

**BEFORE THE HARYANA REAL ESTATE REGULATORY  
AUTHORITY, GURUGRAM**

<b>Complaint no.</b>	<b>:</b>	<b>2762/2021/3764/2019</b>
<b>Date of filing complaint:</b>		<b>28.08.2019</b>
<b>First date of hearing:</b>		<b>27.11.2019</b>
<b>Date of decision</b>	<b>:</b>	<b>13.07.2022</b>

1. Mr. Babu Lal Aggarwal 2. Mrs. Sarita Aggarwal <b>Both R/o:</b> C-161, East of Kailash, New Delhi-110065	<b>Complainants</b>
Versus	
M/s Orris Infrastructure Private Limited <b>R/o:</b> RZ-D-5, Mahavir Enclave, New Delhi - 110045 <b>C/o:</b> J-10/5, DLF Phase -2, M.G. Road, Gurgaon - 122002 Haryana	<b>Respondent</b>

**CORAM:**

Dr. KK Khandelwal	<b>Chairman</b>
Shri Vijay Kumar Goyal	<b>Member</b>

**APPEARANCE:**

Sh. Venket Rao and Pankaj Chandola (Advocate)	Complainants
Sh. Charu Rastogi (Advocate)	Respondent

**ORDER**

1. The present complaint has been filed by the complainants/allottees under section 31 of the Real Estate (Regulation and Development) Act, 2016 (in short, the Act) read

with rule 29 of the Haryana Real Estate (Regulation and Development) Rules, 2017 (in short, the Rules) for violation of section 11(4)(a) of the Act wherein it is inter alia prescribed that the promoter shall be responsible for all obligations, responsibilities and functions under the provision of the Act or the rules and regulations made there under or to the allottee as per the agreement for sale executed inter se.

**A. Unit and project related details**

2. The particulars of the project, the details of sale consideration, the amount paid by the complainants, date of proposed handing over the possession and delay period, if any, have been detailed in the following tabular form:

S.No.	Heads	Information
1.	Project name and location	"Aster Court Premier" Sec 85, Gurugram
2.	Project area	25.018 acres
3.	Nature of the project	Group housing project
4.	DTCP License	39 of 2009 dated 24.07.2009 and valid up to 23.07.2024 99 of 2011 dated 17.11.2011 and valid up to 16.11.2024
5.	Name of the licensee	BE Office Automation Products Pvt Ltd and 6 others M/s Radha Estate Pvt Ltd and 2 Ors.
6.	RERA Registered/ not registered	Registered GGM/287/2018/19 dated 13.10.2018 and valid up to 30.06.2020

7.	Unit no.	501, 5th floor, Block 4A [Page 26 of the complaint]
8.	Unit measuring (carpet area)	2410 sq. ft. [Page 26 of the complaint]
9.	Date of execution of apartment buyer agreement	27.07.2012 [Annexure C1 at page 23 of the complaint]
10.	Sanctions of the plans	10.04.2012 As per project details mentioned in case no. 994/2021 of similar project
11.	Commencement of construction	15.10.2013 As per project details mentioned in case no. 994/2021 of similar project
12.	Possession clause	<b>Clause 10.1.</b> The company based on its present plans and estimates and subject to all just exceptions, contemplates to complete the construction of the said building/said unit <b>within the period of 36 months plus grace period of 6 months from the date of execution of the apartment buyer's agreement by the company or sanctions of the plans or commencement of construction whichever is later</b> unless there shall be delay or failure due to reasons mentioned in clauses 11.2, 11.3 and clause 38 or due to failure of allottee to pay in time the price of the said unit... <b>(emphasis supplied)</b>
13.	Due date of possession	15.04.2017 Calculated from the date of commencement of construction Grace period of 6 months is allowed



