



## HARYANA REAL ESTATE REGULATORY AUTHORITY PANCHKULA

Website: www.haryanarera.gov.in

<b>Complaint no:</b>	<b>813 of 2018</b>
<b>First date of hearing:</b>	<b>25.09.2018</b>
<b>Date of decision:</b>	<b>21.05.2026</b>

Aarcity Regency Park Apartment Buyer Welfare Association

Address for correspondence, SCF-48, UE-2,

Commercial Market, Jindal Chowk, Hisar, Haryana

....COMPLAINANTS

VERSUS

1. M/s Aarcity Builders Pvt. Ltd.

Registered office: 301, Krishna Apra Business Square, Netaji Shubash  
Place, Oritamoura, DELHI 110034

2. Hisar Real Estates Pvt. Ltd.

Registered office: SCO-10, Sector 9-11,

1<sup>st</sup> floor of seven days store, Delhi Road, Hisar, Haryana

....RESPONDENTS

<b>CORAM:</b>	<b>Parneet Singh Sachdev</b>	<b>Chairman</b>
	<b>Dr. Geeta Rathee Singh</b>	<b>Member</b>
	<b>Chander Shekhar</b>	<b>Member</b>

**Present:** - Sh. Dayanand, General Secretary for the complainants.

Adv. Sanidhya Sriwastav, proxy counsel for Adv. Himanshu Raj  
Counsel for the respondent no.1 through VC.

Adv. Nitin Jain, counsel for respondent no.2 through VC.

**ORDER (PARNEET S SACHDEV-CHAIRMAN)**

**A. FACTS AS PER THE COMPLAINT:**

1. Facts as stated by complainants in the complaint book are reproduced below:

*"1. Memo of parties:*

*Aarcity Regency Park Apartment Buyer Welfare Association*

*Versus*

*1. Hisar Real Estates Pvt. Ltd;*

*2. M/s Aarcity Builders Pvt. Ltd*

*2. That in the year 2008, the respondent No. 1 has floated a project in the name of Regency Park at Hisar wherein the respondent No. 1 invited the aspirants buyers to book an apartment in the project and few members of the complainant association have booked an apartment in the project floated by the respondent No. 1 and the respondent No. 1 in lieu of the same has entered into flat buyer agreement with the respective member of the complainant association. Copies of the flat buyer agreement and payment summary is attached here with as Ann C3 to Ann C 91.*

*3. The out of the total sale consideration, the Respective members have made payment of the substantial amount. Payment summary is attached here with as Annexure C-4 to C-91.*

*4. The Respondent had to handover the physical possession of the flat-apartment to the Complainant within a period of 36 months from the date of*

booking of the respective apartment. However the respondent by playing fraud with a view to hide their respective lapses has entered into flat buyer agreement with many of the members of the Complainant association at a much belated stage despite the fact that as per legal proposition, the respondents were under legal obligation to immediately enter into the flat buyer agreement in favour of the respective members on the very date of booking of respective apartments.

5. That in the year 2011, the respondent No.1 has entered into an arrangement for sale of remaining apartments in the project with the respondent no. 2 and as such in the year 2011 the respondent no.2 steps into the shoes of the respondent No. 1 wherein held fully responsible to deliver the possession of the apartments so booked in the year 2011.

6. That the members of the complainant association as depicted from Ann C-8 to Ann C-91 has also booked their respective apartments in the said project and has also paid the booking amount.

7. That the respondent No. 2 in lieu of booking of the apartments by the respective member of the complainant association, has entered into flat buyer agreement and the copy of the same is attached here with as Annexure C-8 to C-91.

8. That the said members till date have deposited much more than that of a substantial amount against the total sale consideration but despite making payment of such a huge amount, the respondents has not delivered the possession of the respective apartments.

9. That at the site, the project is far from completion and the members of the Complainant Association is suffering because of undue delay on the part of the Respondent, inasmuch as, there is delay of almost more then 10 years to the members who has been allotted respective apartments in the year 2008 and there is a delay of more then 7 years to the members who has been allotted apartment in the year 2011. Copies of photographs of the project site taken on 29.10.2018 are annexed herewith as Annexure C-92 Colly.

