HARYANA REAL ESTATE REGULATORY AUTHORITY PANCHKULA

Website: www.haryanarera.gov.in

COMPLAINT NO. 1081 of 2020

HRERA, Panchkula

...COMPLAINANT

VERSUS

Parsvnath Developers Ltd.

....RESPONDENT

CORAM: **Nadim Akhtar** **Member**
Dr. Geeta Rathee Singh **Member**
Chander Shekhar **Member**

Date of Hearing: 06.11.2024

Hearing: 24th

Present: - Adv. Rupali Verma on behalf of Respondent.

ORDER (Nadim Akhtar-Member)

This suo-motu complaint was registered in respect of registration no.132 of 2017 dated 28.08.2017 granted for a group housing project namely; "Parsvnath Preston", measuring 6.73 acres, which lapsed on 31.12.2019.

2. The Authority on 21.11.2023 had observed that the case relating to the extension of registration submitted on 18.11.2021 was placed before the Authority in its meeting held on 29.11.2021 wherein it was observed that *the item was withdrawn with the permission of the chair as the matter had already been considered by the Authority while hearing Suo motu complaints.* Further, the Authority vide its orders dated 29.11.2021 had already directed Sh. Sanjeev Jain, Managing Director of the company to submit a comprehensive action plan for development of the project and also the source from which funds will be arranged. It was also observed that further decision will be taken after furnishing of this information. The Authority had also directed the promoter to show cause as to why penalty proceedings U/s 60 and 61 read with Section 63 for contravention of the provisions of the Act and not complying with the orders of the Authority be not initiated.

3. Reply to the orders dated 21.11.2023 has not been filed by the respondent however, Adv. Rupali Verma appeared and apprised the Authority that Managing Director of the company could not come present before the Authority due to the ongoing Farmer Agitation. She further apprised the Authority that License of the present project is now renewed up to 15.10.2024, however, copy of the renewed license has not been submitted by her. She further averred that Building Plans of the present project have been revised and application for their approval is pending before DTCP since June, 2022 and the same have not been approved till date.

4. Since the application for extension of project has been filed by the respondent on 18.11.2021 and from 29.11.2021 (date of consideration of extension application by the Authority), the respondent has sought repeated adjournments. Therefore, the Authority on the last date of hearing i.e. 21.02.2024 had observed as follows:

a. A detailed reply explaining as to why the application for extension of project has not been pursued by the respondent since 2021, be submitted.

b. A copy of the application for revision of building plans filed before DTCP Haryana along with all the communications and present status of such application be submitted before the next date of hearing.

c. The respondent is directed to show cause as to why their project be not handed over to the association of allottees for not completing the project as per timelines declared by them in the registration certificate.

d. A copy of renewed license be submitted.

e. The Managing Director of the company be present in person on the next date of hearing along with all the necessary documents as directed by the Authority vide order dated 14.03.2022 failing which arrest warrants as per the provisions of the RERA Act,2016 will be issued against him for procuring his presence.

f. Since on the last date of hearing, the respondent was directed to show cause as to why penalty proceedings under section 60 and 61 read with section 63 of the RERA Act, 2016 be not initiated and even today, the Managing Director of the company is not present, therefore the Authority imposes a penalty of Rs. Eight lacs upon the respondent for violating the provisions of the Act, which should be deposited before the next date of hearing.

5. On 20.03.2024, Managing Director of the company alongwith Adv. Shekhar Verma were present before the Authority alongwith the reply. Adv. Shekhar Verma informed that out of the total 28 acres of land, 18 acres has been

surrendered to Government, 4.10 acres has been transferred to the Government of Haryana for sector roads and they are planning to develop remaining 6.37 acres. The planning of the project has been changed and License of the colony has been renewed upto 05.10.2024 and zoning plan has also been approved by DTCP Haryana on 21.04.2023 however, the building plans are not being released because of EDC/IDC against other projects. The Authority posed a question to the counsel that whether consent of 2/3rd allottees has been taken at the time of revision of zoning? Further, the current status of the project stating the total no. of units sold and occupied by the allottees and remaining unsold units has also not been provided. Counsel for respondents alongwith Managing Director of the company assured that they will give a detailed comprehensive plan/commitment plan with respect to the above project and sought some time to file reply.

6. On the last date of hearing, i.e., 15.05.2024, Adv. Vrinda stated that vide reply dated 14.05.2024 comprehensive commitment plan has been submitted by the respondents however, she further informed that they are filing request letter for seeking the postponement of hearing because Managing Director of the company is suffering from viral fever therefore unable to attend hearing physically as he has been advised to take rest and to avoid travelling.

7. Reply dated 14.05.2024 mentioned that: -

- *That during the past 10 years, certain circumstances like recession, demonetization, covid-19 pandemic, pendency of the plans before the authorities, inter se dispute with the authorities and downfall in the real estate sector caused the delay in completion of the Projects.*
- *However, despite all the odds being faced by the Promoter Company, the Promoter Company has made all its best efforts towards completion of the project.*
- *That the Promoter Company has till now paid a sum of Rs. 9.73 cr. against the execution proceeding pending before this Hon'ble Authority despite facing acute financial crunch. Beside this, the Promoter Company has also*

paid a huge sum of payment levied under various executions pending before the consumer court and other authorities. That the Promoter Company has already settled with certain customers whose executions were pending before this Hon'ble Authority and the said executions have also got disposed of as settled and satisfied.

