



## BEFORE THE HARYANA REAL ESTATE REGULATORY AUTHORITY, GURUGRAM

<b>Suo Motu complaint No.</b>	<b>RERA-GRG-2655-2022</b>
<b>Registration No.</b>	<b>04 OF 2020 dated 20.01.2020</b>
<b>Name of promoter</b>	<b>M/s Czar Buildwell Pvt. Ltd. (Now known as Mahira Buildwell Pvt. Ltd.)</b>
<b>Name of project</b>	<b>Mahira Homes 63A</b>
<b>Location of project</b>	<b>Sector 63A, Gurugram</b>
<b>Date of order</b>	<b>11.03.2024</b>

**ORDER**

1. The Director of Town & Country Planning, Haryana (DTCP) granted license no. 128 of 2019 dated 27.11.2019 under the Haryana Development and Regulation of Urban Areas Act, 1975 & Haryana rules 1976 made thereunder for setting up of an affordable group housing colony over an area measuring 4.98 acres in the revenue estate of village Behrampur, Sector-63A, Gurugram Manesar Urban Complex to the following entities: -
  - (i) Czar Buildwell Pvt. Ltd.
  - (ii) Arjun S/o - Paritam Singh S/o Lekhram
  - (iii) Babita W/o-Bhagat Singh
  - (iv) Bhim Singh S/o- Sultan
  - (v) Devinder, Ravinder, Surender, Omprakash Ss/o - Raghbir
  - (vi) Giriraj S/o-Lakhpat
  - (vii) Jagat Singh, Bhagat Singh Ss/o-Lakhmichand
  - (viii) Kunal, Devinder S/o-Sevaram
  - (ix) Sheetal D/o - Sevaram
  - (x) Parkash S/o-Sultan Singh
  - (xi) Parvin S/o - Daya Ram
  - (xii) Pooja W/o-Jagat Singh

- (xiii) Ramkishan, Subhash, Mahesh Ss/o - Ratan
- (xiv) Balbir Singh, Bir Singh Ss/o Sumera
- (xv) Rammehar, Rameshchand, Jitender Ss/o- Lakhram
- (xvi) Sandeep Bhatti S/o-Sevaram
- (xvii) Bimla W/o-Sevaram
- (xviii) Satish, Pratap Ss/o-Chetram
- (xix) Sher Singh, Ramkishan Ss/o-Mangeram @Manggi

In collaboration with **M/s Czar Buildwell Pvt. Ltd.**, 302 A, 3<sup>rd</sup> Floor, Global Foyer, Gurugram-122001,

2. The aforesaid license is granted for a period of five years and is valid upto 26.11.2024.
3. In pursuance to the above license, the promoter company i.e., M/s Czar Buildwell Pvt. Ltd. made an application for registration of the real estate project under Section 4 of the Real Estate (Regulation and Development) Act, 2016 (henceforth called Act of 2016) to the Authority and after due consideration, the project was conditionally registered with the Haryana Real Estate Regulatory Authority, Gurugram (henceforth referred to as the Authority) with the following details:

S. No.	Particulars	Details
1.	Registration No.	GGM/388/120/2020/04 (04 of 2020)
2.	Date of registration	20.01.2020
3.	Expiry of registration	19.01.2024 + 6 months COVID = 18.07.2024
4.	Name of promoter	M/s Czar Buildwell Pvt. Ltd.
5.	Name of project	Mahira Homes 63A
6.	Area of project	4.98 acres

7.	Nature of project	Affordable Group Housing Colony
8.	Location of project	Sector 63A, Gurugram
9.	Number of towers	5 towers
10.	Number of units	Main units- 640, Commercial units- 45
11.	Master collection a/c (100%)	2996201000460 (Canara Bank, Palam Vihar)
12.	RERA a/c (70%)	2996201000462 (Canara Bank, Palam Vihar)
13.	Free a/c (30%)	2784201050721 (Canara Bank, Palam Vihar)

4. However, due to various grave violations by the promoter company, i.e. M/s Czar Buildwell Pvt. Ltd., the Director Town & Country Planning vide its order dated 17.05.2022 blacklisted the developer company, its directors, shareholders, and other authorized signatories from grant of license under the provisions of Act 8 of 1975 in the future. The orders stated that:

*"Whereas, on account of committing various grave violations in license no. 128 of 2019, 31 of 2019, 24 of 2020 and 66 of 2021 granted for development of affordable group housing colony in Sector 63-A, 103,95 & 104, Gurugram, forged and fabricated bank guarantees and also forged signatures of the bank officials /officer on the bank guarantees which was submitted by CZAR Buildwell Pvt. Ltd., at the time of grant of license no.66 of 2021 and replacement of old bank guarantees in lieu of fresh bank guarantees submitted in three other licenses as indicated above which were issued to Mahira Buildtech Pvt. Ltd. and CZAR Buildwell Pvt. Ltd. It has been accordingly decided to blacklist the developer company i.e Mahira Buildtech Pvt. Ltd. and CZAR Buildwell Pvt. Ltd., its*

*directors, shareholders and other authorized signatory from grant of any new license under the provisions of Act 8 of 1975 in future. Accordingly, all concerned are hereby directed not to process any application of above said company, its Directors and shareholders for grant of license under the Act ibid."*

5. As the promoter was blacklisted for committing various grave violations of the terms of the license, the Authority took suo-motu cognizance of the issue relating to the affairs of the promoter of the project and initiated inquiry under Section 35 of the Act of 2016 and accordingly, to protect the interest of the allottees, issued letter dated 19.05.2022 directing LDM, Canara Bank, Gurugram to freeze the bank accounts of the promoter in all projects including Mahira Homes 63-A which were covered in the blacklisting order dated 17.05.2022.
6. For the purpose of conducting a preliminary inquiry, Engineering Executive and Executive Engineer (Monitoring) of the Authority visited the site of the project on 18.05.2022 and a report about the physical status of construction was submitted by them to the Authority. As per the report submitted, the physical progress of construction works on the site of the project was found to be approximately 5-7 % only and construction at the site did not seem commensurate to the payments withdrawn from the bank accounts. The Authority further observed that neither the QPRs (quarterly progress reports) nor the audited statement of accounts had been submitted by the promoter with the Authority in terms of Section 4 of the Act, 2016.
7. Keeping in view the reasons recorded above, the Authority vide its notice dated 28.05.2022 (received by the promoter on 30.05.2022) called upon the promoter to furnish the following information within 7 days from the issuance of the notice:
  - a. The total amount so far collected/realized from the allottees.
  - b. Allottee-wise schedule of payment received.
  - c. Amount of work done so far at the site.

- d. Percentage of physical progress achieved.
- e. Land cost of the project and proportionate land cost of a percentage of physical progress.
- f. The details of the Bank Accounts where the amount realized from allottees has been deposited/received.
- g. The withdrawals from the separate RERA Account where 70% of the amount to be realized from allottees is mandatory to be deposited.
- h. The proof of having withdrawn from the separate account after it is certified 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.
- i. The details of the balance available in the separate RERA Account and whether it is the remaining amount in the separate RERA Account out of seventy percent of the total amount realized from the allottees after withdrawals as per provisions of Section 4(2)(I)(D).
- j. Duly certified and signed by a chartered accountant, a statement of accounts and annual audited accounts of the project for FY 2019-20 and 2020-2021.
- k. Certificate of the Chartered Accountant that amounts collected for this project and the withdrawals have been in compliance with the proportion to the percentage of completion of the project.
- l. Wherever there has been deviation/variation from the provisions of Section 4(2)(I)(D) and the explanation relating to the same.
- m. Copy of documents submitted to Director Town & Country Planning, Haryana in compliance with rules in part IV of the Haryana Development and Regulation of Urban Areas Rules, 1976.

The Authority gave an opportunity of hearing to the promoter on 10.06.2022.

8. The Authority in its proceedings of the hearing dated 10.06.2022 observed that the reply to the notice submitted by the promoter was not in order. Hence the Authority, exercising its powers under Section 36 of the Act of 2016 on being satisfied that an act in contravention of the Act, 2016 or Rules or Regulations made thereunder had been committed and continued to be committed, ordered restraining the promoter, withdrawal from bank accounts i.e. Master Account/Separate RERA Account and the free account or any amount until the conclusion of its enquiry or further orders. The promoter was further restrained from creating any third party right by way of mortgage/ loan or any other manner on the project land, sold and unsold units further, and appointed M/s Grand Mark & Associates to conduct a forensic audit of the project account on the points mentioned in para 7 above.
9. During the course of forensic audit of the project and proceedings related to the suo- motu complaint, it came to the notice of the Authority that as per the affidavit provided by the promoter, the promoter had changed the bank accounts of the project without prior approval from the Authority and the promoter was in default for operating concurrently RERA accounts with two banks at the same time. It also came to the notice of the Authority vide site visit report dated 10.02.2023 and subsequent representation dated 23.02.2023 by some of the allottees that the promoter had obtained the revised building plan of the project without prior consent of the 2/3rd allottees in violation of section 14(2) of the Act of 2016. Accordingly, the variations as observed with respect to the registration certificate are as below:

<b>Particular</b>	<b>Detail as per registration certificate</b>	<b>Details as per Revised Plan</b>
Number of towers	5 towers	4 towers

Number of units	Main units- 640, Commercial units- 45	Main units- 636, Commercial units- cannot be determined
Master collection a/c (100%)	2996201000460 (Canara Bank, Palam Vihar)	920020051375435 (Axis Bank, Patel Nagar, Gurugram)
RERA a/c (70%)	2996201000462 (Canara Bank, Palam Vihar)	920020051362905 (Axis Bank, Patel Nagar, Gurugram)
Free a/c (30%)	2784201050721 (Canara Bank, Palam Vihar)	920020051465541 (Axis Bank, Patel Nagar, Gurugram)

10. Meanwhile, the DTCP Haryana vide Endst No. dated LC-4498/LC/3759/LC3772/LC-4178/AO (III)/2022/5129 dated 21.07.2022 withdrew the blacklisting order dated 17.05.2022 subject to the following conditions:

- A. The colonizer shall follow construction-linked payment in all these projects and shall not demand any additional installment till proportional constructions against payments already received by it are completed at the site to the satisfaction of STP, Gurugram.
- B. The cancellation of allotment made by the colonizer against non-payment by allottees on account of disproportionate demands made by it shall be withdrawn by the colonizer within a week and an ATR in this regard shall be filed with STP, Gurugram.
- C. The colonizer shall install a signboard at the site showing the detail of flats mortgaged in favor of DTCP.

11. On perusal of the forensic audit report dated 22.08.2022 submitted by M/s Grandmark and Associates, grave lapses/ violations on the part of the promoter were observed as listed below:

1. The auditor submitted in its report that in the project 'Mahira Home-63A', several withdrawals are made in breach of the provisions of the Act of 2016, and a few of the transactions are questionable and it appears that home buyers' money has been withdrawn in violation of provisions Section 4(2)(I)(D) of the Act of 2016. Further, 1st & 2nd proviso to Section 4(2)(I)(D) of the Act of 2016 provides that the withdrawal from the separate account shall have to be in proportion to the percentage of completion of the project after it is certified by an engineer, an architect, and a chartered accountant that the withdrawal is in proportion to the percentage of completion of the project.
2. The Developer was in default of operating concurrently with two banks account at the same time as the Canara bank was in operation from 30.06.2020 to 17.12.2020 while axis bank a/c are in operation from 04.08.2020 so dual accounts were in operation for a period of 4 ½ month from 04.08.2020 to 17.12.2020, which is a serious deviation of the RERA provisions.
3. The total funds received of Rs. 90,38,63,067/- in RERA 70% account has been transferred by the developer into 30% FREE Account based on the written request made from time to time in both Canara and Axis Bank. This conduct by the developer is in grave contravention of the RERA Act, 2016.
4. The developer also failed to comply with the submission of the Quarterly Progress Report & annual audited report for the project.
5. The developer failed to get prior approval from HARERA for change/opening the bank account under Section 4(2)(I)(D) of the Act of 2016.

