PROCEEDINGS OF THE DAY	
Day and Date	Monday 19th September, 2022
Complaint No.	RERA-GRG-2655-2022
Complainant	HARERA, Gurugram
Nature of complaint	Suo Motu Cognizence
Represented through	Ar. Neeraj Gautam
Respondent	CZAR Buildwell Pvt. Ltd.
Respondent Represented through	Sh. Sikander Singh, Director
Last date of hearing	22.08.2022
Proceeding Recorded by	Ram Niwas

PROCEEDINGS

In CR No. RERA-GRG-2655-2022 the matter regarding real estate projet Mahira Homes 63 A is under investigation and the Authority is conducting an inquiry in relation to affaris of the promoter of the said project.

The Authority has passed a detailed order dated 19.05.2022 in this matter and the Authority is satisfied that an act in contravention of the Act of 2016 and the rules made thereunder has been committed by the promoter. The Authority exercising the powers vested in it under section 36 here by order to restrain the promoter not to cancel any unit on account of non-payment of the due instalment on 10.09.2022 as per the original payment plan as intimated by various allottees of this projet who have signed the application and requested during proceedigs today for granting stay agaisnt cancellation of the units untill conclusion of inquiry or untill further orders.

The Auhority has not disturbed the directions of the DTCP Haryana vide its order dated 21.07.2022 regarding colonizer to follow construction link payment plan and shall not demand any instalment till proportional construction against payments already received by the promoter are completed at the site to the satisfaction of STP, Gurugram.

Meanwhile, an application has been received from the promoter of this project regarding modification of the earlier order of the DTCP Haryana dated 21.07.2022 modified vide order dated 29.08.2022 the copy of which was also annexed with application. The Authority is of the view that before this application is considered by the Authority, the allottees or their representatives be given an opportunity to file their objections if any and both parties to appear before the Authority on 30.09.2022 at 3.00 PM. It was categorically mentioned to the repreesentatives of the allottees present today that affordable housing projects are implemented under the policy issued by the Government of Haryana and the Authority is following the payment plan as approved in the policy and also amended from time to time but amendments having prospective effect unless otherwise provided in the order of amendment of the policy. If allottees are having any grievance against the orders of the DTCP, Haryana then they may approach either DTCP for review or may file appeal before PSTCP.

The promoter has also submitted an application for change of bank account. The application is considered by the Authority and promoter is directed to file application for change of bank account as per the directions issued by the Authority in this regard. The details of the change of master account, separate RERA accocunt and free account shall be published by the promoter in anticipation of appliciation to be considered by the Authority. The promoter is further directed to comply with the requirement of directions regarding change of bank account. The promoter is cautioned not to further violate the provisions of section 4(2)(l)(D) of the Act of 2016 which he has done with impunity in the past for which penal proceedings have already been initiated by the Authority.

The Director of the promoter company Sh. Sikander Singh during the proceedings assured the allottees that the promoter will complete the project within the timeline prescribed in the policy and in lieu of the amount already received from the allottees in this project the Authority has already attached the commercial component of the project and if there is any gap furthe surety will be furnished by the promoter company.

The promoter is further directed that copy of this order be handed over to the Branch Manager concerned of the Bank and it is the responsibility of the Bank Manager, if the concerned Bank is willing to continue with RERA acccount, then no withdrawal shall be allowed by the Bank Manager without requisite certificate of CA, Engineer and Architect authorising withdrawal only proportionate to the construction as per provisions of the section 4(2)(l)(D). It is clarified to the concerned Branch Manager if any withdrawal from the separate RERA account are allowed without fulfilling the requisite requirements then he will be personally liable. Allottees are also cautioned to deposit instalments only in RERA authorised master account.

The matter to come up on 30.09.2022 at 3.00 PM.

(Sanjeev Kumar Arora)
Member, HARERA, Gurugram

(Ashok Sangwan)
Member, HARERA, Gurugram

V.l –

(Vijay Kumar Goyal)
Member, HARERA, Gurugram

(Dr. K.K. Khandelwal)
Chairman, HARERA, Gurugram
21.09.2022

Proceedings of the Authority dated 19.09.2022 in suo-motu complaint against project Mahira Homes- 63A, Gurugram	Cr. No. RERA-GRG-2655-2022 Dated: 28.05.2022

BRIEF FACTS

1. Ar. Neeraj Gautam (Associate Architectural Executive) and Sh. J S Sindhu (Executive Engineer, Monitoring) briefed the facts of the suo- motu complaint against the promoter for the real estate project 'Mahira Homes 63A' as detailed in the subsequent paras.
2. The project was registered by the Authority as per the following details:

Sr. No.	Particulars	Details
(i)	Name of the project	Mahira Homes 63A
(ii)	Name of the promoter	M/s Czar Buildwell Pvt. Ltd.
(iii)	Area of the project	4.98 acres
(iv)	Location of the project	Sector 63A, Gurugram
(v)	Nature of the project	Affordable group housing
(vi)	Number of units	640 Residential Units and 45 Commercial Units
(vii)	Master account no. (New)	920020051375435 Axis Bank, Patel Nagar, Old MG Road, Gurgaon
	Separate RERA account no. (70% account) (New)	920020051362905 Axis Bank, Patel Nagar, Old MG Road, Gurgaon
	Free account(New)	920020051465541 Axis Bank, Patel Nagar, Old MG Road, Gurgaon
(viii)	Master account no. (Old)	2996201000460 Canara Bank, Palam Gurgaon
	Separate RERA account no. (70% account) (Old)	2996201000462 Canara Bank, Palam Gurgaon
	Free account(Old)	2784201050721 Canara Bank, Palam Gurgaon
(ix)	Contact e-mail address	gurgaon@mahiragroup.com

HARERA
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3. M/s Czar Buildwell Pvt Ltd. in collaboration with the landowners whose details are exhibited in the subsequent para made an application for the grant of a license to develop an affordable group housing colony under section 3 of the Haryana Development and Regulation of Urban Areas Act, 1975, and rules made thereunder, namely, the Haryana Development and Regulation of Urban Areas Rules, 1976.
4. The competent authority i.e., DTCP, Haryana granted license no. 128 of 2019 dated 27.11.2019 valid up to 26.11.2024 under the Haryana Development and Regulation of Urban Areas Act, 1975 & Haryana rules 1976 made thereunder for setting up of an affordable group housing colony over an area measuring 4.98 acres in the revenue estate of village Dhanwapur, Sector-63A, Gurugram Manesar Urban Complex to the following entities: -
   (i) Arjun S/o – Paritam Singh
   (ii) Babita W/O-Bhagat Singh
   (iii) Bhim Singh S/o- Sultan
   (iv) Devinder, Ravinder, Surender, Omprakash S/o – Raghubir
   (v) Giriraj S/o-Lakhpat
   (vi) Jagat Singh, Bhagat Singh S/o-Lakhmichand
   (vii) Kunal, Devinder, Sheetal D/O – Sevaram S/o-Mangeram @ Manggi
   (viii) Parkash S/o-Sultan Singh
   (ix) Parvin S/o – Daya Ram
   (x) Pooja W/O-Jagat Singh
   (xi) Ramkishan, Subhash, Mahesh S/o – Ratan
   (xii) Ratan, S/o-Sultan Singh
   (xiii) Rammehar, Rameshchand, Jitender S/o- Lakhram
   (xiv) Sandeep Bhati, Bimla W/O-Sevaram
   (xv) Satish, Pratap S/o-Chetram
   (xvi) Sher Singh, Ramkishan S/o-Mangeram @Manggi

   in collaboration with M/s Czar Buildwell Pvt. Ltd. 311A, 3rd Floor, Global Foyer Building, Sector 43, Gurugram-122009.

5. The proportionate land shares of the licensees/landowners mentioned in the land schedule attached with license no. 128 of 2019 dated 27.11.2019 are as follows:

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Sr. No	Village	Landowner Name	Rect No.	Khasra No	Area (In K-M)	Share
1	BEHRAMPUR	PARKASH	36	6/1	3-17	
		S/O-SULTAN SINGH	36	15/3	4-16	
		TOTAL :			**8-13**	
2	BEHRAMPUR	RAMKISSHAN		6/2, 15/2	1-16, 2-4	19/80
		SUBHASH				19/80
		MAHESH				19/80
		ALL S/O – RATAN				
		ARJUN	36	6/2, 15/2	1-16, 2-4	61/400
		S/O – PARITAM SINGH				
		RAMMEHAR	36	6/2, 15/2	1-16, 2-4	183/400
		RAMESHCHAND				
		JITENDER				
		ALL S/O-LAKHRAM				
		PARVIN	36	6/2, 15/2	1-16, 2-4	61/400
		S/O – DAYA RAM				
		TOTAL :			**4-0**	
3	BEHRAMPUR	RAMKISHAN	36	4/2/2	2-12	
		SUBHASH		7/1/1	1-4	
		MAHESH		7/1/4	0-8	
		ALL S/O – RATAN		14/2/4	1-10	
				15/1	1-0	
		TOTAL :			**6-14**	
4	BEHRAMPUR	BHIM SINGH	36	4/2/1	1-8	3/44
		S/O- SULTAN		7/1/2	0-8	
				14/2/3	0-8	
		SATISH	36	4/2/1	1-8	41/132
		PRATAP		7/1/2	0-8	

		ALL S/O-CHETRAM		14/2/3	0-8	
		DEVINDER		4/2/1	1-8	41/132
		RAVINDER		7/1/2	0-8	41/132
		SURENDER	36	14/2/3	0-8	41/132
		OPRAKASH				41/132
		ALL S/O-RAGHBIR				
		POOJA				
		W/O-JAGAT SINGH	36	4/2/1, 7/1/2, 14/2/3	1-8, 0-8, 0-8	61/396
		BABITA				
		W/O-BHAGAT SINGH	36	4/2/1, 7/1/2, 14/2/3	1-8, 0-8, 0-8	61/396
		JAGAT SINGH				
		BHAGAT SINGH	36	4/2/1, 7/1/2, 14/2/3	1-8, 0-8, 0-8	1/396
		ALL S/O-LAKHMICHAND				
		TOTAL			**2-4**	
		SHER SINGH	36	7/1/3	0-17	246/295
		RAMKISHAN	36	14/2/2/1	0-15-7	
5	BEHRAMPUR	ALL S/O-MANGERAM @MANGGI				
		SANDEEP BHATI	36	7/1/3	0-17	49/295
		BIMLA	36	14/2/2/1	0-15-7	
		W/O-SEVARAM				
		TOTAL			**1-12-7**	
6	BEHRAMPUR	KUNAL	36	14/2/2/2	0-8-2	