14.	Total sale consideration	Rs.1,15,36,580/- [Page 26 of the complaint] Rs.1,22,17,280/- [Annexure F at page 17 of the reply]
15.	Total amount paid by the complainants	Rs.97,79,372/- [As per statement of account dated 09.07.2021 at page 18 of the reply]
16.	Payment plan	Construction linked payment plan [Page 48 of the complaint]
17.	Occupation Certificate	12.04.2021 [Annexure C at page 10 of the reply]
18.	Offer of possession	16.04.2021 [Annexure D at page 13 of the reply]

**B. Facts of the complaint:**

3. The complainants purchased a unit admeasuring 2410 sq. ft. for a total consideration of Rs. 1,15,36,580/- including preferential location charges, External development work charges, Infrastructure development charges and club membership.
4. The complainants paid a booking amount of Rs. 10,00,000/- through cheque bearing no. 461944 dated 02.05.2012. Subsequently, complainants were allotted unit bearing no. 501, 5th floor, Tower 4A. The complainants had opted for the construction linked plan with respect to the project.
5. That the complainants made a payment of Rs. 7,64,704/- through cheque bearing no. 399790 dated 06.06.2012, against the sale consideration as per the demand of the respondent.

6. That the complainants made a further payment of Rs. 15, 63,422/- against the sale consideration as per the demand of the respondent.
7. That on 27.07.2012, the apartment buyer agreement was executed between the complainants and the respondent. It is pertinent to note that clause 10.1 of the agreement lays down the schedule for the possession of the unit. Clause 10.1 is reproduced as follows:

*"The Company based on its present claims and estimates and subject to all just exceptions, contemplates to complete construction of the said building/apartment within the period of 36 months plus grace period of 6 months from the date of execution of the Apartment Buyer Agreement by the Company or Sanction of Plans or Commencement of Construction whichever is later...."*

8. That as per the agreement, the possession of the unit was to be handed over within 36 months plus a grace period of 6 months from the date of execution of the agreement or sanction of plans or commencement of construction. The demand for commencement of construction was raised on 07.05.2012 and the agreement was signed on 27.02.2012. hence, taking 36 months from the date of agreement, the date of handing over of possession is 27.01.2016. That the respondents kept on raising demands and the complainants made the payment of Rs. 12,98,917/-, Rs. 12,98,917/-, Rs.13,71,705/-, Rs.13,71,707/-, Rs.8,58,739/-.
9. That in furtherance to Haryana Alternative Tax Compliance Scheme for Contractors, 2016, the respondent asked the complainants to pay Rs.96,983/- towards VAT. The complainants



duly obliged and made the payment vide cheque no.000264 dated 21.12.2016. It is pertinent to note that the complainants have made a total payment of Rs.96,25,094/- which is almost 82% of the total cost.

10. It is pertinent to mention here that till April 2015, the respondent has raised a demand of Rs.1,09,11,579/- against a total value of Rs. 1,15,36,580/-, which is 95% of the total value, although the project was not even halfway through.
11. That the respondent even after receiving such a huge amount, failed to handover the possession of the said unit within stipulated time period. The complainants requested the respondent many times over phone, E-mails, letters and by meeting them personally and sought information on the status of the project and also the probable time/date of handing over of possession.
12. Having invested such large sums and having no other amicable course, the complainants sought refund from the respondent vide letter dated 17.02.2017. However, the respondent did not give any response to the complainants' concerns.

**C. Relief sought by the complainants:**

13. The complainants have sought following relief(s):
  - i. Direct the respondent to refund the entire amount paid by the complainants along with interest from the date of respective deposits till its actual realisation and to ascertain the payment of difference in interest equivalent to the interest charged by

the respondent (i.e. 18 % per annum) and the interest awarded by the Hon'ble Authority from the date of respective deposits till its actual realisation.

- ii. Direct the respondent to pay the complainants a compensation of Rs. 5,00,000/- for causing mental agony and harassment and Rs. 1,00,000/- as legal costs.

