

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

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| Complaint no. | : | 4370 of 2020 |
| Date of filing complaint: | : | 04.12.2020 |
| First date of hearing | : | 11.02.2021 |
| Date of decision | : | 12.04.2022 |

1. Vinayak Kumar Sinha
2. Kaveri Sinha

Both RR/o: 65-B, Shiv Sadan, East Boring Canal
Road, Near Sri Ram Apartment, Patna-800001

Complainants

Versus

M/s Vatika Limited

Office Address : Vatika Triangle, 4th floor, Sushant
Lok, Phase-I, Block A, Mehrauli Gurgaon Road,
Gurugram-122002, Haryana.

Respondent

CORAM:

Dr. K.K. Khandelwal
Shri Vijay Kumar Goyal

Chairman
Member

APPEARANCE:

Shri Gaurav Bhardwaj (Advocate)
Sh. Venket Rao (Advocate)

Complainant
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 28 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 complainant, 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 | "Gurgaon 21" Vatika India Next, Sector 83, Gurugram |
| 2. | Project area | 11.8 acres |
| 3. | Nature of the project | Residential group housing complex |
| 4. | DTCP license no. and validity status | 83 of 2009 dated 07.12.2009 valid up to 06.12.2024 84 of 2008 dated 11.04.2008 valid up to 10.04.2020 |
| 5. | Name of licensee | M/s Mark Buildtech Pvt. Ltd. & M/s Growmore Buildtech Pvt. Ltd. |
| 6. | RERA Registered/ not registered | Not registered |
| 7. | Allotment letter dated | 24.07.2019 (page 111 of complaint) |
| 8. | Date of execution of apartment buyer's agreement | 30.11.2012 (page 39 of complaint) |
| 8. | Unit no. | 802, 8 th floor, block C4 (page 43 of complaint) |
| 9. | Unit measuring (super area) | 1776.77 sq. ft. |
| 10. | Agreement to sell | 12.07.2019 (page 103 of complaint) |

| | | |
|-----|---|--|
| 11. | Unit transfer from the original to complainants vide endorsement dated (Welcome letter) | 16.08.2013 (page 110 of complaint) |
| 12. | Payment plan | Possession linked payment plan (page 87 of complaint) |
| 13. | Total sale consideration | Rs. 1,03,95,885/- (as per statement of account dated 27.06.2019 at page 113, annexure P/6 of complaint) |
| 14. | Total amount paid by the complainant | Rs. 1,08,65,312/- (as per statement of account dated 27.06.2019 at page 113, annexure P/6 of complaint) |
| 15. | Due date of delivery of possession <i>Clause 15: SCHEDULE FOR POSSESSION OF THE SAID APARMENT: The company based on its present plans and estimates and subject to all just exceptions, contemplates to complete construction of the said Building / said Apartment within a period of three years from the date of execution of this agreement.</i> | 30.11.2015 |
| 16. | Offer of possession | 29.02.2016 (annexure P/2, page 95 of complaint) |
| 17. | Handing over the possession | 08.06.218 (annexure P/3, page 98 of complaint) |
| 18. | Occupation Certificate | Not obtained |

B. Facts of the complaint:

- That somewhere around 2009-2012, the respondent advertised about its new residential group housing project namely "Gurgaon 21" located in Vatika India Next, Sector-83, Gurugram. The respondent painted a rosy picture of the project in its

advertisement making tall claims and representing that the project aims at providing lush, landscaped greenery and contemporary architecture, claiming that Gurgaon 21 blends the dynamism of a cosmopolitan lifestyle with the serenity of a well-planned, premium neighbourhood. The tagline of the project as advertised by the respondent was *"Living in the 21st century"*.