10. That the Respondent has failed to abide by the contractual terms stipulated in the Flat Buyer's Agreement and it is in breach. The cause of action to file the complaint has arisen firstly on expiry of the time as mentioned in the flat buyer agreement and is still continuing.

11. That the Respondent has failed to develop the project and are misusing unilateral and one-sided terms of the Flat Buyer's Agreement to further harass the Complainant. It is stated clause 10 of the Agreement stipulates for 18% p.a compound interest in case of delay in payment of sale consideration and therefore, in terms of RERA, the Complainant is also



entitled to same rate of interest for delay period in handing over of the physical possession of the apartment.

**12. RELIEFS SOUGHT BY THE COMPLAINANTS:**

- I. *In the event that the registration has been granted to the Respondent for the project namely, Regency Park, Sector 11-A and 17, Hisar under RERA read with relevant Rules, it is prayed that the same may be revoked under Section 7 of the RERA for violating the provisions of the RERA.*
- II. *In exercise of powers under section 35, direct the Respondent to place on record all statutory approvals and sanctions of the project;*
- III. *In exercise of powers under section 35 OF RERA AND RULE 21 OF HRE(R&D) RULES, 2017, to provide complete details of EDC/IDC and statutory dues paid to the Competent Authority and pending demand if any;*
- IV. *To compensate the members of the Complainant Association for the delay in completion of the project and refund the entire amount as depicted in Ann c-4 to C-91 along with compound interest @ 18 % p.a from dates of respective installments/realization of the sale consideration by the Respondent.*
- V. *Any other relief as this Hon'ble Authority may deem fit and appropriate in the facts and circumstances of the present case."*

**B. BACKGROUND OF THE CASE:**

2. Initially bunch of allottees of project- "Regency Park" at Hisar developed by the respondents i.e., Aarcity builders Pvt. Ltd. (herein after referred as Respondent no.1) and Hisar Real Estates Pvt. Ltd (herein after referred as Respondent no.2) had filed complaint bearing nos. 315, 372, 373, 374, 375, 376, 377, 378 and 619 of 2018 before the Authority seeking reliefs of refund, possession and also handing over of the project to the association. Taking into consideration the fact that significant no. of allottees have paid their hard earned money to the respondents and respondents are neither



giving refund nor possession of the units to allottees, Authority deemed appropriate to look into the current status of the project in question to safeguard the interest of allottees. Captioned complaint was filed in year 2018, since then many orders and directions were passed by the Authority while monitoring the project. Gist of the relevant orders are mentioned below:

**A. Order dated 19.12.2018:-** Based on the evidence and arguments presented by both the complainants and the respondents, the Authority observed that the project was 60% complete. Crucially, the respondent expressed a clear willingness to proceed with the remaining construction. According to the respondent's submissions, the project comprises:

- Seven (7) residential towers
- Independent Villas (which were already complete at the time of filing, with an Occupation Certificate applied for)
- EWS (Economically Weaker Section) Units

The Authority determined that granting refunds to individual allottees at this critical juncture would jeopardize the entire project. Such a move would unfairly compromise the fate of the remaining allottees who are actively seeking possession of their units. To ascertain the exact financial and



physical status of the project specifically the work completed, investments made, and funds required for total completion the Authority issued the following directions:

*“4. The matters were heard at length today. After going into submissions made by both the parties, the Authority directs the respondent company to file a detailed report explaining the following points:*

*-The manner in which the respondent company shall complete the project, specifying the timeline of completion of each Tower separately.*

*- The respondent is further directed to disclose the cash flow and quarterly projections regarding construction work so as to complete the project within a time bound schedule.*

*- He shall disclose how much money has already been invested and how much money is required to be invested in the project.*

*- He is further directed to specifically highlight in the report to be submitted as to how much amount he would collect from allottees towards completion of the project. Since, the respondent is liable to compensate the allottees for delay in handing over possession of the unit, he shall also disclose in his proposal as to how much amount of compensation would be payable to each of the allottee and how much amount he would further collect from them after adjustment of the amount so payable to them.*

*- The Authority further directs the respondent company to open a separate escrow account for depositing the amount required towards completion of this project.*

*- He is also directed to hold a meeting with allottees of the project so as to apprise them about status of project explaining the manner in which the same would be completed.*

