



HARYANA REAL ESTATE REGULATORY AUTHORITY, PANCHKULA.

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Subject: Extract of the resolution passed by the Haryana Real Estate Regulatory Authority, Panchkula in its meeting held on 27.05.2019.

Item No. 53.7

(v) Promoter : Parsvnath Developers Ltd.

Project : "Parsvnath Paliwal City Panipat" a Plotted Colony on land measuring 162 Acres in Sector-38 & 39, Panipat.

1. An application for registration of the project named "Parsvnath Paliwal City" being developed by M/s Parsvnath Developers Ltd. on the land measuring 162 acres in Sector-38 & 39, Panipat was received by the Interim Authority in 31.07.2017. The Interim Authority could not take final decision in the matter and it was placed before this Authority in its meeting held on 18.02.2018. Certain observations were conveyed to the applicant.
2. The application for registration of this project was again considered by the Authority on several occasions, when some further observations were made including that the construction of the project has been halted and the license has not been renewed. In October 2018, the system of online filing of applications was commenced in compliance of which now the applicants have filed a fresh application which has been placed before the Authority for consideration.
3. Today, the representatives of the developer company, namely, S/Shri Bharat Bhushan Wadhwa, Additional Vice President of the company, Vijay Saini, Deputy Manager of the company & Mohd. Suhail, Senior Executive of the company are present before the Authority. They stated as follows: -
 - i) That the license of the colony was valid upto March 2015. License of the project was renewed by the Town and Country Planning Department



upto 30.03.2019. That another application has been filed for further renewal of license on 30.03.2019 for which the applicant/developer have deposited requisite license renewal fee for the entire colony alongwith interest amounting to Rs. 2,32,85,000/-. The application however, is under consideration of the Town & Country Planning Department.

- ii) As per the collaboration agreement between the licensee/landowner and the developer 60% of the developed area is to be come to the share of the landowner/licensee and 40% to the share of the developer. Accordingly, as per statement, 440 plots come in the share of landowner/licensee and the remaining 268 plots come in the share of applicant/developer. Out of 268 plots, applicant/developer have already sold 249 plots.
- iii) That Infrastructure in respect of the entire colony has partially been laid and rest will be completed by March, 2020. They have already got the plans for development infrastructure approved from the Chief Engineer, HUDA and the same has been submitted to the Town and Country Planning Department, which is under their consideration.
- iv) That the applicant/developer has already submitted first installment of external development charges amounting to Rs. 7,47,66,000/- (Rs. Seven Crores, Forty-Seven Lacs, Sixty-Six Thousand only) as per re-schedulement of EDC Policy dated 21.09.2018 for the Colony.
- v) That for want of registration of the project with the Authority, the allottees are not able to get their apartments financed from banks and other financial institutions because institutions insist on registration of the project with RERA for consideration of their applications for sanction of loans. He stated that for completion of the project, expenditure of about Rs. 22.28 crores is required against which Rs. 12.65 crores are due to be recovered from the allottees and keeping in view the current stage of development, further unsold inventory of about Rs. 42.00 crores is available, which can be encashed after registration of the project.



vi) Shri Wadhwa, requested for registration of the project for facilitating early completion of the project because 25 allottees are awaiting possession of their apartments. The applicant/developer shall obtain the completion certificate of the project before 31.03.2020 which now is getting delayed because Town and Country Planning Department is delaying renewal of their license, and for that reason this Authority is not granting the registration certificate.

