

# Uttar Pradesh Real Estate Regulatory Authority

Regional Office, H-169, Sector Gamma – 2  
Greater Noida City, Gautam Buddh Nagar - 201310

No. 2089/Rehab/Tech Div/U.P. RERA/2023-24

Date: 30/06/2023


## **Order under section 8 read with section 11 and 37 of the RERA Act**

1. The Projects 'Le Garden Phase -3, Tower K L M & N' (Reg No. UPRERAPRJ3852) is a group-housing project being developed by M/s Ajnara Realtech Pvt. Ltd. (herein referred to as the Promoter) at Plot No. GH-06B, Sector Techzone-IV, Greater Noida (herein referred to as the Project). The Project, which commenced in July 2014 (as per RERA registration details), comprises of 4 towers having 585 units.
2. The original completion date of the project was 31st December 2020. The Promoter availed one-year extension under Section 6 of the RERA Act and six-months extension for COVID pandemic till 29<sup>th</sup> June 2022, which has also lapsed.
3. The Promoter failed to adhere to the timeline declared by it for the completion of the Project and the physical progress of the Project is only about 35 percent, whereas the declared date of completion i.e., 29<sup>th</sup> June 2022 has already lapsed. The recourse available for the development of the remaining balance development of the Projects subsequent on lapse of registrations is available only under Section 8 of the RERA Act.
4. The Promoter along with the association of allottees has expressed its intent to complete the Projects under the appropriate provisions of RERA Act and has approached the Authority for guidance and appropriate directions in the matter.
5. Since the extension of registration permissible under Section 6 of the RERA Act and relevant orders of the Authority being insufficient for completion of the Projects, the only course available to facilitate the completion of this Project is under Section 8 of the RERA Act, wherein it has been provided that upon lapse of the registration or on revocation of the registration under this Act, the Authority may consult the



appropriate Government to take such action as it may deem fit including the carrying out the remaining development work through the competent authority or the association of the allottees or in any other manner as may be determined by the Authority.

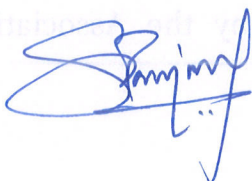
6. The Promoter was advised to submit the completion plan of the Project with the written consent of majority of the allottees of the Project through their association before it could consider its request of authorizing it for undertaking the remaining development work of the Project as per relevant provisions of the Act.
7. The allottees of the Project have formed an association under the name "Lee Garden Ph 3 Welfare Society" (herein after called as Association) and got the same registered under the Societies Registration Act, 1860 at Reg. No. GBN/06887/2022-2023. The Association also approached the Authority requesting it to extend its good offices and facilitate the completion of the Project so that allottees of the Project could get the possession of the units allotted to them.
8. Subsequently, a series of meetings were held with the Promoter and the Association at the end of the Authority through its Project Management Division to understand the issues and to arrive at a completion plan for the balance development work in the Project. During the meeting of Project Advisory and Monitoring Committee, constituted as per G.O. dated 26<sup>th</sup> June 2020, on 23<sup>rd</sup> June 2023 under the chairmanship of Sh. T. Venkatesh, Hon'ble Member of the Authority with the Promoter and the Association in attendance, a consensus was reached between the parties on the proposal submitted by the Promoter to complete the remaining development work in the Project under the provisions of Section 8 of the RERA Act and under the orders and supervision of the Authority. The Promoter also submitted the written consent of more than 50 percent of the allottees of the Project to support its proposal for completing the remaining development work.
9. In the above said meeting, the committee discussed the merits of the proposal submitted by the Promoter with the consent of the Association and took note of the



consensus reached between the Promoter and the Association for carrying out the remaining development work in the Project. The committee also considered the fact that more than 50 percent of the allottees had given their consent to the joint proposal and keeping in view the interests of the allottees of the Project, decided to recommend the proposal, submitted by the Promoter and consented to by the Association, to the Authority for according approval to take up the Project under Section 8 of the RERA Act.