**D. Reply by respondent:**

The respondent by way of written reply dated 26.08.2021 made the following submissions:

14. That without prejudice to the aforementioned submissions, it is submitted that even otherwise the complainants cannot invoke the jurisdiction of the authority in respect of the unit allotted to the complainants, especially when there is an arbitration clause provided in the flat buyer's agreement, whereby all or any disputes arising out of or touching upon or in relation to the terms of the said agreement or its termination and respective rights and obligations, is to be settled amicable failing which the same is to be settled through arbitration. Once the parties have agreed to have adjudication carried out by an Alternative Dispute Redressal Forum, invoking the jurisdiction of this Ld. Adjudicating Officer, is misconceived, erroneous and misplaced. The apartment buyer's agreement attached by the complainants himself is containing the arbitration clause No.50 as under:-

*"All or any disputes arising out or touching upon or in relation to this agreement including the interpretation and validity of the*



*terms thereof and the respective rights and obligation of the parties shall be settled amicably by mutual discussion failing which the same shall be settled through arbitration. The arbitration proceedings shall be governed by the Arbitration & Conciliation Act 1996 or statutory amendments /modifications thereof for the time being in force. The arbitration proceedings shall be held at appropriate location in Delhi by a sole arbitrator who shall be appointed by 3C and whose decisions shall be final and binding upon the parties. The buyer hereby confirms that the buyer(s) shall have no objection to the appointment of the sole arbitrator by 3C.". In view of this specific agreement and Section-5 of the Arbitration & Conciliation Act 1996 the jurisdiction of this Adjudicating Officer is specifically barred to decide the dispute which is squarely covered and required to be decided under the Arbitration & Conciliation Act 1996.*

15. In appreciating the rival contentions of the parties, regard must be placed to the sequence of events, which shall bear out the frivolity of the instant compliant:
- i. The complainants had approached the respondent and had expressed his desire to purchase apartment from the respondent after thorough investigation and site surveys. The apartment buyer agreement between complainants and the respondent was willingly and consensually signed by the complainants, in the year 2012.
  - ii. That during that time, a writ petition was filed in the Hon'ble High Court of Punjab and Haryana titled as "Sunil Singh vs. Ministry of Environment & Forests Parayavaran" which was numbered as CWP-20032-2008 wherein the Hon'ble High Court pursuant to order dated 31 July 2012 imposed a blanket ban on the use of ground water in the region of Gurgaon and adjoining areas for the purposes of construction.



- iii. That on passing of the abovementioned orders by the High Court the entire construction work in the Gurgaon region came to stand still as the water is one of the essential parts for construction.
  - iv. That in light of the Order passed by the Hon'ble High Court the respondent had to arrange and procure water from alternate sources which were far from the construction site. The arrangement of water from distant places required additional time and money which resulted in the alleged delay and further as per necessary requirements STP was required to be setup for the treatment of the procured water before the usage for construction which further resulted in the in alleged delay.
  - v. That despite the slow-down in the construction work and difficulty in arranging the sufficient water required for the construction, no additional money has been demanded from the allottees and complainants, even though the cost of the project has increased because of the unavailability of water in the adjoining areas.
16. The said project was being developed on a contiguous parcel of land which had been aggregated by the respondent. That the land so aggregated for the above said project was contributed by a consortium of land holders, who contributed around 19 Acres. An

entity namely BE Office Automation Products (P) Ltd ("BE") had also approached the respondent with 5.8 Acres of land which was contiguous with the land already aggregated by the respondent. BE requested the respondent to accept the said 5.8 Acres of land owned by BE a part of the land already aggregated by the respondent. Accordingly, a collaboration agreement dated 22.10.2007 was executed between the respondent and BE setting out the terms and conditions of the collaboration. The said collaboration agreement also provided for the area entitlement of both the parties in the area to be developed on the 25.018 acres and the same was to be calculated on basis of saleable area attributable to 5.8 acres as contributed by BE.

