



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 24.01.2024.

Item No. 239.18

Continuation of registration of project for second year– Auditor Report.

Promoter: M/s Dwarkadhis Projects Pvt. Ltd.

Project: “Casa Romana” – Group Housing Colony on land measuring 8.376 acres in sector-22, Dharuhera, Rewari.

Reg. No: HEREA-PKL-RWR-105-2019 dated 21.05.2019 valid up to 31.03.2021 (after covid relief – valid up to 31.12.2021).

1. Order of the Authority dated 11.09.2023 is as follows:

4. Authority observes that promoter at the time of registration has submitted 31.03.2021 as completion date of project in A-H proforma. After giving relief of covid period of nine months, registration would be valid up to 31.12.2021. Thus, it would be second extension of project.

5. After consideration Authority decided that promoter should deposit the extension fee accordingly. Extension fee cannot be waived of. Authority also decided that audit of project be got done from a CA firm empanelled by HRERA Panchkula. A public notice be published in newspapers for inviting objections from general public.

6. Adjourned to 20.11.2023.

2. As per the orders dated 11.09.2023, Public notices were issued on 13.10.2023 and no objections were received. Vide letter dated 17.10.2023 M/s S.P. Chopra & Co. were appointed to audit the project.

3. The matter was last considered on 21.11.2023, as no reply was received from the promoter and the auditor report was awaited, so the matter was adjourned to 22.01.2024.

4. Vide letter dated 14.12.2023, the promoter states that he has submitted extension fee.



5. The promoter has submitted extension fees for first year however, fees for continuation of registration for second year is not submitted.

6. Vide letter dated 19.12.2023, Auditor has submitted that certain critical/vital documents/ information are still pending to be provided and verified by them. In the absence of such information, they are not in position to complete audit and submit final report. The Auditor has requested the promoter to submit above stated information by 20.12.2023. The auditor received the documents.

7. Vide letter dated 09.01.2024, Auditor's Report is received. The Auditor's report is reproduced as follows:

i. *Separate RERA bank account: Project was registered on 21.05.2019, the separate RERA Bank account was required to be maintained thereafter, and during April 2019, the bank accounts of the company were classified as NPA, hence company was not able to open any new separate RERA bank account, and the receipts/collection of the project were deposited in the existing bank accounts, and accounted for accordingly in the books of accounts.*

ii. *Amount received from the allottees were verified with the receipts and deposits in the bank and recording in the accounts:*

Rs. 247.15 lakhs were received in the bank accounts;

Rs. 0.26 lakhs were received in cash and accounted for in the accounts;

Rs. 1,403.54 lakhs were recorded/ accounted against the outstanding in the loan accounts of the parties from whom the loans were received in the earlier years.

iii. *Section 4 (2)(l)(d) compliance: Out of total expenditure of Rs. 21,474.53 lakhs, the payments of Rs. 10,052.68 lakhs i.e. 46.81% was paid to single vendor/party i.e. Exotic Buildcon Private Ltd. (sister concern of the company) the bills in respect of work done by the said party and payments made to it by the company were testified and found to be held on record. 37.36% of total expenditure i.e. Rs. 8,022.82 lakhs related to finance cost/interest expenses, which is substantially high due to loan accounts of the company are under NPA.*

Interest amount of Rs. 3,018.73 lakhs still lying payable as at 31.10.2023. The project and its related assets are mortgaged with the lenders, the non-payment of the said interest could have negative impact on the project. The company made payments of Rs. 2,212.51 lakhs to 2 companies which do not appear to be related to the project.



- iv. *The certificate by an engineer, an architect and a chartered accountant in practice that the withdrawal is in proportion to the percentage of completion of the project, if any obtained, were not provided/held on record.*
- v. *Site visit on 14.12.2023: the management intend to complete the first and second phase by March-May 2024 and third phase by December 2024. No flat is yet completely finished, no possession of any flat was given so far.*
8. This case relates to first extension of registration no. 105 of 2019 dated 21.05.2019 valid upto 31.12.2021 and continuation of registration under section 7(3) of the Act:
- i. The validity date in A-H form submitted by the promoter at the time of registration shows the completion date as 31.03.2021, (after granting relief of covid period the registration would be valid upto 31.12.2021)
- ii. Extension is due from 31.12.2021-31.12.2022; 31.12.2022-31.12.2023 and 31.12.2023-31.12.2024. Fee only for extension from 31.12.2021 to 31.12.2022 has been paid. Fee for Auditor's report has also not been paid.
- iii. Public notice has been issued on 13.10.2023 however no objections have been received.
- iv. Auditor was appointed on 17.10.2023, the auditors report is summarized above. The auditor's report is based on the information provided by the promoter. The Auditor has also mentioned that the certificate by an engineer, an architect and a chartered accountant in practice that the withdrawal is in proportion to the percentage of completion of the project, if any obtained, were not provided/held on record.
9. Architects certificate dated 31.03.2023 states that 68.89% works have been completed in Towers L,M,N,P,R,S,H,J,K,U,T (out of 15 Towers).
10. After consideration, Authority decided as under:-
- i. After grant of Covid extension, registration of project is valid upto 31.12.2021. Therefore, three years extension is due. Project has not yet been completed. Even single tower is not complete, hence, further sale of project is banned.
- ii. A copy of auditors report be sent to promoter for comments with in a period of 15 days.
- iii. Fee for extension has been deposited for one year whereas extension is due for three year.



- iv. Auditor fee be deposited.
- 11. Adjourned to 13.03.2024.



True copy

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 Monika