state's real estate sector. Your Government was the first to implement the RERA provision in the country, bringing in much-needed transparency and accountability in the real estate sector, to protect the interests of the home buyers as well as our member developers. It is your determined political leadership that enables us to pursue the goal of wholistic development even in the face of stiff challenges and tough market conditions.

Through this communication, we desire to apprise you of an extremely disturbing trend that is severely affecting Mumbai's real estate sector and hurting our member developers. Posing as RTI 'activists', blackmailers are abusing the provisions of the law and the legal machinery to extort money from developers. These handfuls of organised blackmailers, with even lawyers, architects and engineers on their rolls, run relentless campaigns against our member developers to delay and derail their projects with the objective of extracting huge amounts from them.

These elements with criminal records are posturing as activists and blatantly violating the process of law to entangle the real estate fraternity in false and frivolous litigations purely with the intention of extorting monies. Even after having all the mandatory approvals and permissions, our member developers are harassed in varied ways to bring them under pressure to meet the blackmailers' demands. Modus operandi of such motivated campaigns is to relentlessly make allegations, one after another, and the developer is only providing justifications to authorities. In some of the cases, the developer is given Stop Work Notice, till the time the investigation is not completed. These 'activist' blackmailers are so brazen that they are extorting money for just assuring that they will not make false complaints, which can lead to delays in project delivery.

Right from civic departments and Government offices to tribunals and courts, the blackmailers approach every available forum to launch motivated investigations and appeals purely with the intention of intimidating the member developers and stalling the project under some pretext or provision. Even without any connection with the project or any locus-standi, they are spending huge amounts from their pockets to get information through RTI purely with the intention of blackmailing

our members. Various departments and officials are also dragged into these cases with the intention to misuse and mislead the judicial process to fulfil their own devious agenda. The police machinery is also abused by these blackmailers, who file motivated complaints and even fully-fabricated cases not only against the developers, but even the civic and government officers to discourage them from doing their duties.

These persons claiming to be 'activists' and 'social workers' are actually miscreants. This fact becomes completely obvious when one examines their criminal records and begins to question why a 'social worker' would spend lakhs of rupees to get copies of documents from Mantralaya, civic offices, housing board, etc. under Right to Information Act and further spend lakhs of rupees in filing several cases in various courts and committees.

This persistent approach takes a huge toll on our member developers, who are already under severe stress due to bad market conditions and high cost of finances. Firstly, the false litigations and fake complaints lead to delays in issuance of approvals and permissions and in cases where permissions have already been secured, these complaints aim to stall the project. With every day's delay coming at a cost to the developer, a sustained delay can put a huge financial burden on the developer.

To further their cause and showcase their capability, these blackmailers plant damaging and sensational stories against the helpless and defenceless developer in the media by taking advantage of the legal loopholes. When media covers their stories, these persons only get more ammunition as they circulate the news cuttings and video clips to other developers to extort money from them by showcasing 'their capability and achievement'. Meanwhile, for the developer, a negative report in the media means huge negative impact on the project sales. This two-pronged approach of delaying the project and hitting the sales make the situation unbearable for most member developers. Elements like these are primarily responsible for the two unfortunate incidents involving developers in recent times, and if they continue to go unchecked, their menace will only grow in time to come. These blackmailers are not only a threat to the developers, but also indirectly hurting the home buyers and residents of buildings going for redevelopment by delaying the possession of their dream homes.

On the other hand, when we as our developer members approach the police to register offences against such elements, we are stonewalled with demands for 'conclusive evidence' of such acts. Since this is a well-oiled and smoothly-operated extortion racket, these 'activist' blackmailers are not leaving any evidence which can immediately prove their intent. However, when one looks beneath the surface and examines, the evidence is all there for one to understand:

- a) Why are these 'activist' blackmailers spending huge sums of money on legal cases?
- b) Why are cases randomly dropped or withdrawn after some time?
- c) Why is someone making a slew of complaints against a developer to multiple departments? i.e. if a legitimate complaint is made, it would be on one front, not on multiple fronts

- d) In cases where an investigation proves that there was no wrongdoing, the 'activist' blackmailers allege that the concerned department is hand-in-glove with the developer and demand reinvestigation by another agency/committee/court.

All this is not just a huge wastage of government resources, but a strain on the entire mechanism for a just and fair society. It is extremely important not to encourage such extortionists due to whom development in Mumbai metropolitan region has become increasingly difficult. If these issues are not addressed, development will grind to a halt.

Through this communication, we urge your kind self to:

1. Instruct the police department to investigate such complaints of extortion from member developers and investigate the matter thoroughly;
2. Instruct the respective government departments to be alert to the machinations of these blackmailers and not only discourage their motivated attempts to abuse the law, but also initiate punitive action against them for filing bogus complaints if sufficient evidence to that effect is available.

The fear of the law will go a long way in curbing these anti-social elements that are a terror for developers, and a menace to the society. We thank you again for your kind support and your constructive approach to our concerns.

Yours sincerely,
For CREDAI-MCHI



Nayan A. Shah
President



Bandish Ajmera
Hon. Secretary



Sanjiv S. Chaudhary MRICS
COO, CREDAI-MCHI