12. Accordingly, a show cause notice dated 29.06.2022 for penal proceedings under Section 60 of the Act of 2016 for violations of various provisions of the Act of 2016 and specifically to the Section 4(2)(I)(D) of the Act of 2016 and HARERA Gurugram Bank Accounts for the Registered Projects Directions, 2019 was issued to the promoter by the Authority.
13. The promoter submitted a reply dated 16.07.2022 w.r.t the show cause notice dated 29.06.2022 and a resolution plan for the completion of project.
14. On perusal of the reply and resolution plan submitted by the promoter as well as the comments and final proposal/ recommendations of the forensic auditor it was observed that the interest of the allottees who have invested in the project will be served only if the construction work is resumed immediately. Further DTCP, Haryana vide its order dated 21.07.2022 ordered withdrawal of its earlier order dated 17.05.2022 regarding blacklisting of the firm M/s Czar Bulldwell Pvt. Ltd. Accordingly, the Authority decided to de- freeze the bank accounts of the project "Mahira Homes 63A" on the request of the promoter vide order dated 19.09.2022 subject to the following conditions:
- i. The promoter shall bring back the unauthorized withdrawn amount and shall deposit the loan made to its group companies and associates and other non- project related withdrawals to the RERA account within six months.
  - ii. The promoter shall follow construction-linked payment in the project and shall not demand any additional instalment till proportional constructions against payments already received by it are completed at the site to the satisfaction of STP, Gurugram as already directed by the licensing authority i.e., Director, Town and Country Planning, Haryana.
  - iii. The promoter is directed that withdrawal from the separate account shall have to be in proportion to the percentage of completion of the project after it is certified by an engineer, an architect, and a chartered

- accountant that the withdrawal is in proportion to the percentage of completion of the project.
- iv. The promoter is directed to deposit a hundred percent of the amounts realized for the real estate project from the allottees, from time to time, in a separate RERA account maintained in a scheduled bank to cover the cost of construction and the proportionate land cost and shall be used only for that purpose.
  - v. The promoter to enter into an agreement for sale with the allottees within three months as prescribed in the Haryana Real Estate (Regulation and Development) Rules, 2017, and amended as per requirements and approved by the Authority, if not already executed.
  - vi. The promoter is directed that any non-project-related expense shall not be made from the RERA Account.
  - vii. The commercial area of the project is attached by the authority and the promoter is restrained to any sale of the commercial area till further orders as a guarantee to complete the project.
  - viii. In addition to filing quarterly progress reports and audited annual statements of accounts of the project, the promoter shall also submit a monthly progress report of the project Mahira Homes 63A (hardcopy) to Sh. J.S. Sindhu, Executive Engineer (Monitoring), or any other designated officer if appointed.
15. However, the DTCP vide its order dated 26.08.2022 allowed the colonizer to raise demand as per the original payment plan in their ready launched projects i.e. LC-4498, LC-3759, LC-3772 & LC-4178 subject to the following conditions fulfilled by the colonizer as under:
1. To submit the detailed construction status report of the above said projects as and when the review meeting will be called by the department.

2. To submit the details of cancellation of the allottees due to non-payment of the demand as and when called by the department.
3. To deliver the above said projects within the stipulated time period as per the affordable group housing policy 2013 amended time to time.
4. To strictly follow the guidelines of the affordable housing policy 2013 amended time to time.

And accordingly, the Authority amended its order of de-freeze dated 19.09.2022 to the extent of the conditions mentioned above.

16. And whereas the promoter failed to submit the compliance report of the conditions mentioned in the order of de-freeze of the bank accounts of the project, the Authority had issued a show cause notice dated 14.06.2023 to the promoter as to why penal proceedings under Section 63 of the Act of 2016 shall not be initiated against them for non-compliance of conditions mentioned in the de-freeze of the bank accounts order dated 19.09.2022, and the bank accounts of the project shall not be freezed again.
17. In view of the fact that the promoter has diverted the funds deposited by allottees from the RERA account unauthorizedly and has failed to bring back the diverted funds even after more than 10 months, and no work on site was in progress and progress on site was found to be 5-7% as per the report submitted by the concerned planning executive, the Authority in the proceedings dated 03.07.2023, decided to freeze the bank accounts of the project again. The matter was fixed for next date of hearing on 17.07.2023.
18. On 17.07.2023, Sh. Amit Singh (Manager Legal) and Sh. Alakh Niranjana were present on behalf of the promoter. Sh. Chetan Prakash Gaur (Advocate) and Sh. Arvind Punia (Branch Manager) were present on behalf of Axis Bank. The AR of the bank submitted the statement of the bank accounts of the project and other related documents in the Authority. The matter was fixed for further proceedings on 14.08.2023. On 14.08.2023, as the coram was not complete, the matter was adjourned to 21.08.2023.

19. In the proceedings of hearing dated 21.08.2023, it was observed by the Authority that the promoter had neither complied with the conditions mentioned in the order for de-freezing of bank accounts nor appeared before the Authority on the date fixed for hearing. Therefore, on account of omissions on the part of the promoter in discharge of his obligations under the Real Estate (Regulation and Development), Act, 2016, the Authority decided to initiate proceedings under Section 7 & 8 of the Act of 2016. Accordingly, a show cause notice for revocation of registration dated 06.09.2023 was issued to the promoter with an opportunity of hearing on 25.09.2023.
20. In its proceedings dated 25.09.2023, no one was present on behalf of the promoter. It was observed by the Authority that during the forensic audit of the project that the promoter had violated various provisions of the Act of 2016. Further the promoter is not taking any concrete step towards completion of the project and the Authority has already received various complaints from the allottees regarding non-completion of project. Therefore, the Authority, keeping in view the interest of allottees for handing over of their units deemed it appropriate that before taking any decision regarding revocation of registration, a preliminary techno-economic analysis of the project be got conducted through an expert within a month to determine the economic feasibility of the project to be completed with the existing resources available. The promoter was again directed to restrain from creating any further third-party rights in the project.
21. A meeting was held with officials of the National Institute of Financial Management, Faridabad to discuss the matter on 30.10.2023. Further, vide the communication dated 02.11.2023, the Director DTCP, Haryana, decided to award consulting assignment on financial aspects relating to licenses granted to Mahira Group in Haryana to the NIFM. The Authority shared the details of the projects pertaining to the promoter with the National Institute of Financial Management vide letter dated 19.12.2023.

22. It was decided by the Authority to afford final opportunity of hearing to the promoter before revocation of the registration of the projects in continuation of the notice dated 06.09.2023 as none was present on behalf of the promoter during the said hearing. The said notice was issued on 21.02.2024 for a hearing on 11.03.2024.
23. On 11.03.2024, Shri Pintu, Director (no authority letter was produced by him to enable him to appear on behalf of the company) appeared on behalf of the promoter along with Advocate Shri Rishabh Gupta. Neither the director nor the Advocate had anything to say in the matter except seeking an adjournment without any basis. No reply was submitted to the show cause notice.
24. The Authority observes that the promoter has not only committed brazen violation of the Act of 2016 but is also responsible for breach of faith with respect to the innocent allottees who invested their hard-earned money into the project in the hope of obtaining an affordable home. Many such allottees are suffering irreparable harm as they are living in rented accommodation and are paying EMIs to the banks. The respondent promoter is a persistent defaulter and has defied and disregarded the lawful directions of the Authority.
25. The Authority after going through the above factual matrix of the matter and details brought on record in the foregoing paras, is satisfied that the promoter has willfully violated the provisions of Section 4(2)(I)(d), 14(2)(ii), the Haryana Real Estate Regulatory Authority, Gurugram (Quarterly Progress Report) Regulations, 2018 and the Haryana Real Estate Regulatory Authority, Gurugram Real Estate Bank Accounts for the Registered Projects Directions, 2019. The promoter has further unlawfully diverted the amounts deposited by the innocent home-buyers into its own related companies. In view of the above, the Authority deems it fit to revoke the registration of the project "Mahira Homes 63A" issued to M/s Czar Buildwell Pvt. Ltd. (Now known as Mahira Buildwell Pvt. Ltd.) vide

Registration No. 04 of 2020 dated 20.01.2020 under the provisions of Section 7(1)(a),(b) and (d) of the Real Estate (Regulation and Development) Act, 2016, Haryana Real Estates (Regulation and Development) Rules, 2017 and Regulations of the Haryana Real Estate Regulatory Authority, Gurugram. The Authority directs under Section 7(4)(a) of the Act of 2016 that the promoter shall be debarred from accessing its website in relation to that project and the name of the promoter shall be specified in the list of defaulters on the Authority's website. It is further directed under Section 7(4)(c) of the Act of 2016 that the concerned banks holding the project bank accounts shall freeze the accounts of the project till further orders. It is further directed under Section 7(4)(d) of the Act of 2016 that the respondent promoter or any of its agencies is restrained from removing any material from the site of the project.

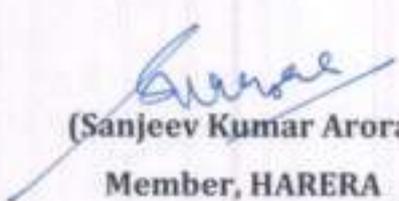
26. The promoter is further directed to submit within a period of three weeks certified copies of:

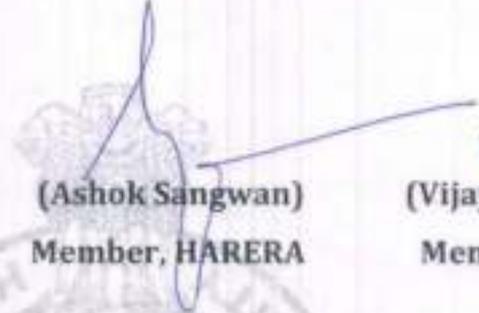
1. Complete list of allottees (along with address, email id & contact number), unit number, amount received from each allottee and balance outstanding amount.
2. Complete set of sanctioned drawings, working drawings and structural drawings including the drawing for services and common facilities.
3. The list of contractor/service providers engaged for completion of work on site along with a copy of the work order given to each contractor/service provider and detail of amount already paid to them.
4. Bank account statements of the project duly certified by the authorized director of the promoter company.

27. Further that the promoter shall continue to remain liable for his obligations under section 12, 14 and 18 of the Act of 2016 and the above revocation is

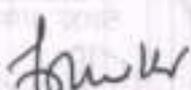
without prejudice to the right of the Authority to initiate penal proceedings against the promoter under section 63 of the Act of 2016.

A copy of this order shall be endorsed to all other Real Estate Regulatory Authorities of the States and Union Territories of the country.

