

**Project Name:** Parsvnath City, Sector-35, Karnal, Haryana.

**Name of the applicant:** M/s Parsvnath Developers Ltd.

Before the Bench of

Sh. Rajan Gupta Chairman

Sh. Dilbag Singh Member

**Present:** Mr. Manoj Kapoor, Authorised representative of Parsvnath Developers Ltd.

Date of consideration of the application: 20.03.2018

The applicant M/s Parsvnath Developers Ltd. filed an application for registration of their project "Parsvnath City", Sector-35, Karnal, on 31.07.2017 before the Interim RERA, Haryana. The application being incomplete, certain deficiencies were conveyed to the applicant on 23.08.2017. The applicant submitted a fresh application on 29.09.2017. In this application he did not annex any document to show whether his license for development of the colony was valid. This matter however could not be decided by the Interim Authority constituted by the State Government.

2. In the meantime the regular Real Estate Regulatory Authority, Panchkula was constituted. The regular Authority notified The Haryana Real Estate Regulatory Authority, Panchkula (Registration of Projects), Regulations, 2018, under which the Proforma REP-I, in which the applications for



registration were to be filed, was revised. Accordingly all the applicants including the present applicant were asked to submit fresh applications. The applicant has now filed the fresh application dated 26.02.2018 which was listed for consideration before the Authority today. The application is for registration of a project being set up over land measuring 81.136 acres in Karnal.

3. The documents placed on file reveals that two licenses no. 73 of 2012 for an area measuring 50.564 acres dated 11.07.2012 valid upto 10.07.2016; and no. 141 of 2014 dated 29.08.2014 for an area measuring 30.57 acres valid upto 28.07.2019 was granted to a group of five companies in respect of the areas owned by the respective companies. The license however was issued "C/o Parsvnath Developers Ltd., Arunachal Bhawan, 6<sup>th</sup> Floor, Barakhamba Road, New Delhi".

4. Three different kind of agreements are on record. The first agreement is 07.09.2006 which was made between 8 associate companies and the developers Parsvnath Developers Ltd. under which the land was pooled together and all development and marketing rights were conveyed to the developer. In continuation a supplementary agreement dated 21.07.2007 was made in which 9<sup>th</sup> party was also added. There is another agreement dated 06.03.2013 between 9 different companies and the developer for pooling



more land for development of the colony. In this agreement also all development and marketing rights were conferred upon the developer. Both the agreements are unregistered and are made on Rs. 100 non-judicial paper.

5. The license no. 73 was valid upto 10.07.2016. The developer has applied for its renewal for a period of 2 years from 11.07.2016 to 10.07.2018. Final decision is yet to be taken by the Government. The second license no. 141 is valid upto 28.08.2019.

6. The documents placed on file reveal that service plan estimates were approved by the Engineering Wing of HUDA and were sent to Director, Town and Country Planning Department who appears to have approved the same in 2014 subject to furnishing of additional bank guarantees etc.

7. According to the information provided in Part-C of REP-I, estimated cost of the project is Rs. 162.38 crores and 65% work has been claimed to have been completed. In REP-I Part-B X it is stated that an amount of Rs. 131.07 crores was to be collected from the existing allottees against which Rs. 120.49 crores has been collected and 95.34 crores invested in the project. For completion of the project another Rs. 66.04 crores needs to be invested. No information however has been given whether any money has been invested in the infrastructure. All the columns in this regard in Part-B X has been left blank. It has also been stated that over Rs. 55 crores in respect of



license no. 73 and over Rs. 22 crores in respect of license no. 141 by way of EDC are overdue and are yet to be paid to the Government. This would be additional cost to be loaded on the project. After detailed consideration of the matter Authority observed as follows:

- i. The ordinary meaning of addressing a letter "C/o somebody" means that the addressee shall receive the correspondence addressed to him/ her at the address of the "C/o". In other words, the letter is addressed only to the principle person and the place where that person may receive the letter is "C/o" that person. In this case, while the licenses have been granted to groups of companies, M/s Parsvnath Developers Ltd. can be treated only as a place where the land owners may receive the letter of grant of license. Only addressing the licensees as C/O M/s Parsvnath Developers Ltd. would not confer any legal right upon M/s Parsvnath Developers Ltd. Thus without a specific recognition of the developer as the authorized licensee of the land by the Town and Country Planning Department whether the applicant M/s Parsvnath Developers Ltd. can be considered a legally authorized developer by the Town and Country Planning Department, and a person capable of discharging all responsibilities cast upon the licensee by the conditions of the license is