4. That relying on the abovesaid representations of the respondent company, on 15.10.2012, the erstwhile owners/first buyers namely Sh. Manu Kumar Jain and Smt. Minu Kataria booked an apartment in the said project by paying the booking amount of Rs. 5,00,000/- vide instrument no. 483794 towards the said apartment. Accordingly, an apartment buyer agreement dated 30.11.2012 was executed between the said erstwhile owners and the respondent for unit bearing no. C4-802, located on 8th Floor, in block 'C4', (hereinafter called as "the unit") admeasuring a super area of 1776.77 sq. ft.
5. That as per cause 15 of the said apartment buyer's agreement dated 30.11.2012, the respondent proposed to complete construction and handover the possession of the unit in question within a period of 3 years from the date of execution of said agreement, i.e., by 30.11.2015. However, the respondent failed in handing over possession in accordance with the said agreement.
6. That though the booking was made in 2012 and the project was launched somewhere around 2009, till the due date as per agreement, i.e. 30.11.2015, the unit was not ready for possession in accordance with the specifications as per the agreement.

However, the erstwhile owners/first buyers kept making payment in accordance with the demands raised by the respondent.

7. That thereafter, on 29.02.2016, the respondent sent a letter of Intimation of possession followed by a letter of offer of possession. Accordingly, on 08.06.2018, the possession was taken by the first buyers after making final payments due against the unit in question.
8. Believing the false assurances and misleading representations of the respondent in its advertisements and brochure and relying upon the goodwill of the respondent company, on 23.06.2019, the complainant purchased the aforesaid residential flat/unit from the said first buyers by paying a token money of Rs. 1,00,000/-. This was followed by an agreement to sell dated 12.07.2019 executed between the complainants herein and the first buyers for an amount of Rs.96,00,000/ inclusive of all the payments which were made by the first buyers to the respondent company against the unit. Accordingly, the unit in question was transferred in the name of complainant vide assignment form dated 31.07.2019 and a welcome letter dated 16.08.2019 was issued by the respondent company in favour of the complainants. The allotment letter was also endorsed in favour of the complainants. It is pertinent to mention here that at the time of purchase by the complainants, the area of the unit in question was 1785 sq. ft. as against the area of 1776.77 sq. ft. as per the agreement.
9. That thereafter, the respondent made an endorsement in the apartment buyer's agreement dated 30.11.2012 in favour of the

complainants. Accordingly, the complainants herein are the subsequent allottees of flat bearing no. C4-802 as earlier it was in the name of first buyers. The complainant after making substantial payment to the original allottees stepped into the shoes of original allottees. The respondent endorsed the apartment buyer's agreement dated 30.11.2012 in favour of the complainants and further endorsed all the payment receipts in favour of the complainants which were earlier issued in favour of the earlier allottees.

10. That a total payment of Rs. 1,08,65,312/- has been made towards the aforesaid residential unit/flat in the project till date as and when demanded by the respondent, as against a total sale consideration of Rs. 1,03,65,312/-. The said payments were duly endorsed by the respondent in favour of the complainants.
11. That after taking possession, by way of calls and meetings with the representatives of the respondent company, on several occasions, the complainants requested the respondent to arrange the registry of Conveyance deed in their favour and sought a probable date for registration. To this, the respondent falsely assured the complainants that they have initiated the registration process which shall be carried forward in a phase wise manner and unit in which handover was done prior in time will be registered first followed by other units. However, post that, no intimation was made by the respondent inviting the complainants for execution of conveyance deed.

12. That at the time of purchasing the unit in question, the complainants were assured by the respondent that the project and the unit is complete in all regard and all the legal approvals and sanctions are in place and the conveyance deed shall be executed soon in their favour. Since the taking over of possession till date, the complainants have been painstakingly pursuing the respondent to register the conveyance deed for the unit in question in their favour, but all in vain.
13. That the aforesaid conduct of the respondent in delaying the registration of conveyance deed further despite themselves undertaking to get the registration done soon was quite suspicious considering the fact that the conveyance deed of residents of other towers in the project in question were already being done. Upon further inquiries from other buyers of the project in question in order to find out the exact reason behind the evasive attitude of the respondent company regarding registration of conveyance deed, the complainants were shocked to know that the respondent failed to obtain the occupation certificate (hereinafter called as "OC") for Tower 'C4', i.e., the tower where the unit in question is located and Tower 'A'. This left the complainants devastated.
14. That thereafter, the complainants immediately rushed to the respondent's office in order to enquire about the aforesaid misconduct and fraudulent act of theirs, to which the representatives of the respondent company simply said that the occupation certificate for the tower in question shall be received soon. The complainants were completely taken aback by the said submission and casual attitude of the respondent. Later, in a

meeting held between the residents of tower in question and representatives of the respondent company, Mr. Navin Bakshi, head of operations, Vatika Limited, promised that the OC for the aforesaid two towers would be obtained before Feb. 2020, but again to no avail.