  
(Sanjeev Kumar Arora)  
Member, HARERA

  
(Ashok Sangwan)  
Member, HARERA

  
(Vijay Kumar Goyal)  
Member, HARERA

  
(Arun Kumar)  
Chairman, HARERA

**HARERA**  
**GURUGRAM**





## BEFORE THE HARYANA REAL ESTATE REGULATORY AUTHORITY, GURUGRAM

Suo Motu complaint No.	RERA-GRG-2651-2022
Registration No.	21 Of 2018 dated 02.02.2018
Name of promoter	M/s Sai Aaina Farms Pvt. Ltd. (now known as Mahira Infratech Pvt. Ltd.)
Name of project	Mahira Homes 68
Location of project	Sector 68, Gurugram
Date of order	11.03.2024

## ORDER

- The Director of Town & Country Planning, Haryana (DTCP) granted license no. 106 of 2017 dated 22.12.2017 under the Haryana Development and Regulation of Urban Areas Act, 1975 & Haryana rules 1976 made thereunder for setting up of an affordable group housing colony over an area measuring 9.96875 acres in the revenue estate of village Badshahpur, Sector-68, Gurugram Manesar Urban Complex to the following entities:
  - Mohan Investment & Properties Pvt. Ltd.
  - Dal Chand S/o Chattar Singh alis Chatar Singh
  - Smt. Shakuntla, Laxmi D/o Chattar Singh alis Chatar Singh
  - Ranjit Mahender alis, Manohar Ss/o Kirori
 in collaboration with **M/s Sai Aaina Farms Pvt. Ltd.** (now known as Mahira Infratech Pvt. Ltd.), 72, E- Space, United Nirvana Country, Sector- 50, Gurugram-122002
- The aforesaid license is granted for a period of five years and is valid upto 21.12.2022
- In pursuance to the above license, the promoter company i.e., M/s Sai Aaina Farms Pvt. Ltd. made an application for registration of the real estate project under Section 4 of the Real Estate (Regulation and Development) Act, 2016 (henceforth called Act of 2016) to the Authority and after due consideration,



the project was conditionally registered with the Interim RERA, Panchkula with the following details:

S. No.	Particulars	Details
1.	Registration No.	21 of 2018
2.	Date of registration	02.02.2018
3.	Expiry of registration	21.12.2022
4.	Name of promoter	M/s Sai Aaina Farms Pvt. Ltd. (Now known as Mahira Infratech Pvt. Ltd.)
5.	Name of project	Mahira Homes 68
6.	Area of project	9.96875 acres
7.	Nature of project	Affordable Group Housing Colony
8.	Location of project	Sector 68, Gurugram

4. The above registration was valid upto 21.12.2022 as per the declaration filed by the applicant promoter under provisions of section 4(2)(I)(C) of the Act, 2016. The Haryana Real Estate Regulatory Authority, Gurugram (hereafter referred to as the Authority) vide notification no. 9/3-2020 dated 26.05.2020 has granted general extension of six months in lieu of COVID-19 for the projects whose validity was falling after 25.03.2020 and hence the registration validity got extended up to 20.06.2023.
5. However, the Director Town & Country Planning vide its order dated 09.05.2022 cancelled the license no. 106 of 2017 dated 22.12.2017 on account of committed grave violations by the developer company regarding the approach to the licensed land, forged and fabricated bank guarantees and also forged signatures on collaboration agreement, SPA and GPA submitted at the grant of license.
6. Further, the Director Town & Country Planning vide its memo no. LC-3298/2022/12395 dated 09.05.2022 requested the Authority to freeze the

- account of the company, wherein 70% amount collected from the allottees is deposited and to cancel the registration of the project with immediate effect.
7. Accordingly, the Authority vide its order dated 10.05.2022 directed the Punjab National Bank and IndusInd Bank to freeze the accounts related to the project operational in their bank branches.
  8. The Authority further issued a show cause notice dated 10.05.2022 for revocation of registration no. 21 of 2018 dated 02.02.2018 with an opportunity of hearing on 10.06.2022.
  9. The site of the project was inspected by the officials of the Authority on 17.05.2022 and a report thereof was submitted wherein the progress of the work was reported to be very slow. The work progress of pocket I (Tower A,B,C,D,E,F,G) was reported to be 65-70% and that of pocket II (Tower H,I,K,L,M,N) was reported to be 10-15%.
  10. Keeping in view the reasons recorded above, the Authority took suo motu cognizance and vide its notice dated 28.05.2022 (received by the promoter on 30.05.2022) called upon the promoter to furnish the following information within 7 days from the issuance of the notice:
    - a. The total amount so far collected/realized from the allottees.
    - b. Allottee wise schedule of payment received.
    - c. Amount of work done so far at the site.
    - d. Percentage of physical progress achieved.
    - e. Land cost of the project and proportionate land cost of a percentage of physical progress.
    - f. The details of the Bank Accounts where the amount realized from allottees has been deposited/received.
    - g. The withdrawals from the separate RERA Account where 70% of the amount to be realized from allottees is mandatory to be deposited.
    - h. The proof of having withdrawn from the separate account after it is certified 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.



- i. The details of the balance available in the separate RERA Account and whether it is the remaining amount in the separate RERA Account out of seventy percent of the total amount realized from the allottees after withdrawals as per provisions of Section 4(2)(I)(D).
  - j. Duly certified and signed by a chartered accountant, a statement of accounts and annual audited accounts of the project for FY 2019-20 and 2020-2021.
  - k. Certificate of the Chartered Accountant that amounts collected for this project and the withdrawals have been in compliance with the proportion to the percentage of completion of the project.
  - l. Wherever there has been deviation/variation from the provisions of Section 4(2)(I)(D) and the explanation relating to the same.
  - m. Copy of documents submitted to Director Town & Country Planning, Haryana in compliance with rules in part IV of the Haryana Development and Regulation of Urban Areas Rules, 1976.
11. The Authority in its proceedings of the hearing dated 10.06.2022 observed that the reply to the notice submitted by the promoter was not in order. Hence the Authority, exercising its powers under Section 36 of the Act of 2016 on being satisfied that an act in contravention of the Act, 2016 or Rules or Regulations made thereunder had been committed and continued to be committed, ordered restraining the promoter, withdrawal from bank accounts i.e. Master Account/Separate RERA Account and the free account or any amount until the conclusion of its enquiry or further orders. The promoter was further restrained from creating any third party right by way of mortgage/ loan or any other manner on the project land, sold and unsold units further, and appointed M/s Grand Mark & Associates to conduct a forensic audit of the project account on the points mentioned above.
12. On perusal of the forensic audit report submitted by M/s Grandmark and Associates on 02.01.2023, lapses/ violation on the part of the promoter are as listed below:



1. The promoter has collected from 1453 allottees out of total 1487 units put up for sale, a Total Fund of Rs. 3,637,517,332.02 in two Master collection a/c of PNB & IndusInd Bank.
  2. The IndusInd bank account was closed on 27.11.2019 and Punjab National Bank a/c was in operation thereafter. However, the promoter operated dual collection accounts (both IndusInd and PNB) for a period of 7 months and 16 days from 11.04.2019 to 27.11.2019.
  3. The promoter has to bring back a total of Rs. 31.57 crores excess withdrawal from the project accounts.
  4. No QPR is submitted by the promoter.
  5. Non-compliance of section 4(2)(f)(D) of the Act of 2016.
13. However, the promoter filed an appeal against the license cancellation order of DTCP before the Principle Secretary to Government, Haryana, Town & Country Planning Department, Chandigarh and after hearing, the Additional Chief Secretary to Government of Haryana Town & Country Planning Department vide order dated 05.09.2022 in appeal no. 24 of 2022 set aside the impugned order of DTCP to the extent of cancellation of license and directions for taking over the licensed project under rule 19 of the Rules, 1976. Further, the developer as respondent no. 02 in the above appeal was directed to complete the project within 6 months and hand over the possession to the allottees as otherwise it would have been unjust enrichment to the developer as he had collected money from the allottees and if he is relieved of obligation to complete the project and handing over the possession to the allottees. The DTP Planning Gurugram was directed to monitor the progress and submit the periodical reports to the DTCP in this regard who was given the liberty to proceed against the developer as per legal provisions.
14. However, despite the above opportunity given to the promoter to complete the project within 6 months and hand over the possession to the allottees, the promoter has neither completed the project nor handed over the possession to the allottees within the time period allowed and thus violated the orders dated



- 05.09.2022 passed by the Additional Chief Secretary to Government of Haryana Town & Country Planning Department in above appeal no. 24 of 2022.
15. Meanwhile, the promoter had applied for extension of registration u/s 6 of the Act of 2016 on 10.04.2023 which was rejected by the Authority vide order dated 28.09.2023 as the promoter neither removed the deficiencies despite issuance of repeated notices and nor put in appearance on the date of hearing fixed on 24.07.2023.
  16. The Authority issued a show cause notice dated 02.11.2023 to the promoter for the revocation of the registration of the project and an opportunity of hearing was provided to the promoter on 04.12.2023.
  17. Meanwhile, a meeting was held with officials of the National Institute of Financial Management, Faridabad to discuss the matter on 30.10.2023. Further, vide their communication dated 02.11.2023, the Director DTCP, Haryana, decided to award consulting assignment on financial aspects relating to licenses granted to Mahira Group in Haryana. The Authority shared the details of the projects pertaining to the promoter with the National Institute of Financial Management.
  18. It was decided by the Authority to afford final opportunity of hearing to the promoter before revocation of the registration of the projects in continuation of the notice dated 02.11.2023 as none was present on behalf of the promoter during the said hearing. The said notice was issued on 21.02.2024 for a hearing on 11.03.2024.
  19. On 11.03.2024, Shri Pintu, Director (no authority letter was produced by him to enable him to appear on behalf of the company) appeared on behalf of the promoter along with Advocate Shri Rishabh Gupta. Neither the director nor the Advocate had anything to say in the matter <sup>except</sup> ~~expect~~ seeking an adjournment without any basis. No reply was submitted to the show cause notice.
  20. The Authority observes that the promoter has not only committed brazen violation of the Act of 2016 but is also responsible for breach of faith with respect to the innocent allottees who invested their hard-earned money into the project in the hope of obtaining an affordable home. Many such allottees



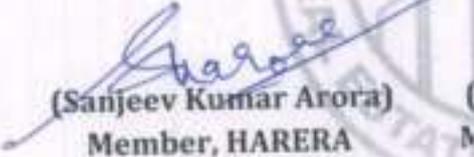
are suffering irreparable harm as they are living in rented accommodation and are paying EMIs to the banks. The respondent promoter is a persistent defaulter and has defied and disregarded the lawful directions of the Authority.

21. The Authority after going through the above factual matrix of the matter and details brought on record in the foregoing paras, is satisfied that the promoter has willfully violated the provisions of Section 4(2)(l)(c), Section 4(2)(l)(d), the Haryana Real Estate Regulatory Authority, Gurugram (Quarterly Progress Report) Regulations, 2018 and the Haryana Real Estate Regulatory Authority, Gurugram Real Estate Bank Accounts for the Registered Projects Directions, 2019. The promoter has further unlawfully diverted the amounts deposited by the innocent home-buyers into its own related companies. In view of the above, the Authority deems it fit to revoke the registration of the project "Mahira Homes 68" issued to M/s Sai Aaina Farms Pvt. Ltd. (now known as Mahira Infratech Pvt. Ltd.) vide Registration No. 21 of 2018 dated 02.02.2018 under the provisions of Section 7(1)(a), (b) and (d) of the Real Estate (Regulation and Development) Act, 2016, Haryana Real Estates (Regulation and Development) Rules, 2017 and Regulations of the Haryana Real Estate Regulatory Authority, Gurugram. The Authority directs under Section 7(4)(a) of the Act of 2016 that the promoter shall be debarred from accessing its website in relation to that project and the name of the promoter shall be specified in the list of defaulters on the Authority's website. It is further directed under Section 7(4)(c) of the Act of 2016 that the concerned banks holding the project bank accounts shall freeze the accounts of the project till further orders. It is further directed under Section 7(4)(d) of the Act of 2016 that the respondent promoter or any of its agencies is restrained from removing any material from the site of the project.
22. The promoter is further directed to submit within a period of three weeks certified copies of:
1. Complete list of allottees (along with address, email id & contact number), unit number, amount received from each allottee and balance outstanding amount.