		DEVINDER				
		SHEETAL				
		D/O – SEVARAM				
		S/O-MANGERAM @ MANGGI				
		TOTAL			**0-8-2**	
7	BEHRAMPUR	GIRIRAJ	36	7/1/5	0-10	
		S/O-LAKHPAT	36	14/2/1	0-18	
		TOTAL			**1-8**	
8	BEHRAMPUR	SATISH	36	6/3	1-0	17/60
		PRATAP				
		ALL S/O-CHETRAM				
		DEVINDER	36	6/3	1-0	17/60
		RAVINDER				
		SURENDER				
		OMPRAKASH				
		ALL S/O – RAGHBIR				
		POOJA	36	6/3	1-0	17/120
		W/O-JAGAT SINGH				
		BABITA	36	6/3	1-0	17/120
		W/O-BHAGAT SINGH				
		RAMKISHAN	36	6/3	1-0	3/20
		SUBHASH				
		MAHESH				
		ALL S/O-RATAN, S/O-SULTAN SINGH				
		TOTAL:			**1-0**	
9	BEHRAMPUR	SATISH	36	5/3	2-14	1/3
		PRATAP				1/3
		S/O-CHETRAM				1/3
		DEVINDER	36	5/3	2-14	1/3
		RAVINDER				1/3

		SURENDER				1/3
		OMPRAKASH				1/3
		ALL S/O-RAGHBIR				
		POOJA	36	5/3	2-14	1/6
		W/O-JAGAT SINGH				
		BABITA	36	5/3	2-14	1/6
		W/O-BHAGAT SINGH				
		TOTAL :			**2-14**	
10	BEHRAMPUR	SATISH	36	5/1	2-13	1/3
		PRATAP				
		S/O-CHETRAM				
		DEVINDER	36	5/1	2-13	1/3
		RAVINDER				
		SURENDER				
		OMPRAKASH				
		ALL S/O-RAGHBIR				
		JAGAT SINGH	36	5/1	2-13	1/3
		BHAGAT SINGH				
		S/O-LAKHMICHAND				
		TOTAL			**2-13**	
11	BEHRAMPUR	BALBIR SINGH	37	10	5-16-7	
		BIR SINGH				
		S/O-SUMERS				
		TOTAL			**5-16-7**	
12	BEHRAMPUR	SHER SINGH	36	5/2	2-13	26/159
		RAM KISHAN				
		S/O-MANGERAM @MANGERAM				
		SANDEEP BHAI	36	5/2	2-13	13/159
		KUNAL				13/159
		DEVENDER				13/159
		SHEETAL				13/159

		BIMLA				13/159
		ARJUN	36	5/2	2-13	19/265
		S/O-PARITAM				
		RAMMEHAR	36	5/2	2-13	57/265
		RAMESHCHAND				
		JITENDER				
		ALL S/O-LAKHRAM				
		PARVIN	36	5/2	2-13	19/265
		S/O-DAYA RAM				
		BHEEM SINGH	36	5/2	2-13	5/53
		S/O-SULTAN				
		GIRIRAJ	36	5/2	2-13	8/53
		S/O-LAKHPAT				
		CZAR BUILDWELL PVT. LTD.	36	5/2	2-13	8/53
		TOTAL			**2-13**	
		Grand Total	**16 MARLA 7SARSAI OR 4.98 ACRES**			

6. As per the version, submitted by the developer in its reply, the developer had paid the following amount to farmers on account of land and brokerage cost as detailed in the below table. The developer further submitted that payment to landowners was paid from the group/associates companies.

SR NO.	OWNER NAME	SHARE 39-16-7	TOTAL PAYMENT	TDS 1%	PAYBLE	PAID	PAYMENT FROM
1	Ramkishan S/O Rattan Singh	468	3,57,50,000	3,57,500	3,53,92,500	97,25,000	From Management Fund
2	Ramkishan S/O Rattan Singh					2,34,75,000	From Utility A/c - 30%
3	Subash bhati	468	3,57,50,000	3,57,500	3,53,92,500	3,25,000	From Management Fund
4	Subash bhati					3,05,00,000	From Utility

							A/c - 30%
5	Mahesh bhati	468	3,57,50,00 0	3,57,500	3,53,92,50 0	98,25,000	From Managem ent Fund
6	Mahesh Bhati					80,00,000	From Utility A/c - 30%
7	Arjun	144	1,10,00,00 0	1,10,000	1,08,90,00 0	5,00,000	From Managem ent Fund
8	Arjun					34,90,000	From Utility A/c - 30%
9	Rammehar	144	1,10,00,00 0	1,10,000	1,08,90,00 0	1,00,000	From Managem ent Fund
10	Rammehar					1,07,49,500	From Utility A/c - 30%
11	Rameshchand	144	1,10,00,00 0	1,10,000	1,08,90,00 0	1,00,000	From Managem ent Fund
12	Rameshchand					19,80,000	From Utility A/c - 30%
13	Jitender	144	1,10,00,00 0	1,10,000	1,08,90,00 0	1,00,000	From Managem ent Fund
14	Jitender					4,95,000	From Utility A/c - 30%
15	PARVEEN	144	1,10,00,00 0	1,10,000	1,08,90,00 0	26,00,000	From Managem ent Fund
16	PARVEEN					71,00,000	From Utility A/c - 30%
17	Satish	209	1,59,65,27 8	1,59,653	1,58,05,62 5	22,20,000	From Managem ent Fund

18	Satish					25,00,000	From Utility A/c - 30%
19	Partap singh bhati	248	1,89,44,444	1,89,444	1,87,55,000	1,12,70,000	From Management Fund
20	Partap singh bhati					74,75,000	From Utility A/c - 30%
21	Devinder	124	94,72,222	94,722	93,77,500	11,29,400	From Management Fund
22	Devinder					39,90,000	From Utility A/c - 30%
23	Ravinder	124	94,72,222	94,722	93,77,500	31,07,000	From Management Fund
24	Ravinder					59,85,000	From Utility A/c - 30%
25	Surender	124	94,72,222	94,722	93,77,500	1,07,000	From Management Fund
26	Surender					75,00,000	From Utility A/c - 30%
27	Om Parkash	123	93,95,833	93,958	93,01,875	11,07,000	From Management Fund
28	Om Parkash					46,85,000	From Utility A/c - 30%
29	Pooja	167	1,27,56,944	1,27,569	1,26,29,375	1,50,000	From Management Fund
30	Pooja					69,80,000	From Utility A/c - 30%

31	Babita	167	1,27,56,944	1,27,569	1,26,29,375	1,50,000	From Management Fund
32	Babita					69,80,000	From Utility A/c - 30%
33	Jagat Singh	80	61,11,111	61,111	60,50,000	10,70,000	From Management Fund
34	Jagat Singh					25,00,000	From Utility A/c - 30%
35	Bhagat Singh	80	61,11,111	61,111	60,50,000	10,70,000	From Management Fund
36	Bhagat Singh					25,00,000	From Utility A/c - 30%
37	Sher Singh	162	1,23,75,000	1,23,750	1,22,51,250	72,51,250	From Management Fund
38	Sher Singh					50,00,000	From Utility A/c - 30%
39	Ramkishan Manggi	162	1,23,75,000	1,23,750	1,22,51,250	67,51,250	From Management Fund
40	Ramkishan Manggi					55,00,000	From Utility A/c - 30%
41	Sandeep Bhatti	32	24,44,444	24,444	24,20,000	24,75,000	From Management Fund
42	Smt. Vimla	33	25,20,833	25,208	24,95,625	24,75,000	From Management Fund
43	Kunal	32	24,44,444	24,444	24,20,000	22,400	From Management Fund
44	Devender/sevaram	32	24,44,444	24,444	24,20,000	-	NOT PAID

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45	Sheetal	33	25,20,833	25,208	24,95,625	22,400	From Management Fund
46	Bhim Singh	72	55,00,000	55,000	54,45,000	11,00,000	From Management Fund
47	Bhim Singh					29,95,000	From Utility A/c - 30%
48	Parkash	1557	11,89,37,500	11,89,375	11,77,48,125	10,75,000	From Management Fund
49	Balbir Singh	525	4,01,04,167	4,01,042	3,97,03,125	4,00,000	From Management Fund
50	Bir singh	526	4,01,80,556	4,01,806	3,97,78,750	4,00,000	From Management Fund
51	Bir singh					20,00,000	From Utility A/c - 30%
52	Gir Raj	324	2,47,50,000	2,47,500	2,45,02,500	12,25,000	From Management Fund
53	Choudhary Kanchan Singh	72	45,45,000	45,450	44,99,550	45,00,000	From Management Fund
54	Om Prakash New		2,02,00,000	2,02,000	1,99,98,000	1,00,00,000	From Utility A/c - 30%
55	Stamp Duty	06-04-2018				1,27,500	D S Home Construction Pvt. Ltd.
56	Stamp Duty	06-04-2018				15,47,500	D S Home Construction Pvt. Ltd.
57	Stamp Duty	06-04-2018				17,95,000	From Utility A/c - 30%
					Total	23,82,02,200	

KEY DATES

7. As per the version, submitted by the developer in its reply, the key approvals date of the project is reproduced in the tabular form as:

Sr. No	Particulars	Date
1	Date of grant of a license	128 of 2019 dated 27.11.2019
2	Date of approval of building plan	09.01.2020 and revised on 20.07.2020
3	Date of the first draw	10.03.2021
5	Date of environmental clearance	16.06.2020
6	Date of consent to establish	16.06.2020
7	Date of blacklisting of developer company, its directors, shareholders, and other authorized signatory by DTCP	17.05.2022
8	Date of Bank Account Freeze	10.06.2022
9	Date of withdrawal of blacklisting orders by DTCP	21.07.2022

According to "Affordable Housing Policy 2013" all such projects shall be required to be necessarily completed within 4 years from the approval of building plans or grant of environmental clearance, whichever is later. This date shall be referred to as the "date of commencement of project" for this policy. Therefore, the date of commencement of the project shall be 16.06.2020 and the project shall be completed within four years i.e., 16.06.2024.

RESULT OF DRAW

8. As per the version of the promoter/collaborator, 5994 applications were received against 636 units available for the draw. The list of successful allottees is annexed as **Annexure-1**.

DEMAND AND FUNDS COLLECTED BY THE DEVELOPER

9.