17. As per the collaboration agreement, it was agreed between BE and the respondent that the total saleable area with respect to the said land of 5.8 acres would be shared in the ratio of 1/3: 2/3, i.e. 1/3rd going to BE and 2/3rd going to the respondent. In addition to the collaboration agreement, BE also executed an irrevocable General Power of Attorney dated 22.10.2007 in favor of the respondent for various purposes related to development of the said project.
18. On January 2011 in pursuance of its contractual obligations invited BE to identify the apartments that BE would accept as its entitlement under the collaboration agreement. Accordingly, the representatives of the respondent and BE met on January 24, 2011 and in pursuance of the same BE identified 82 apartments



that would form part of BE's entitlement under the collaboration agreement.

19. After the aforesaid agreement with BE in the year 2007, the respondent had acquired 4-5 acres additional land by the virtue of which more flats were constructed. BE, by misrepresenting the collaboration agreement raised a claim that it was entitled to proportionate share in the construction on the additional parcel of land which was acquired respondent which had no relation to BE. It moved to court and filed an application under section 9 of the Arbitration and Conciliation Act, 1996 before the Ld. Additional District and Sessions Judge, Gurgaon. The matter was heard, and an Order dated 20.11.2014 was passed by the Ld. ADJ.
20. The Ld. ADJ granted a blanket stay in favour of BE and against the Respondent, whereby the respondent was restrained from creating any third party interest in respect of any apartments, villas and commercial areas till the matter could be decided finally by the arbitrator. The respondent was also restrained from receiving any money in respect of sale of apartments, villas and commercial sites etc. or club membership charges or in any other form from any person till the adjudication of the dispute.
21. That the abovementioned stay order caused immense hardship to the respondent as the restraint on alienation of the respondent's share of flats in the said project led to shortage of fund as the respondent could not alienate its interest in the said flats nor could it collect money for flats already sold under construction



linked plans and the pace of the construction slowed down considerably.

22. After the above said stay order was passed, the respondent took further legal steps and filed F.A.O. No. 9901 of 2014 (O&M) whereby it was brought to the notice of the Hon'ble Punjab and Haryana High Court that the Ld. ADJ had committed an illegality and misdirected itself in not referring to the minutes of the meeting dated 24.01.2011 whereby the share and number of flats of BE had already been identified and at best the injunction should have been limited to BE's share in the said project. That the Hon'ble High Court on December 03, 2014 was pleased to vacate the stay order and limit the injunction to BE's agreed share in the project.
23. The respondent made serious efforts to bring the dispute to its logical ending and due to the same a Single Ld. Arbitrator, Hon'ble Mr Justice Chandramauli Kumar Prasad (Retd.), a former judge of the Hon'ble Supreme Court of India was appointed to adjudicate and decide the dispute between the two parties by the Hon'ble Punjab and Haryana High Court vide order dated 30.01.2015.
24. The Ld. arbitrator passed interim award dated 19.08.2015 whereby the respondent's stand was upheld and the respondent was permitted to deal with their own share i.e., 2/3 share in the project as relatable to the land contributed by BE.

25. The arbitration proceedings concluded with Final Award dated 12.12.2016 passed by the Ld. Single Arbitrator, Mr. Justice Chandramauli Kumar Prasad (Retd.), whereby contentions of the Respondent were upheld and the share of BE was restricted to the original 82 flats selected by it. The above mentioned award goes on to show that the respondent was subjected to constant and frivolous litigation by BE through the entire construction and development period which caused immense hardship to the opposite and resulted in loss of valuable time and resources which resulted in delay in completion of the said project.
26. That even after the arbitral award was passed in favour of respondent, BE was not inclined to put an end to the frivolous litigation that it was pursuing against the Opposite Part No. 1. BE challenged the arbitral award under Section 34 of the Arbitration and Conciliation Act, 1996 and also made a stay application before the competent court. The said stay application of BE was dismissed vide order dated 20.03.2017.
27. BE, upon the dismissal of its stay application on 20.03.2017, approached the Divisional Commissioner, Gurugram by filing an application. The Divisional Commissioner, Gurugram passed an extra jurisdictional order staying the alienation property in the said project vide order dated 28.03.2017. The respondent challenged the said order before the Hon'ble Punjab and Haryana High Court in CWP No. 9075/2017 wherein vide order dated 01.05.2017, the said impugned order was stayed. Scrutiny of the