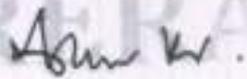
2. Complete set of sanctioned drawings, working drawings and structural drawings including the drawing for services and common facilities.
  3. The list of contractor/service providers engaged for completion of work on site along with a copy of the work order given to each contractor/service provider and detail of amount already paid to them.
  4. Bank account statements of the project duly certified by the authorized director of the promoter company.
23. Further that the promoter shall continue to remain liable for his obligations under section 12, 14 and 18 of the Act of 2016 and the above revocation is without prejudice to the right of the Authority to initiate penal proceedings against the promoter under section 63 of the Act of 2016.

A copy of this order shall be endorsed to all other Real Estate Regulatory Authorities of the States and Union Territories of the country.

  
(Sanjeev Kumar Arora)  
Member, HARERA

  
(Ashok Sangwan)  
Member, HARERA

  
(Vijay Kumar Goyal)  
Member, HARERA

  
(Arun Kumar)  
Chairman, HARERA



## BEFORE THE HARYANA REAL ESTATE REGULATORY AUTHORITY, GURUGRAM

<b>Suo Motu complaint No.</b>	<b>RERA-GRG-2653-2022</b>
<b>Registration No.</b>	<b>32 OF 2020 dated 08.10.2020</b>
<b>Name of promoter</b>	<b>M/s Czar Buildwell Pvt. Ltd. (Now known as Mahira Buildwell Pvt. Ltd.)</b>
<b>Name of project</b>	<b>Mahira Homes 95</b>
<b>Location of project</b>	<b>Sector 95, Gurugram</b>
<b>Date of order</b>	<b>11.03.2024</b>

**ORDER**

1. The Director of Town & Country Planning, Haryana (DTCP) granted license no. 24 of 2020 dated 10.09.2020 under the Haryana Development and Regulation of Urban Areas Act, 1975 & Haryana rules 1976 made thereunder for setting up of an affordable group housing colony over an area measuring 6.05 acres in the revenue estate of village Dhorka, Sector-95, Gurugram Manesar Urban Complex to Doctor Agro Pvt. Ltd. in collaboration with **M/s Czar Buildwell Pvt. Ltd.**, 302 A, 3<sup>rd</sup> Floor, Global Foyer, Gurugram-122009.
2. The aforesaid license is granted for a period of five years and is valid upto 09.09.2025.
3. In pursuance to the above license, the promoter company i.e., M/s Czar Buildwell Pvt. Ltd. made an application for registration of the real estate project under Section 4 of the Real Estate (Regulation and Development) Act, 2016 (henceforth called Act of 2016) to the Authority and after due consideration, the project was conditionally registered with the Haryana Real Estate Regulatory Authority, Gurugram (henceforth referred to as the Authority) with the following details:

S. No.	Particulars	Details
1.	Registration No.	GGM/416/148/2020/32 (32 of 2020)
2.	Date of registration	08.10.2020
3.	Expiry of registration	17.09.2025
4.	Name of promoter	M/s Czar Buildwell Pvt. Ltd.
5.	Name of project	Mahira Homes 95
6.	Area of project	6.05 acres
7.	Nature of project	Affordable Group Housing Colony
8.	Location of project	Sector 95, Gurugram
9.	Number of towers	9 residential towers + commercial
10.	Number of units	876 residential units
11.	Master collection a/c (100%)	920020064094114 (Axis Bank, Patel Nagar, Old MG Road, Gurugram-1220001)
12.	RERA a/c (70%)	920020064002434 (Axis Bank, Patel Nagar, Old MG Road, Gurugram-1220001)
13.	Free a/c (30%)	920020041351559 (Axis Bank, Patel Nagar, Old MG Road, Gurugram-1220001)

4. However, due to various grave violations by the promoter company, i.e. M/s Czar Buildwell Pvt. Ltd., the Director Town & Country Planning vide its order dated 17.05.2022 blacklisted the developer company, its directors, shareholders, and other authorized signatories from grant of license under the provisions of Act 8 of 1975 in the future. The orders stated that:

*"Whereas, on account of committing various grave violations in license no. 128 of 2019, 31 of 2019, 24 of 2020 and 66 of 2021 granted for development of affordable group housing colony in Sector 63-A, 103,95 & 104, Gurugram, forged and fabricated bank guarantees and also*

*forged signatures of the bank officials /officer on the bank guarantees which was submitted by CZAR Buildwell Pvt. Ltd., at the time of grant of license no.66 of 2021 and replacement of old bank guarantees in lieu of fresh bank guarantees submitted in three other licenses as indicated above which were issued to Mahira Buildtech Pvt. Ltd. and CZAR Buildwell Pvt. Ltd. It has been accordingly decided to blacklist the developer company i.e Mahira Buildtech Pvt. Ltd. and CZAR Buildwell Pvt. Ltd., its Directors, shareholders and other authorized signatory from grant of any new license under the provisions of Act 8 of 1975 in future. Accordingly, all concerned are hereby directed not to process any application of above said company, its Directors and share holders for grant of license under the Act ibid."*

5. As the promoter was blacklisted for committing various grave violations of the terms of the license, the Authority took suo-motu cognizance of the issue relating to the affairs of the promoter of the project and initiated inquiry under Section 35 of the Act of 2016 and accordingly, to protect the interest of the allottees, issued letter dated 19.05.2022 directing LDM, Canara Bank, Gurugram to freeze the bank accounts of the promoter in all projects including Mahira Homes-95 which were covered in the blacklisting order dated 17.05.2022.
6. For the purpose of conducting a preliminary inquiry, Engineering Executive and Executive Engineer (Monitoring) of the Authority visited the site of the project on 18.05.2022 and a report about the physical status of construction was submitted by them to the Authority. As per the report submitted, the physical progress of the project was approximately 5-7% and progress of construction works on the site of the project did not seem commensurate to the payments withdrawn from the bank accounts. The Authority further observed that neither the QPRs (quarterly progress reports) nor the audited statement of accounts had been submitted by the promoter with the Authority in terms of Section 4 of the Act, 2016.

7. Keeping in view the reasons recorded above, the Authority vide its notice dated 28.05.2022 (received by the promoter on 30.05.2022) called upon the promoter to furnish the following information within 7 days from the issuance of the notice:
- a. The total amount so far collected/realized from the allottees.
  - b. Allottee-wise schedule of payment received.
  - c. Amount of work done so far at the site.
  - d. Percentage of physical progress achieved.
  - e. Land cost of the project and proportionate land cost of a percentage of physical progress.
  - f. The details of the Bank Accounts where the amount realized from allottees has been deposited/received.
  - g. The withdrawals from the separate RERA Account where 70% of the amount to be realized from allottees is mandatory to be deposited.
  - h. The proof of having withdrawn from the separate account after it is certified 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.
  - i. The details of the balance available in the separate RERA Account and whether it is the remaining amount in the separate RERA Account out of seventy percent of the total amount realized from the allottees after withdrawals as per provisions of Section 4(2)(I)(D).
  - j. Duly certified and signed by a chartered accountant, a statement of accounts and annual audited accounts of the project for FY 2019-20 and 2020-2021.
  - k. Certificate of the Chartered Accountant that amounts collected for this project and the withdrawals have been in compliance with the proportion to the percentage of completion of the project.
  - l. Wherever there has been deviation/variation from the provisions of Section 4(2)(I)(D) and the explanation relating to the same.



m. Copy of documents submitted to Director Town & Country Planning, Haryana in compliance with rules in part IV of the Haryana Development and Regulation of Urban Areas Rules, 1976.

The Authority gave an opportunity of hearing to the promoter on 10.06.2022.

8. The promoter did not comply with the notice within the time given in it. However, they submitted a reply to the same on 15.11.2022 assuring compliance of the information to be submitted to the Authority.
9. The Authority in its proceedings of the hearing dated 10.06.2022 observed that the reply to the notice submitted by the promoter was not in order. Hence the Authority, exercising its powers under Section 36 of the Act of 2016 on being satisfied that an act in contravention of the Act, 2016 or Rules or Regulations made thereunder had been committed and continued to be committed, ordered restraining the promoter, withdrawal from bank accounts i.e. Master Account/Separate RERA Account and the free account or any amount until the conclusion of its enquiry or further orders. The promoter was further restrained from creating any third party right by way of mortgage/ loan or any other manner on the project land, sold and unsold units further, and appointed M/s Grand Mark & Associates to conduct a forensic audit of the project account on the points mentioned above.
10. On perusal of the forensic audit report dated 31.08.2022 submitted by M/s Grandmark and Associates, grave lapses/ violations on the part of the promoter were observed as listed below:
  1. Total funds received of Rs. 66,49,83,006/- in 70% RERA account has been transferred by the developer to 30% free account on the basis of written requests made from time to time.
  2. Total excess drawn funds from the 70% RERA account and 30% free account is Rs. 47,78,89,321/-
  3. The developer also failed to comply with the submission of the Quarterly Progress Report & annual audited report for the project.



11. However, the DTCP Haryana vide Endst No. dated LC-4498/LC/3759/LC3772/LC-4178/AO (III)/2022/51129 dated 21.07.2022 withdrew the blacklisting order dated 17.05.2022 subject to the following conditions:

- a. The colonizer shall follow construction-linked payment in all these projects and shall not demand any additional instalment till proportional constructions against payments already received by it are completed at the site to the satisfaction of STP, Gurugram.
- b. The cancellation of allotment made by the colonizer against non-payment by allottees on account of disproportionate demands made by it shall be withdrawn by the colonizer within a week and an ATR in this regard shall be filed with STP, Gurugram.
- c. The colonizer shall install a signboard at the site showing the detail of flats mortgaged in favor of DTCP.