15. That the possession of any residential unit cannot be offered without obtaining the OC from concerned authorities as the said OC is a legal mandate of the fact that the premises is safe in all regards and is fit to be occupied and resided in and is in accordance with the requirements laid down and as per the sanctions approved by the said authorities. Accordingly, the aforementioned offer of possession is outrightly illegal and elucidates the fraudulent conduct of the respondent.
16. That having already invested almost all of their life savings in order to purchase the unit in question, formerly, the first buyers and eventually, the complainants had no other option but to believe the representations of the respondent regarding the approvals and sanctions being obtained for the unit in question and take possession. There was no apparent reason for the complainants to even imagine that a company of such size and market reputation that the respondent was at that time, was actually committing an illegal act by offering the possession as it had not obtained the OC and had kept the complainants in complete dark about non-availability of the OC.
17. That the fact that the unit in question was without an obtaining occupation certificate was concealed from the complainants at the

time of said offer. Rather, when the complainants orally enquired about receipt of all the necessary sanctions for the unit in question, the respondent very clearly submitted that all the approvals are in place. It was only upon conducting an inquiry for the reasons behind non execution of conveyance deed that the complainants came to know about this misconduct on the part of respondent.

18. That upon gaining knowledge about the non-receipt of OC, the complainants along with other buyers of the tower in question kept pursuing the respondent in order to seek an explanation over non-receipt of OC and to protest against concealment of said fact at the time of offer of possession (offer to the first buyers and subsequently, misrepresentation made by respondent to the complainants at the time of purchase by the latter) and to be acquainted with a tentative date for receipt of OC, but to no avail. The complainants sought a concrete response by way of letter dated 13.06.2020 and subsequent reminder letter dated 21.06.2020 which were signed by other buyers as well, but the respondent refused to pay any heed to the same.
19. That by concealing the fact of non-receipt of OC from the complainants, the respondent has inflicted great injustice upon the complainants and defrauded them by duping them of their hard earned money. Further, the clauses of the apartment buyer's agreement dated 30.11.2012 are such that even if the fact of non-receipt of OC was in the knowledge of the complainants at the time of offer of possession, after spending almost all of their life savings, they would have been left with no option but to abide by the assertions of respondent. This can be highlighted from clause 17 of

the agreement which clearly states that on failure of buyer to take possession, unit could be cancelled by the respondent and holding charges can also be levied.

20. That the main rationale behind issuance of an occupation certificate is that such certificate is an assurance of the fact that the building has been constructed according to permissible laws and all the local laws have been complied with and accordingly, the said building is fit to occupy. Further, it is only upon receipt of occupation certificate that the building becomes safe in all respects to reside and becomes a marketable property as well. Accordingly, by representing that the unit is fit to occupy, the respondent has not only duped the complainants of their hard-earned money and defrauded them, but has risked the lives of the residents of such unit and eventually, the entire tower/building, which amounts to a serious misconduct on part of respondent company which made tall claims and representations at the time of purchase of said unit and in their advertisements as well.
21. That the fact of concealing the non-receipt of OC and offering possession without OC is not only a violation of the apartment buyer's agreement dated 30.11.2012 but is also a violation of Section 11(4)(b) of The Real Estate (Regulation and Development) Act, 2016. Accordingly, the respondent company must be penalized under section 61 to the extent of 5% of the project cost on account of violation of Section 11(4)(b) of the said Act.
22. That the complainants booked the flat with high hopes and dreams that they will be able to live in a safe environment along with their

family and will be able to give their family secure and comfortable surroundings to live in. However, the respondent simply refrained from adhering to his commitments and failed miserably thereby causing wrongful loss to the complainants and wrongful gain to the respondent. The main rationale of the respondent behind offering possession hurriedly without obtaining the OC was to shorten the period of delay and eventually to minimize the delayed possession charges that the said respondent may be made liable for on account of delay in offering and handing over possession. The complainants did not even imagine that the respondent was luring people to purchase and to occupy a unit which had still not received the OC, which was, and still is, a pre-requisite for a safe living. The respondent is an experienced company in the business of making residential apartments, this deliberate act of cheating its customers and at the same time, committing a gross misconduct of non-compliance of rules is nothing short of criminal.