According to "Affordable Housing Policy 2013", any person interested to apply for the allotment of a flat in response to such an advertisement by a colonizer may apply on the prescribed application form along with a 5% amount of the total cost of the flat. The applicant will be required to deposit an additional 20% amount of the total cost of the flat at the time of allotment of the flat and the balance 75% amount will be recovered in six equated six-monthly instalments spread over three-year period. The promoter has collected a total amount of Rs. 75,64,58,021/- (after deduction of refund made to customers) till 10.06.2022 from 636 allottees.

A summary of collection and disbursal is as follows

Master Account Summary			
Particulars	**Canara bank**	**Axis bank**	**Total**
Net receipt in the master collection account	19,30,21,161.00	1,09,82,12,167.90	1,29,12,33,328.90
Less: Bank Charge deducted	84,390.00	24,631.38	1,09,021.38
Receipt after deduction of bank charge	19,29,36,771.00	1,09,81,87,536.52	1,29,11,24,307.52
Less/Add: Collection amount transferred to Axis Bank	14,91,471.08	14,91,471.08	0.00
Less: Transferred to Separate RERA Account 70%	13,40,11,709.94	76,97,75,042.16	90,37,86,752.11
Less: Transferred to FREE Account 30%	5,74,33,589.98	32,99,03,589.50	38,73,37,179.47
Balance in Master Collection Account	0.00	375.94	375.94

The details of allottees' wise amount received are annexed as **Annexure-2.**

BLACKLISTING OF LICENSE AND DEVELOPER BY DTCP

10. The Director Town & Country Planning vide its order dated 17.05.2022 had blacklisted the developer company, its directors, shareholders, and other

authorized signatories from grant of license under the provisions of Act 8 of 1975 in the future. The order reads as follows:

> *"Whereas, on account of committing various grave violations in license no. 128 of 2019, 31 of 2019, 24 of 2020 and 66 of 2021 dated, granted for development of affordable group housing colony in Sector-63A, 103, 95 & 104, Gurugram, forged and fabricated bank guarantees and also forged signatures of the bank officials/officer on the bank guarantees which was submitted by CZAR Buildwell Pvt. Ltd., at the time of grant of license No. 66 of 2021 and replacement the old bank guarantees in lieu of fresh Bank Guarantees submitted in the three other licenses as indicated above which were issued to Mahira Buildtech Pvt. Ltd. and CZAR Buildwell Pvt. Ltd. It has been accordingly decided to blacklist the developer company i.e. Mahira Buildtech Pvt. Ltd. & CZAR Buildwell Pvt. Ltd., its Directors, shareholders and other authorized signatory from grant of any new license under the provisions of Act 8 of 1975 in future. Accordingly, all concerned are hereby directed not to process any application of the above said company, its Directors and shareholders for grant of license under the Act ibid."*

ACTION INITIATED BY AUTHORITY ON ACCOUNT OF BLACKLISTING OF DEVELOPER COMPANY

11. On account of the blacklisting of the developer company i.e. M/s Mahira Buildtech Pvt. Ltd. & M/s CZAR Buildwell Pvt. Ltd., its Directors, shareholders, and other authorized signatories, the Haryana Real Estate Regulatory Authority, Gurugram had taken the following actions:-

    I. As the promoter was blacklisted for committing various grave violations of the terms of the license apprehension was cast upon the conduct of the promoter company and prima facie there was a likelihood that the promoter may indulge in some acts in violations of the provisions of the Real Estate (Regulation and Development) Act, 2016 and rules and regulations made thereunder. Accordingly, on the apprehension that the promoter may commit violations of the provisions of the Real Estate (Regulation and Development) Act, 2016 and rules and regulations made thereunder, the authority took suo-motu cognizance of the issue relating to the affairs of the promoter of the project and initiate inquiry under section 35 of the Act ibid.

    II. For the purpose of conducting a preliminary inquiry Sh. Sumeet (Executive Engineer) and Sh. JS Sindhu (Executive Engineer Monitoring) visited the site and a report about the physical status of construction was submitted by them to the authority. As per the report submitted, the physical progress of construction works on the site of the project is approximately 7 percent only, and construction at the site does not seem commensurate to the payments withdrawn from the bank accounts. Further, neither the quarterly progress report of the project is furnished, nor the requisite certificates by an engineer, an architect, and a chartered accountant in practice that the withdrawal is in proportion to the percentage of completion of the project were filed by the promoter in the authority.

III. The report of Sh. Sumeet (Executive Engineer) and Sh. JS Sindhu (Executive Engineer, Monitoring) suggested that construction is not commensurate to the amount withdrawn from the bank account and neither the QPRs have been submitted nor the requisite certificates from an engineer, an architect, and a chartered accountant required for withdrawal have been submitted with the authority. Keeping in view the reasons recorded above, the authority vide its notice dated 28.05.2022 called upon the promoter to furnish the following information within 7 days from the issuance of the notice i.e., by the 6th of June 2022:

a. The total amount so far collected/realized from the allottees.

b. Allottee-wise schedule of payment received.

c. Amount of work done so far at the site.

d. Percentage of physical progress achieved.

e. Land cost of the project and proportionate land cost of a percentage of physical progress.

f. The details of the Bank Accounts where the amount realized from allottees has been deposited/received.

g. The withdrawals from the separate RERA Account where 70% of the amount to be realized from allottees is mandatory to be deposited.

h. The proof of having withdrawn from the separate account after it is certified by an engineer, an architect, and a chartered accountant in practice that the withdrawal is in proportion to the percentage of completion of the project.

i. The details of the balance available in the separate RERA Account and whether it is the remaining amount in the separate RERA Account out of seventy percent of the total amount realized from the allottees after withdrawals as per provisions of section 4(2)(l)(D).

j. Certificate of the Chartered Accountant that amounts collected for this project and the withdrawals have been in compliance with the proportion to the percentage of completion of the project.

k. Wherever there has been deviation/variation from the provisions of section 4(2)(l)(D) and the explanation relating to the same.

l. Copy of documents submitted to Director Town & Country Planning, Haryana in compliance with rules in part IV of the Haryana Development and Regulation of Urban Areas Rules, 1976.

12. In reply to the notice of the authority the promoter submitted the information as provided in the table below:

S. No.	Detail sought by the Authority	Reply by the promoter	Remarks
1.	The total amount so far was collected/realized from the allottees.	The total amount collected/realized from the allottees till 10.06.2022 is Rs. 129.12 crores only and after deduction of refund the net amount received from customers were Rs. 75.64 crore.	Details regarding receipt were checked by the forensic auditor and found correct.
2.	Allottee-wise schedule of payment received.	Allottee wise schedule of payment received is attached as **Annexure 2**	Details received have been checked were checked by the forensic auditor and found correct.

3.	Amount of work done so far at the site.	15-17 % of work is done at the project site.	Various running bills of Rs. 16.01 crore only have been submitted towards construction cost of the project.
4.	Percentage of physical progress achieved.	15-17 % of work is done on the project site.	As per the report of Sh. Sumeet (executive engineer) and Sh. JS Sindhu (engineer monitoring), approximately 5-7% % of work is done on the project site
5.	Land cost of the project and proportionate land cost of a percentage of physical progress.	Total land cost of the project is 59,76,00,000/- and proportionate land cost 8,96,40,000/- considering 15% value of work done	On specific inquiry about land cost, the promoter had submitted that the land cost is identified as the prevailing circle rate of the land multiplied by four-time. The notional cost identified by the developer is only for calculation purpose and the actual cost as per the collaboration agreement need to

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			be paid to the landowner only.
6.	The details of the Bank Accounts where the amount realized from allottees has been deposited/received.	Axis Bank, Patel Nagar, Old MG Road a/c 920020051375435 (IFSC UTIB004658)	Details of bank accounts associated with the project of canara and axis bank are submitted by the promoter on an affidavit.
7.	The withdrawals from the separate RERA Account where 70% of the amount to be realized from allottees is mandatory to be deposited.	Axis Bank, Patel Nagar, Old MG Road a/c 920020051362905 (IFSC UTIB004658)	Details of bank accounts associated with the project of canara and axis bank are submitted by the promoter on an affidavit.
8.	The proof of having withdrawn from the separate account after it is certified by an engineer, an architect, and a chartered accountant in practice that the withdrawal is in proportion to the percentage of completion of the project.	Not available	A reply to this query/question has not been produced by the promoter. Since no reply has been received therefor no specific remark.
9.	The details of the balance available in the separate RERA Account and whether it is the remaining amount in the separate RERA Account out of seventy percent of the	The amount available in the separate RERA Account as on 10th June 2022 is Rs. 11,375.15/- and in	The amount available in the separate RERA Account as on 10th June 2022 is Rs. 11,375.15/- and in the master account is Rs. 375.94 /-.

	total amount realized from the allottees after withdrawals as per provisions of section 4(2)(l)(D).	the master account is Rs. 375.94/-.	The balance shall be transferred to the separate RERA account and shall be used only for construction purposes.
10.	Duly certified and signed by a chartered accountant a statement of accounts and annual audited accounts of the project for the financial year 2019-20 and the financial year 2020-21.	N/A	As the first draw was held on 10.03.2021 annual audited accounts of the project for the financial year 2019-20 and 2020-21 are not submitted.
11.	Certificate of the Chartered Accountant that amounts collected for this project and the withdrawals have been in compliance with the proportion to the percentage of completion of the project.	N/A	As the first draw was held on 10.03.2021 annual audited accounts of the project for the financial year 2019-20 and 2020-21 are not submitted.
12.	Wherever there has been deviation/variation from the provisions of section 4(2)(l)(D) the explanation relating to the same.	N/A	On perusal of the report submitted by the forensic auditor, several instances of questionable transactions were observed.
13.	Copy of documents submitted to Director	N/A	Not submitted

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	Town & Country Planning, Haryana in compliance with rules in part IV of the Haryana Development and Regulation of Urban Areas Rules, 1976.		

13. Despite several reminders and requests, the developer failed to submit some of the requisite documents and explanations therefore it is proposed that the authority may decide the case on merits after considering the available record.

14. The authority in its proceedings of the hearing dated 10.06.2022 restrained the promoter from creating any third party right by way of mortgage/ loan or any other manner on the project land, sold and unsold units further, and appointed M/s Grand Mark & Associates to conduct a forensic audit of the project account on the points mentioned above.

15. The authority further directed the promoter under section 35(2), exercising the powers as vested in a civil court under the Code of Civil Procedures, 1908 to produce books of accounts and documents relating to loan; funds diverted in other accounts, allotment of units, amounts realized from allottees of the sold units and other related documents required by enquiry officer and the forensic auditor at such place and at such time as demanded by them on behalf of the authority. The directors of the company and chief financial officer and company secretary and any other officer which is having custody of the record shall also be present before the forensic auditor for conducting the forensic audit.