*- The respondent is directed to submit a detailed report on all the above issues to the Authority as well to the complainants by 16.01.19”.*



**B. Order dated 23.01.2019 and 27.02.2019:-** In continuation of the previous order, critical new facts came to the light of the Authority, raising serious concerns regarding the financial management of the project:

- **Undisclosed Encumbrance:** The respondent had created a charge on the project by securing a **₹33 crore loan** from financiers. Alarming, **₹12 crore** of this loan amount was adjusted against a prior, unrelated liability of the respondent.
- **Uncompensated Transfer of Assets:** A total of **196 flats** within the project were transferred to *Hisar Real Estate Limited (HREPL)* without the respondent receiving any financial consideration.

These transactions created a strong suspicion that the respondent was actively involved in the **siphoning of funds** meant for the project's development. Consequently, to protect the allottees' investments and ensure transparency, the Authority ordered a comprehensive **forensic audit** of the project. Under these circumstances, the Authority deemed it imperative to strictly monitor all ongoing construction and development activities.

**C. Order dated 19.09.2019:** Following the initiation of active project monitoring by the Authority, several new facts and irregularities came to light, as detailed below:



1. That collaboration agreement executed between R1 and R2 was subject to certain terms and conditions including in consideration of land and license on which project will be developed by R1, Aarcity. R2 i.e. HREPL will get the 196 flats/ apartments in the project. As consideration for the land and licence.
2. It is also recorded that R1 got the land via sale deed executed in January 2018 and license no. 262 of 2007 of the land obtained from the DTCP , also transferred in its name and had paid an amount of 18.8 crores as part consideration for the land and allotted 196 flats as part consideration of the land to R2.

**D. Order dated 23.12.2020:** It is categorically observed by the Authority that HREPL is ready to relocate his 101 apartments in phase-2 of the project so that other allottees can be adjusted first in Phase -1 of the project.

**E. Order dated 16.11.2021:** During the monitoring process, a second agreement between Respondent 1 (R1) and Respondent 2 (R2) was brought to light. The parties had entered into a mutual settlement, executed in writing via a Memorandum of Understanding (MOU). Under the terms of this MOU, *Aarcity* committed to paying a lump-sum amount in lieu of the **196 flats** over a stipulated period of **two (2) years**.



F. Order dated 21.05.2024, records the gist of the matter, which is mentioned below:

**1. Historical Background and Initial Agreements:**

- **2008 (Project Inception):** *Hisar Real Estate Private Limited (HREPL)*, acting as the landowner, launched the project, invited applications from interested buyers, and collected initial booking payments.
- **2011 (Development Agreement):** HREPL entered into a principal agreement with the respondent, *Aarcity Builders Pvt. Ltd.*, to develop the project. The key highlights of this first agreement included:
  - HREPL retained ownership of the land parcel designated for the project.
  - *Aarcity* was designated as the official builder/developer.
  - HREPL agreed to transfer the license for the project into *Aarcity's* name.
  - As consideration, HREPL was to retain a share of **196 units** in Phase 1 of the project.

**2. Project Phasing and the Present Complaint:** The project was structured to be developed across three distinct phases:

- **Phase 1:** Towers B, D, and G
- **Phase 2:** Towers A and E

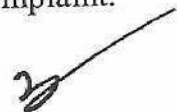


- **Phase 3: Towers C1 and C2**

Aggrieved by delays, the allottees of these towers collectively formed a Resident Welfare Association (RWA) named "**Aarcity Regency Park Apartment Buyer Welfare Association.**" The RWA approached the Authority by filing **Complaint No. 813 of 2018**, seeking physical possession of their booked units along with interest for the delay in handing over possession.

### **3. Construction Progress, Relocation, and Settlement**

- **Completion of Phase 1:** Respondent No. 1 (*Aarcity*) successfully completed the construction of **Towers B, D, and G.**
- **Allottee Relocation:** To mitigate further delays, allottees originally allocated units in subsequent phases (Phases 2 and 3) were systematically relocated and adjusted against available units within Phase 1.
- **Statutory Compliance:** Respondent No. 1 obtained the Occupation Certificate (OC) for Towers B, D, and G on **21.06.2023**, and subsequently issued Offers of Possession to the eligible buyers.
- **Mutual Settlement (MOU):** On **26.09.2023**, *Aarcity* executed a Memorandum of Understanding (MOU) signed by **110 allottees** of Towers B, D, and G. This MOU established a mutual settlement resolving all outstanding disputes raised in the present complaint.



