



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 03.04.2024.

Item No. 248.17

Continuation of registration U/s- 7(3) of RERD Act, 2016.

Promoter: VPN Real Estate Pvt. Ltd.

Project: "Ganpati Smart City" - a Residential Plotted Colony on land measuring 26.522 acres situated in Sector-21, Village Kherpur, Sirsa, Haryana.

Reg. No.: 134 of 2019 dated 15.07.2019 valid upto 31.10.2021 extended upto 31.07.2023.

Temp ID: 372 of 2018.

Present: Mr. Arun Kumar, Authorized representative.

1. M/s VPN Real Estate Pvt. Ltd. vide letter dated 19.07.2023 has applied for continuation of registration under Section 7(3) of Real Estate (Regulation and Development) Act, 2016, of registration of their project namely, "Ganpati Smart City" a Residential Plotted Colony on land measuring 26.522 acres situated in Sector 21, Village Kherpur, Sirsa, Haryana registered vide registration no. 134 of 2019 dated 15.07.2019 valid upto 31.10.2021. First extension was granted to promoter by Authority in its meeting held on 09.02.2022 and same is valid upto 31.07.2023 (including period of nine months).

2. In the explanatory note regarding the state of development/construction works in the project, it has been submitted that in the present time the development work of project is 96% complete and only 4% development work is left.

3. The promoter has not submitted CA Certificate, Engineer Certificate and architect certificate. Photographs showing the present position at site have not been submitted. The applicant promoter has submitted Rs.3,07,000/- as extension fee which is deficit by Rs.5,122/-. The promoter has submitted online quarterly up to 30.06.2023.



4. The matter was placed before the Authority in its meeting held on 26.07.2023 whereby Authority decided that audit of project be got done from CA firm empanelled by Authority. Also notice inviting objections from general public be got published in newspapers. The matter was adjourned to 18.09.2023. A public notice was published in newspapers on 25.08.2023 inviting objections from general public. No objections were received in the Authority.

5. In compliance of other direction of the Authority, M/s Sanjay Deep & Associates were appointed as auditor on 29.08.2023. Vide letter dated 24.11.2023, M/s Sanjay Deep & Associates have submitted the following report along with site photographs:

i. *The Company had opened multiple bank accounts with different banks and received substantial amount from allottees instead of depositing the funds into designated escrow account . The Company has opened bank accounts with Union Bank of India and Bank of Baroda for receiving funds from allottees. Initially, funds from allottees were being deposited into Union Bank of India and Bank of Baroda. Later, those funds were transferred to the designated escrow account. Following are the Bank accounts of the Company and the total of money received from 35 allottees in the three bank accounts from 15.07.2019 to 31.03.2023:-*

1. *Bank of Baroda (Escrow Account)
Account No – 22750200000575
Total amount received from allottees – Rs. 23,90,000 /-*
2. *Union Bank of India
Account No. – 111511100000450
Total amount received from allottees – Rs. 8,66,52,021/-*
3. *Bank of Baroda
Account No. – 22750200000555
Total amount received from allottees- Rs. 33,07,366/-*

So, the total money received in the above mentioned bank accounts is Rs. 9,23,49,387 /-.

Percentage of money received in Account No. – 22750200000555 is 3.58%

Percentage of money received in Account No. – 111511100000450 is 93.83%. Hence, the company received maximum of allotment money in other bank accounts. The money received in escrow bank account is just 2.59%.

ii. *The auditor has cross verified the receipts issued by the Company vis-à-vis with the amount deposited in the bank on a sample basis and verified the same from the customer ledge bank account , customer agreement , etc and found it be in order. A list of 35 allottees and amount received and deposited is also provided.*



- iii. The auditor certified that the Company has utilized more than 70% of its total collection from customers towards expenditure on the aforesaid project.
- iv. The Auditor conducted an on-site inspection to corroborate the progress and also cross-verified the information with architect certificates and also provided photographs of site progress.
- v. The auditor also verified the status of plots in terms of being surrounded, resumed, cancelled or restored.

6. The Authority in its meeting held on 04.12.2023, vide item no. 234.29 decided that a copy of auditor report be sent to promoter. A show cause notice under Section-60 RERD Act, 2016 be issued to promoter as to why penalty may not be imposed for violating Section-4(2)(1)(d) of RERD Act, 2016 as promoter is maintaining multiple RERA Accounts in different banks.

In compliance a suo motu complaint has been registered vide Complaint No. RERA-PKL-29-2024. and show cause notice along with auditor's report has been sent to the promoter vide Memo No. HRERA/PKL/2024/1550/2024. An email was also sent to the promoter that the matter is listed for hearing on 31.01.2024.

7. On 31.01.2024, nobody was present on behalf of promoter. The Authority vide its item no. 240.20 dated 31.01.2024 decided that promoter be personally present on the next date of hearing to explain as to why registration may not be revoked under Section-7(1) of RERD Act,2016 for violation of the provisions of the Act.

8. Audit report submitted by M/s Sanjay & Associates was reviewed by Authority. It was observed by Authority that banks are not following provisions of Section-4(2)(1)(d) of RERA Act, 2016. Hence, Bank of Baroda and Union Bank of India be issued show cause notices under Section-35 of RERA Act, 2016 to explain as to why provisions under Section-4(2)(1)(d) of RERA Act, 2016 are being violated by them.

9. Adjourned to 15.05.2024.



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22/4/24

True copy

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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 (Kakul)