

**Project Name:** Paliwal City, Sector-38-39, Panipat, Haryana.

**Name of the applicant:** Parsvnath Developers Ltd.

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

**Date of consideration of the application:** 11.04.2018.

The application for registration of the real estate project "Paliwal City", Sector-38-39, Panipat, Haryana being set up on land measuring 162.48 acres again came up for consideration today. The applicant submitted a reply (during the course of hearing) to the observations earlier raised by the Bench of Sh. Rajan Gupta (Chairman) & Sh. Dilbag Singh (Member) vide its orders dated 20.03.2018.

2. In the written reply dated 11.04.2018 presented before the Authority during the course of hearing, as well as the oral submissions, the applicant Sh. Manoj Kapoor submitted as follows:

- i. This is a plotted colony being set up on land measuring 162.48 acres. The licensees of the land are a group of companies which have entered into a collaboration agreement with the developer M/s Parsvnath Developers Ltd.. Under the agreement, the entire responsibility for developing the colony is that of the developer. In the developed colony, as per clause-13 of the collaboration agreement, the plots shall be divided in the ratio

of 60% to the share of owners and 40% to the share of developer. This ratio of 60:40 is to be applicable in all the pockets of the colony. Mr. Kapoor stated that it is an understanding between the licensees and the developer that the distribution of plots will be on the basis of alternate plots falling to the share of respective parties in the said ratio. This application for registration has been filed only by the developer.

- ii. The license of the colony was valid upto March 2015. They had sought its renewal in September 2017 which is yet to be granted. The license has not been renewed on account of non-deposition of EDC and other statutory charges amounting to over Rs. 32 crores. The matter however is under consideration of the Town and Country Planning Department
- iii. There are 867 plots in whole of the colony, out of which 249 plots have already been sold/allotted. Some development works have also been carried out.
- iv. Sh. Kapoor stated that the developer intend to arrange money for completion of the project by mortgage of unsold inventory etc.
- v. The developer has also requested for revision of the layout plan and approval of the demarcation cum zoning plan which is awaiting approval of the State Govt.

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3. After hearing submissions of the applicant developer Authority observed and directed as follows:

- i. Clause 13 of the collaboration agreement states that 60% of the project is owned by the land owners-licensees, and 40% by the developer. The developer therefore can possibly apply for registration of 40% of the project which is to be marketed by them. They cannot file application for marketing of the project which does not belong to them. How this arrangement will work between the owners and the developer needs to be clarified.
- ii. Each plot which will fall to the share of the developer must be specified and highlighted in the layout plan and an application for registration of the project in respect of those plots should be filed under the provisions of the Act.

Further a separate application ought to be filed by the licensees-owners because they would be advertising and marketing 60% of the plots falling to their share. These issues should also be clarified in detail.

- iii. As per provisions of the Act the responsibility for laying and maintenance of the services is that of the registered promoter. Apparently in this case there are two separate deemed promoters even though the project is being developed by one of them. The money to be

received from the plot buyers has to be put in escrow account for creation of infrastructure and other development works. How these arrangements will work between two is not clear.

iv. The Town and Country Planning Department should clear their perspective and policy with regard to issues raised above as well as renewal of the licenses and plan for recovery of overdue EDC. The Town and Country Planning Department has to be bear foremost in their mind that they are not only regulating the development of colonies in accordance with Urban Areas Act, they are as much responsible for safeguarding the interest of the home buyers. Without safeguarding the interest of buyers, basic purpose of law and licensing of lands for development gets defeated. It is on the strength of the license granted by the State that the buyers invest their hard earned money. Mere non-renewal of the license does not serve the purpose of law.

4. The Authority adjourned this matter to 16.05.2018 with a direction to the developer to prepare a comprehensive plan of action in consultation with licensee for completion of the project and for protecting the interest of existing allottees. For this purpose the portion of the project in respect of 249 allottees may be considered to be a separate project for handing over the

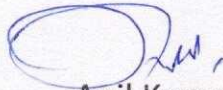
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possession at the earliest, and rest of the project may be completed in due course of time.

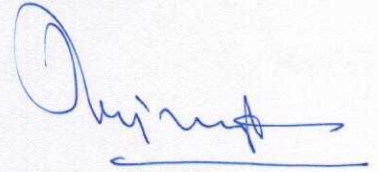
5. A notice be also issued to the Director, Town and Country Planning Department for clarifying their position on each of the above issues as well as the issues raised in earlier orders. Since the representative of the Director, Town and Country Planning Department failed to appear, a letter be also addressed to the Secretary, Town and Country Planning Department for issuing a direction to the Director for ensuring compliance of directions of the Authority in discharging its statutory functions in accordance with law.



Dilbag Singh Sihag  
Member



Anil Kumar Panwar  
Member



Rajan Gupta  
Chairman