**4. Final Possession and Conveyance Formalities :** As noted in the Authority's order dated 11.06.2023, the project is currently in the final stages of the possession process:

- Property IDs have been successfully generated for the units.
- Official email communications have been dispatched to the allottees of **Tower G (52 flats)** and **Tower D (54 flats)**, requesting them to proceed with the execution and registration of their respective conveyance deeds.

**5. Status of Remaining Phases:** Regarding the remaining infrastructure, Arcity has placed on record that Tower A is currently 50% complete, with an undertaking to complete the remaining construction work within a timeline of one (1) year.

Above, sequential orders passed by the Authority effectively cover and monitor the completion of Phase 1, where all active allottees have now been safely relocated. Consequently, since the allottees are actively receiving possession of their respective units and executing conveyance deeds, the primary purpose and relief sought by the complainants in approaching this Authority stand successfully fulfilled.

3. **The second issue for consideration pertains to the legal status of Respondent No. 2 (HREPL)—specifically, whether HREPL is to be**



**treated as an "allottee"—and the determination of its vested interests in Phase II of the project.**

The Authority has already expressed its *prima facie* view on this matter through a series of sequential orders. The relevant extracts of these orders are reproduced below:

**A. Order dated 21.05.2024:**

*“2. Gist of the matter is that in the year 2008, Hisar Real Estate Private Limited (hereafter known as HREPL) floated the project in question namely; 'Regency Park' situated at Hisar and invited applications from interested allottees. Thereafter in the year 2011, HREPL entered into an agreement with Aarcity Builders Pvt Ltd. for development of said project. As per said agreement, HREPL would remain the land owners for the parcel of land on which the project is being built and Aarcity Builders Pvt Ltd. would develop the project and retain the status of builder-promoter. Further, the HREPL would retain their share of units in phase 1 of the project after completion of the same by Aarcity Builders Pvt Ltd. ....In the interest of allottees, HREPL had agreed to give up its claim at this stage in the phase 1, i.e, towers A, B,D and G of the project so that allottees can be initially adjusted. Vide order dated 19.09.2019, it was observed that both parties namely; Aarcity Builders Pvt Ltd and HREPL share joint liabilities in respect of the project.*

*3. ....During the course of hearing dated 05.05.2022, it was observed that respondent No.1 and 2 had arrived at an understanding with each other that instead of allotting built-up units in phase-II, respondent No.2 would accept upfront cash payment in satisfaction of their claims on the project. This settlement is being independently pursued between both the respondent no. 1, i.e, Aarcity Builders Pvt. Ltd. and respondent no. 2, i.e, Hisar Real Estate Pvt. Ltd.*

*4. Parties have been heard today on issues pertaining to titleship of the land parcel on which the project is being developed; execution of*



conveyance deed in favour of allottees to whom an offer of possession has been issued; status of respondent no. 2, i.e, HREPL and the units allotted to them as part consideration in view of the settlement arrived at between respondent no. 1 and 2; and the application filed by respondent no. 2 for consideration at par with the allottees.

5. After considering the arguments put forward by all the concerned parties and submissions made during the course of hearing, Authority observes and orders as follows:

i. \*\*\*\*.

ii. Factual matrix in the present case is that there are two respondents who have been involved in the development and prospective sale of the project in question. The project was launched in the year 2008 by HREPL as both land owner and developer. **Later in the year 2011, Aarcity Builders Pvt Ltd entered the project as the developer-promoter and the role of HREPL was reduced to that of land owner. Whereafter, in the midst of some personal understanding and settlement, the HREPL agreed to transfer the license for the said piece of land in favour of Aarcity Builders Pvt Ltd against some monetary consideration and part allotment in the projects, which was allegedly later turned into monetary consideration as well. This settlement was not within the ambit of the Authority.....**

iii. Respondent no. 2 has filed an application in the captioned complaint seeking indulgence of the Authority to be treated at **par within the definition of 'allottee considering their interest** in the built-up units in phase 2 of the project. In this regard, it is prima facie observed that even though the respondent no.2 has interests in built-up units in the project in question, yet its claim to be treated as a complainant prima facie cannot be entertained because the interest of the respondent no. 2 has arisen out of mutual settlement between respondent no. 2 and respondent no. 1. Further, it an alleged contestation of respondent no.1 that even this settlement has been further superseded by a fresh memorandum of understanding between both the parties according to which the respondent no.2 has entirely given up its claim for monetary compensation. The relationship between both the

