

Project name: Parsvnath City, Rohtak  
Name of the applicant: Parsvnath Developers Ltd.  
Date of hearing: 19.06.2018  
Quorum: 1. Shri Rajan Gupta, Chirman  
2. Shri A.K. Panwar, Member  
3. Shri Dilbagh Singh Sihag,  
Member

Present: 1. Sh. Sanjeev Jain, MD, Parsvnath Developers Ltd.  
2. Sh. Manoj Kapoor, Authorised representative of Parsvnath Developers Ltd.  
3. Mr. Rohan Gupta, Advocate  
4. Sh. Lalit Hooda, DTCP (HQ)

This matter had earlier come up for hearing before the Authority on 20.3.2018 and 11.4.2018. Along with certain other matters of the applicant-developers this case was again listed for hearing on 1.5.2018 when the matter could not be heard because they had made certain request to the State Government which were likely to have bearing on the outcome of this matter. On both the dates detailed orders had been passed by the Authority.

2. MD of applicant company Shri Jain submitted a written reply as well as made oral submissions in continuation of their earlier



replies to the orders dated 20.3.2018 and 11.4.2018. Shri Jain stated as follows:-

- (i) That they have submitted a proposal to the DTCP for clearing outstanding dues of EDC amounting to Rs. About Rs.132 crores after discounting prorated EDC in respect of 14.15 acres area which was de-licensed on account of being required for by the State for HSIIDC. They have proposed to the Government that henceforth all receivables in respect of the projects shall be credited to an escrow account for repaying EDC dues. Further, if still any amount remains outstanding, the developer from their own resources will deposit Rs.5 crores per month for the first 12 months and another Rs. 7.5 crores per month for the remaining months.
- (ii) Shri Jain stated that DTCP orally stated that there being no such policy in existence the renewal of the licence will be possible only after clearance of EDC dues. The developer have, however, come to know that EDC policy is being renewed by the Government.
- (iii) The developer has also requested the DTCP to approve revised outlay plan to enable them to have revised



demarcation-cum-zoning plan approved, to enable them to start allotment of plots to the allottees. This is the only way to see the project through. Since sale of the unsold plots and handing over of the allotted plots is the only way to proceed with the project, the department should take a pragmatic view in respect of the project. Majority of the site development works have already been completed.

(iv) As directed by the Authority they have held meetings with the representatives of the customers on 7<sup>th</sup> April and 17<sup>th</sup> May, 2018. They have enclosed minutes of the said meetings.

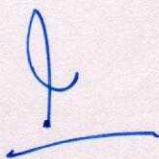
(v) In brief Shri Jain requested for intervention of the Authority to persuade the Town & Country Planning Department for expediting decisions regarding reduction of prorata EDC on account of de-licensing of 14.15 acre land; approval of revised layout plan in respect of 104.03 acre land; approval of demarcation-cum-zoning plan of the same land; and approval of service plan estimates as most of the services at site have already been laid.



(vi) Shri Lalit Hooda DTP (HQ) who was present before the Authority stated that this case is being considered by the department for cancellation of the license and for taking it over because developer is severely defaulting in the payment of EDC. He, however, could not state the exact stage of the decision proposed to be taken by the State Government in this regard..

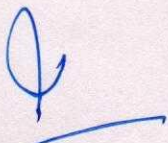
3. The Authority went through the submissions and observed as follows:-

- i) A licence for development of a plotted colony of about 118 acres was granted to M/S Parsvnath Developers Ltd. They have laid most of the infrastructure in the colony. Out of over 917 plots in the colony, they have already sold 746 plots.
- ii) The allottees of the plots are approaching the Authority by way of complaints stating that most of the sale consideration of the plots has already been paid by them. Possession of the plots was supposed to be delivered by the year 2012 but they are still waiting. The allottees are feeling highly frustrated and dejected because they purchased the plots on the assurance of the State



Government given by way of grant of license to the developer.