10. The proposal of the Promoter was examined in the Project Management Division of the Authority. The Project Management Division has highlighted the following salient facts / points as contained in the proposal submitted by the Promoter:

- a. The Project 'Le Garden (Phase-3, Tower K, L, M and N) (UPRERAPRJ3852), located at Plot No- GH-02, Sector 16, Greater Noida was registered with UP RERA by the promoter M/s Ajnara Realtech Pvt. Ltd.
- b. The sanctioned map, as uploaded on the U.P. RERA web portal, was approved on 29th November 2017 for a period of 5 years i.e., till 28th November 2022. The Promoter informed that it will applying for revalidation of the sanctioned map within 30 days from the date of order under Section 8 of the RERA Act.
- c. Out of 585 units in the project, 476 units are sold, and 109 units are yet to be sold.
- d. The estimated cost of construction of the 4 towers and external development is Rs. 74.3 cr and Rs. 23.19 cr respectively. Additionally, the expenditure on account for vendor payments is Rs. 7 cr, Rs. 3.90 cr for admin expenses and Rs. 4 cr as delay penalty to existing allottees.
- e. The estimated land dues payment to Greater Noida Industrial Development Authority for the overall 'Le Garden' project is Rs. 77 cr, of which the promoter proposes paying Rs. 24.12 cr from receipts of Phase 3 the project.



- f. There is an outstanding loan of approximately Rs. 146 cr payable to IndusInd Bank for the overall 'Le Garden' project. The Promoter proposes to pay Rs. 49.63 cr from the receipts of Phase 3 of the project to the lender.
- g. Therefore, the total estimated cash outflow from the project is Rs. 186.14 cr.
- h. Balance receivables from existing allottees is Rs. 112.01 and the estimated value of unsold inventory at the rate of Rs. 4500 per sq.ft is 70.68 cr. In addition, the promoter assured to infuse Rs. 4 cr as upfront capital within 3 months as upfront capital to commence construction work. Overall, the total estimated cash inflow is Rs. 186.69.
- i. Prima facie, there is no surplus in the project and the proposed cash inflows are just enough to cover the costs assumed by the promoter and promoter may be required to cut on some of the unnecessary expenditures to meet the expenses for smooth development work under the project.
- j. The promoter with the consent of the association has proposed to complete Tower K by June 2024, Tower L by Aug 2024, Tower M by June 2024 and Tower N by May 2025. Overall, it would take 24 months for completion of the project from the date of order under Section 8 of the RERA Act.
11. The Authority has issued 18 RCs amounting to Rs. 4.96 cr against the Promoter for the overall 'Le Garden' project. The Promoter submitted affidavit to the effect that all allottees, for whom RCs were issued, will be settled on one-to-one basis within 3 months from the date of the order under Section 8 of RERA Act.
12. The project was inspected by the Technical Division of the U.P. RERA on 20<sup>th</sup> April 2022, wherein it was observed that the overall construction progress of the project Le Garden Phase 3 (Tower K, L, M and N) was around 35%.
13. The proposal of the Promoter and the Association was considered by the Authority, along with other relevant facts and documents available at its level, in its meeting held on 23-06-2023. The Authority, after careful and thorough deliberation on the proposal submitted by the Promoter and consented to by the Association and



perusal of the recommendations of its Project Advisory & Monitoring Committee, arrived at the considered view that the proposal of the Promoter consented to by the Association is, prima facie, convincing and can be accepted in fulfillment of its mandate to facilitate the completion of the Projects under the present conditions i.e. where the registration of the Projects have lapsed and the Authority needs to facilitate the remaining development work in order to protect the interests of the allottees of the Projects.

14. Therefore, with a view to facilitate the completion of the Projects in a time bound manner and to protect the interests of the allottees, the Authority, using the powers conferred upon it under section 8 of the RERA Act read with section 37 and other enabling provisions of the Act, the Rules and the Regulations made thereunder, and as per the principle laid down by the Hon'ble Bombay High Court in the Neelkamal Realtors and others vs the Union of India and the Others and in conformity with the State Government order dated 26<sup>th</sup> June 2020 stipulating the guidelines to be followed in such matters, resolved to authorize the Promoter, with consent of Association, to undertake the completion of the remaining development and the construction work of the Projects subject to following terms and conditions:

- a. The AoA shall submit, within 30 days of the order, a general body resolution of the AoA giving their explicit consent to authorize the Promoter to undertake the remaining development and construction work of the Project.
- b. The Promoter shall have to adhere to the construction milestones submitted by it and complete the balance development work in towers K, L, M and N within 24 months from the date of this order. The Promoter shall submit an affidavit declaring to contribute to the shortfalls in cash flows, if any, during the course of development and construction of the Project within the timelines as contemplated herein.
- c. The Promoter shall complete 4 towers in the Projects as per the completion plan submitted by it and agreed to by the Association.



d. The Promoter shall open a separate account for the Project in a scheduled bank which shall be updated on the webpage of the Project under the relevant category. The Promoter shall deposit all its contribution towards the Project, as agreed with the AoA as per this Order, and also all the money received from the allottees as per builder buyer agreements, existing and prospective, or any other funds from any other source including the existing accounts of the Projects, time to time, in the separate account and the same shall be utilized only for the work relating to the construction and development of the Projects and/or any other expenditure directly related to the development, construction and completion of the Projects.

Provided that the Promoter shall deposit an upfront amount of Rs. 1 cr within 30 days, Rs. 1.5 cr within 60 days and Rs. 1.5 cr within 90 days from the date of this order, as agreed, in the separate account, before collecting the balance receivables from the allottees.

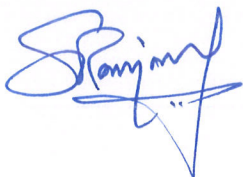
Provided further that any withdrawal from the separate account shall be as per the provisions of the Act, i.e., only after it is certified by an engineer, an architect and a chartered accountant in practice that the withdrawal is in proportion to the percentage completion of the balance work of Projects.

Provided further that the Promoter shall get the separate account of the Projects audited at the end of the financial year and annual audit report shall be uploaded on the website of the Authority.

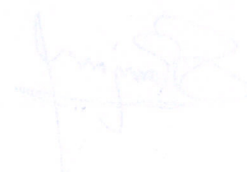
**e. The Authority shall review the compliance of proposed capital infusion by the Promoter i.e., deposit of Rs. 4 cr within 3 months from the date of the order as directed under paragraph 14 (d) above and in case of failure of the Promoter to comply with the same, the Authority may decide to withdraw this order of authorization under Section 8 and initiate further necessary proceedings for completion of these Projects as provided under the relevant provisions of the Act.**



- f. The Authority shall appoint a Construction Consultant for the concurrent audit till the completion of the Projects. The cost thereof shall be met from the receipts of the Projects.
- g. The Promoter shall ensure that proposed sale price cannot be lower than the floor price considered by the Promoter in their cash inflow. The Promoter, however, shall not have any discretion to offer new rebates / discounts to any of the buyers, existing or prospective. All the matters relating to the sale price of the unsold units will be audited by the Construction Consultant who shall submit its report to the Authority at the end of every quarter.
- h. The Authority hereby constitutes a Project Advisory and Monitoring Committee under the chairmanship of Sh. T. Venkatesh, Hon'ble Member, U.P. RERA with Chief Executive Office, Greater Noida Industrial Development Authority, Financial Controller U.P. RERA, Technical Advisor U.P. RERA, Conciliation Consultant U.P. RERA, Consultant - Project Management Division, U.P. RERA, concerned Bank / Financial Institution, the Association and the Construction Consultant appointed by the Authority as members for monitoring of the Projects on monthly basis.
- i. The Authority will review the progress of the Projects every three months including the settlement/discharge of the recovery certificates issued by the Authority and if the progress of the Projects is found unsatisfactory at the time of such review, the Authority may permit the Promoter(s) to continue with the development of the work under the Projects with the condition that it will make for the shortfall within the next three months. Further, if the progress of the Projects remains unsatisfactory at the end of next three months, the Authority may decide to withdraw this order of authorization under Section 8 and initiate further necessary action under the relevant provisions of the Act. The conditions under paragraph 14 (e) are in addition to the condition incorporated herein.**

