



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 20.05.2019.

Item No. 52.7

(viii) Promoter: Parsvnath Developers Ltd.

Project: "Parsvnath City Dharuhera" – Residential Plotted Colony on land measuring 116.362 acres in Sector- NH-8, Jaipur Highway, Dharuhera, Rewari.

1. As per record, an application for registration of the project was received in the office of Interim Authority on 31.07.2017. Certain deficiencies were conveyed to the applicants/developers by the Interim Authority and the matter then come up for hearing before the regular Authority on 20.08.2018. On that date, for submitting incomplete information, penalty of Rs.50,000/- was imposed. Chief Town Planner informed that the penalty has been deposited by the applicants/developers.

2. Now an online application filed by the applicants was considered by the Authority today. Shri Bharat Bhushan, Additional Vice President of the company stated as follows: -

i) The colony is being developed on 116.46 acres of land, out of which 21.50 acres is for Group Housing; 6.55 acres for Commercial; and remaining area is a plotted colony. For the entire land, 11 licenses were issued by the Town and Country Planning Department, the details of which is as under:-

Sr. No.	Licence No	Name of the Land Owner	Land Area in acres
1.	129 of 2007	Parstut Real Estate Pvt Ltd.	17.719
2	130 of 2007	Parikarma Infrastructure Pvt. Ltd.	13.237
3.	131 of 2007	Prasidi Developers Pvt. Ltd.	17.044



4	132 of 2007	Springdale Realtors Pvt Ltd	6.387
5	133 of 2007	Smt. Vidhaya Davi Wd/o Jawala, Deepak S/o Jawala, Smt. Vanita, Jamuna, Ganga Ds/o Jawala, Ranjan, Vishwas Ss/o Sube singh	5
6	134 of 2007	Sh. Shamsher singh S/o Dalip singh	13.638
7	135 of 2007	Smt. Sushila Devi D/o Ganpat singh	3.444
8	136 of 2007	Sh. Davinder singh S/o Shamsher singh	34.269
9	137 of 2007	Sh. Birender singh S/o Ganeshi Lal	0.4
10	138 of 2007	Smt. Rita, Sanita, Anita, Amita Ds/o Shamsher Singh	1.818
11	14 of 2010	Sh. Inderpal Singh S/o Sh. Dalip Singh, Sh. Jitender and Ram Singh s/o of Inderpal Singh, Smt. Anju Wd/o Sh. Jai Singh, Aman S/o Sh. Jai Singh and Miss Sanjana D/o Sh. Jai Singh	3.406

- ii) Collaboration agreements executed with 8 individuals are annexed with the application in which certain land sharing arrangements have been shown. Outright sale agreement has been made in respect of 5 acres of land. There are four associates companies of the promoters with whom also apparently collaboration agreements were made but the same have not been annexed with the application. Nature of those agreements therefore not known.
- iii) The licenses of the colony have expired since February/March, 2018. Application for renewal of the same has not been filed. Shri Bharat Bhushan, Additional Vice President of the applicants' company states that EDC amounting to Rs.115 crores inclusive of interest is due to be paid and the promoters have requested the Town and Country Planning Department for giving them benefit of EDC relief policy for which they will deposit 15% of the due EDC amount and get the licenses renewed. Shri Bharat Bhushan stated that out of 21.51 acres Group Housing component, 11.51 acres have been surrendered as no project will be developed thereon. Now the Group Housing Colony will be developed only on 10.00 acres. Accordingly, the EDC amount will now get reduced in respect of 11.51 acres of land.



- iv) As per statement of Sh. Bharat Bhushan, applicants/developers have surrendered a License No. 33 of 2007 of another land measuring 12.8 acres. 12 crores of EDC in respect of that project has been requested to be adjusted towards the 15% EDC payable under the relief policy of the department. The said application for adjustment of EDC is pending consideration of the department, after which the license is likely to be renewed.
- v) Regarding the position of the sale of the plots/apartments, Shri Bharat Bhushan states that the colony has 342 plots out of which 308 plots have been sold. There are 384 apartments out of which 364 have been sold. There are 451 Group Housing Floors out of which 378 flats have been sold. There are 73 Villas out of which 69 have been sold. Accordingly, third party interest has been created in the project by way of selling total of 1119 plots/apartments/flats and villas.
- vi) Shri Bharat Bhushan further states that the colony was floated for booking of plots/apartments/flats and villas in the year 2007. The infrastructure development work in whole of the colony is almost complete and part completion in respect of the plotted area was applied in the year 2016 but the same is yet to be granted.
- vii) With regard to the villas, out of 73 villas, 69 have been sold of which possession of 11 villas has been handed over, 19 are ready, and rest are under construction. With regard to apartments, 364 apartments out of 384 have been sold, possession of 22 has been handed over and construction of 204 is yet to be commenced, and rest are under construction. With regard to the flats, less than 10% work has been completed.
- viii) Financial details submitted by the applicants/developers in REP-1, Part-C-X has been examined which reveals that the total sale consideration of the flats is Rs. 323.43 crores out of which 152.61 crores have been collected from the allottees and Rs.170.82 crores remains to be received. The total investment made on the project is Rs. 144.72 crores upto the date of application. As per the statement, Rs. 279.00 crores are required to be invested for completion of the project. This is an addition to the