23. That the complainants were further agonized when they came to know that they cannot get their apartment insured against natural calamities or other disasters because the insurance companies do not offer insurance coverage to such buildings which are inhabited without having obtained the OC. Non-availability of any safety of insurance cover has robbed the complainants of their peace of mind and they live under constant fear. Multiple instances of earthquakes in recent months have shaken the complainants.
24. That to add to the misery of the complainants, due to lapse on part of respondent in not obtaining the occupation certificate, the registration of conveyance deed has not been done till date.

Accordingly, the respondent must be directed to remove all the irregularities in the project and get the occupation certificate for the tower in question and post that, to register the conveyance deed in favour of the complainants, in accordance with section 17 of the Act, 2016 which clearly states that the conveyance deed in favour of the allottee shall be carried out by the promoter within three months from the date of issue of occupation certificate.

25. That post the purchase and subsequent endorsement in the agreement in favour of the complainants, they stepped into the shoes of the first buyers and vide clause 38 of the apartment buyers agreement dated 30.11.2012, the provisions of the said agreement are applicable on the subsequent purchasers. Accordingly, the complainants herein are entitled to delayed possession charges on account of delay in offering valid possession from the due date of possession as per the agreement till the valid offer of possession.
26. That the present complaint has been filed in order to seek a direction to the respondent to obtain the occupation certificate and to get the registration of conveyance deed in favour of the complainants along with interest on the payment by them apart from the other reliefs as mentioned in the relief clause of the complaint. It is pertinent to mention here that the offer of possession made by the respondent was completely illegal and sans any legal sanctity and accordingly, it must be declared null and void and the complainants must be granted interest at the prescribed rate in accordance with RERA, 2016 and HRERA, 2017 from the due date of handing over possession as per the agreement,

i.e. 30.11.2015 till the date of receipt of occupation certificate and offer of legal possession post that.

C. Relief sought by the complainant:

27. The complainant has sought following relief(s):

- i. Direct the respondent to obtain occupation certificate for tower 'C4' and issue fresh offer of possession letter to the complainants.
- ii. Direct the respondent to register the conveyance deed and transfer title in favour of the complainants upon receipt of occupation certificate, in accordance with section 17 of RERA, 2016.
- iii. Direct the respondent to pay delay interest at the prescribed rate for every month of delay, from the due date of handing over possession, i.e. 30.11.2015 till Offer of valid possession after receipt of Occupation Certificate.

D. Reply by respondent

- i. That the present complaint, filed by the complainants, is bundle of lies and hence liable to be dismissed as it is filed without cause of action.
- ii. That the present complaint is an abuse of the process of this hon'ble authority and is not maintainable. The complainants are trying to suppress material facts relevant to the matter. The complainants are making false, misleading, frivolous, baseless, unsubstantiated allegations against the respondent with



malicious intent and sole purpose of extracting unlawful gains from the respondent.

- iii. That it is submitted that the respondent company and the original allottees had executed builder buyer agreement dated 30.11.2012 (hereinafter referred as the "Agreement") for unit bearing no. C4-802 located on 8th floor, in block C4 (herein referred as "the unit") admeasuring a super area of 1776.77 sq. ft. It is further submitted that the original allottees had willfully waive off its all rights while executing the unit handover letter dated 08.06.2018.
- iv. That it is submitted that the original allottees of the apartment sold the unit in the year 2019 whereby the complainants took over peaceful and vacant physical possession of the apartment in question after fully satisfying themselves with regard to its measurements, location, dimension, approvals and development etc. The respondent was not aware about the transaction and understanding between the original allottees and the complainants for the sale and purchase of the said apartment. It was further explicitly stated by the original allottees in the aforesaid letter i.e. letter of Possession Handover dated 08.06.2018 that upon acceptance of possession they would not be entitled to raise any claim of any nature whatsoever regarding any variation in the size dimension, area, location or legal status, delay in possession of the Apartment in question. The respondent relying upon the aforesaid representation had changed its position to its detriment and proceeded to deliver possession of the

apartment in question. The complainants become subsequent allottee/purchaser after obtaining entire information about the status of the project from the original allottees. It is pertinent to note that the subsequent allottee complainant voluntarily stepped into the shoes of the original allottees.