12. Therefore on 19.09.2022, and on perusal of the comments and final proposal/ recommendations of the forensic auditor and expert consultant, it was observed that the interest of the allottees who have invested in the project will be served only if the construction work is resumed immediately. Further DTCP, Haryana vide its order dated 21.07.2022 ordered withdrawal of its earlier order dated 17.05.2022 regarding blacklisting of the firm M/s Czar Buildwell Pvt. Ltd. Accordingly, the Authority had decided to de-freeze the bank accounts of the project "Mahira Homes 95" on the request of the promoter vide order dated 19.09.2022 subject to the following conditions:

- i. The promoter shall bring back the unauthorized withdrawn amount and is further directed to deposit the loan made to its group company and associates and other non-project-related withdrawals to the RERA account within six months.
- ii. The promoter shall follow construction-linked payment in the project and shall not demand any additional instalment till proportional constructions against payments already received by it are completed



- at the site to the satisfaction of STP, Gurugram as already directed by the licensing authority i.e., Director, Town and Country Planning, Haryana.
- iii. The promoter is directed that withdrawal from the separate account shall have to be in proportion to the percentage of completion of the project after it is certified by an engineer, an architect, and a chartered accountant that the withdrawal is in proportion to the percentage of completion of the project.
  - iv. The promoter is directed to deposit a hundred percent of the amounts realized for the real estate project from the allottees, from time to time, in a separate RERA account maintained in a scheduled bank to cover the cost of construction and the proportionate land cost and shall be used only for that purpose.
  - v. The promoter to enter into an agreement for sale with the allottees within three months as prescribed in the Haryana Real Estate (Regulation and Development) Rules, 2017, and amended as per requirements and approved by the authority, if not already executed.
  - vi. The promoter is directed that any non-project-related expense shall not be made from the RERA Account.
  - vii. The commercial area of the project is attached by the authority and the promoter is restrained to any sale of the commercial area till further orders as a guarantee to complete the project.
  - viii. In addition to filing quarterly progress reports and audited annual statements of accounts of the project, the promoter shall also submit a monthly progress report of the project Mahira Homes 95 (hardcopy) to Sh. J.S. Sindhu, Executive Engineer (Monitoring), or any other designated officer, if appointed.
13. The authority had imposed a condition to raise the demand of instalments commensurate with status of construction. However, DTCP vide its order dated 26.08.2022 allowed the colonizer to raise demand as per the original



payment plan in their ready launched projects i.e. LC-4498, LC-3759, LC-3772 & LC- 4178 subject to the following conditions fulfilled by the colonizer as under:

1. To submit the detailed construction status report of the above said projects as and when the review meeting will be called by the department.
2. To submit the details of cancellation of the allottees due to non-payment of the demand as and when called by the department.
3. To deliver the above said projects within the stipulated time period as per the affordable group housing policy 2013 amended time to time.
4. To strictly follow the guidelines of the affordable housing policy 2013 amended time to time.

In view of the same, the Authority amended its order of de-freeze dated 19.09.2022 to the extent of the conditions mentioned above.

14. The promoter failed to submit the compliance report of the conditions mentioned in the order of de-freeze of the bank accounts of the project, the Authority had issued a show cause notice dated 14.06.2023 to the promoter as to why penal proceedings under Section 63 of the Act of 2016 shall not be initiated against them for non-compliance of conditions mentioned in the de-freeze of the bank accounts order dated 19.09.2022, and the bank accounts of the project shall not be frozen again.
15. In view of the fact that the promoter has diverted the funds deposited by allottees from the RERA account unauthorizedly and has failed to bring back the diverted funds even after more than 10 months, and no work on site was in progress and progress on site was found to be 5-7 % as per the report dated 30.06.2023 submitted by the concerned planning executive, the Authority in the proceedings dated 03.07.2023, decided to freeze the bank accounts of the project again. It was again directed that no sale or 3<sup>rd</sup> party rights shall be created in the project. The matter was fixed for next date of hearing on 17.07.2023.



16. On 17.07.2023, Sh. Amit Singh (Manager Legal) and Sh. Alakh Niranjana were present on behalf of the promoter. Sh. Chetan Prakash Gaur (Advocate) and Sh. Arvind Punia (Branch Manager) were present on behalf of Axis Bank. The AR of the bank submitted the statement of the bank accounts of the project and other related documents in the Authority. The matter was fixed for further proceedings on 14.08.2023. On 14.08.2023, as the coram was not complete, the matter was adjourned to 21.08.2023.
17. In the proceedings of hearing dated 21.08.2023, it was observed by the Authority that the promoter had neither complied with the conditions mentioned in the order for de-freezing of bank accounts nor appeared before the Authority on the date fixed for hearing. Therefore, on account of omissions on the part of the promoter in discharge of his obligations under the Real Estate (Regulation and Development), Act, 2016, the Authority decided to initiate proceedings under Section 7 & 8 of the Act of 2016. Accordingly, a show cause notice for revocation of registration dated 06.09.2023 was issued to the promoter with an opportunity of hearing on 25.09.2023.
18. In its proceedings dated 25.09.2023, no one was present on behalf of the promoter. It was observed by the Authority that during the forensic audit of the project that the promoter had violated various provisions of the Act of 2016. Further the promoter is not taking any concrete step towards completion of the project and the Authority has already received various complaints from the allottees regarding non-completion of project. Therefore, the Authority, keeping in view the interest of allottees for handing over of their units deemed it appropriate that before taking any decision regarding revocation of registration, a preliminary techno-economic analysis of the project be got conducted through an expert within a month to determine the economic feasibility of the project to be completed with the existing resources available. The promoter was again directed to restrain from creating any further third-party rights in the project.

19. A meeting was held with officials of the National Institute of Financial Management, Faridabad to discuss the matter on 30.10.2023. Further, vide their communication dated 02.11.2023, the Director DTCP, Haryana, decided to award consulting assignment on financial aspects relating to licenses granted to Mahira Group in Haryana. The Authority shared the details of the projects pertaining to the promoter with the National Institute of Financial Management.
20. It was decided by the Authority to afford final opportunity of hearing to the promoter before revocation of the registration of the projects in continuation of the notice dated 06.09.2023 as none was present on behalf of the promoter during the said hearing. The said notice was issued on 21.02.2024 for a hearing on 11.03.2024.
21. On 11.03.2024, Shri Pintu, Director (no authority letter was produced by him to enable him to appear on behalf of the company) appeared on behalf of the promoter along with Advocate Shri Rishabh Gupta. Neither the director nor the Advocate had anything to say in the matter except seeking an adjournment without any basis. No reply was submitted to the show cause notice dated 06.09.2023 and final show cause notice dated 21.02.2024.
22. The Authority observes that the promoter has not only committed brazen violation of the Act of 2016 but is also responsible for breach of faith with respect to the innocent allottees who invested their hard-earned money into the project in the hope of obtaining an affordable home. Many such allottees are suffering irreparable harm as they are living in rented accommodation and are paying EMIs to the banks. The respondent promoter is a persistent defaulter and has defied and disregarded the lawful directions of the Authority.
23. The Authority after going through the above factual matrix of the matter and details brought on record in the foregoing paras, is satisfied that the promoter has willfully violated the provisions of Section 4(2)(l)(d), the



Haryana Real Estate Regulatory Authority, Gurugram (Quarterly Progress Report) Regulations, 2018 and the Haryana Real Estate Regulatory Authority, Gurugram Real Estate Bank Accounts for the Registered Projects Directions, 2019. The promoter has further unlawfully diverted the amounts deposited by the innocent home-buyers into its own related companies. In view of the above, the Authority deems it fit to revoke the registration of the project "Mahira Homes 95" issued to M/s Czar Buildwell Pvt. Ltd. (Now known as Mahira Buildwell Pvt. Ltd.) vide Registration No. 32 of 2020 dated 08.10.2020 under the provisions of Section 7(1)(a),(b) and (d) of the Real Estate (Regulation and Development) Act, 2016, Haryana Real Estates (Regulation and Development) Rules, 2017 and Regulations of the Haryana Real Estate Regulatory Authority, Gurugram. The Authority directs under Section 7(4)(a) of the Act of 2016 that the promoter shall be debarred from accessing its website in relation to that project and the name of the promoter shall be specified in the list of defaulters on the Authority's website. It is further directed under Section 7(4)(c) of the Act of 2016 that the concerned banks holding the project bank accounts shall freeze the accounts of the project till further orders. It is further directed under Section 7(4)(d) of the Act of 2016 that the respondent promoter or any of its agencies is restrained from removing any material from the site of the project.

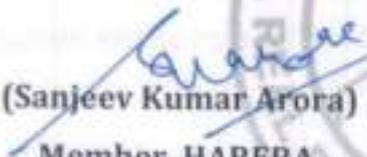
24. The promoter is further directed to submit within a period of three weeks certified copies of :

1. Complete list of allottees (along with address, email id & contact number), unit number, amount received from each allottee and balance outstanding amount.
2. Complete set of sanctioned drawings, working drawings and structural drawings including the drawing for services and common facilities.

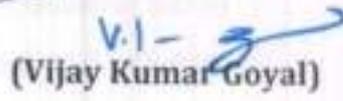


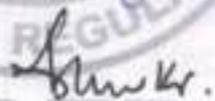
3. The list of contractor/service providers engaged for completion of work on site along with a copy of the work order given to each contractor/service provider and detail of amount already paid to them.
  4. Bank account statements of the project duly certified by the authorized director of the promoter company.
25. Further that the promoter shall continue to remain liable for his obligations under section 12, 14 and 18 of the Act of 2016 and the above revocation is without prejudice to the right of the Authority to initiate penal proceedings against the promoter under section 63 of the Act of 2016.

A copy of this order shall be endorsed to all other Real Estate Regulatory Authorities of the States and Union Territories of the country.

  
(Sanjeev Kumar Arora)  
Member, HARERA

  
(Ashok Sangwan)  
Member, HARERA

  
(Vijay Kumar Goyal)  
Member, HARERA

  
(Arun Kumar)  
Chairman, HARERA

**HARERA**  
**GURUGRAM**



## BEFORE THE HARYANA REAL ESTATE REGULATORY AUTHORITY, GURUGRAM

<b>Suo Motu complaint No.</b>	<b>RERA-GRG-2544-2022</b>
<b>Registration No.</b>	<b>15 OF 2019 dated 01.04.2019</b>
<b>Name of promoter</b>	<b>M/s Mahira Buildtech Pvt. Ltd.</b>
<b>Name of project</b>	<b>Mahira Homes 103</b>
<b>Location of project</b>	<b>Sector 103, Gurugram</b>
<b>Date of order</b>	<b>11.03.2024</b>

**ORDER**

1. The Director of Town & Country Planning, Haryana (DTCP) granted license no. 31 of 2019 dated 01.03.2019 under the Haryana Development and Regulation of Urban Areas Act, 1975 & Haryana rules 1976 made thereunder for setting up of an affordable group housing colony over an area measuring 5.40347 acres in the revenue estate of village Daultabad and Tikampur, Sector-103, Gurugram Manesar Urban Complex to the following entities:

- i. Bijender Singh-Surender Singh- Dayanand Ss/o Sh. Ratan Singh
- ii. Mahesh Kumar- Satish Kumar- Shiv Kumar Ss/o Bisan Swaroop
- iii. Raj Rani Wd/o Bisan Swaroop
- iv. Kuldeep S/o Dharam Singh
- v. Gianwati Wd/o Jagdish
- vi. Rajesh- Rajeev Ss/o Jagdish
- vii. Anand Swaroop- Shree Kishan Ss/o Nawal Kishor
- viii. Sita Ram- Rambir @ Rajbir- Laxminarayan and Krishan Ss/o Abhay Ram

In collaboration with **M/s Mahira Buildtech Pvt. Ltd.**, 302 A, 3<sup>rd</sup> Floor, Global Foyer, Sector-43, Gurugram-122001.

