



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 01.07.2019.

Item No. 58.8

(iii) Promoter : Parsvnath Developers Ltd.

Project : "Parsvnath City Karnal" a Residential Plotted Colony on land measuring 81.136 Acres in Sector-35, Meerut Road, Karnal.

1. This matter had last come up for hearing on 27.5.2019 when certain observations were made by the Authority. In response to those observations the respondent developer have submitted their reply stating therein that a total 69.54 crores EDC is outstanding against them, and they are in the process of availing the latest EDC relief policy of the State Government under which application for renewal of the license can be filed after depositing 15% of the overdue amount. Further that lay out and zoning /demarcation plan in respect of 50.564 acres has already been approved and revised lay out plan in respect of entire 81.163 acres has been approved in principal but final approval will be granted after renewal of the license. Also that development works have been completed to the tune of 90% and possession to 280 allottee in the 50.564 acres portion of the colony has been offered out of which 160 plots have been registered and 37 houses have been constructed.
2. The respondent promoter, however, has not given any indication about the arrangement of funds for completion of the remaining development works as ordered by the Authority in its last meeting.
3. The Authority observes that offer to 280 allottees has been made in the portion of the colony comprising 50.564 acres. However, since 575 plots have been sold means that no offer of possession has been made to remaining 295 allottee in in the second portion of the colony comprising 30.572 acres. It also



observes that EDC relief policy had come into force on 21.09.2018. The respondent-developer could have taken steps to avail of that policy immediately thereafter but no concrete steps in this direction have been taken even now i.e. after lapse of 9 months. The respondents have also not shown any inclination to arrange funds for recommencement of the development works. If their statement is taken as correct that layout and zoning/demarcation plan have been approved or approved in principle, the respondent developer should have exhibited their intention to recommence the construction work. Neither any work on the ground has commenced nor any funds earmarked for this purpose. It appears the respondent developers are not sufficiently serious about developing the colony and for giving possession to hundreds of allottees who are waiting for possession of plots for the last 4-6 years.

4. Keeping in view the above observations, the Authority orders as follows:-

- (i) That the State Government had granted the two licenses No.73 of 2012 and No.141 of 2011. The possession of the plots in the colony of both the licenses was supposed to be given by the year 2014 and 2016 respectively. As the facts narrated above show, the developers even after sale of majority of the plots and collection of huge amount of money have failed to develop the colony as per approved plans. The development work is at stand still for last many years. The developers have been defaulting in payment of EDC also of which the arrears now have piled up to Rs.69.54 crores. They have not even cared to get their licenses renewed after 2018.

In these circumstances, the Town & Country Planning Departments should have taken steps as per conditions of the license, for taking penal action against the licensee -developers and also for taking over of colony. It appears that the Town & Country Planning Department is concerning itself only with recovery of the EDC dues and license fee etc. but are not giving adequate attention towards protecting the interest of the allottees.

This Authority has repeatedly expressed its views that the act of granting a license amounts to a sovereign assurance of the State Government to the allottees of a colony that the colony will be developed in accordance with the



approved plans and interest of the allottees will be protected and safeguarded by the State. In the event of failure to abide by the terms and conditions of the license by the developers, the Town & Country Planning Department ought to take suitable remedial actions by way of taking over the colony for its development through an appropriate agency. The Town & Country Planning Department has to discharge its responsibilities towards allottees of a project who have invested their hard earned money in the project on the basis of the sovereign assurance held out to them by the State Government. The Director, Town & Country Planning Department should now consider this issue without further delay.

- (ii) The respondent developers are before this Authority for registration of their project for the last more than one year. Repeated directions have been given to them for exhibiting their seriousness for completion of the development works of the colony. They have not even complied with the small direction of the Authority for arranging funds to the tune of Rs.5 crores for recommencing the development works. The Authority is willing to help them vis-à-vis their allottees once they exhibit sufficient seriousness for recommencing the development works. The respondent developer however, have miserably failed in this regard.

5. The Authority directs the Town & Country Planning Department to consider taking over of the colony for development through an appropriate agency. The arrears of EDC etc.may be recovered by the department from the unsold inventory of the colony or from other assets of the developers. In the meantime, the pending request of the developer for approval of their revised lay out plans should also be decided. On the next date of hearing the department should submit their views in this regard.

6. The Authority also directs the respondent developer to immediately deposit Rs.5 crores in the Escrow Account of the project and present plans for recommencing the construction work. They should also prepare and submit timelines by which the development work will be completed and the plots will be handed over to the allottees. These actions can be taken by the developers regardless of the finalisation of their applications pending with the department for



renewal of the license etc. Once third party interests are created, the colony will remain a licensed colony and completion of development work thereon cannot be prohibited by any one.

If the respondent developer fail to submit appropriate follow up actions on these directions appropriate penal actions under Section 63 of the RERA Act, 2016 will also be initiated.

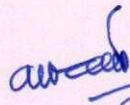
Adjourned to 05.08.2019.

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. ✓


8/7/19 LA(sarita)