



HARYANA REAL ESTATE REGULATORY AUTHORITY, PANCHKULA.

Mini Secretariat (2nd and 3rd Floor), Sector-1, Panchkula.

Telephone No: 0172-2584232, 2585232

E-mail: officer.rera.hry@gmail.com, hrrapkl-hry@gov.in

Website: www.haryanarera.gov.in

Extract of the resolution passed by the Haryana Real Estate Regulatory Authority, Panchkula in its meeting held on 17.01.2022.

Item No. 163.14

Application for registration of project.

Promoter : Rhythm Buildtech

Project : "Rhythm City" – Affordable Residential Plotted Colony under DDJAY-2016 on land measuring 10.906 acres in revenue estate of Village Maheshwari, Sector-21, Dharuhera, District Rewari.

Temp ID: RERA-PKL-967-2021

1. The documents submitted by the applicant promoter/ developer with regard to registration of their project on land measuring 10.906 acres in revenue estate of Village Maheshwari, Sector-21, Dharuhera, District Rewari have been examined and following observations are made:

- i. License No. 59 of 2021 have been granted by Director, Town & Country Planning Department, vide Memo No. LC-4478/JE(SK)/2021/21551 dated 31.08.2021. This license has been granted to M/s Flick Propbuild Pvt. Ltd. and M/s Logical Developers Pvt. Ltd., who are owner of land measuring 10.90625 acres in revenue estate of Village Maheshwari, Sector-21, Dharuhera, District Rewari, in collaboration with Rhythm Buildtech, a partnership concern of Sh. Hitesh Mishra and Smt. Alisha, W/o Sh. Hitesh Mishra. The partnership deed has been executed on 04.12.2020.
- ii. M/s Rhythm Buildtech, the developer have executed bilateral agreement with the State Government, Town & Country Planning Department on 27.08.2021 for setting up of a plotted colony under Deen Dayal Awas Yojana on the said land.



iii. The developer has submitted a copy of collaboration agreement dated 10.02.2021, executed between land owning companies i.e. (i) M/s Flick Propbuild Pvt. Ltd. and Logical Developers Pvt. Ltd.; (ii) EMAAR India Ltd., the ultimate holding company of the land owning companies; and (iii) Rhythm Buildtech, for development of the said project. The sharing ratio of the built-up area amongst the parties to the collaboration agreement are as under:-

- a) Rhythm Buildtech (Developer) – 48%
- b) EMAAR (Earlier Developer) – 52%

iv. The land-owning companies i.e. M/s Flick Propbuild Pvt. Ltd. and Logical Developers Pvt. Ltd. and EMAAR have also executed power of attorney in favour of M/s Rhythm Buildtech.

2. It has been observed that EMAAR India Ltd. had entered into separate collaboration agreements with M/s Flick Propbuild Pvt. Ltd. & Logical Developers Pvt. Ltd., in the year 2006 and 2007, for aggregating land for development of real estate projects. As per the said agreement, EMAAR was the developer and other two companies namely; M/s Flick Propbuild Pvt. Ltd. & Logical Developers Pvt. Ltd. were land-owning/ land aggregator companies. EMAAR India Ltd. is the ultimate holding company of these two land-owning companies, who agreed to advance loan/ financial assistance to the extent of Rs.1000 crore to Logical Developers Pvt. Ltd. and Rs.400 crore to M/s Flick Propbuild Pvt. Ltd.

3. As per search report of M/s Shikha Kathuria & Associates, Company Secretaries, submitted by the promoter developer, EMAAR India Ltd. have obtained loan/ credit facilities of Rs.2,260.00 crore from banks/ financial institutions and created charge on the fixed assets of the land owning companies. However, the land of the project under reference have not been charged in favour of the banks/ institutions.

4. As per collaboration agreement dated 10.02.2021, M/s EMAAR India Ltd., who are the ultimate holding company of land-owning companies are entitled for 52% of the developed built up space in the project. The land-owning company namely, M/s Flick Propbuild Pvt. Ltd. & Logical Developers Pvt. Ltd. are not getting any share/ revenue in consideration of their land.



5. The Authority observed that the terms of collaboration between the land-owning company, EMAAR India Ltd. and Rhythm Buildtech, particularly sharing of 52% built up space by EMAAR are not reflected in the license granted by the Town & Country Planning Department. Since, the land of the project is encumbered in favour of EMAAR and they will be entitled for 52% built up space in the project, therefore, this important provision of the collaboration agreement should be part of the license granted by the Town & Country Planning Department.

6. Further as per the arrangement (Clause-3.3.3 and 3.3.4), neither the land-owning company nor EMAAR India Ltd. shall be responsible for compliances of various laws and to fulfil obligations towards the future allottees. Clause-3.3.3 and 3.3.4 of the collaboration agreement are reproduced as under:

Clause-3.3.3

"The Developer shall be solely responsible for procuring all approvals under the RERA Act and the HRERA Rules framed thereunder, Haryana Development & Regulation of Urban Areas Act, 1975 and the Rules framed thereunder and other Applicable Law in respect of the project regulation over the said land. The land owners and/ or Emaar shall in no circumstance be held responsible for any non-compliance, omission and commission or any violation of the provisions as contained in the RERA Act and the HRERA rules framed thereunder, Haryana Development & Regulation of Urban Areas Act, 1975 and other applicable laws. It is made clear that any proceedings instituted by the party(ies) against the land owners and/ or Emaar with respect to the development of the said land shall be defended at the cost of the Developer and the Developer shall assume full responsibility in the said proceedings as well. However, the Developer shall not be held liable or responsible for any breach, violation or contravention of the Approvals, License, permissions, certificates, NOC, etc. obtained for the development of the Project over the Said Land by the Land Owners or Emaar.

Clause-3.3.4

Since it is Developer's responsibility to obtain the necessary licenses and approvals under DDJ APH Policy, it is hereby agreed that the Developer shall be solely responsible and liable for ensuring compliances with the DDJ APH Policy and allied laws, in addition to other obligations and compliances cast upon

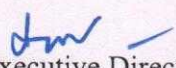


the Developer in this Agreement. It is agreed that the land owners and Emaar shall not be held liable and responsible for any claim or action under DDJ APH Policy and applicable laws. It is clarified that in the event the Land Owners/ Emaar is/ are confronted with a claim, of any nature, on account of breach of DDJ APH Policy by the Developer, the Developer shall forthwith make good the loss to the Land Owners/ Emaar of such sums so as to enable the land owners/ Emaar to meet the said claim including any legal fees and other cost that the Land Owners/ Emaar may incur in defending the said claim."

7. Taking into consideration the above, the Authority directed the applicant promoter to approach the Town & Country Planning Department and place on their record the revised collaboration agreement dated 10.02.2021 entered into between the land-owning companies, EMAAR India Ltd. and Rhythm Buildtech, the developer, so as to make appropriate amendment in the license, LC-IV and bilateral agreement if so desired by the Town & Country Planning Department. Ld. CTP may also send a copy of the aforesaid orders to DTCP for taking further action in the matter.

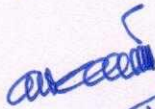
True copy




Executive Director,
HRERA, Panchkula

A copy of the above is forwarded to CTP, HRERA Panchkula, for information and taking further action in the matter.

LA(Anubam)


31/1/22