*respondent no. 1 and 2 flows through murky waters because of which it is difficult to establish a clear picture. Furthermore, the fact that the respondent no. 2 is the initial land owner-developer with whom some of the applicants had entered into the agreement lends respondent no. 2 an equivalent role as that of respondent no. 1. **Therefore, the plea of the respondent no. 2 to be considered as an allottee cannot be accepted at this stage.** Further arguments in this regard shall be heard on the next date. .”*

**B. Order dates 11.07.2024:-**

*“4. Ld. counsel for the complainant in complaint no. 813/2018 apprised the Authority that construction of Tower-A (upto 6th floor) is at standstill from last 4-5 years. No progress is made by respondents in that tower. Further, he stated that conveyance deeds are not yet been executed in favour of allottees in compliance of order dated 25.01.2024. **He further argued that respondent no. 2 wants to get impleaded as an allottee in present case. However, fact remains that both respondents are responsible to complete the project and deliver the possession at the earliest to the allottees. So, request of respondent no. 2 is not viable in the current circumstances.***

5. \*\*\*

*6. Adv. Anurag Jain has put in appearance on behalf of respondent no. 2. He referred to 'objections to compliance reply' filed in registry on 02.07.2024 to point out that no hindrance of any kind is being caused by respondent no. 2 to allottees for getting conveyance deed registered. Further, he explained the documents attached with said objections which details out the relationship of respondent no. 1 and respondent no. 2 at length. All of relevant documents got discussed/referred by him during the course of hearing. Main grouse pleaded by him is that respondent no. 2 was having two key factors at the time of start of project in question, i.e., land and the license to develop project. Land was given to respondent no. 1 under collaboration agreement to develop it into a project. Later on, license stood transferred in favor of respondent no.1 in the year 2023 so that necessary approvals like occupation certificate be obtained by the respondent no. 1 from the concerned department. As on date, respondent no. 2 is not left with anything*

*except allotment of 196 flats in their favor by respondent no. 1. He requested that respondent no. 1 itself has allotted flats in their favor and had promised to deliver flats in raw condition so status of respondent no. 2 be treated as 'allottee of respondent no. 1'. He further requested that respondent no. 1 be directed to issue agreements for the swapped units.*

7. \*\*\*

8. \*\*\*.

9. *With respect to the plea of respondent no. 2 to treat it as an allottee of respondent no. 1, it is observed that respondent no. 2 was initially the land owner and license holder for project in question. It is only in year 2023 that license got transferred in name of respondent no. 1 in order to complete/execute paper formalities for receipt of approvals/sanctions of the project in question. Allotees of project who had already paid their amount towards allotment of unit are still waiting to have possession of unit. Internal arrangements whatsoever made by both the respondents among them does not have any impact upon rights of allottees to have possession of their booked flats. Respondent no. 1 and 2 both are jointly and severally liable towards obligation to handover possession of allottees. Moreover, by virtue of RERA Act, 2016, this Authority is duty bound to protect the interest of allottees at priority. This Authority is not the right forum for the respondents to get enforce the collaboration agreement. Therefore, the plea of respondent no. 2 to treat it as an 'allottee' in present compliant does not hold any merit and is therefore rejected. However, respondent no. 2 is at liberty to file fresh complaint with proper documents proving allotment of specified flat number in its favour like any other 2018 and Ors allottee who files complaint for possession/refund duly supported with documentary evidence against respondent no. 1."*

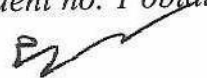
In view of above, Authority has already granted liberty to Haryana Real Estate Pvt. Ltd. to file separate complaint before Authority. In compliance of the same, Haryana Real Estate Pvt. Ltd. has filed a separate



complaint bearing no. 2098/2024. Accordingly, the matter between respondent no.1 and 2 will be considered by the Authority in the said complaint.

