

# Uttar Pradesh Real Estate Regulatory Authority

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

No. <sup>2420</sup>/UPRERAPRJ6050/PMD/P.R./NCR/2021-22

Date: 24 / 12 / 2021

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

- 1- The project 'La Galaxia' Reg. No. UPRERAPRJ6050 (herein referred as 'Project'), being developed by M/s Newtech Promoters and Developers Pvt. Ltd. (herein referred as 'Promoter'), is a group housing project located at Plot No. HRA-11, Surajpur Site-C (Extension), Phase-II, district Gautam Buddh Nagar. The Project commenced in August 2014 and comprises 7 towers having 525 sanctioned units in all.
- 2- The completion date of the Project, as declared by the Promoter at the time of registration with Uttar Pradesh Real Estate Regulatory Authority, hereafter called as "Authority", lapsed on 31<sup>st</sup> December 2018. The Promoter did not seek any extension of registration of the Project under Section 6 of the RERA Act.
- 3- The Promoter failed to complete the Project, within the specified period i.e., 31<sup>st</sup> December 2018. Although the registration of the Project has lapsed, the Promoter is expressing its intent to complete the Project and approached the Authority for guidance and appropriate directions in the matter.
- 4- As per the information available at the end of the Authority, the overall physical progress of the project is only around 65 percent and since the registration of the project lapsed on 31<sup>st</sup> December 2018, at this stage it is not possible to facilitate the completion of the project by way of extension of the registration. The only course available for completion of this project can be under the provisions of Section 8 of the Act dealing with the facilitating of such projects by the Authority. It has been provided under Section 8 of the Act 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 by competent authority or the Association of the allottees or in any other manner as may be determined by the Authority.
- 5- The Authority, using the enabling provisions of the Section 8 of the Act, agreed to consider the request of the Promoter for permitting it to undertake the remaining development work of the



Project if it submitted a convincing proposal to the Authority in this regard jointly with the Association of the Allottees of the Project.

- 6- The allottees of the Project have formed an association under the name as "La Galaxia Social Welfare Society" (herein after called as Association) and got the same registered under the Societies Registration Act, 1860 on 1<sup>st</sup> January 2020 at Reg No. GBN/08558/2019-2020. The Association also approached the Authority requesting it to intervene and facilitate the completion of the Project so that allottees of the Project could get the possession of the units allotted to them by the Promoter.
- 7- Subsequently, a series of meetings were held with the Promoter and the Association to understand the issues and to arrive at an appropriate strategy for completing the balance development work in the Project. A meeting of the committee, as envisaged under the G.O dated 26<sup>th</sup> June 2020, was held on 3<sup>rd</sup> December 2021 under the chairmanship of Sh. Balvinder Kumar, Hon'ble Member, U.P. RERA. The meeting was attended by the Promoter and the Association, wherein a consensus was reached between the parties on the proposal submitted by the promoter for completing the remaining development work in the project as per the provisions of Section 8 of the RERA Act and under the orders and supervision of the Authority. The Promoter was advised to submit the written consent of at least 50 percent of the allottees in the project so that the Authority could consider its request for authorizing it under Section 8 of the Act to undertake the remaining development work in the project.
- 8- The proposal of the Promoter and Association was examined in the Project Management Division of the Authority. The appraisal report of the Project Management Division, based on the information and action plan of the Promoter to complete the project is as follows:
  - a. The Project is a group-housing project located at Plot No. HRA-11, Surajpur Site-C (Extension), Phase-II, district Gautam Buddh Nagar. As per the promoter, there are 7 towers in the project i.e., Tower A, B, C, D, E, F and G together having 525 units.
  - b. The building layout of the project was sanctioned by UPSIDC (presently UPSIDA) on 19<sup>th</sup> August 2014 for a period of three years which lapsed on 18<sup>th</sup> August 2017. It has been stated by the Promoter that it has applied for revalidation of the sanctioned plan.
  - c. The construction work in Towers A, B, C and D is almost complete, except sanitary fittings and other miscellaneous works, while in Towers E, F and G, the construction work is still ongoing. The estimated cost of remaining construction and development works in the project is around Rs. 13 cr. In addition to this, an amount of Rs. 2.26 cr is due against