2. The aforesaid license is granted for a period of five years and is valid upto 28.02.2024.
3. In pursuance to the above license, the promoter company i.e., M/s Mahira Buildtech Pvt. Ltd. made an application for registration of the real estate project under Section 4 of the Real Estate (Regulation and Development) Act, 2016 (henceforth called Act of 2016) to the Authority and after due consideration, the project was conditionally registered with the Haryana Real Estate Regulatory Authority, Gurugram (henceforth referred to as the Authority) with the following details:

S. No.	Particulars	Details
1.	Registration No.	GGM/321/53/2019/15 (15 of 2019)
2.	Date of registration	01.04.2019
3.	Expiry of registration	28.02.2023 + 6 months COVID 19 extension =27.08.2023
4.	Name of promoter	M/s Mahira Buildtech Pvt. Ltd.
5.	Name of project	Mahira Homes 103
6.	Area of project	5.40347 acres
7.	Nature of project	Affordable Group Housing Colony
8.	Location of project	Sector 103, Gurugram
9.	Number of towers	8 residential towers + 60 shops
10.	Number of units	800

4. However, due to various grave violations by the promoter company, i.e. M/s Mahira Buildtech Pvt. Ltd., the Director Town & Country Planning vide its order dated 17.05.2022 blacklisted the developer company, its directors,

shareholders, and other authorized signatories from grant of license under the provisions of Act 8 of 1975 in the future. The orders stated that:

*"Whereas, on account of committing various grave violations in license no. 128 of 2019, 31 of 2019, 24 of 2020 and 66 of 2021 granted for development of affordable group housing colony in Sector 63-A, 103,95 & 104, Gurugram, forged and fabricated bank guarantees and also forged signatures of the bank officials /officer on the bank guarantees which was submitted by CZAR Buildwell Pvt. Ltd., at the time of grant of license no.66 of 2021 and replacement of old bank guarantees in lieu of fresh bank guarantees submitted in three other licenses as indicated above which were issued to Mahira Buildtech Pvt. Ltd. and CZAR Buildwell Pvt. Ltd. It has been accordingly decided to blacklist the developer company i.e Mahira Buildtech Pvt. Ltd. and CZAR Buildwell Pvt. Ltd., its Directors, shareholders and other authorized signatory from grant of any new license under the provisions of Act 8 of 1975 in future. Accordingly, all concerned are hereby directed not to process any application of above said company, its Directors and shareholders for grant of license under the Act Ibid."*

5. As the promoter was blacklisted for committing various grave violations of the terms of the license, the Authority took suo-motu cognizance of the issue relating to the affairs of the promoter of the project and initiated inquiry under Section 35 of the Act of 2016 and accordingly, to protect the interest of the allottees, issued letter dated 19.05.2022 directing LDM, Canara Bank, Gurugram to freeze the bank accounts of the promoter in all projects including "Mahira Homes 103" which were covered in the blacklisting order dated 17.05.2022.
6. For the purpose of conducting a preliminary inquiry, Engineering Executive and Executive Engineer (Monitoring) of the Authority visited the site of the project on 18.05.2022 and a report about the physical status of construction



was submitted by them to the Authority. As per the report submitted, the physical progress of the project was approximately 15-20% and progress of construction works on the site of the project did not seem commensurate to the payments withdrawn from the bank accounts. The Authority further observed that neither the QPRs (quarterly progress reports) nor the audited statement of accounts had been submitted by the promoter with the Authority in terms of Section 4 of the Act, 2016.

7. Keeping in view the reasons recorded above, the Authority vide its notice dated 27.05.2022 (received by the promoter on 30.05.2022) called upon the promoter to furnish the following information within 7 days from the issuance of the notice:
- a. The total amount so far collected/realized from the allottees.
  - b. Allottee-wise schedule of payment received.
  - c. Amount of work done so far at the site.
  - d. Percentage of physical progress achieved.
  - e. Land cost of the project and proportionate land cost of a percentage of physical progress.
  - f. The details of the Bank Accounts where the amount realized from allottees has been deposited/received.
  - g. The withdrawals from the separate RERA Account where 70% of the amount to be realized from allottees is mandatory to be deposited.
  - h. The proof of having withdrawn from the separate account after it is certified 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.
  - i. The details of the balance available in the separate RERA Account and whether it is the remaining amount in the separate RERA Account out of seventy percent of the total amount realized from the allottees after withdrawals as per provisions of Section 4(2)(I)(D).



- j. Duly certified and signed by a chartered accountant, a statement of accounts and annual audited accounts of the project for FY 2019-20 and 2020-2021.
- k. Certificate of the Chartered Accountant that amounts collected for this project and the withdrawals have been in compliance with the proportion to the percentage of completion of the project.
- l. Wherever there has been deviation/variation from the provisions of Section 4(2)(I)(D) and the explanation relating to the same.
- m. Copy of documents submitted to Director Town & Country Planning, Haryana in compliance with rules in part IV of the Haryana Development and Regulation of Urban Areas Rules, 1976.

The Authority gave an opportunity of hearing to the promoter on 10.06.2022.

8. The Authority in its proceedings of the hearing dated 10.06.2022 observed that the reply to the notice submitted by the promoter was not in order. Hence the Authority, exercising its powers under Section 36 of the Act of 2016 on being satisfied that an act in contravention of the Act, 2016 or Rules or Regulations made thereunder had been committed and continued to be committed, ordered restraining the promoter for making withdrawal from bank accounts i.e. Master Account/Separate RERA Account and the free account or any amount until the conclusion of its enquiry or further orders. The promoter was further restrained from creating any third party rights by way of mortgage/ loan or any other manner on the project land, sold and unsold units further, and appointed M/s Grand Mark & Associates to conduct a forensic audit of the project account on the points mentioned above.
9. On perusal of the forensic audit report dated 05.12.2022 submitted by M/s Grandmark and Associates, grave lapses/ violations on the part of the promoter were observed as listed below:

1. The promoter opened accounts firstly with PNB on 28.03.2019 and later with ICICI Bank on 08.07.2019 without getting prior approval from RERA for opening of bank accounts with ICICI Bank.
  2. The developer commenced receiving payment from customers in PNB A/c from 28.03.2019 and collected Rs. 6,90,000/- as prelaunch money before the date of RERA registration i.e., 01.04.2019.
  3. The developer is in default of operating dual accounts with two banks at the same time as PNB a/c was in operation from 28.03.219 to 28.02.020 while ICICI bank a/c are in operation from 08.07.2019. dual accounts were in operation for 7 months and 23 days.
  4. Total funds received of Rs. 1,224,232,411/- in 70% RERA account has been transferred by the developer to 30% free account on the basis of written requests made from time to time.
  5. Excess drawn funds from the 70% RERA account and 30% free account is Rs. 47,36,87,860/- and Rs. 26,97,68,232/- respectively.
  6. The developer also failed to comply with the submission of the Quarterly Progress Report & annual audited report for the project.
10. However, the DTCP Haryana vide Endst No. dated LC-4498/LC/3759/LC3772/LC-4178/A0 (III)/2022/5129 dated 21.07.2022 withdrew the blacklisting order dated 17.05.2022 subject to the following conditions:
- a. The colonizer shall follow construction-linked payment in all these projects and shall not demand any additional installment till proportional constructions against payments already received by it are completed at the site to the satisfaction of STP, Gurugram.
  - b. The cancellation of allotment made by the colonizer against non-payment by allottees on account of disproportionate demands made by it shall be withdrawn by the colonizer within a week and an ATR in this regard shall be filed with STP, Gurugram.



c. The colonizer shall install a signboard at the site showing the detail of flats mortgaged in favor of DTCP.

11. Therefore, on perusal of the comments and final proposal/recommendations of the forensic auditor and expert consultant, it was observed that the interest of the allottees who have invested in the project will be served only if the construction work is resumed immediately. Further DTCP, Haryana vide its order dated 21.07.2022 ordered withdrawal of its earlier order dated 17.05.2022 regarding blacklisting of the firm M/s Czar Buildwell Pvt. Ltd. Accordingly, the Authority had decided to de-freeze the bank accounts of the project "Mahira Homes 103" on the request of the promoter vide on 19.04.2023 subject to the following conditions:

- i. The promoter shall bring back the unauthorized withdrawn into the separate RERA account so that the residential component of the project is financially viable.
- ii. The promoter shall submit all requisite certificates from chartered accountant, engineer and architect for withdrawal of funds to the authority and the concerned bank, and funds of the account may only be withdrawn after following provisions of law.
- iii. The promoter shall not be allowed withdrawing any amount from RERA or free account till he incurred proportionate cost on construction on site and any amount to the contractor shall be paid on actual basis after physical verification by monitoring consultant, to be appointed by the authority.
- iv. The promoter shall only make withdrawals from the separate RERA account in proportion to the percentage of completion of the project after it is certified by an engineer, an architect, and a chartered accountant and the withdrawal shall be in proportion to the percentage of completion of the project.

- v. The promoter shall deposit back the loan amount paid to its group company and associates and other non- project- related withdrawals to the separate RERA account within six months.
- vi. The promoter shall enter into an agreement for sale as prescribed in the Haryana Real Estate (Regulation and Development) Rules, 2017, and amended as per requirements and approved by the authority with the allottees within three months.
- vii. The promoter shall not make any non- project- related expense from the separate RERA account.
- viii. The promoter shall immediately start the construction work on the site in the interest of the allottees and for completion of the project.
- ix. The promoter shall submit a monthly physical progress report to the authority.

Accordingly, the letter to de-freeze the bank accounts of the project was dispatched to the concerned bank on 19.04.2023.

12. The promoter failed to submit the compliance report of the conditions mentioned in the order of de-freeze of the bank accounts of the project, the Authority had issued a show cause notice dated 19.10.2023 to the promoter as why penal proceedings shall not be initiated against them for non-compliance of conditions mentioned in the de-freeze of the bank accounts order dated 19.04.2023, and the bank accounts of the project shall not be frozen again. An opportunity of hearing was provided to the promoter on 06.11.2023.

13. Since the promoter has neither complied with the conditions mentioned in the order dated 19.04.2023 regarding the de-freeze of bank accounts of the project nor submitted any reply to the show cause notice dated 19.10.2023, the Authority in its proceedings dated 06.11.2023 decided to freeze the bank accounts of the project again and further restrained the promoter from creating any third- party rights on the project till further order.



