



**HARYANA REAL ESTATE REGULATORY AUTHORITY, PANCHKULA.**

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**Extract of the resolution passed by the Haryana Real Estate Regulatory Authority, Panchkula in its meeting held on 10.01.2024.**

**Item No. 238.10**

**Continuation of registration of project under Section-7(3) of RERA Act, 2016.**

**Promoter: Choice Real Estate Developers Pvt. Ltd.**

**Project: 'Vipul Pratham Apartments'.**

**Reg. No: HRERA-PKL-RWR-38-2018 dated 20.08.2018, First extension granted up to 31.03.2021 and Second extension granted up to 31.12.2022.**

1. M/s Choice Real Estate Developers Pvt. Ltd. has applied for continuation of registration of project up to 31.12.2023.

2. The Authority vide its Suo Motu (143 of 2023) orders dated 04.09.2023 had decided to get the audit conducted of the project, publish public notice and appoint Local Commissioner. Public notices were issued on 23.08.2023 and no objections were received. Vide letter dated 08.09.2023, M/s Kant Goyal and Associates were appointed to audit the project. Vide PUC dated 06.10.2023, Audit report is submitted. Vide letter dated 27.09.2023, M/s Pro-Tech Consortium were appointed as Local Commissioner and the visit was scheduled for 13.10.2023. Vide PUC dated 16.10.2023, LC report is submitted.

3. The Auditor Report is reproduced as follows:

*i. The promoter is maintaining two bank accounts-*

*A. A/c No. 913020032875044 with Axis Bank, Gurugram Branch- There is only one Bank account with Axis Bank in which the advances/sale consideration from the prospective buyers has been received. The directions for opening of bank accounts have not been complied with. No record is found to substantiate that change in Bank was informed to all allottees through SMS/E-mail, however the same was informed to HRERA Panchkula.*



- B. A/c No. 091902000013027 with Indian Overseas Bank. No RERA Bank account existed between 13<sup>th</sup> November 2019 and 05<sup>th</sup> September 2020. All the three bank accounts of Indian Overseas Bank are lying dormant since year 2020.
- ii. Cash inflows from prospective buyers- Rs. 40,37,16,543/- (from 200 units). Out of this amount Rs. 15,55,11,294/- received in bank account of M/s Vipul Ltd. Amount received from sale of Tender document is Rs. 59,000/-. Receivables from sold units are Rs. 28,84,55,997/-
  - iii. Tower wise photographs has been submitted.
  - iv. No loan has been taken by the promoter for this project.
  - v. The unsold units are 52 out of total units of 252.
  - vi. The certificate provided by the Architect and engineer shows 64.37% but does not include the calculation to arrive at % like which of the facilities namely internal roads, payments, water supply, sewerage, lighting etc. have been completed to which extent.
  - vii. The CA Certificate does not specify the amount which can be withdrawn for the expenses of the project from the designated Bank account therefore, the auditor is unable to comment on the fact that the withdrawals made from the designated Axis Bank account are in accordance with the % of completion of project criteria for deciding % completion of the project.
  - viii. The Financial Statements of the promoter for FY 2022-23 are not yet audited. The promoter has violated the provisions of Section-4(2)(l)(D) of the RERA Act, 2016 as it has not submitted the statement of accounts audited, duly certified and signed by the CA in the office of the Authority. The unaudited Financial Statements shows other Financial Assets of Rs. 1,77,75,000/- and other financial liabilities of Rs. 2,58,600/- for which no details are provided.

4. The LC Report is reproduced as follows:

- i. At present only four 11(G+10) storey tower structures and one EWS residential block stand constructed apparently 3 to 4 years ago. No work was in progress at the time of visit and it seemed that project stands abandoned years ago.
- ii. Only structures are standing and no type of internal work i.e. flooring, toilet and kitchen finishing, electric wiring etc. has been done.
- iii. The basement of all towers is interconnected to provide a combined parking for the residents. There were no approach roads constructed from entrance at NH-48 up to the residential towers. No internal road was constructed.
- iv. The area of towers is surrounded by partly finished masonry wall and temporary boundary wall constructed with sheets was provided for remaining area of the campus. The entrance ramp was left unconstructed midway. No lift was provided to the towers.
- v. No water supply and sewerage lines were installed as no STP has been constructed. No arrangement for water supply has been made at site. No rain water structures or pipe lines constructed.



- vi. *No substation, generator, lines/cables for connecting the residences were provided. Only direct connection for construction is taken.*
- vii. *No necessary services/ infrastructures facilities have been provided to the residential complex by the promoters. Only RCC structures of towers are constructed with basement parking without approach ramps. Photographs are attached in report for reference.*

5. On 30.10.2023, after examining the auditor and local commissioner reports, the Authority vide item no. 231.07 decide *that copy of auditor's report be sent to promoter for comments, bank account of promoter be freezed and promoter be personally present on the next date of hearing (i.e. 08.01.2024) and vide item no. 231.35 Authority decided that "a copy of report submitted by LC be sent to promoter for comments and promoter should be personally present on the next date of hearing."*

6. On 06.12.2023, both the reports were sent to the promoter and the promoter was directed to submit reply within two weeks and the promoter (i.e. the director of the company) be personally present before the Authority on the next date of hearing, i.e., 08.01.2024 which is now scheduled on 10.01.2024.

7. Vide reply dated 01.01.2024, the promoter has submitted the following:

- i. *The amount of Rs. 2,49,367.20 was not transferred from old account to new account as the same was not required since promoter has already spent more than the collection from the allottees.*
- ii. *Details of other financial assets: -1,77,75,000/-  
Gallium developers Pvt. Ltd.- 60,00,000/-  
Harish Kumar Ghai- 1,10,75,000/-  
Renu Ghai- 7,00,000/-  
These advances were given prior to start of the project and has nothing to do with the cash flows of the project.*
- iii. *Other financial liabilities- Rs. 74,859/-  
Audit fees payable-Rs.50,000  
Babbar and Associates-Rs.24,000  
AVA Associates-Rs.859*
- iv. *Financial statements of FY-2022-23 are audited and available.*
- v. *No deviation with the CA Certificates vis a vis book of account, enclosed copy of year wise customer collection.*
- vi. *They have installed LT Panel, Isolator Panel, and 1 No. VCB.*



8. Authority observes that vide orders dated 30.10.2023, promoter was required to be personally present on next date of hearing. Since the promoter did not appear personally, the Authority decided to impose costs of Rs.50,000/- on the promoter.

9. However, on the request of the promoter dated 04.01.2024, the case is adjourned to 28.02.2024.



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19/1/24

True copy

*Handwritten signature*

Executive Director,  
HRERA, Panchkula

A copy of the above is forwarded to CTP, HRERA Panchkula, for information and taking further action in the matter.

CA (Moulika)