said application shall make it evident that the petitioner had prior thereto preferred complaint dated 13th of January 2017 before Deputy Commissioner, Gurgaon. By virtue of application dated 13th March 2017, the petitioner had sought stay in respect of registration of apartments forming part of the project till such time the litigation between the parties was conclusively decided. The complainants had initially succeeded in getting passed an order from the Deputy Commissioner, Gurugram that no property or part thereof be alienated.

28. BE had also filed a contempt petition, C.O.C.P. No. 1851 of 2015, alleging contempt of court of the Additional District Judge, Gurgaon by the respondent. The said contempt petition was eventually dismissed by the Hon'ble High Court of Punjab and Haryana vide judgment dated 15.03.2017.
29. It is submitted that the respondent was attacked into frivolous litigation cases by BE Office Automation Products (P) Ltd., due to which the growth of the project lowered down, and the completion of the project got delayed. It is submitted that these frivolous litigation cases, occupied the respondent and impacted the respondents to such an extent that the respondents were not able to monitor the progress of the project in question. It is submitted that the project is ready to be offered possession in few months' time.
30. That it would be wrong to allege that there has been delay in the possession of the apartments as the schedule for possession of the



apartments which is 42 months (mentioned in clause 10.1) of the agreement is subject to the rider that it is not applicable in certain circumstances that are not under the control of the respondent i.e. force majeure events.

31. Copies of all the relevant documents have been filed and placed on record. Their authenticity is not in dispute. Hence, the complaint can be decided on the basis of these undisputed documents and submission made by the parties.

**E. Jurisdiction of the authority:**

32. The plea of the respondent regarding rejection of complaint on ground of jurisdiction stands rejected. The authority observes that it has territorial as well as subject matter jurisdiction to adjudicate the present complaint for the reasons given below.

**E. I Territorial jurisdiction**

As per notification no. 1/92/2017-1TCP dated 14.12.2017 issued by Town and Country Planning Department, the jurisdiction of Real Estate Regulatory Authority, Gurugram shall be entire Gurugram District for all purpose with offices situated in Gurugram. In the present case, the project in question is situated within the planning area of Gurugram district. Therefore, this authority has completed territorial jurisdiction to deal with the present complaint.

**E. II Subject matter jurisdiction**

Section 11(4)(a) of the Act, 2016 provides that the promoter shall be responsible to the allottee as per agreement for sale. Section 11(4)(a) is reproduced as hereunder:

**Section 11(4)(a)**

*Be responsible for all obligations, responsibilities and functions under the provisions of this Act or the rules and regulations made thereunder or to the allottees as per the agreement for sale, or to the association of allottees, as the case may be, till the conveyance of all the apartments, plots or buildings, as the case may be, to the allottees, or the common areas to the association of allottees or the competent authority, as the case may be;*

**Section 34-Functions of the Authority:**

34(f) of the Act provides to ensure compliance of the obligations cast upon the promoters, the allottees and the real estate agents under this Act and the rules and regulations made thereunder.

So, in view of the provisions of the Act quoted above, the authority has complete jurisdiction to decide the complaint regarding non-compliance of obligations by the promoter leaving aside compensation which is to be decided by the adjudicating officer if pursued by the complainants at a later stage.