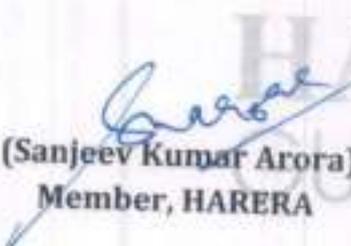
14. Further, on 06.11.2023, the Authority had issued a show cause notice to the promoter for revocation of registration of the project "Mahira Homes 103" with an opportunity of hearing on 11.12.2023.
15. On 11.12.2023, it was decided to put the matter on file regarding decision on revocation of registration of the project.
16. Meanwhile, a meeting was held with officials of the National Institute of Financial Management, Faridabad to discuss the matter on 30.10.2023. Further, vide their communication dated 02.11.2023, the Director DTCP, Haryana, decided to award consulting assignment on financial aspects relating to licenses granted to Mahira Group in Haryana. The Authority shared the details of the projects pertaining to the promoter with the National Institute of Financial Management.
17. It was decided by the Authority to afford final opportunity of hearing to the promoter before revocation of the registration of the projects in continuation of the notice dated 06.11.2023 as none was present on behalf of the promoter during the said hearing. The said notice was issued on 21.02.2024 for a hearing on 11.03.2024.
18. On 11.03.2024, Shri Pintu, Director (no authority letter was produced by him to enable him to appear on behalf of the company) appeared on behalf of the promoter along with Advocate Shri Rishabh Gupta. Neither the director nor the Advocate had anything to say in the matter except seeking an adjournment without any basis. No reply was submitted to the show cause notice.
19. The Authority observes that the promoter has not only committed brazen violation of the Act of 2016 but is also responsible for breach of faith with respect to the innocent allottees who invested their hard-earned money into the project in the hope of obtaining an affordable home. Many such allottees are suffering irreparable harm as they are living in rented accommodation and are paying EMIs to the banks. The respondent

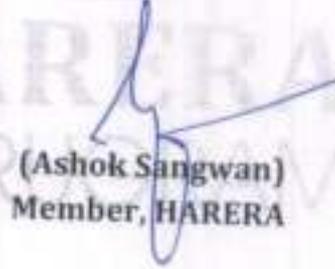
- promoter is a persistent defaulter and has defied and disregarded the lawful directions of the Authority.
20. The Authority after going through the above factual matrix of the matter and details brought on record in the foregoing paras, is satisfied that the promoter has willfully violated the provisions of Section 3, Section 4(2)(l)(c), Section 4(2)(l)(d), the Haryana Real Estate Regulatory Authority, Gurugram (Quarterly Progress Report) Regulations, 2018 and the Haryana Real Estate Regulatory Authority, Gurugram Real Estate Bank Accounts for the Registered Projects Directions, 2019. The promoter has further unlawfully diverted the amounts deposited by the innocent home-buyers into its own related companies. In view of the above, the Authority deems it fit to revoke the registration of the project "Mahira Homes 103" issued to M/s Mahira Buildtech Pvt. Ltd vide Registration No. 15 of 2019 dated 01.04.2019 under the provisions of Section 7(1)(a),(b) and (d) of the Real Estate (Regulation and Development) Act, 2016, Haryana Real Estates (Regulation and Development) Rules, 2017 and Regulations of the Haryana Real Estate Regulatory Authority, Gurugram. The Authority directs under Section 7(4)(a) of the Act of 2016 that the promoter shall be debarred from accessing its website in relation to that project and the name of the promoter shall be specified in the list of defaulters on the Authority's website. It is further directed under Section 7(4)(c) of the Act of 2016 that the concerned banks holding the project bank accounts shall freeze the accounts of the project till further orders. It is further directed under Section 7(4)(d) of the Act of 2016 that the respondent promoter or any of its agencies is restrained from removing any material from the site of the project.
21. The promoter is further directed to submit within a period of three weeks certified copies of:



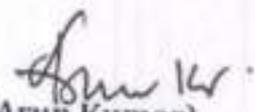
1. Complete list of allottees (along with address, email id & contact number), unit number, amount received from each allottee and balance outstanding amount.
  2. Complete set of sanctioned drawings, working drawings and structural drawings including the drawing for services and common facilities.
  3. The list of contractor/service providers engaged for completion of work on site along with a copy of the work order given to each contractor/service provider and detail of amount already paid to them.
  4. Bank account statements of the project duly certified by the authorized director of the promoter company.
22. Further that the promoter shall continue to remain liable for his obligations under section 12, 14 and 18 of the Act of 2016 and the above revocation is without prejudice to the right of the Authority to initiate penal proceedings against the promoter under section 63 of the Act of 2016.

A copy of this order shall be endorsed to all other Real Estate Regulatory Authorities of the States and Union Territories of the country.

  
(Sanjeev Kumar Arora)  
Member, HARERA

  
(Ashok Sangwan)  
Member, HARERA

  
(Vijay Kumar Goyal)  
Member, HARERA

  
(Arun Kumar)  
Chairman, HARERA





## BEFORE THE HARYANA REAL ESTATE REGULATORY AUTHORITY, GURUGRAM

Suo Motu complaint No.	RERA-GRG-2645-2022
Registration No.	72 OF 2021 dated 25.10.2021
Name of promoter	M/s Czar Buildwell Pvt. Ltd. (Now known as Mahira Buildwell Pvt. Ltd.)
Name of project	Mahira Homes 104
Location of project	Sector 104, Gurugram
Date of order	11.03.2024

## ORDER

1. The Director of Town & Country Planning, Haryana (DTCP) granted license no. 66 of 2021 dated 07.09.2021 under the Haryana Development and Regulation of Urban Areas Act, 1975 & Haryana rules 1976 made thereunder for setting up of an affordable group housing colony over an area measuring 10.44375 acres in the revenue estate of village Dhanwapur, Sector-104, Gurugram Manesar Urban Complex to the following entities :-

- (i) Sh Bhoop Singh, Nand Kishor, Narender Ss/o Tek Chand
- (ii) S/Sh. Ramesh Chand, Kuldeep, Pardeep Kumar, Satbir Singh, Manoj Kumar Ss/o Shri Ram
- (iii) Smt. Bhagwani Devi Wd/o Sh. Hoshiyar Singh
- (iv) S/Sh. Bijender Singh, Surinder, Jai Parkash, Kaptan Ss/o Sh. Bal Kishan
- (v) S/Sh. Anil Kumar, Manoj Kumar Ss/o Sh. Om Parkash

in collaboration with **M/s Czar Buildwell Pvt. Ltd.**, 311 A, 3<sup>rd</sup> Floor, Global Foyer, Gurugram-122009.

2. The aforesaid license is granted for a period of five years and is valid upto 06.09.2026
3. In pursuance to the above license, the promoter company i.e., M/s Czar Buildwell Pvt. Ltd. made an application for registration of the real estate project under Section 4 of the Real Estate (Regulation and Development) Act, 2016 (henceforth called Act of 2016) to the Authority and after due consideration, the project was conditionally registered with the Haryana Real Estate Regulatory Authority, Gurugram (henceforth referred to as the Authority) with the following details:

S. No.	Particulars	Details
1.	Registration No.	GGM/504/236/2021/72 (72 of 2021)
2.	Date of registration	25.10.2021
3.	Expiry of registration	02.12.2025
4.	Name of promoter	M/s Czar Buildwell Pvt. Ltd.
5.	Name of project	Mahira Homes 104
6.	Area of project	10.44375 acres
7.	Nature of project	Affordable Group Housing Colony
8.	Location of project	Sector 104, Gurugram
9.	Number of towers	8 residential towers + 6 commercial blocks
10.	Number of units	1483 residential units + 224 commercial units
11.	Master collection a/c (100%)	921020039865980 (Axis Bank, Patel Nagar, Old MG Road, Gurugram- 1220001)

12.	RERA a/c (70%)	921020039939010 (Axis Bank, Patel Nagar, Old MG Road, Gurugram- 1220001)
13.	Free a/c (30%)	921020039084437 (Axis Bank, Patel Nagar, Old MG Road, Gurugram- 1220001)

4. However, due to various grave violations by the promoter company, i.e. M/s Czar Buildwell Pvt. Ltd., the Director Town & Country Planning vide its order dated 17.05.2022 blacklisted the developer company, its directors, shareholders, and other authorized signatories from grant of license under the provisions of Act 8 of 1975 in the future. The orders stated that:

*"Whereas, on account of committing various grave violations in license no. 128 of 2019, 31 of 2019, 24 of 2020 and 66 of 2021 granted for development of affordable group housing colony in Sector 63-A, 103,95 & 104, Gurugram, forged and fabricated bank guarantees and also forged signatures of the bank officials /officer on the bank guarantees which was submitted by CZAR Buildwell Pvt. Ltd., at the time of grant of license no. 66 of 2021 and replacement of old bank guarantees in lieu of fresh bank guarantees submitted in three other licenses as indicated above which were issued to Mahira Buildtech Pvt. Ltd. and CZAR Buildwell Pvt. Ltd. It has been accordingly decided to blacklist the developer company i.e. Mahira Buildtech Pvt. Ltd. and CZAR Buildwell Pvt. Ltd., its Directors, shareholders and other authorized signatory from grant of any new license under the provisions of Act 8 of 1975 in future. Accordingly, all concerned are hereby directed not to process any application of above said company, its Directors and share holders for grant of license under the Act ibid."*

5. As the promoter was blacklisted for committing various grave violations of the terms of the license, the Authority took suo-motu cognizance of the issue

relating to the affairs of the promoter of the project and initiated inquiry under Section 35 of the Act of 2016 and accordingly, to protect the interest of the allottees, issued letter dated 19.05.2022 directing LDM, Canara Bank, Gurugram to freeze the bank accounts of the promoter in all projects including Mahira Homes 104 which were covered in the blacklisting order dated 17.05.2022.

6. For the purpose of conducting a preliminary inquiry, Engineering Executive and Executive Engineer (Monitoring) of the Authority visited the site of the project on 18.05.2022 and a report about the physical status of construction was submitted by them to the Authority. As per the report submitted, out of 8 residential towers and 6 commercial blocks as per the sanctioned building plan, excavation work of only 3 towers was started. The physical progress of construction works on the site of the project did not seem commensurate to the payments withdrawn from the bank accounts. The Authority further observed that neither the QPRs (quarterly progress reports) nor the audited statement of accounts had been submitted by the promoter with the Authority in terms of Section 4 of the Act, 2016.
7. Keeping in view the reasons recorded above, the Authority vide its notice dated 28.05.2022 (received by the promoter on 30.05.2022) called upon the promoter to furnish the following information within 7 days from the issuance of the notice:
  - a. The total amount so far collected/realized from the allottees.
  - b. Allottee-wise schedule of payment received.
  - c. Amount of work done so far at the site.
  - d. Percentage of physical progress achieved.
  - e. Land cost of the project and proportionate land cost of a percentage of physical progress.
  - f. The details of the Bank Accounts where the amount realized from allottees has been deposited/received.

- g. The withdrawals from the separate RERA Account where 70% of the amount to be realized from allottees is mandatory to be deposited.
- h. The proof of having withdrawn from the separate account after it is certified 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.
- i. The details of the balance available in the separate RERA Account and whether it is the remaining amount in the separate RERA Account out of seventy percent of the total amount realized from the allottees after withdrawals, as per provisions of Section 4(2)(I)(D).
- j. Duly certified and signed by a chartered accountant, a statement of accounts and annual audited accounts of the project for FY 2019-20 and 2020-2021.
- k. Certificate of the Chartered Accountant that amounts collected for this project and the withdrawals have been in compliance with the proportion to the percentage of completion of the project.
- l. Wherever there has been deviation/variation from the provisions of Section 4(2)(I)(D) and the explanation relating to the same.
- m. Copy of documents submitted to Director Town & Country Planning, Haryana in compliance with rules in part IV of the Haryana Development and Regulation of Urban Areas Rules, 1976.

The Authority gave an opportunity of hearing to the promoter on 10.06.2022.

8. The promoter did not comply with the notice within the time given in it though submitted a reply to the same on 15.11.2022 assuring compliance of the information to be submitted to the Authority.
9. The Authority in its proceedings of the hearing dated 10.06.2022 observed that the reply to the notice submitted by the promoter was not in order.



Hence the Authority, exercising its powers under Section 36 of the Act of 2016 on being satisfied that an act in contravention of the Act, 2016 or Rules or Regulations made thereunder had been committed and continued to be committed, ordered restraining the promoter, withdrawal from bank accounts i.e. Master Account/Separate RERA Account and the free account or any amount until the conclusion of its enquiry or further orders. The promoter was further restrained from creating any third party right by way of mortgage/ loan or any other manner on the project land, sold and unsold units further, and appointed M/s Grand Mark & Associates to conduct a forensic audit of the project account on the points mentioned above.