- iii) The developer has developed the colony in accordance with the approved plans, but ran into difficulties on account of actions of the State Government in acquiring 14 acres land of the colony for HSIIDC. Because of the acquisition, layout, zoning and demarcation plans had to be revised. This brought the sale and further development of the colony to a stand-still. The developer legitimately asked for adjustment of EDC etc. on account of acquired land. The department did not accept their request for many years, as a result, the development was halted, EDC became overdue, and license was not renewed.
- iv) The Authority observes that since 14.15 acre land was acquired by the State for its own use, adjustment of EDC in its respect should not have taken so many years. In fact this matter is still pending consideration and decision of the State Government.
- v) It can thus be said that this colony is suffering not only because of the developer but also because of in action



and problems created by the State Government in & Country Planning Department. The State Government should have upfront made adjustment in EDC, license fee etc. which was resultant due to acquisition of 14 acre of land for HSIIDC. There is no justification for keeping the matters pending for many years on account of this. In this regard both the developer as well as the department have to be held equally responsible.

vi) The principal aim that in such cases has to be kept in mind is the interest of the allottees. Interest of the allottees cannot be safeguarded without renewal of the licence and approval of revised demarcation, zoning and layout plans and registration of the project with the RERA.

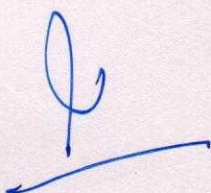
vii) It is also relevant to observe that at most of the places in the State, external services are yet to be provided by HUDA despite deposition of massive amount of EDC by the developers. The State can ask for mortgage of land or other collateral securities from the developers to secure EDC but denial of renewal of licence and the plans jeopardise the project and affect hundreds of allottees. In



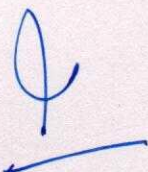
fact in long run it has adverse impact on the development of real estate sector. The State Government should take pragmatic view in such matters.

4. After further discussions and consideration the Authority decided as follows:-

- i) The developer shall file application along with requisite fee for revision of the demarcation, layout, and zoning plans of the colony to the department. All other information demanded by the department should also be furnished.
- ii) Irrespective of the status of the license, the department should accord its approval to the revised demarcation, layout, and zoning plans. This will facilitate handing over of possession to large number of allottees.
- iii) The developer shall open an escrow account to which all receipts of the project shall be credited. The entire proceeds from this account shall be used first for payment of the overdue EDC. The shortfall in the EDC, if any, that remains, shall be paid by the developer from its own resources.



- iv) For payment of EDC over-dues adequate collateral securities by way of mortgages etc. shall be provided by the developer to the department. Subject to such collaterals and assurances provided to the satisfaction of the department, license should be renewed. The department has to bear in the mind that after sale of 746 out of total about 900 plots, the colony no longer belongs to the developer. It now belongs to the allottees. All decisions henceforth should be taken only for providing relief to the allottees rather than dealing only with the legal relationship between the developer and the department.
- v) Based on decision of the Government on the above issues, RERA will grant conditional registration to the project to enable the developer to hand over sold plots to the allottees and to sell rest of the colony.
- vi) Regarding the statement given by DTP(HQ) that the department is considering taking over the project, the Authority observed that this action, even if taken, will be a highly delayed action. The developer has been defaulting in the payment of EDC etc. for the last more

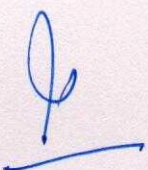


than seven years. Much water has flown since then. 746 allottees have already paid 80-90 percent of the sale consideration. The figure quoted by one of the allottee in a complaint matter before the Authority was that he has paid Rs. 90 lakhs.

If the project is taken over, its development works have to be carried out by the department. After settling of rights and liabilities, the project may need further investment. Due to creation of 3<sup>rd</sup> party interest, the matter may even go to litigation. The tentative observation of the Authority, therefore, is that such a course of action should be adopted by the department after detailed analysis & examination of all pros & cons and after fully understanding its implications. It is reiterated that interest of the allottees must be borne in mind because the project now belong to the allottees and not to the developers.

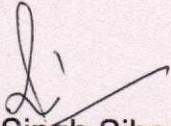
The department should also keep in mind its experience of taking over of the real estate projects under similar circumstance in the past. Their success rates in this regard should be a factor to be taken into account while taking decision.

5. The developer shall do its part of the task outlined above within 15 days. The department thereafter shall take 15 days to take



action thereon. A reply of the developer and the department should be filed before this Authority by 25<sup>th</sup> of July, 2018.

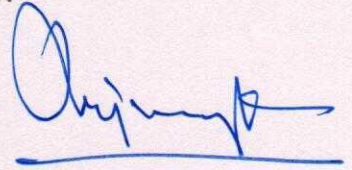
To come up for next hearing on 30.07.2018.



Dilbag Singh Sihag  
Member



A.K. Panwar  
Member



Rajan Gupta  
Chairman