**F. Findings on the objections raised by the respondent:**

**F.1 Objection regarding complainants is in breach of agreement for non-invocation of arbitration.**

33. The respondent has raised an objection that the complainants have not invoked the arbitration proceedings as per provisions of flat buyer's agreement which contain a specific provision regard initiation of arbitration proceedings in case of breach of



agreement. The following clause has been incorporated with regard arbitration in the buyer's agreement:

*50. All or any disputes arising out or touching upon or in relation to this agreement including the interpretation and validity of the terms thereof and the respective rights and obligation of the parties shall be settled amicably by mutual discussion failing which the same shall be settled through arbitration. The arbitration proceedings shall be governed by the Arbitration & Conciliation Act 1996 or statutory amendments /modifications thereof for the time being in force. The arbitration proceedings shall be held at appropriate location in Delhi by a sole arbitrator who shall be held at the corporate office of the company alone at Gurgaon stated hereinabove by a sole arbitrator who shall be nominated by the company. The allottee hereby confirms that he/she shall have no objection to this appointment. The courts at Gurgaon and the Punjab and Haryana High Court at Chandigarh alone shall have the jurisdiction.*

34. It is contended on behalf of respondent that as per terms and conditions of the Agreement duly executed between the parties, it was specifically mentioned that in the eventuality of any dispute, the same shall be settled by arbitration proceedings. However, the Authority is of the view that its jurisdiction cannot be fettered by the existence of any arbitration clause in Buyer's agreement. It may be noted that section 79 of the Act, 2016 bars the jurisdiction of civil courts about any matter falling within the purview of the Authority or the Appellate Tribunal. Thus, the intention to render such disputes as non-arbitrable seems to be clear. Also, Section 88 of the Act says that the provisions of this Act shall be in addition to and no in derogation of the provision of any other law for the time being in force. Further, the Authority places reliance on catena of judgments of the Hon'ble Supreme Court, particularly in



*National Seeds Corporation Limited Vs M. Madhusudhan Reddy & Anr(2012) 2 CC 506, Emmar MGF Land and Ors Vs Aftab Singh and Ors in Civil Appeal 23512/23513 of 2017 decided on 10.12.2018* and wherein it was held that the remedies provided under the Consumer Protection Act, 1986 are in addition to and not in derogation of other laws in force. It was also held that under Article 141 of the Constitution of India, the law declared the Supreme Court shall be binding on all the courts within the territory of India. So, in view of law laid down in these cases, the Authority is bound by the same and cannot refer the parties to arbitration, even if the agreement between the parties had an arbitration clause. Thus, the Authority has no hesitation in holding that it has the jurisdiction to entertain the complaint and the dispute does not require to be referred to arbitration.

#### **F.2 Objections regarding the complainants being investors:**

35. The respondent has taken a stand that the complainants are the investors and not consumers, therefore, they are not entitled to the protection of the Act and thereby not entitled to file the complaint under section 31 of the Act. The respondent also submitted that the preamble of the Act states that the Act is enacted to protect the interest of consumers of the real estate sector. The authority observed that the respondent is correct in stating that the Act is enacted to protect the interest of consumers of the real estate sector. It is settled principle of interpretation that preamble is an introduction of a statute and states main aims

& objects of enacting a statute but at the same time preamble cannot be used to defeat the enacting provisions of the Act. Furthermore, it is pertinent to note that any aggrieved person can file a complaint against the promoter if the promoter contravenes or violates any provisions of the Act or rules or regulations made thereunder. Upon careful perusal of all the terms and conditions of the apartment buyer's agreement, it is revealed that the complainants are buyer and they have paid total price of Rs.39,25,862/- to the promoter towards purchase of an apartment in the project of the promoter. At this stage, it is important to stress upon the definition of term allottee under the Act, the same is reproduced below for ready reference:

*"2(d) "allottee" in relation to a real estate project means the person to whom a plot, apartment or building, as the case may be, has been allotted, sold (whether as freehold or leasehold) or otherwise transferred by the promoter, and includes the person who subsequently acquires the said allotment through sale, transfer or otherwise but does not include a person to whom such plot, apartment or building, as the case may be, is given on rent;"*