4. The Authority after careful consideration of the submissions made by the Director and other representatives of the company, observes and orders as follows: -

i) The project has been granted license Nos. 129-138 of 2007 and 14 of 2010 by the State Government for developing a plotted colony over the land measuring 162 acres in District Panipat.

ii) The developer had applied for renewal of the license well within time on 30.03.2019 i.e. before the expiry of their earlier license. The Town and Country Planning Department has not raised any objection so far.

iii) The Authority considers that in the absence of any objection from the Town and Country Planning Department against renewal of license, it should be presumed that their license will be renewed in due course of time. Non-renewal of license should not come in the way of prolonging registration to the project. This otherwise, will create a vicious circle which eventually may jeopardize the entire project.

iv) It is observed that a piece of raw land becomes a 'real estate project' after grant of a license and approval of its building plans by the State Government. Granting of license and approval of plans pre-supposes that the builders has paid all the dues and has also complied with all prescribed terms and conditions of law/ rules/ guidelines framed by the State Government from time to time. Accordingly, after receipt of license and approval of plans the developer become fully entitled and



authorized to launch the project and seek booking from prospective allottees.

- v) The allottees pay their hard-earned money to the developers' licensed colony with duly approved plans on the basis of license granted and plans approved by the State Government. The licensed and approved plans thus attained the status of sovereign assurance of the State Government given to the general public that they may safely invest in the project and nothing will go wrong with this investment. This assurance given by the Town and Country Planning Department is a sovereign guarantee to the public. The sovereign assurance granted to the allottees by way of license and other approvals cannot be amended, altered or re-structured in any manner with retrospective effect or without appropriate Authority of the legislature. The grant of license and approval of plans becomes a commitment of the State Government to the allottees that they will get the apartment in terms of the agreement as per the approved plans. It also implies guarantee of the safety of their investment.
- vi) Now, after launching of the Project and creation of 3rd party interests, the license and the development plans becomes irrevocable. It is possible that some developers may become defaulters in payment of EDC, license fee etc. to the State Government. To enforce the payment of such over-dues, the State Government is entitled to adopt any lawful means available but it cannot implicitly or explicitly mean that the license of the sanctioned project would be withdrawn/withheld/ altered. In other words, the State Government is entitled to recover its over-dues by attaching any property of the developers or by filing civil suit or by attaching unsold or undeveloped portion of the project but the portion of the project in respect of which third party rights have been created that goes out of the powers of the State Government except for the purpose of granting occupation certificates at the relevant stage or for ensuring that development has been done in accordance with the approved plans, etc. Accordingly, the State Government cannot withhold renewal of



license of a project in respect of which third party rights have been created. The Authority is of considered opinion that in the event of delay in renewal of license on the part of the State Government, the Authority cannot and should not withhold grant of registration because banks and financial institutions will not finance an apartment in a project which has not been registered with the Authority. Thus, a project which is otherwise being developed as per plans cannot denied registration if its delay is being caused in renewal of its license.

5. In the light of foregoing discussions, the Authority decides to register this project subject to the following conditions: -

- i) That the Applicant/Promoters shall follow up with Town and Country Planning Department for renewal of their license and report its status to the Authority within 3 months. If any objection is raised by the department on this application of renewal, the same shall be brought to the notice of the Authority immediately.
- ii) The promoters shall constitute a Resident Welfare Association (RWA) of the allottees and organize their meeting within next 30 days and apprised them of future course of action for completing the development works.
- iii) A meeting of the RWA shall be held every two months for up-dating to them the status of the project.
- iv) A suo motu complaint shall be registered by the Authority for monitoring the progress of the promoters/applicants.
- v) A copy of this order be sent to the Town and Country Planning Department with a direction to decide the application of the promoters/applicants for renewal of their license expeditiously. On the next date of hearing i.e. 26.08.2019, Town and Country Planning Department shall submit their reply about the status of renewal of the license.



vi) This registration is being granted subject to the condition that in case any of the statements made by the promoters/applicants is found incorrect, this registration will be reviewed. Further, if any additional condition is imposed by the Town and Country Planning Department while renewing the license, the same shall be followed and informed to this Authority. The applicant promoter shall remit deficit registration fee of Rs.1,26,000/-.

6. Chief Town Planner shall prepare the registration certificate accordingly after duly incorporated the aforesaid conditions.

True copy



[Signature]
Executive Director,
HRERA, Panchkula

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