16. The authority directed the promoter to furnish in writing within seven days of issuance of notice i.e., by 27.06.2022, the details of all the allottees along with their contact numbers and addresses, the details of withdrawals/ cancellations, and the valuation report of the commercial area of the project 'Mahira Homes 63A' and further directed the promoter to publish in newspaper the collection account numbers of project 'Mahira Homes 63A' in which the allottees of the project will transfer the installments through RTGS only.

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17. A list of compliances of information sought by the authority from time to time and the response submitted by the developer is annexed as **Annexure-3**.

<u>WITHDRAWAL OF ORDER DATED 17.05.2022 TO BLACKLIST THE DEVELOPER COMPANY I.E. MAHIRA BUILDTECH PVT. LTD. & CZAR BUILDWELL PVT. LTD.</u>

18. Whereas license no. 128 of 2019 dated 27.11.2019 was granted to the M/s Czar Buildwell Pvt Ltd. for setting up an affordable group housing colony over an area measuring 4.98 acres in the sector 63A, Gurugram. The developer company, its directors, shareholders, and other authorized signatories were blacklisted by DTCP on 17.05.2022 on account of the submission of forged and fabricated Bank Guarantees submitted by the colonizer. The application to review the blacklisting order dated 17.05.2022 was received on 28.06.2022, 30.06.2022, and 08.07.2022. After examination, the review application hearing opportunity was granted by DTCP Haryana on 06.07.2022 which was adjourned and held on 07.07.2022.

19. During hearing before DTCP Haryana, the colonizer has submitted a request along with a list of unsold flats valuing Rs. 46,31,80,763.05 to be mortgaged against the outstanding amount of EDC/IDW (as on date) of their licenses 31 of 2019, 128 of 2019, 24 of 2020 & 66 of 2021 in compliance of 'Show Cause Notice' issued vide DTCP office memo dated 21.06.2022 along with partial license land measuring 1.17 acres and the inventory of license no. 09 of 2022 dated 31.01.2022 issued to M/s Mahira Homes Pvt. Ltd. being the group holding company of the developing companies namely M/s Czar Buildwell Pvt. Ltd. and M/s Mahira Buildtech Pvt. Ltd. and no third-party rights have been created on this project and they undertake that payment of all outstanding dues of EDC/IDW will be the responsibility of the group holding company i.e. M/s Mahira Homes Pvt. Ltd. and also requested to verify the documents to facilitate the process of mortgage of the property against the outstanding of EDC/IDW in respect of license nos. 31 of 2019, 128 of 2019, 24 of 2020 & 66 of 2021 as on date.

20. The colonizer has submitted to DTCP Haryana the mortgage deed duly signed by the representative of the company. The mortgage deed was duly approved and signed by the Director, Town and Country Planning, Haryana. The colonizer has submitted the registered mortgage deed in compliance with the order passed by the DTCP, Haryana office on 15.07.2022. Accordingly, the colonizer has registered the mortgage deed with Sub-Registrar, Harsaru, Gurugram vide sr. no. 4579 dated 19.07.2022. The same has been recorded in the revenue record at ledger no. 1 at Bahi no. 1 Jild no. 49 on page no. 40.75. Further, STP, Gurugram has informed that the colonizer has been demanding disproportionate payment from its allottees vis-à-vis construction undertaken at the site and is also issuing threats for cancellation of allotment against non-payment. STP, Gurugram has already issued direction to the colonizer to adhere

to construction-linked payment in all these projects and also withdraw all cancellations of allotment on such account.

21. In response to a personal hearing, the DTCP Haryana had issued an order regarding blacklisting the firm i.e. M/s Czar Buildwell Pvt. Ltd. and M/s Mahira Buildtech Pvt. Ltd. dated 17.05.2022 shall stand withdrawn, subject to confirmation of the following:

i. The colonizer shall follow **construction-linked payment in all these projects and shall not demand any additional installment till proportional constructions against payments already received by it** are completed at the site to the satisfaction of STP, Gurugram.

ii. The cancellation of allotment made by the colonizer against non-payment by allottees on account of disproportionate demands made by it shall be withdrawn by the colonizer within a week and an ATR in this regard shall be filed with STP, Gurugram.

iii. The colonizer shall install a signboard at the site showing the detail of flats mortgaged in favor of DTCP.

A copy of the mortgaged deed along with the list of flats/property attached is annexed as **Annexure-4**.

SUMMARY OF FORENSIC AUDIT REPORT

22. A forensic audit was conducted by M/s. G R A N D M A R K & ASSOCIATES chartered accountants based on the information and document submitted by the promoter at the time of application for registration of the project and subsequent thereof, to ascertain whether the compliance of the various provisions of the Real Estate (Regulation and Development) Act, 2016 and the rules, regulations, and directions made thereunder has been made by the promoter or not.

23. On perusal of the report submitted by the forensic auditor, several instances of questionable transactions were observed. The auditor submitted in its report that in the project Mahira Home-63A, several withdrawals are made in breach of the RERA provisions and a few of the transactions are questionable and it appears that a withdrawal from the RERA account was made in violation of the provisions of the RERA by the promoter M/s Czar Buildwell Private Limited.

24. As per the report submitted by the forensic auditor on 27.06.2022, the developer of project –Mahira-104, M/s Czar Buildwell Pvt. Ltd CIN:

U70109HR2017PTC069536, has collected total funds of Rs. 75,64,58,021.52/- From 636 allottees during the period from inception till 10.06.2022 against total residential units put up for sale of 636.

25. As per requirements of provisions of section 4(2) (l) (d) of RERA Act,2016, the developer has opened current accounts firstly with Canara Bank (up to 17.12.2020) & later with Axis Bank. currently Axis Bank is under use & Canara Bank a/c closed. The detail of bank account is as under

A. Canara Bank accounts:

SN	Account No.	IFSC Code	Remarks
1	2996201000460	CNRB0002996	Master collection account -100%
2	2996201000462	CNRB0002996	Separate RERA account -70% with Escrow Stipulation
3	2784201050721	CNRB0002996	Free account -30%

B. Axis bank accounts

SN	Account No.	IFSC Code	Remarks
1	920020051375435	UTIB0004658	Master collection account -100%
2	920020051362905	UTIB0004658	Separate RERA account -70% with Escrow Stipulation
3	920020051465541	UTIB0004658	Free account -30%

The Developer failed to get the prior approval from RERA for Opening the Bank A/cs under section 4(2)(l)(D) with Axis Bank, merely an intimation for Axis Bank was sent by the Developer.

The Developer has commenced receiving the payment from allottees from 05.11.2019 & collected total of Rs. 13,40,11,710/- which is well before the date of HARERA registration, which was granted from 20.01.2020 Annex-A of the audit report

The Developer is in default of operating concurrently with Two banks at the same time as the Canara bank was in operation from 05.11.2019 to 17.12.2020 while axis bank a/c are in operation from 31.07.2020 so dual cccounts were in operation for a period of 4 ½ month from 31.07.2020 to 17.12.2020 which is a serious deviation.

26. The total funds received of Rs. 1,29,12,33,328.90/- from the 636 Allottees, were transferred during the period from inception till 10.06.2022 is as under between the project three banks account as under:

Master Account Summary			
Particulars	**Canara Bank**	**Axis Bank**	**Total**
Net receipt in the master collection account	19,30,21,161.00	1,09,82,12,167.90	1,29,12,33,328.90
Less: Bank Charge deducted	84,390.00	24,631.38	1,09,021.38
Receipt after deduction of bank charge	19,29,36,771.00	1,09,81,87,536.52	1,29,11,24,307.52
Less/Add: Collection amount transferred to Axis Bank	14,91,471.08	14,91,471.08	0.00
Less: Transferred to Separate RERA Account 70%	13,40,11,709.94	76,97,75,042.16	90,37,86,752.11
Less: Transferred to FREE Account 30%	5,74,33,589.98	32,99,03,589.50	38,73,37,179.47
Balance in Master Collection Account	0.00	375.94	375.94

27. Out of the total funds received of Rs. 90,37,86,752.15/ in RERA 70% Account amount of Rs. 90,34,48,190.00/- has been transferred by the developer into a 30% free account based on the written request made by the promoter from time to time. This conduct by the developer is in grave contravention RERA Act, 2016 and the banker stands equally responsible for allowing the free transfer without stipulated professional certificates for each such transfer of the funds from the respective Engineer, architect & Chartered Accountant. So in effect, the 30% Free Account with the transfer of 70% RERA a/c, has become a free current

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a/c, with almost 100% funds collected from the allottees, & were withdrawn by the developer during the period from inception till 10.06.2022.

28. On the basis of analysis of the bank a/c transaction of the project of 100% funding received, the forensic auditor gives below the details of the utilization of the funds for account of project Mahira-Homes 63A from inception till 10.06.2022, as per eligibility norms under RERA Act for 70% RERA a/c as under:-

Summary of Amount to be brought back in RERA Account	
Particulars	**Amount in Rs.**
Amount transferred in RERA Account (A)	90,34,48,190.00
Less: Eligible expenses can be withdrawn	
DTCP License Fee	52,49,154.00
EDC Paid	1,91,19,000.00
Other statutory approval fees	1,49,37,025.30
GST Paid	1,48,95,684.00
70% portion of the refund amount	37,42,66,400.20
Bill for construction works	16,01,69,879.00
Total withdrawal can be drawn from 70% of accounts(B)	58,86,37,142.50
Less: Advance made to D S Home Construction Pvt. Ltd. (C)	28,01,03,084.00
Balance Amount to be brought back in RERA Account (D)	3,47,07,963.50

29. Further, the major utilization of funds from 30% free account from inception till 10.06.2022 is as under: -

Summary of Amount to be brought back in free Account	
Particulars	**Amount in Rs.**
Amount transferred in free Account (A)	38,73,37,179.51
Add: Interest earned	36,71,005.00
Less: Expenses consider to be made from the free account	
Payment to landowner	23,82,02,200.00
Other sales marketing and general administration expenses	22,29,02,834.51
Total excess is drawn from free accounts(B)	-7,00,96,850.00
Less: Balance in free account	1,25,123.49

Less: Cash in hand	1,50,000.00
Balance Amount to be brought back in RERA Account (D)	-7,03,71,973.49

30. Further details of the Intergroup transaction made from a collection of the funds for Project -Mahira Homes-63A are f as under: -

Particulars	Amount (in Rs.)
Loan & Advances given to the related party	
Aranya Infrastructure Private Limited	3,99,75,432.00
Karida Realestate Private Limtied	1,67,23,129.00
Mahira Homes Pvt. Ltd.	23,55,64,488.00
Raman Grover	3,11,00,000.00
Neel Mahadev Buildtech Pvt. Ltd.	4,28,449.00
Baffin Developers Pvt. Ltd.	3,29,800.00
Silver Lake Infra Solutions Pvt. Ltd.	5,30,469.00
Promoter	3,83,77,437.91
Total Loan & Advances given (A)	36,30,29,204.91

APPOINTMENT OF AN EXPERT CONSULTANT TO EXAMINE THE RESOLUTION PLAN AS SUBMITTED BY THE PROMOTER

31. In view of the withdrawal of blacklisting of the developer companies M/s Czar Buildwell Pvt. Ltd. & M/s Mahira Buildtech Pvt. Ltd., the developer had submitted a resolution plan, and the same was examined by the office of the authority and the following observations are submitted as detailed in subsequent paras.