36. In view of above-mentioned definition of "allottee" as well as all the terms and conditions of the apartment buyer's agreement executed between promoter and complainants, it is crystal clear that the complainants are allottee(s) as the subject unit was allotted to them by the promoter. The concept of investor is not defined or referred in the Act. As per the definition given under section 2 of the Act, there will be "promoter" and "allottee" and there cannot be a party having a status of "investor". The Maharashtra Real Estate



Appellate Tribunal in its order dated 29.01.2019 in *appeal no. 0006000000010557 titled as M/s Srushti Sangam Developers Pvt. Ltd. Vs. Sarvapriya Leasing (P) Lts. And anr.* has also held that the concept of investor is not defined or referred in the Act. Thus, the contention of promoter that the allottee being an investor is not entitled to protection of this Act also stands rejected.

**G. Entitlement of the complainants for refund:**

**G.1 Direct the respondent to refund the entire amount paid by the complainants along with interest from the date of respective deposits till its actual realisation and to ascertain the payment of difference in interest equivalent to the interest charged by the respondent (i.e. 18 % per annum) and the interest awarded by the Hon'ble Authority from the date of respective deposits till its actual realisation.**

37. The complainants were allotted the subject unit by the respondent for a total sale consideration of Rs. 1,15,36,580/- under the construction linked payment plan. An apartment buyer's agreement dated 27.07.2012 was executed between the parties with regard to that unit. The due date of possession of the subject unit was calculated as per clause 10.1 where the possession of the unit was to be handover **within the period of 36 months plus grace period of 6 months from the date of execution of the apartment buyer's agreement by the company or sanctions of the plans or commencement of construction whichever is later.** The date of commencement of construction of the project is 15.10.2013 (as per project details



mentioned in case no. 994/2021 of similar project) and the sanctions of the plans is 10.04.2012 as per project details mentioned in case no. 994/2021 of similar project and six months of grace period is allowed so the possession of the booked unit was to be delivered on or before 15.04.2017. The authority is of the considered view that there is delay on the part of the respondent to offer physical possession of the allotted unit to the complainants as per the terms and conditions of the buyer's agreement dated 27.07.2012 executed between the parties. After execution of buyer's agreement, the complainants started depositing various amounts against the allotted unit and paid a sum of Rs.97,79,372/- as evident from statement of accounts as on 09.07.2021 at page 18 of the reply. That due date of possession has already expired. The respondent had applied for obtaining occupation certificate and the same has been obtained from the competent authority on 12.04.2021 but possession has been offered on 16.04.2021.

38. So, keeping in view the fact that the allottee- complainants wish to withdraw from the project and demanding return of the amount received by the promoter in respect of the unit with interest on failure of the promoter to complete or inability to give possession of the unit in accordance with the terms of agreement for sale or duly completed by the date specified therein. The matter is covered under section 18(1) of the Act of 2016. The due date of possession as per agreement for sale as mentioned in the table

above is 15.04.2017 and there is delay of more than 2 years on the date of filing of the complaint on 28.08.2019. The occupation certificate has been obtained from the competent authority on 12.04.2021 and the respondent has offered the possession on 16.04.2021 after obtaining occupation certificate.

39. The occupation certificate /part occupation certificate of the buildings/towers where allotted unit of the complainants are situated is received after filing of application by the complainants for return of the amount received by the promoter on failure of promoter to complete or unable to give possession of the unit in accordance with the terms of the agreement for sale or duly completed by the date specified therein. The complainants-allottees have already wished to withdraw from the project and the allottee has become entitled his right under section 19(4) to claim the refund of amount paid along with interest at prescribed rate from the promoter as the promoter fails to comply or unable to give possession of the unit in accordance with the terms of agreement for sale. Accordingly, the promoter is liable to return the amount received by him from the allottee in respect of that unit with interest at the prescribed rate
40. Further in the judgement of the Hon'ble Supreme Court of India in the cases of *Newtech Promoters and Developers Private Limited Vs State of U.P. and Ors. (supra)* and followed by the Hon'ble High Court of Punjab & Haryana in case *Ramprashtha Promoters and Developers Pvt Ltd Vs Union of India and Ors. in CWP*



