



**HARYANA REAL ESTATE REGULATORY AUTHORITY, PANCHKULA.**

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**Extract of the resolution passed by the Haryana Real Estate Regulatory Authority, Panchkula in its meeting held on 09.06.2022.**

**Item No. 176.12**

(viii) Promoter : Decent Infraheights Pvt. Ltd.

**Project : "The Flower City" - Affordable Residential Plotted Colony on land measuring 4.0206 acres situated in Village Sankhol & Bahadurgarh, Sector-29, Bahadurgarh.**

**Temp ID: RERA-PKL-1070-2022**

1. Town and Country Planning Department has granted License No.59 of 2022 dated 13.05.2022 for development of an affordable plotted colony in Kurukshetra on land measuring 40.206 acres. There are three landowners, namely, M/s ONI Projects Pvt. Ltd., DAE Realtors Pvt. Ltd. & IZNA Realcon Pvt. Ltd., who have entered into a collaboration agreement with the applicants/promoters M/s Decent Infraheights Pvt. Ltd. Said Collaboration Agreement has been recognized by licenser authority i.e. Town and Country Planning Department.

2. On examination of documents submitted by applicants/promoters, authority observes as follows:-

i) Clause 2.3 and 2.4 of collaboration agreement reads as follows:-

*"2.3. (c) If the developer considers the project no longer viable the Developer shall terminate the Agreement. In such an event, the Land Owner I shall refund RSD within a period of 30 (thirty) days of such termination.*

*4. If the land owner receive notice/notification of acquisition/proceedings of acquisition for the entire Project Land from any Government Authority. they shall immediately inform the Developer of the same in writing. If the entire land is acquired:*





*(i) After the Execution date and before making an application for grant of LOI for development of the Project, the compensation/award received including any enhancement shall belong to the Land Owners. In such an event the Developer shall be entitled to terminate this Agreement and upon such termination. The land owner I shall refund RSD within a period of 30 (thirty) days of such termination."*

According to clause 17.14, collaboration agreement is made irrevocable, however, as per above quoted clauses 2.3 and 2.4 of the collaboration agreement, it can be terminated by the developer, if he considers it no longer viable.

3. Authority observes that, firstly, there is contradiction between clauses 17.14 and 2.3 & 2.4. Secondly, developer cannot be allowed to terminate collaboration agreement, which in fact will amount to scrapping of project itself. Suppose, developer finds the project un-viable then what would be fate of allottees who may have already booked plots and paid substantial amount to the developers?

Applicants/promoters should explain to the Authority of reasons for introducing such clauses in the agreement. Authority directs the applicants/promoters to appear before the Authority on the next date of hearing and explain logic and reason for introducing such clauses in the agreement.

4. Clear powers have not been conferred upon by landowners upon applicants/promoters to execute conveyance deeds in favour of prospective allottees. As per policy of this Authority, landowners have to confer full powers upon developers to develop colony, to sell the plots, to collect amount and to execute conveyance deeds in favour of allottees.

5. On examination of balance sheet fir the year 2020-21 submitted by the applicants/promoters it is revealed that cash assets with promoters are only Rs. 14,746/-. However, considerable amount is required for initiating the project. In fact, plots will be sold only after carrying out some initial development works.





Applicants/promoters should explain what will be sources of funds for meeting initial expenditure for development of project. Sources of cash required for this purpose should be revealed.


6. General Power of Authority has not been clearly worded so as to make it irrevocable because last clause of GPA states that it will be as per Article 4.4 of the Collaboration Agreement.

Authority observes that the said Power of Attorney should also be so worded that all powers to develop colony, sell plots and to execute conveyance deeds in favour of the allottees should be irrevocably conferred upon the promoters.

7. Adjourned to 04.07.2022.



True copy

  
Executive Director,  
HRERA, Panchkula

LA (Shubham)

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

  
24/06/2022