10. On perusal of the forensic audit report dated 27.06.2022 submitted by M/s Grandmark and Associates, grave lapses/ violations on the part of the promoter were observed as listed below:

1. The auditor submitted in its report that in the project 'Mahira Homes 104', several withdrawals are made in breach of the provisions of the RERA Act, 2016 and a few of the transactions are questionable and it appears that home buyers' money has been withdrawn in violation of provisions section 4(2)(I)(D) of the Act. Further, 1st & 2nd proviso to section 4(2)(I)(D) of the Act provides that the withdrawal from the separate account shall have to be in proportion to the percentage of completion of the project after it is certified by an engineer, an architect, and a chartered accountant that the withdrawal is in proportion to the percentage of completion of the project.
2. Out of the total funds received of Rs. 59,70,60,050/- in RERA 70% account, the promoter over utilized Rs 56,90,14,626/-.
3. The developer also failed to comply with the submission of the Quarterly Progress Report & annual audited report for the project.

11. However, the DTCP Haryana vide Endst No. dated LC-4498/LC/3759/LC3772/LC-4178/AO (III)/2022/5129 dated 21.07.2022



withdrew the blacklisting order dated 17.05.2022 subject to the following conditions:

The colonizer shall follow construction-linked payment in all these projects and shall not demand any additional installment till proportional constructions against payments already received by it are completed at the site to the satisfaction of STP, Gurugram.

The cancellation of allotment made by the colonizer against non-payment by allottees on account of disproportionate demands made by it shall be withdrawn by the colonizer within a week and an ATR in this regard shall be filed with STP, Gurugram.

The colonizer shall install a signboard at the site showing the detail of flats mortgaged in favor of DTCP.

12. Therefore on 22.08.2022, and on perusal of the resolution plan submitted by promoter, comments and final proposal/ recommendations of the forensic auditor and expert consultant, it was observed that the interest of the allottees who have invested in the project will be served only if the construction work is resumed immediately. Further DTCP, Haryana vide its order dated 21.07.2022 ordered withdrawal of its earlier order dated 17.05.2022 regarding blacklisting of the firm M/s Czar Buildwell Pvt. Ltd. Accordingly, the Authority had decided to de-freeze the bank accounts of the project "Mahira Homes 104" on the request of the promoter vide order dated 22.08.2022 subject to the following conditions:

- i. The promoter shall bring back the unauthorized withdrawn amount.
- ii. The promoter shall follow construction-linked payment in the project and shall not demand any additional instalment till proportional constructions against payments already received by it are completed at the site to the satisfaction of STP, Gurugram as already directed by the licensing authority i.e., Director, Town and Country Planning, Haryana.



- iii. The promoter is directed that withdrawal from the separate account shall have to be in proportion to the percentage of completion of the project after it is certified by an engineer, an architect, and a chartered accountant that the withdrawal is in proportion to the percentage of completion of the project.
  - iv. The promoter is directed to deposit a hundred percent of the amounts realized for the real estate project from the allottees, from time to time, in a separate RERA account maintained in a scheduled bank to cover the cost of construction and the proportionate land cost and shall be used only for that purpose.
  - v. The promoter is directed to deposit the loan made to its group company and associates and other non-project-related withdrawals to the RERA account within six months.
  - vi. The promoter to enter into an agreement for sale with the allottees within three months as prescribed in the Haryana Real Estate (Regulation and Development) Rules, 2017, and amended as per requirements and approved by the authority, if not already executed.
  - vii. The promoter is directed that any non-project-related expense shall not be made from the RERA Account.
  - viii. The commercial area of the project is attached by the authority and the promoter is restrained to any sale of the commercial area till further orders as a guarantee to complete the project.
  - ix. In addition to filing quarterly progress reports and audited annual statements of accounts of the project, the promoter shall also submit a monthly progress report of the project Mahira Homes 104 (hardcopy) to Sh. J.S. Sindhu, Executive Engineer (Monitoring), or any other designated officer, if appointed.
13. The authority has imposed a condition to raise the demand of instalments commensurate with status of construction. But DTCP vide its order dated 26.08.2022 allowed the colonizer to raise demand as per the original



payment plan in their ready launched projects i.e. LC-4498, LC-3759, LC-3772 & LC- 4178 subject to the following conditions fulfilled by the colonizer as under:

1. To submit the detailed construction status report of the above said projects as and when the review meeting will be called by the department.
2. To submit the details of cancellation of the allottees due to non-payment of the demand as and when called by the department.
3. To deliver the above said projects within the stipulated time period as per the affordable group housing policy 2013 amended time to time.
4. To strictly follow the guidelines of the affordable housing policy 2013 amended time to time.

In view of the same, the Authority amended its order of de-freeze dated 22.08.2022 to the extent of the conditions mentioned above.

14. And whereas the promoter failed to submit the compliance report of the conditions mentioned in the order of de-freeze of the bank accounts of the project, the Authority had issued a show cause notice dated 14.06.2023 to the promoter as why penal proceedings under Section 63 of the Act of 2016 shall not be initiated against them for non-compliance of conditions mentioned in the de-freeze of the bank accounts order dated 22.08.2022, and the bank accounts of the project shall not be frozen again.

15. In view of the fact that the promoter has diverted the funds deposited by allottees from the RERA account unauthorizedly and has failed to bring back the diverted funds even after more than 10 months, and no work on site was in progress and progress on site was found to be 3-6 % as per the report submitted by the concerned planning executive, the Authority in the proceedings dated 03.07.2023, decided to freeze the bank accounts of the project again. The matter was fixed for next date of hearing on 17.07.2023.

16. On 17.07.2023, Sh. Amit Singh (Manager Legal) and Sh. Alakh Niranjana were present on behalf of the promoter. Sh. Chetan Prakash Gaur (Advocate) and

- Sh. Arvind Punia (Branch Manager) were present on behalf of Axis Bank. The AR of the bank submitted the statement of the bank accounts of the project and other related documents in the Authority. The matter was fixed for further proceedings on 14.08.2023. On 14.08.2023, as the coram was not complete, the matter was adjourned to 21.08.2023.
17. In the proceedings of hearing dated 21.08.2023, it was observed by the Authority that the promoter had neither complied with the conditions mentioned in the order for de-freezing of bank accounts nor appeared before the Authority on the date fixed for hearing. Therefore, on account of omissions on the part of the promoter in discharge of his obligations under the Real Estate (Regulation and Development) Act, 2016, the Authority decided to initiate proceedings under Section 7 & 8 of the Act of 2016. Accordingly, a show cause notice for revocation of registration dated 06.09.2023 was issued to the promoter with an opportunity of hearing on 25.09.2023.
18. In its proceedings dated 25.09.2023, no one was present on behalf of the promoter. It was observed by the Authority that during the forensic audit of the project that the promoter had violated various provisions of the Act of 2016. Further the promoter is not taking any concrete step towards completion of the project and the Authority has already received various complaints from the allottees regarding non-completion of project. Therefore, the Authority, keeping in view the interest of allottees for handing over of their units deemed it appropriate that before taking any decision regarding revocation of registration, a preliminary techno-economic analysis of the project be got conducted through an expert within a month to determine the economic feasibility of the project to be completed with the existing resources available. The promoter was again directed to restrain from creating any further third-party rights in the project.
19. A meeting was held with officials of the National Institute of Financial Management, Faridabad to discuss the matter on 30.10.2023. Further, vide

- their communication dated 02.11.2023, the Director DTCP, Haryana, decided to award consulting assignment on financial aspects relating to licenses granted to Mahira Group in Haryana. The Authority shared the details of the projects pertaining to the promoter with the National Institute of Financial Management.
20. It was decided by the Authority to afford final opportunity of hearing to the promoter before revocation of the registration of the projects in continuation of the notice dated 06.09.2023 as none was present on behalf of the promoter during the said hearing. The said notice was issued on 21.02.2024 for a hearing on 11.03.2024.
21. On 11.03.2024, Shri Pintu, Director (no authority letter was produced by him to enable him to appear on behalf of the company) appeared on behalf of the promoter along with Advocate Shri Rishabh Gupta. Neither the director nor the Advocate had anything to say in the matter except seeking an adjournment without any basis. No reply was submitted to the show cause notice.
22. The Authority observes that the promoter has not only committed brazen violation of the Act of 2016 but is also responsible for breach of faith with respect to the innocent allottees who invested their hard-earned money into the project in the hope of obtaining an affordable home. Many such allottees are suffering irreparable harm as they are living in rented accommodation and are paying EMIs to the banks. The respondent promoter is a persistent defaulter and has defied and disregarded the lawful directions of the Authority.
23. The Authority after going through the above factual matrix of the matter and details brought on record in the foregoing paras, is satisfied that the promoter has willfully violated the provisions of Section 4(2)(I)(d), The Haryana Real Estate Regulatory Authority, Gurugram (Quarterly Progress Report) Regulations, 2018 and the Haryana Real Estate Regulatory Authority, Gurugram Real Estate Bank Accounts for the Registered Projects

Directions, 2019. The promoter has further unlawfully diverted the amounts deposited by the innocent home-buyers into its own related companies. In view of the above, the Authority deems it fit to revoke the registration of the project "Mahira Homes 104" issued to M/s Czar Buildwell Pvt. Ltd. (Now known as Mahira Buildwell Pvt. Ltd.) vide Registration No. 72 of 2021 dated 25.10.2021 under the provisions of Section 7(1)(a),(b) and (d) of the Real Estate (Regulation and Development) Act, 2016, Haryana Real Estates (Regulation and Development) Rules, 2017 and Regulations of the Haryana Real Estate Regulatory Authority, Gurugram. The Authority directs under Section 7(4)(a) of the Act of 2016 that the promoter shall be debarred from accessing its website in relation to that project and the name of the promoter shall be specified in the list of defaulters on the Authority's website. It is further directed under Section 7(4)(c) of the Act of 2016 that the concerned banks holding the project bank accounts shall freeze the accounts of the project till further orders. It is further directed under Section 7(4)(d) of the Act of 2016 that the respondent promoter or any of its agencies is restrained from removing any material from the site of the project.

24. The promoter is further directed to submit within a period of three weeks certified copies of:

1. Complete list of allottees (along with address, email id & contact number), unit number, amount received from each allottee and balance outstanding amount.
2. Complete set of sanctioned drawings, working drawings and structural drawings including the drawing for services and common facilities.
3. The list of contractor/service providers engaged for completion of work on site along with a copy of the work order given to each

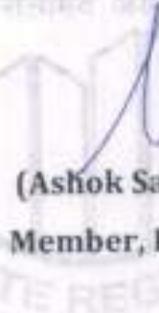


contractor/service provider and detail of amount already paid to them.

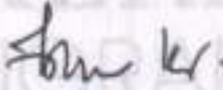
4. Bank account statements of the project duly certified by the authorized director of the promoter company.
25. Further that the promoter shall continue to remain liable for his obligations under section 12, 14 and 18 of the Act of 2016 and the above revocation is without prejudice to the right of the Authority to initiate penal proceedings against the promoter under section 63 of the Act of 2016.

A copy of this order shall be endorsed to all other Real Estate Regulatory Authorities of the States and Union Territories of the country.

  
(Sanjeev Kumar Arora)  
Member, HARERA

  
(Ashok Sangwan)  
Member, HARERA

  
(Vijay Kumar Goyal)  
Member, HARERA

  
(Arun Kumar)  
Chairman, HARERA