- purchasable FAR and another amount of Rs. 1.09 cr against lease rent payable to UPSIDA. Overall, the cost of completion of the project is estimated to be Rs. 16.35 cr.
- d. Out of 525 units in the project, 507 units have been sold and 18 units are unsold. The balance receivables from existing allottees in the project is estimated to be around Rs. 23.31 cr, while the estimated value of unsold inventory is about Rs. 8.12 cr. Hence, the overall cash inflow of the project is estimated to be around Rs. 31.43.
- e. Prima facie, the project has positive cash inflows and is also financially viable considering the balance receivables and value of unsold inventory.
- f. Construction work in the project is ongoing and the promoter has been infusing some capital to keep the work going, although at a slow pace. The promoter has committed to contribute upfront capital of Rs. 0.5 cr within 25 days of the order of authorization under Section 8 of the Act.
- g. Proposed to complete the remaining development work and provide physical possession in Towers A, B, C, D and E by March 2022. The remaining development work in Towers G and Tower F will be completed by June 2022 and December 2022 respectively. Entire project will be completed by December 2022.
- h. Demand for balance receivables from the allottees of Tower A, B, C and D has already been raised for a cumulative amount of Rs. 8.26 cr. For Tower E, demand will be raised in two installments i.e., December 2021 and on offer of possession in March 2022. For Tower F, demand will be raised in three installments i.e., January-February 2022, June-July 2022 and on offer of possession in December 2022. For Tower G, demand will be raised in five installments i.e., November 2021, December 2021, January 2022, February 2022 and the last one on offer of possession in March 2022.
- 9- The Project has also been inspected by the Technical Division of the Authority in July 2021, wherein it had been stated that the overall physical progress of the project is around 65 percent and structural work in 6 towers at 100 percent and in one tower at about 55 percent.
- 10- 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 14<sup>th</sup> December 2021. 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 based on the report of its officers and the Project Management Division, arrived at the considered view 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 Project under the present conditions i.e. where the registration has lapsed and the Authority needs to facilitate the remaining development work in order to protect the interests of the allottees of the Project.

- 11- Therefore, with a view to facilitate the completion of the Project in a time bound manner, 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 of the Act, other enabling provisions of the Act, the Rules and the Regulations made there under, 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 U.P. 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 Project, subject to the following terms and conditions:
- a. The Association shall submit, within 15 days of the order, a general body resolution of the Association giving their explicit consent to authorize the Promoter to undertake the remaining development and construction work of the Project.
  - b. A notarized affidavit duly sworn by the Promoter for undertaking to complete the balance development work by December 2022, as given under paragraph 8 of the order. The Promoter shall further submit the written consent of not less than 50 percent of the allottees within 15 days of this order and this order shall come into effect only after submission of such consent. The Promoter shall also 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 demand for balance receivables from the allottees of Tower A, B, C and D has already been raised for a cumulative amount of Rs. 8.26 cr. For Tower E, demand will be raised in two installments i.e., December 2021 and on offer of possession in March 2022. For Tower F, demand will be raised in three installments i.e., January-February 2022, June-July 2022 and on offer of possession in December 2022. For Tower G, demand will be raised in five installments i.e., November 2021, December 2021, January 2022, February 2022 and the last one on offer of possession in March 2022.
  - d. The Promoter shall complete the 7 towers in the Project as per the completion plan submitted by it and agreed to by the Association.



- e. The Authority hereby constitutes a Project Advisory and Monitoring Committee under the chairmanship of Sh. Balvinder Kumar, Hon'ble Member, U.P. RERA with CEO, Uttar Pradesh State 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 Project on monthly basis.
- f. The Authority will review the progress of the project on quarterly basis.
- g. The Authority, on its website, will shift the project 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 project, including the quarterly progress report of the project, in stipulated time or as directed by the Authority.
- h. 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 Project, 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 project and/or any other expenditure directly related to the development, construction and completion of the Project.

Provided that the Promoter shall deposit an upfront amount of Rs. 0.5 cr within 25 days 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 will be as per the provisions of the Act, 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 project. The Promoter shall upload the three certificates on the website of the Authority while filing the quarterly progress report of the project.

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



- i. The Association 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 project 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.
- j. 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.
- k. The promoter may appoint/engage such contractors, vendors or suppliers as may be necessary for the completion of the project, 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 project.
- l. The Authority shall appoint a Construction Consultant for the concurrent audit till the completion of the project. The cost thereof shall be met from the receipts of the project.
- m. 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 project as per the specifications and within the stipulated time.
- n. 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.
- o. The AoA, the promoter, the allottees and all others connected with the development and completion of the project shall be bound by these orders and all other orders as may be issued by the Authority in this regard from time to time.
- p. The promoter shall ensure that proposed sale price cannot be lower than the floor price quoted 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.



- q. Since the project is 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 project shall withdraw from it during the course of the development of the remaining work of the project. However, if under extraordinary circumstances, some allottee of the Project withdraws from it, the amount due to be returned to such allottee shall not be returned from the separate account this project, 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 Project and will be returned after the completion of the Project along with interest admissible as per the orders of the Authority.
- r. The promoter, after completion of the project, shall apply to the competent authority for occupancy certificate as provided under local laws and offer possession to the allottees.


This order issued with the approval of the Authority.

  
**(Rajesh Kumar Tyagi)**  
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. Balvinder Kumar, 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, Uttar Pradesh State 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- Manager, Concerned Bank/Financial Institution.
- 13- M/s Newtech Promoters and Developers Pvt. Ltd.
- 14- La Galaxia Social Welfare Society

  
**(Rajesh Kumar Tyagi)**  
Secretary