



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 28.08.2024.

Item No. 263.09

Continuation of registration of project under section 7(3) of RERD Act, 2016.

Promoter: RAS Developments Private Limited.

Project: "RAS Residency-I" a Group Housing Colony on land measuring 5.1875 acres situated in Sector 35, Karnal, Haryana.

Reg. No.: 23 of 2018 dated 13.07.2018 valid upto 30.12.2021, First extension and general granted upto 29.09.2023.

Temp ID: 638 of 2019.

Present: Mr. Tarun Ranga, Ld. Advocate

1. RAS Developments Private Limited vide letter dated 13.09.2023 has applied for second extension under Section 7(3) of Real Estate (Regulation and Development) Act, 2016, of registration of the said project. The applicant promoter has submitted ₹1,40,000/- as extension fee which was deficit by ₹21,000/-. License No. 1203-1204 of 2006 dated 05.10.2006 which was valid upto 04.10.2019 has been renewed upto 04.10.2024. Explanatory note states that construction of the project is in full swing and they have completed construction of 16 towers out of 17 towers and have already received OC for Tower 1 to 11 and part of 14 (copy attached) and have applied for OC of Block B12-16. Construction of only Tower 17 is pending which will be completed within validity period of approvals.

2. On 19.09.2023 -Authority observed that DGCP vide letter dated 12.12.2022, has refused to grant permission for the occupation of building tower nos. 12-15. After consideration, Authority decided as under:



(1)

- i. *As the promoter has failed to complete the project after grant of first extension, further sale of project is banned.*
- ii. *Inventory of sold/unsold apartments be given.*
- iii. *Amount received from allottees and spent on infrastructures of project.*
- iv. *Copy of environmental clearance certificate, CA Certificate, Certificate and architect certificate.*
- v. *Copy of zoning plan, demarcation plan and service plan estimate of the project.*

Engineer

3. Vide reply dated 02.01.2024, the promoter submitted the following:

- i. Submitted Rs. 22,000/- as deficit extension fees.
- ii. Sold 426 apartments out of total 438 apartments.
- iii. CA certificate dated 25.12.2023 (for period upto 30.09.2023) states that amount received from allottees is Rs. 8,177 lacs and amount of funds invested on construction/infrastructure work of the project is 5,814 lacs.
- iv. Approved service plan / estimates of group housing colony on area measuring 5.187 acres situated in sector 36, Karnal (license no. 1203 & 1204 of 2006 dated 05.10.2006), however service plans and service estimates were not submitted.
- v. Environment certificate dated 28.05.2013 for 36505.43 sq. mtr. (20993.85 sq. mtr. + Expansion 15558 sq. mtr.).

The promoter requested the Authority to give extension for further three years. Fee for extension paid for one year from 29.09.2023 to 29.09.2024. The promoter has requested extension of another two years from 29.09.2024 to 29.09.2026, however, no extension fee paid.

4. On 24.01.2024, Authority observed that promoter has not fully complied with the directions of Authority dated 19.09.2023. After consideration Authority decided as under: -

- i. *CA Certificate, Engineer certificate & Architect certificate be submitted.*
- ii. *Copy of zoning plan, demarcation plan and service plan estimates be submitted.*
- iii. *Promoter has requested for extension of three years whereas fee for one year has been deposited.*
- iv. *Promoter was granted first extension for one year. Now promoter has requested for three-year extension. Audit of the project be got conducted from a CA firm empanelled by Authority and public notice be given in newspapers for inviting objections.*
- v. *Complete resolution plan for completion of project be submitted by the promoter. Adjourned to 13.03.2024.*

5. Promoter vide reply dated 19.01.2024 submitted an Architect certificate which stated that % of remaining work is 8%.

6. On 13.03.2024, the Authority observed that promoter has still not fully complied with the orders of Authority dated 24.01.2024. Hence, Authority decided to impose a cost of Rs. 50,000/- on the promoter. One last opportunity was granted to comply with the orders of



Authority. Managing Director/one of its directors be present on next date of hearing. Adjourned to 24.04.2024.

7. Public notice was sent on 27.03.2024 and no objections are received. Vide letter dated 21.03.2024, M/s Rajiv Goel and Associates were appointed to audit the project.

8. Vide reply dated 18.03.2024 the promoter submitted:

- i. Copy of approved zoning plan.
- ii. Schedule of the project.

9. The Authority vide its order dated 24.04.2024 decided as under and adjourned the matter to 03.07.2024:

- i. *Promoter be issued show cause notice under Section-35 read with Section-63 of RERA Act, 2016 as to why penalty may not be imposed for not complying with the orders of Authority dated 24.01.2024. (Since, the promoter submitted his reply (on 24.04.2024) and the orders of the Authority came 17.05.2024, therefore show cause notice to submit reply was not issued.)*
- ii. *Project be monitored on quarterly basis. (In this regard, Suo-Motu Complaint No. 835-2024 has been generated which was listed for hearing on 24.07.2024, the Authority adjourned the matter to 09.10.2024 as the promoter did not submit any reply.)*
- iii. *Promoter should submit receivables and payable amount duly supported by CA Certificate.*
- iv. *Quarter wise resolution plan for completion of project be submitted.*
- v. *Cost of Rs.50,000/- imposed on 13.03.2024 be deposited.*
- vi. *Reminder be issued to the audit firm. (Reminder sent on 13.06.2024)*

Promoter was directed to submit above information atleast one week before next date of hearing.