- a question that needs to be clarified by the Town and Country Planning Department.
- ii. It appears that the fact of collaboration agreement between the land owners and the applicant was not revealed to the Town and Country Planning Department prior to issuance of license even though both the agreements were made prior to that. It is not clear whether Town and Country Planning Department recognizes the applicant as authorized developer of the land in question? Furthermore, the collaboration agreement is only an agreement between the private parties. It can be, and has been, amended by them at will. The provisions of collaboration agreement are not recognized in the license granted by the department. In such a scenario the rights of the third parties i.e. the plot/apartment buyers can be altered at the will and discretion of the landowners and developers. Such a situation can occur by way of change of developer, change of layout plans, etc. etc. This also needs to be clarified by the Department.
- iii. Under the provisions of the Real Estate (Regulation and Development) Act, 2016 the title of the land/ apartments after completion has to be transferred. Whether the applicant-developer can legally convey ownership rights to the buyers? Since the plots/apartments are being



marketed and sold only by the developer, apparently he is neither the land owner nor authorized by the State Government to do so, to whom the apartment/ plot buyers will approach for remedies in case of any default by the developer? Legal position in this regard needs to be cleared by the Government/ department.

- iv. Registration of project by RERA would imply that the title of the land is clear and the registered promoter has full legal capacity to undertake development and sale of the project. Does a mere unregistered agreement between the land owners and developers confer all legal rights to the developers to convey ownership rights to the plot buyers? Will Revenue Department recognize such an agreement? Department should clarify this point.
- v. The department should also clarify its position regarding renewal of the licenses for which the application are pending with them, especially in view of the fact that EDC amounting to crores of rupees is yet to be paid. The applicant also should state clearly their point of view in this regard.
- vi. In the same light, it is important to notes that hundreds of home buyers have paid an amount of over Rs. 120.49 crores to the developers but the project is far from complete. They are waiting for possession of their plots for years. The developer should furnish detailed information of the

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number of plots booked and the number of plots delivered and the actual infrastructure laid in whole of the area. The Authority will issue further appropriate directions with an aim to expedite the delivery of the plots to the buyers who have deposited their hard earned money.

8. The Authority further decided as follows:

- i. Since the land owner companies through an unregistered agreement have transferred their rights to the developer, Revenue Department should be informed of this agreement. Entry should be made in the record of ownership so that the land owner companies do not alienate their land with the third party. On the project land the first right of the plot buyers must be protected.
- ii. The applicant has not furnished the information whether any loans has been raised on the land in question. If yes then whether the project land has been mortgaged as security. Details of the security furnished to the bank should also be furnished.
- iii. Environment clearance for the project has not been annexed.
- iv. The service plan estimates were prepared in 2014. Now the cost must have undergone considerable change. The applicant should furnish, in tabulated form, the list of services to be developed; the estimated cost of those services for whole of the project; the actual cost incurred so far;



and the remaining cost to be incurred. Separate information with regard to the other cost including EDC license fee etc should be mentioned in such a manner as to convey a comprehensive financial picture of the project for information of the buyers.

- v. The applicant may consider dividing the project into parts with an aim to deliver the possession to the buyers who have already paid substantial amount of money.
- vi. 20% plots have to be earmarked for EWS and 10% of the project area has to be reserved for community facilities. This 10% area has to be transferred to the Government for developing community facilities. All these areas should be earmarked precisely on the layout plan for incorporating in the registration certificate.
- vii. No information with regard to electrification of the colony has been furnished. Information relating to the estimated load and the source from which the load will be supplied and the cost involved thereof should be furnished by the applicant.
- viii. The latest layout plan on the basis of which the registration will be granted should be provided.

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9. All the information should be provided by way of affirmative statements, to be supported by annexures if any. These information should not be furnished only by way of annexures.

10. The applicant sought adjournment to furnish the above information. The Authority is of the view that the applicant is submitting incomplete information repeatedly. A cost of Rs. 50,000 should be imposed on them. The representative of the applicant Mr. Manoj Kapoor requested that the Authority itself has revised the proformas in the month of February and the applicant are in the process of understanding the requirements of the Authority, therefore, the cost may be reconsidered.

11. The Authority reconsidered the matter with regard to the cost and decided that if required information in the prescribed format is not received well before the next date of hearing, a heavier penalty will be imposed. For the present the cost was decided not to be imposed.

12. Adjourned to 18.04.2018. Notices be issued to the Director, Town and Country Planning Department, Haryana, the licensees and the developer for submitting reply to the issues raised in these orders. Director, Town and Country Planning shall also depute a senior officer along with the original record of the matter to assist the Authority in its deliberations.

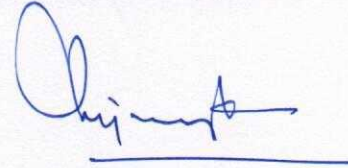




A notice be also issued to HUDA to furnish details regarding the stage of development of external services in the area of the applicant.



Dilbag Singh Sihag  
Member



Rajan Gupta  
Chairman