32. It is noted that the resolution plan submitted by the developer requires inspection, examination, and analysis of the resolution plan. Looking at the complexity of the matter, the same requires thorough examination, analysis, and inspection by an expert third party. So, there was a need to appoint an expert in the field of audit /analysis to assist the authority, in making an informed and proper decision.

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33. As per section 35 of the Act read with rule 21 (2) of the Haryana Real Estate (Regulation and Development) Rules, 2017 provided as under:

35. (1) Where the Authority considers it expedient to do so, on a complaint or suo motu, relating to this Act or the rules of regulations made thereunder, it may, by order in writing and recording reasons therefor call upon any promoter or allottee or real estate agent, as the case may be, at any time to furnish in writing such information or explanation relating to its affairs as the Authority may require and appoint one or more persons to make an inquiry in relation to the affairs of any promoter or allottee or the real estate agent, as the case may be.

21(2) The Authority may call upon such experts or consultants from the field of urban planning, economic, commerce, accountant, real estate, competition, construction, architecture, law or engineering or from any other discipline as its deems necessary, assist the Authority in the conduct of any inquiry or proceedings before it.

34. The appointed expert/consultant has to go through the resolution plan and appraise the authority about the facts which are essential to be taken into account for considering the viability of the resolution plan. The expert/consultant will also give his opinion on every point of the resolution plan regarding the completion of the project and financial viability and clear recommendation. To assist the authority and submits findings/observations in this regard, Mr. Laxmikant Saini of S. M. Saini & Associates, chartered accountant was appointed as an expert consultant and he will also present the fact before the authority along with officials of the authority.

ANALYSIS OF VARIOUS COMPONENTS OF THE RESOLUTION PLAN

35. Analysis of statutory approvals: The expert consultant reviewed the key permission and statutory compliances applicable to the project and the table below enlists the major approvals required to commence the construction of the project and its present status.

Sr. No	Type of Approval	Current status	Approval No.	Validity	Observations/ comments of expert consultants

1	License for development of affordable group housing colony	Obtained	128 of 2019 dated 27.11.2019	26.11.2024	Valid
2	Zoning plan	Approved	7252 dated 27.11.2019	N.A	Valid
3	Building plan	Approved	ZP-1377/JD(RD)/2020/814 dated 09.01.2020	08.01.2025	Valid
4	Environment clearance	Approved	SEIAA (123)/HR/2020/246 dated 16.06.2020	16.06.2027	Valid
5	Consent to Establish (CTE) from HSPCB	Approved	329962320GUNOCTE7976658 dated 31.08.2020	15.06.2027	Valid
6	Approval or assurance of Water supply	Applied			Pending
7	Approval or assurance of Stormwater drainage	Applied			Pending
8	Connection Sewage disposal	Applied			Pending
9	Electrical Load Sanction	Applied			Pending
10	Fire scheme approval	**Approved**		N.A.	Pending
11	The service plan	Applied			Pending

	estimates approval				
12	Mining Permission	Yes	10.06.2019	N.A.	Valid
13	NOC from Central Groundwater Authority (CGWA) under Environmental Protection Act (EPA) (1986).	NA	A1/2019/NOC//39401 dated14.11.2019	N.A	Valid
14	Forest NOC Under Aravalli notification	YES	N.A. 10.06.2019	N.A.	Valid

The list of statutory approvals is prepared based on the regulations/law applicable as of the date and some of the approvals are pending so it is recommended that the developer should take necessary approvals/ assurance.

36. **Analysis of receivables of the project as proposed by the promoter:** The developer has provided the cashflow-based resolutions plan and based on the review of the resolution plan it is observed that the developer has not provided a detailed break-up of receivables and project cost and summarised the cash flow in the major head. The table below enlists the cash inflow of the project, as provided in the resolution plan, and the recommendation/observation of an expert consultant against each line item provided in the comment's column.

Sr. No.	Particulars	Units/Area	Sale Value Receivable	Comments of expert consultant
1	Total No. of Flats	636 Units	1,58,19,95,748/-	As per calculation, the sale value should be Rs. 1,55,76,49,408/-.
2	Total Commercial Area	22,646 Sqft @22,000/-	73,59,95,000/-*	This amount should be reduced to 27.14 crores as per the rate identified in the attached valuation report submitted by the promoter. Further, this cash inflow cannot be taken as the same would be attached by the authority as a guarantee to complete the project and would be available post-completion of the project.
3	Car Parking	132 No.	1,74,63,600/-	This amount should be reduced to Rs. 7380000/-
		Grand Total:-	**2,33,54,54,348/-**	1,55,76,49,408/-
	Less :	Already Collected from Allottees	74,52,52,601/-	75,64,58,021.52/-

	TOTAL EXPECTED COLLECTION FROM CUSTOMER	**1,59,02,01,747/-**	**The total expected cash inflow will be ₹ 80,85,71,386.48/-**

Detailed comments on receivables:

i. **Revenue from residential flats:** the expert consultant recalculates the sale value of residential plat as per the below table

Flat category	No of Flat	Area Per Unit (in sq. ft)	Total Area	Total Sale Value (Rs. 4000 per sq ft)	Balcony Sale value (500 per sq ft)	Total
2BHK UNIT TYPE-B	188	507.684	95444.592	₹ 38,17,78,368	₹ 94,00,000	₹ 39,11,78,368
3BHK UNIT TYPE-A	448	643.278	288188.544	₹ 1,15,27,54,176	₹ 1,37,16,864	₹ 1,16,64,71,040
Total	636		383633.136	₹ 1,53,45,32,544	₹ 2,31,16,864	₹ 1,55,76,49,408

ii. **Revenue from the commercial component:** Receivable from the commercial component of the project should be reduced to 27.14 crores as per the rate identified in the valuation report submitted by the promoter. Further as proposed in the subsequent para, the commercial component of the project may be attached by the authority as a guarantee to complete the project, this would facilitate the commercial viability of the project. Therefore, the projected cash inflow from the commercial component was not considered.

iii. **Car Parking:** The cash inflow from the sale of car parking has been included in the proposed cash flow of the project, On further inquiry about the details of the parking unit the promoter failed to explain the same. As "Affordable Housing Policy 2013", the parking space shall be provided at the rate of half equivalent car space (ECS) for each dwelling unit and the balance available parking space, if any, beyond the minimum allocated two-wheeler parking sites, can be sold and the same is recalculated and

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emerged that a Rs. 7380000/- can be recovered from sales of excess care parking and the same is considered as a future receivable from the car parking.

iv. **Collection from the allottees:** The developer collected a sum of Rs. 75,64,58,022/- in the master account so the same was to be deducted instead of Rs. 74,52,52,601/- as specified in the resolution plan.

v. **Expected collection from allottees:** After all the adjustments as specified above, the project collection from the allottees would be Rs. 80,85,71,386/- instead of Rs. 1,59,02,01,747/- as specified in the resolution plan.

37. **Project cost as declared by the promoter:** The developer has provided the cashflow-based resolutions plan and based on the review of the resolution plan it is observed that the developer has not provided a detailed break-up of projected cost/cash outflow and summarised the cash flow in the major head. The table below enlists the project cost/cash outflow of the project, as provided in the resolution plan, and the recommendation/observation of an expert consultant against each line item provided in the comment's column.

Sr. No.	Construction of Project	Amount	Incurred till date	To be incurred Project Expense.	Comments
1	Land Cost	59,76,00,000/-	18,51,67,497/-	41,24,32,503/-	As submitted by the developer, the land cost is identified as per circle rate multiplied by four-time. Detailed observations are provided below

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2	Construction Cost	1,41,43,06,250/-	38,40,97,963/-	1,03,02,08,287/-	As per the developer, the total built-up area of the project is 808175 sq feet and the cost of construction is 1950/- per sq foot. The same shall be paid on an actual basis. Detailed analysis provided in comments.
3	Administrative Cost / Misc. Exp. Cost	15,53,77,749/-	8,22,32,266/-	7,31,45,483/-	This is not constructed related expense and the same need to be incurred by the promoter's fund
4	Advance for Construction Exp. / Project Exp.	9,46,22,251/-	9,46,22,251/-	NIL	This is not an expense and the same needs to be recovered back and shown in project inflow instead of expenses
	Total:-	**2,26,19,06,250/-**	**74,61,19,977/-**	**1,51,57,86,273/-**	

Detailed comments on projected cost/cash outflow:

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i. **Land Cost:** land cost shall be the cost incurred by the promoter, whether as an outright purchase, lease, registration charges, stamp duty, brokerage cost, etc. In case of collaboration agreement gives the right to develop and market the project then the land cost shall be identified as per the registered collaboration agreement executed between the developer and land owner. The developer made a collaboration agreement with the landowners for the development of the project and the same was executed on 06.04.2018.

As per clause 3 of the collaboration agreement regarding consideration provided as below:

"A. In consideration of said land and mutual agreement and covenant, representation and warranties contained in this Agreement and other good and valuable consideration each of the parties hereby agrees that the developer will pay non-refundable security at the rate of 1,00,00,000/- (rupees one crore only) per acre to the landowner which detailed as under.

B. The parties to this agreement have agreed to the effect that the approved built-up and saleable area of residential as well as commercial areas as approved by the government authorities shall be shared in the ratio detailed below:

Share of land owner: 50% (fifty percent)

Share of developer: 50% (fifty percent)"

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Further, the collaboration agreement executed between parties specified the value of the agreement is Rs. 13,28,30,417/- only. Similarly, the notional cost identified by the developer is a hypothetical value and cannot be considered as the land cost of the project and only the actual cost as per the collaboration agreement need to be paid to the landowner. If we considered Rs. ₹ 77,88,24,704/- (50% revenue share) as land cost then the project would be financially unviable.