10. Vide Reply dated 24.04.2024, the promoter has submitted:

- i. Approval letter of Service Plan and Estimates dated 06.02.2014 along with approved plans and Estimates.
- ii. QPRs upto 31.03.2024 uploaded online.
- iii. Engineer Certificate dated 10.04.2024 which is not in order.
- iv. C.A Certificate dated 15.04.2024 which shows that 32.20% work is remaining and Rs. 2,862 Lacs to be incurred for completion of the Project.

11. Authority on 03.07.2024 decided that promoter should submit the following documents :

- i. Proper Engineer Certificate.
- ii. Demarcation Plan.
- iii. Cost of Rs. 50,000 imposed on 13.03.2024.
- iv. Quarter wise resolution Plan for completion of Project.



- v. Promoter has requested for extension of three years whereas fee for one year has been deposited.
- vi. Reminder to Audit Firm be issued.

12. Vide Reply dated 02.07.2024, the promoter has submitted the following:

- i. Engineer Certificate dated 20.06.2024 showing percentage of remaining work of Project as 7.90%. which is duly signed by Engineer Mr. Rupesh Attri.
- ii. Deposited cost of Rs. 50,000/- imposed on 13.03.2024.
- iii. Resolution Plan which states that promoter shall complete the project between 1.07.2025 to 30.09.2025.

13. Vide letter dated 08.07.2024, Audit Report along with photographs of the said project has been received which states the following:

- i. Separate Bank account has been maintained by the Developer in accordance with RERA guidelines.
- ii. The Auditor was able to cross verify the receipts in bank with the relevant receipt issued by the Company as well as cross verified with the allottee wise list.
- iii. The Auditor was unable to conclusively confirm whether the withdrawals in proportion to the completion of project or not and whether the withdrawals were utilized solely for the project.
- iv. The management has obtained certificates from CA as well as site Engineer. There is substantial difference in percentage of completion certified by CA and Engineer. Upon inquiry, management stated that CA Certificate reflects figures based on the initial estimation of the project, whereas Engineer certificate is based on actual figures.
- v. Regarding Annual Statement from C.A, the management provided audited financial statements relating to the Company as a whole not for specific project. No separate project wise audited financials were provided. As required by Section-4(2)(1)(d), separate statement prescribed under regulations, i.e., Form 5 has not been provided to the auditor by management neither could be found from RERA website.
- vi. Site inspection- Development work was going in a Tower No. 17. In other Towers, inhabitants were occupying the same and sufficient amenities being there for parking, security, garden etc. As per management, work in Tower 17 was ongoing and construction of 32 flats is under process. The management provided Engineer Certificate which assesses the Completion stage of project as 92.1% on 31.03.2024 however CA Certificate assessed the same at 67.8%.
- vii. As of 31.03.2023, amount of Rs. 10,13,93,644/- remains payable to the buyers against total cancelled flats. The management has provided 6 cancellation letters that too on letter head of the Company and no further documentary evidences were provided regarding ageing of liability and projected date by which this liability will be cleared, therefore, the auditor cannot comment upon the status of the cancelled flats and related liability.



14

14. Copy of the Audit Report was sent to the promoter vide email dated 25.07.2024 and 06.08.2024. In response to the Audit Report, the promoter has submitted the following vide letter dated 06.08.2024:

- i. That CA has certified 67.80% as against Engineer / Architect have certified 92.1 % as on 31.03.2024. The method adopted by each of the set of professionals is different as CA has taken % completion of the project based on preliminary estimated cost of project as against Engineer which is as per actual completion of the project as per the progress at the site.
- ii. There is total 438 units in Towers 1-17 and O.C has been received for 262 units (Tower 1-11 and part of Tower 14) and OC has been applied for 144 units (Towers 12-16), thus totalling 406 units. Remaining 32 units are in tower 17, which is under construction (60% complete) and the same is confirmed in Auditor's Report Clause 4.
- iii. In view of above facts, Architects/ Engineer Certificate and Auditor Report in Clause 4, the percentage fo 92% completion further gets fortified.
- iv. As regard the refundable amount in Auditor's Report as- on 31.03.2023, since then many refunds have been made. The Promoter has also retained few customers in the year ahead. More than adequate resources are available from unsold units in Tower 17 and out of the recovery amounts from other units in other Towers for construction and to make refunds, if any.

15. The promoter requested the Authority to give extension for further three years. Fee for extension paid for one year from 29.09.2023 to 29.09.2024. The promoter has requested extension of another two years from 29.09.2024 to 29.09.2026, however, no extension fee paid and the promoter has not submitted demarcation plan.

16. After consideration, Authority decided to grant extension of one year under Section-7(3) of RERA Act, 2016. Promoter should also submit a copy of demarcation plan and fee for continuation of project under Section-7(3) so that their application could be further examined.



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.

LA (Kakul)