- v. That it is submitted that the original allottees took the possession voluntarily with free will and post giving aforesaid representation; hence, the present complaint is not maintainable as the complainant has purchased the apartment after a year of taking over of possession by the original allottees and enjoying the peaceful possession of his apartment since 2018. The original allottees have waived off their rights to claim the delay interest charges way back in 2018 and therefore, the present complaint is nothing but just an afterthought of the complainant to harass the respondent. The complainants acquired the whole rights interest and liabilities associated with the apartment in question from the original allottees and all acts/deeds done/executed by the original allottees are deemed to be construed as acts/deeds of the complainants. It is not out of the place to mention here that as per doctrine of waiver *"a party for whom certain statutory rights are granted, such party can waive those rights if no public interest is involved."* In the present complaint also, the complainants have waived off their rights to claim interest for delay in handing over of occupation certificate. Hence, the present complaint is infructuous as the complainants have already waived off his rights and concealed the same in the present complaint.

- vi. That the original allottees on 08.06.2018 taken over the possession of the apartment after being fully satisfied with the status of the project and also provided an undertaking under the unit handing over letter that they will not claim any interest for delay and also accepted that the possession is being taken over with the complete knowledge of the status of the project. Subsequently, the complainant acquired the rights of the apartment from the original allottees on 23.06.2019, much after taking over of possession by the original allottees and after obtaining entire information about the status of the project from the original allottees. It is pertinent to mention here that the complainants voluntarily stepped into the shoes of the original allottees after taking over of possession, and the complainant cannot deny this fact that he was well aware about the status of the project.
- vii. That the present complaint is filed with the oblique motive of harassing the respondent company and to extort illegitimate money while making absolutely false and baseless allegations against the respondent.
23. 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 submissions made by the parties.

E. Jurisdiction of the authority:

E. I Subject matter jurisdiction

Section 11(4)(a) of the Act, 2016 provides that the promoters shall be responsible to the allottees 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.

24. 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 promoters leaving aside compensation which is to be decided by the adjudicating officer if pursued by the complainant at a later stage.

F. Findings on the objections raised by the respondent

F.I Objection regarding the handover the possession to the complainant and voluntarily acceptance by the complainant.

25. The respondent has submitted that the complainant voluntarily with free will and consent has taken the possession of the apartment on 08.06.2018 after satisfying all the terms and conditions of the hand over possession letter dated 08.06.2018. The respondent further stated that the complainant executed the apartment handover letter dated 08.06.2018 whereby she took over peaceful and vacant. The respondent has further stated that

the respondent company updated the status of the project and occupation certificate to the complainant and who wilfully took over the possession of the unit. It is pertinent to mention here section 11(4)(b) of the Act of 2016 which provides as under.

Section 11(4)(b)

be responsible to obtain the completion certificate or the occupancy certificate, or both, as applicable, from the relevant competent authority as per local laws or other laws for the time being in force and to make it available to the allottees individually or to the association of allottees, as the case may be;

From the perusal of the above-mentioned provision of the Act of 2016, it is clear that it is the obligation and duty of the promoter to obtain the occupancy certificate from the competent authority and make it available to the allottee. It is clear from the respondent's contentions that offered the possession of the unit without obtaining the OC which is a mandatory requirement under the Haryana Building Code 2017. Further as discussed above, section 11(4)(b) of the Act of 2016 also confers an obligation on the promoter in this regard. Therefore, the respondent-promoter is in contravention of his obligation under section 11(4)(b) of the Act, 2016.

G. Findings regarding relief sought by the complainant:

Relief sought by the complainant:

G.1 Direct the respondent to pay interest at the prescribed rate for every month of delay, from the due date of handing over possession, i.e., 30.11.2015 till offer of valid possession after receipt of OC.