As the landowners are license holders and getting a share of the total revenue from the sale of apartments and would be considered co-promoters under the Act and jointly and severally liable for the completion of the project and their pay out is still unclear, hence their pay out should be put on hold till the completion of the project or payable by the developer from its own resources.

ii. **Construction Cost:** As per the resolution plan submitted by the developer, the total built-up area of the project is 808175.54 sq feet and the cost of construction cost would Rs. 1,41,43,06,250. Whereas, as per development agreement signed with M/s D S construction, the total construction cost us Rs. 1,57,59,41,250/-. The developer failed to explain the difference.

Observation of the construction cost is as follows:

- The revised construction cost estimated for the project would be. 1,57,59,41,250/-
- The developer has not considered any escalation and contingency cost
- The cost of the balcony area is charged at the same rate as other built-up areas.
- Statutory approvals cost etc. not considered

Because of the non-provision of escalation and contingency, the expert consultant accepts the estimated cost of construction as per agreement of Rs. 157.59 crores as submitted by the developer; however, payment shall be made on the actual basis. Further, Advances given to the contractor shall be adjusted first and any further payment shall be made following due procedure as per the Act 2016.

iii. **Administrative Cost / Misc. Exp. Cost:** This is a non-construction-related expense and only project and license-related non-construction expenses should be used from project inflows. Corporate administration expenses of a group company should not be allowed.

iv. **Advance for Construction Exp. / Project Exp:** This is not an expense and the same needs to be recovered back and deposited in the separate RERA Account. This should be shown as inflows, not an expense.

v. **The final summary of construction expense to be paid:** Based on the above adjustment final amount of construction expense needs to be paid as follows:

Sr. No.	Particulars	Amount in Rs
1	Total construction cost	1,57,59,41,250.00
2	Less: Incurred or advance made for construction	44,19,47,963.00
3	Balance amount needs to be spent	1,13,39,93,287.00
4	The amount required for commercial construction	3,06,10,125.00
5	Balance construction amount needs for the residential component	1,10,33,83,162.00

38. **Future financial resources/financial viability of the project:** Based on the above adjustment the expert consultant redraw the project cash flow as follows:

Project cash flow position for construction				
Sr. no.	**Particulars**	**Residential**	**Commercial**	**Combined Project**
1	Balance receivable from sold and unsold Inventory	80,11,91,386.48	45,29,20,000.00	1,25,41,11,386.48
2	Recovery of advances	3,47,07,963.50	0	3,47,07,963.50
	Total cash Inflow	83,58,99,349.98	45,29,20,000.00	1,28,88,19,349.98
3	The amount required for construction purposes	1,10,33,83,162.00	3,06,10,125.00	1,13,39,93,287.00
4	The amount required for			41,24,32,503.00

	payment to the landowner			
	Total cash Outflow	1,10,33,83,162.00	3,06,10,125.00	1,54,64,25,790.00
5	Excess/-Deficiency	-26,74,83,812.02	42,23,09,875.00	-25,76,06,440.02

As the residential component of the project is negative hence the promoter should infuse the deficient fund into the RERA account immediately.

39. The expert consultant also provides a summary of collection and disbursal from the RERA Accounts as follows:

RERA Master Collection Analysis

Master Account Summary			
Particulars	**Canara Bank**	**Axis Bank**	**Total**
Net receipt in the master collection account	19,30,21,161.00	1,09,82,12,167.90	1,29,12,33,328.90
Less: Bank Charge deducted	84,390.00	24,631.38	1,09,021.38
Receipt after deduction of bank charge	19,29,36,771.00	1,09,81,87,536.52	1,29,11,24,307.52
Less/Add: Collection amount transferred to Axis Bank	14,91,471.08	14,91,471.08	0.00
Less: Transferred to Separate RERA Account 70%	13,40,11,709.94	76,97,75,042.16	90,37,86,752.11
Less: Transferred to FREE Account 30%	5,74,33,589.98	32,99,03,589.50	38,73,37,179.47
Balance in Master Collection Account	0.00	375.94	375.94

RERA Account Analysis

RERA (70% Account Summary)			
Particulars	**Canara bank**	**Axis bank**	**Total**
Net receipt from the master collection account	13,40,11,710.00	76,97,75,042.15	90,37,86,752.15

Less: Transferred in FREE Account 30%	13,40,08,190.00	76,94,40,000.00	90,34,48,190.00
Bank Charges	1,024.00	2,360.00	3,384.00
Less/Add: Transferred to Separate RERA Account 70%	2,496.00	2,496.00	0.00
Less: Transferred to third parties	0.00	3,23,803.00	3,23,803.00
Balance in RERA Account	0.00	11,375.15	11,375.15

FREE Account Analysis:

Receipt and withdrawal analysis of free account			
Particulars	**Axis Bank**	**Canara Bank**	**Total**
Net receipt from the master collection account	32,99,03,589.51	5,74,33,590.00	38,73,37,179.51
Net receipt from RERA account	76,94,40,000.00	13,40,08,190.00	90,34,48,190.00
Loan Received			
Axiom Property	1,00,00,000.00	0.00	1,00,00,000.00
Golden Globe Hotel Pvt. Ltd.	1,00,00,000.00	0.00	1,00,00,000.00
D S Home Construction Pvt. Ltd.	1,50,00,000.00	0.00	1,50,00,000.00
Mahira Buildtech Pvt. Ltd.	15,25,40,000.00	0.00	15,25,40,000.00
Mahira Homes Pvt. Ltd.	6,54,94,000.00	0.00	6,54,94,000.00
Project Mahira Homes-104	6,65,01,292.00	0.00	6,65,01,292.00
Project Mahira Homes-95	24,30,95,000.00	11,00,000.00	24,41,95,000.00
Sai Aaina Farms Pvt. Ltd.	16,48,98,500.00	2,20,00,000.00	18,68,98,500.00
Promoter contribution	6,13,33,476.19	5,000.00	6,13,38,476.19
Interest on Fixed Deposit	10,95,550.00	25,75,455.00	36,71,005.00
Transferred between RERA account	9,94,00,000.00	49,00,000.00	10,43,00,000.00
Total Credit	1,98,87,01,407.70	22,20,22,235.00	2,21,07,23,642.70
Payments			
Loan & Advances paid:			
Axiom Property	20,00,000.00	0.00	20,00,000.00

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Aranya Infrastructure Private Limited	3,99,75,432.00	0.00	3,99,75,432.00
D S Home Construction Pvt. Ltd.	1,50,00,000.00	0.00	1,50,00,000.00
Golden Globe Hotel Pvt. Ltd.	1,00,00,000.00	0.00	1,00,00,000.00
Karida Real estate Private Limited	1,67,23,129.00	0.00	1,67,23,129.00
Mahira Buildtech Pvt. Ltd.	1,22,77,437.00	0.00	1,22,77,437.00
Mahira Homes Pvt. Ltd.	30,10,58,488.00	0.00	30,10,58,488.00
Project Mahira Homes-104	3,30,25,000.00	0.00	3,30,25,000.00
Project Mahira Homes-95	1,96,55,000.00	0.00	1,96,55,000.00
Raman Grover	3,11,00,000.00	0.00	3,11,00,000.00
Sai Aaina Farms Pvt. Ltd.	12,88,01,761.60	3,90,00,000.00	16,78,01,761.60
Neel Mahadev Buildtech Pvt. Ltd.	4,28,449.00	0.00	4,28,449.00
Baffin Developers Pvt. Ltd.	3,29,800.00	0.00	3,29,800.00
Silver Lake Infra Solutions Pvt. Ltd.	5,30,469.00	0.00	5,30,469.00
Total Loan & Advances made	61,09,04,965.60	3,90,00,000.00	64,99,04,965.60
Promoter contribution returned	13,72,38,718.90	5,00,00,000.00	18,72,38,718.90
Total payment other than expenses	74,81,43,684.50	8,90,00,000.00	83,71,43,684.50
Expenses			
Payment to contractor- D S Home Construction Pvt. Ltd.	44,19,47,963.00	0.00	44,19,47,963.00
Advocate Fees	10,70,750.00	0.00	10,70,750.00
Architect Fees	25,55,080.00	0.00	25,55,080.00
Audit Fees	2,35,005.90	0.00	2,35,005.90
Bank Charges	4,14,382.36	7,22,435.06	11,36,817.42
Bank Guarantee Expenses	85,00,000.00	0.00	85,00,000.00
Brokerage	34,48,000.00	0.00	34,48,000.00
Building Plan Fees	7,20,000.00	0.00	7,20,000.00
Consultancy Fees	10,32,085.00	0.00	10,32,085.00
EDC	71,50,000.00	0.00	71,50,000.00
Electricity Expenses	6,94,922.00	0.00	6,94,922.00
Fire Scheme NOC	1,00,000.00	0.00	1,00,000.00

GRIHA FEE	7,39,800.00	0.00	7,39,800.00
HARERA Fees	19,64,056.00	0.00	19,64,056.00
License Fees	16,26,062.00	0.00	16,26,062.00
Mining Officer, Gurugram	77,238.00	0.00	77,238.00
Office Expenses	51,51,311.59	5,392.00	51,56,703.59
Payment To Farmer	18,04,88,726.00	1,15,00,000.00	19,19,88,726.00
Land Rent	11,05,661.00	0.00	11,05,661.00
Refund To Customer	52,89,96,286.00	56,70,000.00	53,46,66,286.00
Salary	1,64,97,892.20	0.00	1,64,97,892.20
Sales & Marketing	1,61,03,163.60	1,55,52,299.00	3,16,55,462.60
Soil Testing & Pollutions NOC	40,640.00	0.00	40,640.00
Tax Paid	1,48,95,684.00	0.00	1,48,95,684.00
Total Expense Paid	1,23,55,54,708.65	3,34,50,126.06	1,26,90,04,834.71
Other Payment			
Transferred Fund from Old RERA To New RERA	49,00,000.00	9,94,00,000.00	10,43,00,000.00
Cash Withdrawal		1,50,000.00	1,50,000.00
Total Debit	1,24,04,54,708.65	13,30,00,126.06	1,37,34,54,834.71
Bank Balance	1,03,014.55	22,108.94	1,25,123.49

40. **Party-wise receivable:** Based on the analysis of receipt and withdrawal from the project account the following amount to be received from the parties is as follows:

Party Name	Payment	Receipt	The expense incurred on or on behalf of the project	Net Receivable
Axiom Property	20,00,000.00	1,00,00,000.00		-80,00,000.00
Aranya Infrastructure Private Limited	3,99,75,432.00	0.00		3,99,75,432.00
D S Home Construction Pvt. Ltd.	1,50,00,000.00	1,50,00,000.00		0.00
Golden Globe Hotel Pvt. Ltd.	1,00,00,000.00	1,00,00,000.00		0.00
Karida Realestate Private Limtied	1,67,23,129.00	0.00		1,67,23,129.00
Mahira Buildtech Pvt. Ltd.	1,22,77,437.00	15,25,40,000.00		-14,02,62,563.00
Mahira Homes Pvt. Ltd.	30,10,58,488.00	6,54,94,000.00		23,55,64,488.00

Project Mahira Homes-104	3,30,25,000.00	6,65,01,292.00	-2,79,18,997.00	-55,57,295.00
Project Mahira Homes-95	1,96,55,000.00	24,41,95,000.00	-30,22,444.50	-22,15,17,555.50
Raman Grover	3,11,00,000.00	0.00		3,11,00,000.00
Sai Aaina Farms Pvt. Ltd.	16,78,01,761.60	18,68,98,500.00	42,59,063.00	-2,33,55,801.40
Neel Mahadev Buildtech Pvt. Ltd.	4,28,449.00	0.00	0.00	4,28,449.00
Baffin Developers Pvt. Ltd.	3,29,800.00	0.00	0.00	3,29,800.00
Silver Lake Infra Solutions Pvt. Ltd.	5,30,469.00	0.00	0.00	5,30,469.00
Payment to contractor- D S Home Construction Pvt. Ltd.	44,19,47,963.00		16,18,44,879.00	28,01,03,084.00
Promotor Contribution	18,72,38,718.90	6,13,38,476.19	8,75,22,804.80	3,83,77,437.91
Total	1,27,90,91,647.50	81,19,67,268.19	22,26,85,305.30	24,44,39,074.01

41. Head wise loan & advances position:

Particulars	Amount (in Rs.)
Loan & Advances given to the related party	
Sikander Singh	11,22,00,000.00
Mahira Buildtech Pvt. Ltd.	6,12,00,005.90
Axiom Property	2,00,00,000.00
Czar Buildtech Pvt. Ltd.	33,05,000.00
Aranya Infrastructure Pvt. Ltd.	9,48,07,500.00
Mahira Homes Pvt. Ltd.	2,44,81,888.00
Project MH-63A	8,49,67,409.00
Total Loan & Advances given (A)	40,09,61,802.90
Less Loan and promoter contributions received	
Sai Aaina Farms Pvt. Ltd.	1,59,50,000.00
Project MH-95	74,50,911.00
Promotor Contribution	1,25,000.00
Total Loan & Advances/contribution received (B)	2,35,25,911.00
Net Loan & Advances given (A-B)	37,74,35,891.90
Advance has been given for construction purposes	
Mahira Homes Pvt. Ltd. (C)	20,56,75,299.00
Combined position (A+B+C)	58,31,11,190.90

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42. Analysis of eligible expenditure and amount to be brought back in Accounts: based on the nature of expenditure an amount to be eligible for withdrawal and the amount that needs to be brought back is recalculated as below

Summary of Amount to be brought back in RERA Account	
Particulars	**Amount in Rs.**
Amount transferred in RERA Account (A)	90,34,48,190.00
Less: Eligible expenses can be withdrawn	-
DTCP License Fee	52,49,154.00
EDC Paid	1,91,19,000.00
Other statutory approval fees	1,49,37,025.30
GST Paid	1,48,95,684.00
70% portion of the refund amount	37,42,66,400.20
Bill for construction works	16,01,69,879.00
Total withdrawal can be drawn from 70% of accounts(B)	58,86,37,142.50
Less: Advance made to D S Home Construction Pvt. Ltd. (C)	28,01,03,084.00
Balance Amount to be brought back in RERA Account (D)	3,47,07,963.50

Summary of Amount to be brought back in free Account	
Particulars	**Amount in Rs.**
Amount transferred in free Account (A)	38,73,37,179.51
Add: Interest earned	36,71,005.00
Less: Expenses consider to be made from the free account	
Payment to landowner	23,82,02,200.00
Other sales marketing and general administration expenses	22,29,02,834.51
Total excess is drawn from free accounts(B)	-7,00,96,850.00
Less: Balance in free account	1,25,123.49
Less: Cash in hand	1,50,000.00
Balance Amount to be brought back in Free Account (D)	-7,03,71,973.49

Summary position of loan & advances	
Particulars	**Amount in Rs.**

Amount to be brought back to RERA Account	3,47,07,963.50
Amount to be brought back in FREE Account	-7,03,71,973.49
Total Brough back	-3,56,64,009.99
The net position of loans and advances	-3,56,64,009.99

43. Construction status and amount to be infused by the Promoter: As per sub-clause (D) of clause (I) of sub-section (2) of section 4 seventy percent of the amounts realized for the real estate project from the allottees, from time to time, have been deposited in a separate account maintained in a scheduled bank to cover the cost of construction and the proportionate land cost and has been used only for that purpose. The position from the separate RERA account is to be as follows :

Particulars	Amount in Rs.
Amount transferred to RERA Account (A)	90,34,48,190.00
Less: Eligible expense can be withdrawn (B)	58,86,37,142.50
Less: Advance for construction to be utilized (C)	28,01,03,084.00
Less: Balance amount to be deposited in RERA Account (D)=(A-B-C)	3,47,07,963.50
Total project construction cost (E)	1,57,59,41,250.00
Future amount to be utilized (F) (C+D)	31,48,11,047.50
% of the total cost to be incurred (G)=(F/E)	20%
Total construction cost till no withdrawal should be made	57%

44. In view of the above analysis, it's recommended that till the physical percentage of completion of the project reaches 57 % level, the promoter should not allow to withdrawal any further amount.

LAPSES/VIOLATIONS ON THE PART OF PROMOTERS

45. The following lapses and violations were observed on the part of the promoter.

46. As per the declaration submitted by the promoter in the form of an affidavit at the time of registration of the above-mentioned project in compliance with section 4(2)(l)(D) of the Real Estate (Regulation and Development) Act, 2016

wherein the promoter had undertaken to withdraw fund in compliance of section 4(2)(l)(D) of the Real Estate (Regulation and Development) Act, 2016

47. Section 4(2)(l)(D) of the Real Estate (Regulation and Development) Act, 2016 states the following provision:

(i) *That Seventy percent of the amounts realized for the real estate project from the allottees, from time to time, have been deposited in a separate account maintained in a Scheduled Bank to cover the cost of construction and the proportionate land cost and been used for that purpose:*

(ii) *That the promoter has withdrawn the amounts from the separate account, to cover the cost of the project, in proportion to the percentage of completion of the project:*

(iii) *That the amounts from the separate account have been withdrawn by the promoter after it is certified by an Engineer, an Architect, and a Chartered Accountant in practice that the withdrawal is in proportion to the percentage of completion of the project*

48. On perusal of the report submitted by the forensic auditor, there were observed several instances of questionable transactions. The auditor submitted in its report that in the project 'Mahira Home-63A', several withdrawals are made in breach of the provisions of the RERA Act, 2016 and a few of the transactions are questionable and it appears that home buyers' money has been withdrawn in violation of provisions section 4(2)(l)(D) of the Act. Further 1st & 2nd proviso to section 4(2)(l)(D) of the Act provides that the withdrawal from the separate account shall have to be in proportion to the percentage of completion of the project after it is certified by an engineer, an architect, and a chartered accountant that the withdrawal is in proportion to the percentage of completion of the project.

49. The total funds received of Rs. 90,34,48,190.00/ in RERA 70% account has been transferred by the developer into 30% FREE Account based on the written request made from time to time. This conduct by the developer is in grave contravention of the RERA Act, 2016.

50. As per the report of the field visit by the engineers of the authority, the physical status of construction at the site, and the progress report of the project, only 5-7% of the work was completed, and it's clear that the withdrawal was not in accordance with the provision of the Act.

51. Apart from this the developer also failed to comply with the submission of the Quarterly Progress Report & annual audited report for the project.

52. The developer failed to get the prior approval from HARERA for change/opening the bank account under section 4(2)(l)(D) with Axis Bank.

53. The Developer has commenced receiving the payment from allottees from 05.11.2019 & collected total of Rs. 13,40,11,710/- which is well before the date of HARERA registration, which was granted from 20.01.2020 Annex-A of the audit report

54. The Developer was in default of operating concurrently with two banks account at the same time as the Canara bank was in operation from 05/11/2019 to 17/12/2020 while axis bank a/c are in operation from 31/ 07/2020 so dual accounts were in operation for a period of 4 ½ month from 31/ 07/2020 to to17/12/2020, which is a serious deviation of the RERA provisions.

55. The lapses on the part of the promoter are liable for penal proceedings to be initiated for violation of section 4, and other applicable provisions of the Act punishable under section 60 and section 61 of the Real Estate (Regulation and Development) Act, 2016 which is reproduced below: -

> *60. Penalty for contravention of section 4.*
>
> *If any promoter provides false information or contravenes the provisions of section 4, he shall be liable to a penalty which may extend up to five percent. of the estimated cost of the real estate project, as determined by the Authority.*
>
> *61. Penalty for contravention of other provisions of this Act.*
>
> *If any promoter contravenes any other provisions of this Act, other than that provided under section 3 or section 4, or the rules or regulations made thereunder, he shall be liable to a penalty which may extend up to five percent. of the estimated cost of the real estate project as determined by the Authority.*

It is proposed that the authority may initiate penal proceedings on the above-said lapse/ violation.

CONSTRUCTION LINKED PLAN

56. In its order dated 21.07.2022 regarding withdrawal of the order dated 17.05.2022 blacklisting the developer company i.e. M/s Mahira Buildtech Pvt. Ltd. & M/s Czar Buildwell Pvt. Ltd. the Director of Town and Country Planning, Haryana, had ordered that the colonizer shall follow **construction-linked payment in all these projects and shall not demand any additional**

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installment till proportional constructions against payments already received by it are completed at the site to the satisfaction of STP, Gurugram.

57. As per the physical status of construction at the site and the progress report of the project, only 5-7% of the work was completed and the developer had collected 50% (approximate) amount from the buyers. On specific inquiry regarding the construction-linked plan submitted to STP, the promoter had mentioned that a construction-linked plan has been submitted to STP and the same is pending for approval. A copy of the plan submitted to STP is annexed as Annexure-6.

