HARYANA REAL ESTATE REGULATORY AUTHORITY PANCHKULA

Website: www.haryanarera.gov.in

COMPLAINT NO. 559 OF 2018

GLM Buyers Welfare Association ....COMPLAINANT

VERSUS

Global Land Masters Infratech Private Limited
Erstwhile Bhoomi Infrastructure Company and ors ....RESPONDENT

CORAM:	**Dr. Geeta Rathee Singh**	**Member**
	Nadim Akhtar	**Member**
Date of Hearing:	13.09.2023	
Hearing:	32nd	
Present: -	Mr. B. K. Sood & Lt. Gen. DDS Sandhu, authorized representative of GLM Buyers Welfare Association.	
	Mr. Surjeet Bhadu, Counsel for Respondent no. 1	
	Mr. Rajkumar Narang, Counsel for respondent no. 2	

ORDER (NADIM AKHTAR- MEMBER)

1. In continuation of hearing dated 27.07.2023, brief arguments were put forward by the concerned parties. A gist of arguments put forward by parties and observations made by the Authority are as follows:

    i. Complainant-association is aggrieved by the fact that despite making all endeavours to continue with the completion of the remaining construction works, it is now facing severe financial shortage for lack of funds due to variety of reasons. In the previous proceedings, Authority after detailed discussion had permitted the association to sell unallotted flats and the flats of untraceable allottees. A committee in this regard, consisting of the DTP, a representative of Deputy Commissioner (who shall be in Class-I officer in the district) and two representatives of the RWA (including President of RWA) was directed to be constituted. Association was directed to submit a recommendation of the committee to the Authority for its approval . Same has yet to be filed. Today, Shri. B. K. Sood, authorised representative of complainant association sought time to file the recommendations of the committee and details of the list of flats for the purpose of auction.

ii. Shri. B. K. Sood further argued that applicants Karman Raghu Patel, Sohal Navin Gala and Sunil Keshavji Gala and Mr. Suresh Ambavi Vavia impleaded as respondent 2 to 5 vide order dated 27.07.2023 are co-promoters in the present project. Initially, the possession of the units was to be handed over in 2012. Respondent no. 2 to 5 were partners co-promoters of the project from 2011 up to December 2013 and the retirement deed was only executed after that. Till then these present respondents shared joint responsibility as co-promoters of the project. At the time of retirement, applicants were allotted residential flats in the project in lieu of the retirement dues details of which have not been placed on record. The money invested by these partners has been retained by the respondent no. 1. Their claim of flats be dismissed as they have not submitted details of the money invested by them in the present project. It is the apprehension of the complainant association that impleadment of the ex-partners and acknowledging their claim will adversely affect the over all interest of the project. It is the argument of the opposite counsel that since the project has been handed over to the association, therefore, now it is the liability of the association to deliver the flats of the respondent. Whereas, the project was handed over to the association free from all encumbrances. It is prayed that the impleadment application of the respondent no. 2 to 5 be dismissed.

Similarly, is the case with the allotment of units made in favour of the landowners. Again the money has been retained by the respondent no. 1. Vide order dated 09.05.2023, respondent no. 1 was directed to file details of the allotment made in favour of retired partners and land owners . The reply filed by the respondent no. 1 is not satisfactory to establish claim of the ex-partners and the land owners. If such claims are being entertained then it will become difficult to generate funds and develop the project. Therefore, Mr B K Sood prayed that the allotment in favour of the ex partners and landowners be cancelled.

At this point it was argued by Mr. Rajkumar Narang, counsel on behalf of respondent no. 5 that the erstwhile partners also have a stake in the project as they are the owners of the unit which form a part of the 4 towers to be developed by the association. As per the retirement deed specific allotment was given in the name of the respondent/partner and subsequent buyers agreement had also been executed. Respondent company,i.e, Global Land Masters Infratech Private Limited is the sole owner of the shares in the preset project and therefore the ex-partners cannot be held liable. The association can give the possession of the units of the ex-partners on as is where basis and construct the remaining project. However, it cannot cancel the allotment of the ex-partners.

iii. It has further been submitted that there are three 90 meter Reggae & Supervision Hydra Cranes installed at the site of the project which are hindering the finishing of towers. These hydra cranes are self-dismantling but presently are unserviceable and need to be made serviceable first, which is likely to cost approx Rs 7,00,000/-. Respondent builder may be directed to remove these cranes from the site.

iv. Mr. B.K Sood also alleged that even after takeover of the project by the association, respondent company illegally allotted 8 units in the project. These flats should also be cancelled.

v. On behalf of the association Mr. B K Sood requested the Court that the association be allowed to negotiate the rates of construction of the project with the contractor to finish construction of the project.

vi. Mr. Surjeet Bhadu, learned counsel for the respondent company submitted before the Authority that the project was taken over by the association. Respondent company has no role hereinafter in the development of the project and funds thereof.

At this point, Mr. B K Sood rebutted that the builder has collected more than ₹ 140 Crore from the allottees of the towers, taken money from the bank which has not been paid back, and has failed to deposit EDC/IDC etc. Respondent has failed to explain as to where the money has been spent.