26. In the present complaint, the complainant intends to continue with the project and is seeking delay possession charges as provided under the proviso to section 18(1) of the Act. Sec.18(1) proviso reads as under.

"Section 18: - Return of amount and compensation

18(1). If the promoter fails to complete or is unable to give possession of an apartment, plot, or building, —

.....

Provided that where an allottee does not intend to withdraw from the project, he shall be paid, by the promoter, interest for every month of delay, till the handing over of the possession, at such rate as may be prescribed."

27. Clause 15 of the apartment, provides for handing over possession and the same is reproduced below:

15. Schedule for possession of the said apartment

The developer based on its present plans and estimates and subject to all just exceptions, contemplates to complete construction of the said Building/said Apartment within a period of three years from the date of execution of this Agreement unless there shall be delay or there shall be failure due to reasons mentioned in clauses 17,18, & 42 or due to failure of Allottee(s) to pay in time the Price of the said Apartment along with all other charges and dues in accordance with the schedule of payments given in Annexure III or as per the demands raised by the Company from time to time or any failure on the part of the Allottee(s) to abide by any of the terms or conditions of this Agreement.

28. An apartment buyer's agreement is a pivotal legal document which should ensure that the rights and liabilities of both builder /promoter and buyer/allottee are protected candidly. Apartment buyer's agreement lays down the terms that govern the sale of different kinds of properties like residentials, commercials etc. between the buyer and builder. It is in the interest of both the parties to have a well-drafted agreement which would thereby protect the rights of both the builder and buyer in the unfortunate event of a dispute that may arise. It should be drafted in the simple and unambiguous language which may be understood by a common man with an ordinary educational background. It should contain a provision with regard to stipulated time of delivery of possession of the apartment, plot or building, as the case may be

and the right of the buyer/allottee in case of delay in possession of the unit.

29. The authority has gone through the possession clause of the agreement and observes that the possession has been subjected to all kinds of terms and conditions of this agreement. The drafting of this clause and incorporation of such conditions are not only vague and uncertain but so heavily loaded in favour of the promoter and against the allottee that even a single situation may make the possession clause irrelevant for the purpose of allottee and the committed date for handing over possession loses its meaning. If the said possession clause is read in entirety, the time period of handing over possession is only a tentative period for completion of the construction of the flat in question and the promoter is aiming to extend this time period indefinitely on one eventuality or the other. Moreover, the said clause is an inclusive clause wherein the numerous approvals and terms and conditions have been mentioned for commencement of construction and the said approvals are sole liability of the promoter for which allottee cannot be allowed to suffer. The promoter must have mentioned that completion of which approval forms a part of the last statutory approval, of which the due date of possession is subjected to. It is quite clear that the possession clause is drafted in such a manner that it creates confusion in the mind of a person of normal prudence who reads it. The authority is of the view that it is a wrong trend followed by the promoter from long ago and it is their unethical behaviour and dominant position that needs to be struck down. It is settled proposition of law that one cannot get the

advantage of his own fault. The incorporation of such clause in the apartment buyer's agreement by the promoter is just to evade the liability towards timely delivery of subject unit and to deprive the allottee of his right accruing after delay in possession. This is just to comment as to how the builder has misused his dominant position and drafted such mischievous clause in the agreement and the allottee is left with no option but to sign on the dotted lines.

30. **Admissibility of delay possession charges at prescribed rate of interest:** The complainant is seeking delay possession charges, proviso to section 18 provides that where an allottee does not intend to withdraw from the project, he shall be paid, by the promoter, interest for every month of delay, till the handing over of possession, at such rate as may be prescribed and it has been prescribed under rule 15 of the rules. Rule 15 has been reproduced as under:

Rule 15. Prescribed rate of interest- [Proviso to section 12, section 18 and sub-section (4) and subsection (7) of section 19]

(1) For the purpose of proviso to section 12; section 18; and sub-sections (4) and (7) of section 19, the "interest at the rate prescribed" shall be the State Bank of India highest marginal cost of lending rate +2%.: Provided that in case the State Bank of India marginal cost of lending rate (MCLR) is not in use, it shall be replaced by such benchmark lending rates which the State Bank of India may fix from time to time for lending to the general public.