outstanding liabilities of nearly Rs.100 crores EDC to be paid to the State Government. Thus, according to statement of the developers, nearly Rs. 379 crores are required for completion of the project. Accordingly, it appears that more money has to be invested on the Project for its completion than the amount to be received from the allottees.

4. The Authority, in view of the afore mentioned facts, observes and orders as follows: -

- i) Keeping in view the financial information submitted by the promoters, apparently this project may not be viable any longer for them because they will have to invest more money than is likely to be collected. The promoters have already collected much more money from the allottees than they have invested in the project. It also indicates that some amount of money in the project may have been siphoned away from the project. Now, an investment of the order of Rs. 379 crores, including the liability towards EDC etc. is required to complete the project. The project is struck for the last many years. In all probability allottees will not be inclined to pay more money to the promoters nor there appears any chance of further sale of the plots/apartments. For all practical purposes, this is a struck project and promoters themselves may not be interested in taking it forward because it may result into loss to them.
- ii) The Authority is deeply concerned with the fate of over 1100 allottees of the plots/apartments/flats and villas. From the complaints registered with the Authority, it is observed that a large no. of allottees have already approached this Authority for seeking refund of the money paid by them to the promoters. Surely, almost all the over 1100 allottees are the aggrieved parties and they may seek refund of their money.
- (iii) That since it is a stuck project for the last many years, as per conditions of the licenses, the Town and Country Planning Department should have been taken its due cognizance for taking remedial action. Had the department been more vigilant in monitoring the progress of the project, this situation could have been avoided. After granting the license, the department acquires lots of powers over the licensee/developers, and also



acquires several responsibilities. One of the responsibility of the department is that if promoters fails to develop the Project as per conditions of license, the project could be taken over by the department. Apparently, despite the serious problems that this project is facing, and despite the fact that the promoters are defaulting in payment of EDC since long, the department did not respond to the situation at all which has resulted into further complicating the situation and now over 1100 persons are suffering.

- (iv) A direction hereby given to the Town and Country Planning Department to consider the above listed facts and take necessary action as per law against the Promoters and also state before this Authority the proposed course of action. The Authority recommends that the department should take over the project and deal it with an in appropriate manner as per law. However, in some of the cases, Town and Country Planning Department had expressed a view that they cannot take over construction of apartments of a colony.

Accordingly, the department may examine the possibility of splitting the project into parts. The plotted portion of the colony is easily separable since its development work is almost complete. Accordingly, possession of 308 Plots could be handed over to the allottees after taking over project. Remaining plots can be sold by the department in the open market and its proceeds could be credited towards overdue EDC etc.

Further, some villas/floors and apartments are nearing completion. A ground survey should be conducted with the help of concerned District Town Planner, and those apartments which are near completion, could be handed over "As is where is basis" to the allottees subject to recovery of remaining development cost from the developers in an appropriate manner.

- v) While a reference be sent to the Town and Country Planning Department for taking action in accordance with the Para-IV above, a Show Cause Notice be also issued to the promoters' company to reply as to why legal action be not initiated against them for causing serious defaults in completion of the project. On the next date of hearing Managing Director



and other senior representatives of the company shall also remain personally present before the Authority for explaining their position.

- vi) In the aforesaid circumstances, this application for registration of the project of the promoters deserves to be rejected. The promoters are hereby given a Show Cause Notice as to why the action of rejection of their application be not taken. In the meantime, promoters are debarred from selling of any unsold plot/ floor/ apartment or villa of their project. A public notice will also be issued in the newspapers after the next date of hearing for bringing to the knowledge/ notice of the General Public about the status of the project and its promoters.

5. Shri Bharat Bhushan requested to allow one months' time so that the Managing Director and the other senior representatives of the company may personally remain present before the Authority to explain why the action on the afore mentioned lines be not taken against them.

6. Case is adjourned to 24.06.2019.

True copy




Executive Director,
HRERA, Panchkula

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