2. After detailed consideration, Authority observes that vide order dated 18.05.2022 the project in question had been handed over to the association of allottees namely 'GLM Buyers Welfare Association' for completion of remaining construction and development works in the project, since the respondent promoter was not in a position to complete the project. Thereafter, several efforts have been made by the association towards timely completion of the project. However, the association is facing difficulties on several fronts including collection

of funds for the project. Further, it has been alleged by the association that they are facing resistance from the ex partners/land owners cum allottees of the project.

3. In light of the above facts, Authority observes that the main objective, of this Authority, is to ensure completion of the remaining construction and development work of the project namely 'Amazon Defence County'. Now the project is facing hindrances on several fronts, the most pivotal being arrangement of funds/resources to be invested in the project. The project has been in limbo for more than 10 years. Several allottees associated with the project have lost all hope and hardly moved by the efforts put in by the association. In such circumstances, it becomes difficult even for the association to gather trust and arrange remaining funds from the allottees and the amount due on the part of the respondent. It is highly necessary that the development of the project should be the key priority at this point of time. However, the Authority cannot force the allottees to make payment of remaining amount without association establishing that the project can be completed. Although the Authority has permitted sale of unallotted/untraceable flats but the same cannot bring influx of funds required to kick start the project. Therefore, keeping in mind the entire situation of the project, Authority passes following directions to ensure

smooth functioning of the remaining construction and developmental works in the project:-

i. With regard to the soft copy of the accounts ledger of the allottees, it has been brought to the notice of the Authority that the information submitted by respondent no. 1 is only the status of accounts of allottees. It is alleged by the association that there is a variation in the amounts submitted by the respondent no.1 in the soft copy. Therefore, respondent no. 1 is again directed to provide details of the accounts maintained by the respondent of the payment received from the allottees along with the receipts generated to them in lieu of said payment so that discrepancy, if any, can be verified.

ii. Respondent no. 1 shall also provide comprehensive justification of the units allotted to the ex-partners in lieu of their retirement. Respondent no. 1 shall also file details of the respective payments made by the outgoing partners and their share at the time of exit along with calculation of the remunerations earned and credited to their account against which those particular units had been allotted to them.

iii. In respect of the liabilities of the ex-partner and land owners who have been allotted the units in these towers for zero payment, these allottees cannot be given virtual possession of their units as the project is being developed in total including all the basic amenities and if they are willing to use the unit they are liable to pay for the same. Therefore, on next date, Authority will examine the depth of the role played by each member individually and only thereafter ascertain their claim with regard to their units in these four towers and their future liabilities, if they wish to remain a part of the project.

iv. With regard to the three Hydra Cranes installed at the site of the project , respondent no. 1 is directed to remove the cranes from the site of the project within 15 days of uploading of this order failing which a cost of ₹ 1,000/- per day shall be imposed upon the respondent no. 1 for non compliance of the orders of the Authority.

v. There are four towers consisting of 20 floors which are to be presently constructed by the association including construction of basic amenities. The allottees of said towers have made various percentages of payment towards sale consideration of their booked unit. However, given the fact that the project has been delayed for more than 10 years, the cost of construction of these floors including cost of construction and services has inflated beyond imagination. Now the association cannot strive on itself to arrange for funds or take bank loans when the project is already in such dire stage. In such circumstances, keeping the goal of completion of developmental works in mind, it becomes necessary that each and every allottee who is interested and further wishes to remain a part of the project, invest in the construction of the project. For this purpose, it becomes necessary to establish the percentage share of each allottee in the funds required to be contributed for the development of the project.

vi. Therefore, in order to complete the remaining construction works in the project, the association is first of all directed to prepare a fresh budget/ cost of completion of construction works from the contractor/construction company. The association shall then prepare a tower wise-floor wise list of all the units in a tabular form, including the details of the allottee, the basic sale price of unit, percentage share of payment, whether member or non member/ex-partner/land owner etc. Along with each unit, the association shall also file the latest stage of construction of the tower/unit.

vii. Further, the association shall prepare an estimated cost of construction of the units at present day prices and the same shall also be mentioned against each unit to establish proportionate prices of the units of the respective towers to be built.

viii. Association shall file a detailed list of the amount received from the respondent builder in respect of the four towers, the remaining liabilities that are to be borne by the builder, any amounts which are to be legally paid to the association, if any, and any other further amount which the association feels are yet to be paid. Along with this, the association shall file a proper budget of present day resources available with them for the purpose of construction.

ix. Association shall also submit the recommendations for the committee to sell unallotted flats and the flats of untraceable allottees. All the details with regard to location of the flats, the sale price and payment schedule for the same. On the next date, Authority shall consider the same for necessary approvals.

3. Both the association and respondent no.1 are directed to file all the relevant documents latest by 15.11.2023 in the registry with advance copies supplied to all the parties. Respondent no. 1 is further directed to facilitate the association by providing any information required by them necessary for complying with the directions issued in para 2 of this order. With these directions, case is adjourned to **22.11.2023**.

DR. GEETA RATHEE SINGH
[MEMBER]

NADIM AKHTAR
[MEMBER]