**C. OBSERVATIONS AND DECISION OF THE AUTHORITY**

4. Authority has carefully considered the submissions made by both parties, perused the record, and taken note of the background and factual matrix of the present proceedings. The instant complaint has been proceeded with by the Authority seeking various different reliefs as mentioned in para 11 of this order. However, Authority had kept this complaint pending for so long for the *limited purpose of monitoring the progress and completion of the real estate project* titled “Regency Park, Hisar”, being developed jointly by respondent developers M/s Arcity Builders Pvt. Ltd. and Hisar Real Estates Pvt. Ltd. Authority notes that during the pendency of these proceedings, the respondents have periodically filed the status reports and presented the updated status with regard to construction of Phase-1 of the project, wherein all the allottees are relocated. The submission of respondent- Arcity recorded in order dated 21.05.2024, states that “*After considerate efforts, respondent no. 1 has completed construction of the Towers B,D and G of the project. Allottees from the other phases were adjusted against their original allotments in phase 1 of the project. Subsequently, respondent no. 1 obtained*



*occupation certificate for the towers B,D and G on 21.06.2023 and issued offer of possession to various allottees. Now respondent no. 1 has actively begun construction of phase II of the project.”*. Further, it is observed that after the aforesaid order, ample opportunities have been given to the allottees of Phase-1 to get their conveyance deed executed at the earliest. These directions are well recorded in orders dated 14.11.2024; 20.02.2025; 13.11.2025; 22.01.2026; 15.05.2025; 21.08.2025; 13.11.2025; 22.01.226 and 09.04.2026. Meaning thereby 9 opportunities from year 2024 till date were given to the complainant association to get their conveyance deed executed as well as if there are any issues which still remains with regard to the execution of deeds, same may be brought into the knowledge of the Authority. Neither the association nor any allottee had come forward with having any issue in this regard before Authority till date. Since the present complaint was filed by the association in year 2018 i.e. 8 years ago for completion of the project, said task has been accomplished by completing the Phase 1 of the project. Furthermore, for the remaining Phase-2 or Tower A, respondent counsel in the last hearing has stated that the project in question is already under administrative monitoring by the Authority in project section in suo-motu complaint no. 717 of 2024, specifically in



respect to Tower-A. Hence, the purpose of present complaint stands fulfilled and present complaint becomes infructuous.


5. Authority further observes that the complainant- allottees have also admitted in previous orders that respondent Aarcity has started getting the conveyance deed executed in favour of allottees of Phase-1 way back on 20.02.2025. This acknowledgment further supports the factual position that the project, for the limited purpose of monitoring stands completed.
6. It is also noted that, as per the submissions made by both parties, the substantive issues regarding construction and delivery of possession have been amicably resolved and settled with almost all allottees of phase-1. Only limited issue now pertains to the determination and reconciliation of outstanding dues in terms of receivables and payables between the parties. In this context, Authority is of the view that the financial claims of individual allottees cannot be adjudicated within the scope of the present proceedings related to an association. It is pertinent to reiterate that the purpose of the present complaint was solely to monitor and ensure timely completion and delivery of the project, which objective now stands achieved in view of the status reports filed and statements given by respondent in previous orders as well as recorded in this order. Since the possession has been handed over to the allottees in Phase-I and construction of tower-A is going on in full



swing, with the compliance milestones reached, the supervisory jurisdiction under present complaint is satisfied.

7. Accordingly, Authority is of the considered opinion that any remaining issues of individual allottees regarding outstanding financial claims (receivables and payables) are best addressed either through mutual settlement between the parties or, if unresolved, through initiation of individual complaint(s) by the concerned allottees before this Authority in accordance with law. \
8. Therefore, in view of the fact that the primary objective of monitoring the project has been fulfilled and the rights and interests of the allottees stand sufficiently protected, the present complaint stands **disposed of**.

File be consigned to the record room after uploading of the order on the website of the Authority.

  
.....  
CHANDER SHEKHAR  
[MEMBER]

  
.....  
DR. GEETA RATHEE SINGH  
[MEMBER]

  
.....  
PARNEET S SACHDEV  
[CHAIRMAN]