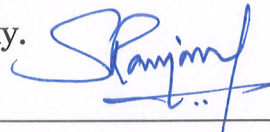


- j. The Authority, on its website, will shift the Projects to the special category of Projects under Rehabilitation as per the provisions of Section 8 of RERA Act. The Promoter shall continue to update the details of the Projects, including the quarterly progress report of the Projects, in stipulated time or as directed by the Authority.
- k. The AoA and the Promoter should suitably settle the issues of payment of interest for delay and charging in lieu of additional area, if any (other than area as mentioned in builder buyer agreements) to be charged as per the builder buyer agreement at the time of possession after the balance development work of the Projects is completed and the occupancy certificate has been applied for along with all required/statutory certificates and NOCs. Any dispute between the AoA and the Promoter shall be amicably settled through the good offices of the Project Advisory and Monitoring Committee constituted by the Authority in this behalf.
- l. The Promoter shall approach the concerned competent regulatory / statutory authorities for seeking / renewing such permissions / approvals for completion of balance development work and for handing over possession of units to allottees as may be required. The promoter shall submit in the Authority the revalidated sanctioned plan of the project within three months of the issuance of this order.
- m. The Promoter may appoint/engage such contractors, vendors or suppliers as may be necessary for the completion of the Projects, by following transparent method of tendering etc., as the case may be. The same will, however, be audited by the Construction Consultant appointed by the Authority for this Projects.
- n. The Promoter shall be bound by the terms and conditions of the existing and future agreements for sale and shall be responsible for completion of the Projects as per the specifications and within the stipulated time.
- o. The Promoter shall be responsible for all relevant statutory compliances in order to complete the balance development work and handover the possession of the units to the allottees.



- p. The AoA, the Promoter, the allottees and all others connected with the development and completion of the Projects shall be bound by these orders and all other orders as may be issued by the Authority in this regard from time to time.
- q. Since the Projects are being rehabilitated under Section 8 of the RERA Act by the Promoter with the consent of the majority of the allottees and the Association, it is understood that no allottee of the Projects shall withdraw from it during the course of the development of the remaining work of the Projects. However, if under extraordinary circumstances, some allottee of the Projects withdraw from it, the amount due to be returned to such allottee shall not be returned from the separate account of this Projects, rather the same may be returned from the other sources of the Promoter, or alternately the amount due to such allottees would continue to be a charge on the Projects and will be returned after the completion of the Projects along with interest admissible as per the orders of the Authority.
- Similarly, the enforcement of orders, passed by the Authority on the complaints of the allottees, shall be kept on hold and the complainant-allottees shall be advised to approach the Authority for the same after completion of the development work under the Projects.
- r. The Promoter, after completion of the Projects, shall apply to the competent authority for occupancy certificate as provided under local laws and offer possession to the allottees.

This order is issued with the approval of the Authority.

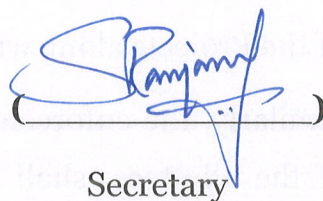
  
( \_\_\_\_\_ )  
Secretary

**Number and date as above.**

Copy: To the following for information and necessary action at their end:

- 1- Hon'ble Chairman, Uttar Pradesh Real Estate Regulatory Authority.
- 2- Sh. T. Venkatesh, Hon'ble Member, Uttar Pradesh Real Estate Regulatory Authority.

- 3- Hon'ble Members, Uttar Pradesh Real Estate Regulatory Authority.
- 4- Additional Chief Secretary, Department of Infrastructure & Industrial Development, Govt. of Uttar Pradesh
- 5- Principal Secretary, Department of Housing & Urban Planning, Govt. of Uttar Pradesh.
- 6- Chief Executive Officer, Greater Noida Industrial Development Authority.
- 7- Sh. R. D. Paliwal, Conciliation Consultant, Uttar Pradesh Real Estate Regulatory Authority.
- 8- Principal Advisor, Uttar Pradesh Real Estate Regulatory Authority.
- 9- Finance Controller, Uttar Pradesh Real Estate Regulatory Authority.
- 10- Technical Advisor, Uttar Pradesh Real Estate Regulatory Authority.
- 11- Consultant, Project Management Division, Uttar Pradesh Real Estate Regulatory Authority.
- 12- Deputy Secretary, Uttar Pradesh Real Estate Regulatory Authority.
- 13- Manager, Concerned Bank/Financial Institution.
- 14- M/s Ajnara Realtech Pvt. Ltd.
- 15- Lee Garden Ph 3 Welfare Society

  
Secretary