- *That as of now around 89 executions are pending before this Hon'ble Authority. The Promoter Company wishes to settle in the first four months (starting from May 2024 until August 2024)19 executions pending before this Hon'ble Authority. The Promoter has been filling its comprehensive planning duly depicting the schedule of payment in order to satisfy the decree under the execution pending before this Hon'ble Authority.*
- *That the Promoter has been making all its endeavours to resolve and settle all disputes with the customer by mutual dialogues and the Promoter Company are hopeful that most of the Decree Holders would satisfy and settle their disputes and they may withdraw the execution applications. It is also submitted that as and when the settlement would be completed with the allottees, the same would be placed on the record before this Hon'ble Authority.*
- *That the company is making all plausible steps towards compliance of the orders passed by this Hon'ble Authority. Further, the promoter requested that extension may be granted to the promoter company for the RERA Registration which would further enable the process for the promoter company to resume construction at the subject project site which would further aid in generating of the funds for settlements and so on.*
- *In view of the above, since huge amount is involved in the executions pending before this Hon'ble Authority, they requested that the Promoter company may be granted permission to satisfy the execution with the proposed schedule of the payment in order to satisfy the decree.*

8. Therefore, the Authority observed that comprehensive plan in order to satisfy the decree under the execution proceedings related to the refund of the amount with interest and compensation as awarded by the Authority in several matters against the promoter, has been submitted by the respondents. However, a detailed comprehensive plan for development of the project and compliances of

various project's extensions/agendas/Suo Motu cases pending in the project's jurisdiction has not been submitted. Further, since the application for extension of project has been filed by the respondent on 18.11.2021 and from 29.11.2021 (date of consideration of extension application by the Authority), the respondent has sought repeated adjournments and today also Adv. Vrinda requested for an adjournment in this matter therefore, the Authority imposed a penalty of Rs. 5 Lacs on the promoter under section 60 and 61 read with section 63 of the RERA Act, 2016.

9. Today, Adv. Rupali appearing on behalf of the respondents stated that they had filed another reply dated 14.05.2024 in which following has been mentioned: -

a) That the Promoters were planning to develop six towers in the said project bearing no. 1, 2,3,4,5, and 6 having 392 units out of which 271 bookings were in existence at the time of registration of the said project.

b) That after implementation of RERA Act, timely construction at the project site could not be completed due to the non-release of the sanction plan by the competent authority, Covid-19 pandemic and adverse effects of demonetization. Allottees' started moving to different authorities in order to initiate refund process of the amount along with interest and compensation.

c) That as of now about 71 bookings have already been cancelled and for the rest of the 200 bookings, 87 number of allottees have opted for taking refund and same is under process and are under cancellation. Hence, as of now about 113 number of bookings are in existence.

d) That the company has revised its planning in order to keep its esteemed customers associated for the long term with the company. At the first instance, the company is formulizing to develop and construct three (3) towers bearing nos. 4, 5 and 6 that shall have more than the booked units, which will be completed within 24 Months subject to release of the sanction

plan. As on date, only 113 units have been booked by the respective allotees and upon completion of the construction of these three towers, all the 113 allottees will be settled and get the possession of their respective flats in these towers.

e) That the Authority may consider all best possible efforts and endeavors on behalf of company to complete the project at the earliest. However, despite complete payment of the EDC and IDC charges, license fees and other govt. dues pertaining to the said Project being made. The renewal of the sanction plan is not granted by the DTCP until now, which has caused delay and deteriorated the completion of the said Project, affecting the interest of the allottees who have been waiting since long for the possession of their respective flats.

f) That the Promoter has been submitting its comprehensive plans to complete the construction of the Project in a phased wise manner alongwith the present reply duly depicting the quarterly infusion of funds for the construction with its goal for completion of the project at the earliest. Therefore, sanctioning of the plans by the DTCP as requested by the Promoter during the hearing at its earliest is the need of the hour for further completion of the project. They further submitted, that the promoter has been continuously approaching the DTCP to release the plans at the earliest. However, the same is not being released by the Authority due to pending dues of EDC and IDC pertaining to the other project.

g) They submitted that in order to initiate the Construction at the Project site and in order to maintain the cash flow in the said Project, the Promoter has planned to infuse funds from its own resources as per the requirement and envisioned in the cash flow. The First Instalment shall be deposited in the escrow account immediately upon issuance of the extension of the RERA

Registration Certificate and the release of the sanction Plan. The 100% amount so received/ deposited in the escrow account shall be used only for the construction and development of the said Project.

h) That the said Project is having suffice liquidity to make the project viable and to get it completed. In addition to this the Promoter is not evading from its own liability towards completion of the Project and as and when if more funds would be required to complete the Project, the Promoter shall infuse the same.

i) They submitted that as and when the Authority will grant the extension of the RERA Registration and the sanction plans will be released, the same shall boost up the Project completion process and in turn shall encourage the Buyers for making the payment of the outstanding amount in order to further speed up the construction process. In view of the abovementioned facts and submission, they requested to grant extension of the RERA Registration for the said Project for another two years and further requested to not to allow the refund to the Allottees in the said Project as the same would hamper the cash flow of the Project and derail the project.

9. The Authority after hearing the pleadings of the counsel directs the promoter to submit the following: -

i. Detailed tower wise resolution plan reflecting quarter wise work to be done in each quarter, total funds already lying with the company and the fund which are expected to fill the gaps.

ii. Photographs of the existing towers.

iii. Status of renewal of license granted by DTCP, Haryana.

iv. Application for extension on Form REP-V, from the expiry of validity of registration, upto present date alongwith further time required to complete the said project.

v. Complete data showing the total number of unsold units lying with the company and details of units where settlement has been arrived with the allottees alongwith the settlement deeds.

vi. Consent of allottees who are to be shifted.

9. The list of cases settled as on date may also be provided to the Adjudicating Officer for information.

10. Adjourned to **08.01.2025**.

Chander Shekhar Member	Dr. Geeta Rathee Singh Member	Nadim Akhtar Member