58. The promoter has submitted the following construction plan with DTCP, Haryana:

S. No.	Demand in %	Stage of Construction
1	5	Application Money
2	20	Within 15 days of allotment
3	12.5	At the time of commencement of construction
4	12.5	On casting of Raft + basement
5	12.5	On completion of 25% of the structure
6	12.5	On completion of 50% of the structure
7	12.5	On completion of 100% of the structure
8	12.5	At the start of finishing work

59. The construction-linked plan submitted before the DTCP Haryana prescribes a demand of an additional 12.5% (in addition to 25% already demanded and collected) at the time of commencement of construction. So, at the time of commencement of construction the developer effectively collected 37.5% sale amount the same does not align with the provisions of the Act, 2016. It is proposed that the promoter may be instructed to follow any of the two construction-linked plans provided below to validate the true sense of construction linked plan without imposing any undue burden on the allottees:

Construction Link Plan 1

S. No.	Demand	Stage of Construction

1.	5%	At the time of application
2.	20%	At the time of allotment of the flat
3.	12.5%	On completion of 1st-floor slab
4.	12.5%	On completion of 5th-floor slab
5.	12.5%	On completion of 9th-floor slab
6.	12.5%	On completion of the superstructure
7.	10%	On completion of MEP
8.	10%	On completion of finishes
9.	5%	At the time of possession

Construction Link Plan 2

S. No.	Demand	Stage of Construction
1.	5%	At the time of application
2.	20%	At the time of allotment of the flat
3.	10%	On completion of the foundation
4.	10%	On completion of 1st-floor slab
5.	10%	On completion of the 5th floor slab
6.	10%	On completion of the 10th-floor slab
7.	10%	On completion of the superstructure
8.	10%	On completion of MEP
9.	10%	On completion of finishes
10.	5%	At the time of possession

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60. However, as the construction-linked plan has not been approved by the DTCP to date therefore the promoter shall choose and follow any one of above-mentioned construction-linked payments plans and shall not withdraw any additional installment till proportional constructions of the project reached **57 %** or any plan approved by the DTCP. The percentage is identified based on the completion of the percentage of construction.

BUILDER-BUYER AGREEMENTS

61. On specific inquiry regarding the execution of the builder buyer agreement, the developer submitted the as on dated 387 BBA had been executed and 209 BBA is pending. The promoter may be directed to complete the BBA within three months of this hearing.

CHANGE IN DPI

62. It was observed that the project cost and revenue figures filled in DPI is substantially differ from the cost and revenue provided in the resolution plan submitted by the developer. Therefore, it is recommended that the developer should amend the DPI and provide the correct information to the authority.

FINAL PROPOSAL FOR DE-FREEZING OF BANK ACCOUNT

Given the withdrawal of blacklisting of the developer by the DTCP, recommendations by the forensic auditor, and recommendation on the resolution plan of the developer by the expert consultant and in the interest of the allottees and for the completion of the project it is proposed to defreeze the bank account subject to the following terms and conditions:

i. The real estate project is developed under the "Affordable Housing Policy 2013" of the Government of Haryana. This policy was formulated to encourage the planning and completion of group housing projects wherein pre-defined size apartments are made available at pre-defined rates within a targeted time frame. The policy is aim to ensure an increased supply of Affordable Housing in the urban housing market to the deserving beneficiaries and most of the allottees from the lower and middle class who have invested in the project under the impression that within the license period they will get own house in Gurugram. Due to the freezing of the bank account, the construction at the site cannot be initiated.

ii. If the promoter brings back the unauthorized withdrawal into the separate RERA account, the residential component of the project is financially viable and the work should be started so the unit can be handed over to the allottees.

iii. For withdrawal of funds all requisite certificates from a chartered accountant, engineer and architect need to be submitted to the authority and the concerned bank, and funds of the account may only be withdrawn after following the provisions of law.

iv. The promoter may be directed to follow construction-linked payment and shall not demand any additional instalments till proportional constructions against payments already received by it are completed at the site to the satisfaction of STP, Gurugram.

v. The promoter as well as the bank may be directed that the withdrawal from the separate RERA account shall have to be in proportion to the percentage of completion of the project after it is certified by an engineer, an architect, and a chartered accountant that the withdrawal is in proportion to the percentage of completion of the project.

vi. The promoter may be directed to deposit back the loan amount paid to its group company and associates and other non-project-related withdrawals to the separate RERA account within six months.

vii. The promoter may be directed to enter into an agreement for sale as prescribed in the Haryana Real Estate (Regulation and Development) Rules, 2017, and amended as per requirements and approved by the authority with the allottees within three months.

viii. The promoter may be directed that any non-project-related expense shall not be made from the separate RERA Account.

ix. The commercial area of the project may be attached by the authority as a guarantee to complete the project.

x. In the interest of the allottees and for completion of the project, the promoter may be directed to immediately start the construction work on the site and for this purpose the bank accounts are de-freeze.

xi. The promoter may be directed to submit a monthly physical progress report to the authority.

xii. The specific direction to be issued to banks:

   a. The withdrawal from the separate RERA account shall have to be in proportion to the percentage of completion of the project after it is certified by an engineer, an architect, and a chartered accountant that the withdrawal is in proportion to the percentage of completion of the project.

b. The promoter may be directed to follow construction-linked payment and shall not demand any additional instalments till proportional constructions against payments already received by it are completed at the site to the satisfaction of STP, Gurugram as had been ordered by the DTCP , Haryana vide its order no Endst. No. LC-4498/LC-3759/LC-3772/LC-4178/AO (III)/2022/5129-5132 dated 21.07.2022.

xiii. Any other condition as may be imposed by the authority

Recommended accordingly.

Ishwer Chand Garg Forensic Auditor	Laxmikant Saini Expert Consultant
Ar. Neeraj Gautam Associate Architectural Executive	J S Sindhu Executive Engineer, Monitoring

Dated:19.09.2022

Directions of the Authority:

1. On perusal of the comments and final proposal/recommendations of the forensic auditor and expert consultant, it is observed that the interest of the allottees who have invested in the affordable group housing project with the dream of having a home will be served only if the construction work is resumed immediately.

2. The DTCP, Haryana vide its order dated 21.07.2022 ordered withdrawal of its earlier order dated 17.05.2022 regarding blacklisting of the firms i.e. M/s Czar Buildwell Pvt. Ltd. and M/s Mahira Buildtech Pvt. Ltd. subject to confirmation of the following:

i. The colonizer shall follow **construction-linked payment in all these projects and shall not demand any additional instalment till**

proportional constructions against payments already received by it are completed at the site to the satisfaction of STP, Gurugram.

ii. The cancellation of allotment made by the colonizer against non-payment by allottees on account of disproportionate demands made by it shall be withdrawn by the colonizer within a week and an ATR in this regard shall be filed with STP, Gurugram.

iii. The colonizer shall install a signboard at the site showing the detail of flats mortgaged in favour of DTCP

3. The forensic auditor and expert consultant has submitted its final proposal and recommended to the authority to de-freeze the bank account subject to terms and conditions as doing so shall facilitate the re-depositing of the misappropriated funds into the project account, which shall enable re-starting the construction work of the project.

4. In view of the recommendations by the forensic auditor and the expert consultant and considering the sentiments of the allottees who are awaiting to get their real estate units, the authority allows de-freezing of bank accounts of M/s Czar Buildwell Pvt. Ltd. and M/s Mahira Buildtech Pvt. Ltd which were earlier freezed by the authority in view of the blacklisting of the promoter companies by DTCP, Haryana, subject to all terms and conditions as recommended by the forensic auditor and expert consultant and in particular, but not limited to the following conditions.

i. The promoter shall bring back the unauthorised withdrawn amount and shall deposit the loan made to its group company and associates and other non-project-related withdrawals to the RERA Account within six months.

ii. The promoter shall follow construction-linked payment in the project and shall not demand any additional instalment till proportional constructions against payments already received by it are completed at the site to the satisfaction of STP, Gurugram as already directed by the licensing authority i.e., Director, Town and Country Planning, Haryana.

iii. The promoter is directed that withdrawal from the separate account shall have to be in proportion to the percentage of completion of the project after it is certified by an engineer, an architect, and a chartered accountant that the withdrawal is in proportion to the percentage of completion of the project

iv. The promoter is directed to deposit a hundred percent of the amounts realized for the real estate project from the allottees, from time to time, in a separate RERA account maintained in a scheduled bank to cover the cost of construction and the proportionate land cost and shall be used only for that purpose.

v. The promoter to enter into an agreement for sale with the allottees within three months as prescribed in the Haryana Real Estate (Regulation and Development) Rules, 2017, and amended as per requirements and approved by the authority if not already executed.

vi. The promoter is directed that any non-project-related expense shall not be made from the RERA Account.

vii. The commercial area of the project is attached by the authority and the promoter is restrained to any sale of the commercial area till further orders as a guarantee to complete the project.

viii. In addition to filing quarterly progress reports and audited annual statements of accounts of the project, the promoter shall also submit a monthly progress report of the project Mahira Homes 63A (hardcopy) to Sh. J.S. Sindhu, Executive Engineer (Monitoring), or any other designated officer if appointed.

5. The terms and conditions shall be binding on all concerned and any act of non-compliance or violation shall attract strict penal consequences as per law.

Further, as per the comments of the forensic auditor and expert consultant, the promoter has violated provisions of section 4(2)(l)(D) of the Act, for which penal proceedings be initiated against the promoter company kmf. Accordingly, the planning branch is to issue a show cause notice to the promoter company i.e., M/s Czar Buildwell Pvt. Ltd. as to why a penalty under section 60 of the Act of 2016 be not imposed on the promoter company and defaulting directors for violation of section 4(2)(l)(D).

Proceeding against bank for non compliance of direction of authority "the Haryana Real Estate Regulatory Authority, Gurugram Bank Accounts for the Registered Projects Directions, 2019" are being taken up separately.

(Sanjeev Kumar Arora)
Member, HARERA, Gurugram

(Ashok Sangwan)
Member, HARERA, Gurugram

HARERA
GURUGRAM

V.K.G.
Vijay Kumar Goyal
Member, HARERA, Gurugram

(Dr. K.K. Khandelwal)
Chairman, HARERA, Gurugram

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An Authority constituted under section 20 the Real Estate (Regulation and Development) Act, 2016
Act No. 16 of 2016 Passed by the Parliament
भू-संपदा (विनियमन और विकास) अधिनियम, 2016की धारा 20के अंतर्गत गठित प्राधिकरण
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