



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 12.12.2022.

Item No. 193.11

(vii) **Promoter : DCM Limited.**

Project : "Gulmohar Park" - Affordable Residential Plotted Colony under DDJAY-2016 on land measuring 67.725 acres situated in the revenue estate of village Bir Hisar, Sector-23, Hisar.

Temp ID: RERA-PKL-1166-2022

1. This application is for registration of an affordable residential plotted colony being developed land measuring 67.725 acres situated in the revenue estate of village Bir Hisar, Sector-23, Hisar. License No. 179 of 2022 dated 07.11.2022 valid upto 06.11.2027 has been granted by Town and Country Planning Department for development of the said colony. License has been granted to DCM Limited in joint development agreement with GCD Prime.

2. Upon further examination of the application, following observations are made:-

- i. Registration fee is deficit by Rs. 8,19,755/-
- ii. In REP-II, date of completion of the project is mentioned as 3 years from the date of registration whereas in REP-I (A-H), it is mentioned as 31.12.2025. Therefore, it needs to be reconciled.
- iii. Though, registration in this case has been filed by DCM Limited but the joint development agreement dated 24.08.2022 has contradictory clauses as mentioned below:



Clause 1.3: "This agreement is to set forth the terms and conditions with respect to the engagement of GCD for joint conceptualization, execution, implementation development, marketing and completion of the development of the project on the said land along with DCM.

Clause 4.2.2. After the effective date, DCM shall subject to GCD being in complete compliance with all its obligations under this agreement, permit GCD to access and enter upon the said land solely for the purpose of:

(a) Under taking development and completion of the project on the said land.

Clause 4.3.3 GCD shall be solely responsible for all RERA related compliances including payment of compensation, penalties etc.

Clause 4.5.1 Parties shall, subject to due compliance with terms and conditions of this agreement by GCD, and receipt of requisite approvals and registration of project under RERA, jointly undertake, sale advertisement and marketing of the saleable area in the project.

Clause 4.5.3 GCD being in complete compliance of its obligations under this agreement, all documents and agreements which would be signed by/ with the proposed allottees for the project, including but not limited to marketing brochure/prospectus/applications forms/ builder buyers agreement/sale/conveyance deed etc. The drafts of the documents shall be prepared and finalized by the parties pursuant to mutual discussions and DCM's written approval.

Clause 4.5.8 DCM and GCD may mutually agree upon further understanding or alter any understanding with respect to the marketing and sales by way of a separate agreement/written understanding. Any such amendment made with written understanding shall be binding upon the parties herein.

Clause 5.1: DCM shall be entitled to receive 55% of net sales revenue and remaining 45% of net sales revenue to GCD. The distribution of the net sales revenue between DCM and GCD in the ratio of 55:45 shall herein after be referred to as the sharing ratio.

Clause 5.2.1 70% (seventy percent) of all receipts in the project Account towards net sales revenue shall be automatically deposited into another escrow account in terms of RERA ("Project RERA Account"), which shall be operated and maintained jointly by the parties, with any bank chosen by DCM.

However, after going through the above clauses, it cannot be inferred as to who will be developing the said colony and who will be disposing off the said plots.



No general power of Attorney has been submitted by the applicant/promoter conferring powers to develop, market, sell and to execute conveyance deeds. Registered and Irrevocable General Power of attorneys should be submitted conferring all powers as mentioned above upon the promoter/applicant.

The registered/irrevocable collaboration agreement should also have clear powers conferred upon the promoter to develop, market, sell and to execute conveyance deeds.

- iv. The promoter has submitted CA certificate for GCD prime certifying that on the basis of information and explanations, unaudited books of accounts and other relevant records produced before us by the GCD Prime, a partnership firm has a positive net worth, no disputed statutory liability, no statutory dues pending for payment and has not defaulted in its debts liabilities since incorporation date i.e., 14.02.2022 and this certificate is issued on the basis of information available and request of the management whereas the financial statements for the year 2019-2020, 2020-2021 and 2021-2022 relate to DCM limited. The financial status of the promoter has to be ascertained by the Authority, therefore, the documents relating to the financial status and the certification by the CA should be that of the promoter.
- v. In REP-II, the promoter has mentioned that the land is free from all encumbrances whereas the financial statements submitted by the promoter indicates that the promoter has taken a loan of 377.97 lacs for the financial year ending 31.03.2022. Also, cash credit and working capital demand loan from SBI and ICICI bank aggregating to Rs. 688.68 lacs along with overdraft facility of 1260 lacs from HDFC bank are pending. It needs to be clarified if the loan has been taken against this project or not?
- vi. As per financial statements of 2021-2022, the repayment of total instalments aggregating to Rs. 340 lacs (Rs. 200 lacs from ICICI Bank and Rs. 140 lacs from HDFC Bank) are in default as on 31.03.2022 along with interest of Rs. 139.21 lacs.
3. The promoter is directed to rectify above said deficiencies and also inform the Authority as to who is the promoter in this case and who will be disposing of the plots.



4. Adjourned to 13.02.2023. In case promoter/applicant furnishes the aforesaid information before the next date of hearing, their application will be considered by the Authority in its meeting on Monday following the date of such submission.

19/12/22
LA (Anti)



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.