**No.6688 of 2021** decided on 04.03.2022, and wherein it was observed as under:

*25. The unqualified right of the allottee to seek refund referred Under Section 18(1)(a) and Section 19(4) of the Act is not dependent on any contingencies or stipulations thereof. It appears that the legislature has consciously provided this right of refund on demand as an unconditional absolute right to the allottee, if the promoter fails to give possession of the apartment, plot or building within the time stipulated under the terms of the agreement regardless of unforeseen events or stay orders of the Court/Tribunal, which is in either way not attributable to the allottee/home buyer, the promoter is under an obligation to refund the amount on demand with interest at the rate prescribed by the State Government including compensation in the manner provided under the Act with the proviso that if the allottee does not wish to withdraw from the project, he shall be entitled for interest for the period of delay till handing over possession at the rate prescribed*

41. The promoter is responsible for all obligations, responsibilities, and functions under the provisions of the Act of 2016, or the rules and regulations made thereunder or to the allottees as per agreement for sale under section 11(4)(a). The promoter has failed to complete or unable to give possession of the unit in accordance with the terms of agreement for sale or duly completed by the date specified therein. Accordingly, the promoter is liable to the allottees, as they wish to withdraw from the project, without prejudice to any other remedy available, to return the amount received by them in respect of the unit with interest at such rate as may be prescribed.

This is without prejudice to any other remedy available to the allottees including compensation for which they may file an

application for adjudging compensation with the adjudicating officer under sections 71 & 72 read with section 31(1) of the Act of 2016.

The authority hereby directs the promoter to return to the complainants the amount received by them i.e., Rs.97,79,372/- with interest at the rate of 9.70% (the State Bank of India highest marginal cost of lending rate (MCLR) applicable as on date +2%) as prescribed under rule 15 of the Haryana Real Estate (Regulation and Development) Rules, 2017 from the date of each payment till the actual date of refund of the amount within the timelines provided in rule 16 of the Haryana Rules 2017 *ibid*.

#### **G.2 Legal expenses:**

42. The complainants are claiming compensation under the present relief. The Authority is of the view that it is important to understand that the Act has clearly provided interest and compensation as separate entitlement/rights which the allottee(s) can claim. For claiming compensation under sections 12,14,18 and Section 19 of the Act, the complainants may file a separate complaint before the adjudicating officer under Section 31 read with Section 71 of the Act and rule 29 of the rules.

#### **H. Directions of the Authority:**

43. Hence, the Authority hereby passes this order and issue the following directions under section 37 of the Act to ensure compliance of obligations cast upon the promoter as per the



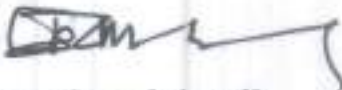
functions entrusted to the Authority under section 34(f) of the Act of 2016:

- i) The respondent /promoter is directed to refund the amount i.e. Rs.97,79,372/- received by it from the complainants along with interest at the rate of 9.70% p.a. as prescribed under rule 15 of the Haryana Real Estate (Regulation and Development) Rules, 2017 from the date of each payment till actual date of refund of the deposited amount.
- ii) A period of 90 days is given to the respondent to comply with the directions given in this order and failing which legal consequences would follow.

44. Complaint stands disposed of.

45. File be consigned to the Registry.

  
**(Vijay Kumar Goyal)**  
Member  
Haryana Real Estate Regulatory Authority, Gurugram

  
**(Dr. KK Khandelwal)**  
Chairman  
Haryana Real Estate Regulatory Authority, Gurugram

**Dated: 13.07.2022**