31. The legislature in its wisdom in the subordinate legislation under the provision of rule 15 of the rules, has determined the prescribed rate of interest. The rate of interest so determined by the legislature, is reasonable and if the said rule is followed to award the interest, it will ensure uniform practice in all the cases.

32. Consequently, as per website of the State Bank of India i.e., <https://sbi.co.in>, the marginal cost of lending rate (in short, MCLR) as on date i.e., 12.04.2022 is 7.30% p.a. Accordingly, the prescribed rate of interest will be marginal cost of lending rate +2% i.e., 9.30% p.a.

33. The definition of term 'interest' as defined under section 2(za) of the Act provides that the rate of interest chargeable from the allottees by the promoter, in case of default, shall be equal to the rate of interest which the promoter shall be liable to pay the allottees, in case of default. The relevant section is reproduced below:

"(za) "interest" means the rates of interest payable by the promoter or the allottee, as the case may be.

Explanation.—For the purpose of this clause—

(i) the rate of interest chargeable from the allottee by the promoter, in case of default, shall be equal to the rate of interest which the promoter shall be liable to pay the allottee, in case of default;

(ii) the interest payable by the promoter to the allottee shall be from the date the promoter received the amount or any part thereof till the date the amount or part thereof and interest thereon is refunded, and the interest payable by the allottee to the promoter shall be from the date the allottee defaults in payment to the promoter till the date it is paid;"

34. Therefore, interest on the delay payments from the complainant shall be charged at the prescribed rate i.e., 9.30% p.a. by the respondent/promoter which is the same as is being granted to the complainant in case of delay possession charges.

35. **Validity of offer of possession:** At this stage, the authority will clarify the concept of 'valid offer of possession'. It is necessary to clarify this concept because after valid and lawful offer of possession, liability of promoter for delayed offer of possession

comes to an end. On the other hand, if the possession is not valid and lawful, liability of promoter continues till a valid offer is made and allottee remains entitled to receive interest for the delay caused in handing over valid possession. The authority after detailed consideration of the matter has arrived at the conclusion that a valid offer of possession must have following components:

- i. **Possession must be offered after obtaining occupation certificate-** The subject unit after its completion should have received occupation certificate from the concerned department certifying that all the basic infrastructural facilities have been laid and are operational. Such infrastructural facilities include water supply, sewerage system, storm water drainage, electricity supply, roads and street lighting.
- ii. **The subject unit should be inhabitable condition-** The test of habitability is that the allottee should be able to live in the subject unit within 30 days of the offer of possession after carrying out basic cleaning works and getting electricity, water and sewer connections, etc from the relevant authorities. In a habitable unit, all the common facilities like lifts, stairs, lobbies, etc should be functional or capable of being made functional within 30 days after completing prescribed formalities. The authority is further of the view that minor defects like little gaps in the windows or minor cracks in some of the tiles, or chipping plaster or chipping paint at some places or improper functioning of drawers of



kitchen or cupboards etc. are minor defects which do not render an apartment uninhabitable. Such minor defects can be rectified later at the cost of the developers. The allottee should accept possession of an apartment with such minor defects under protest. This authority will award suitable relief or compensation for rectification of minor defects after taking over of possession under protest.

However, if the subject unit is not at all habitable because the plastering work is yet to be done, flooring works is yet to be done, common services like lift etc. are non-operational, infrastructural facilities are non-operational, then the subject unit shall be deemed as uninhabitable and offer of possession of an uninhabitable unit will not be considered a legally valid offer of possession.

- iii. **Possession should not be accompanied by unreasonable additional demands-** In several cases, additional demands are made and sent along with the offer of possession. Such additional demands could be of minor nature or they could be significant and unreasonable which puts heavy burden upon the allottee. An offer accompanied with unreasonable demands beyond the scope of provisions of agreement should be termed an invalid offer of possession. Unreasonable demands itself would make an offer unsustainable in the eyes of law. The authority is of the view that if the additional demands are made by the developer, the allottee may accept possession under protest or decline to take possession raising objection against unjustified demands.

36. Though in the light of the above-mentioned concept, the offer of possession dated 29.02.2016, by the promoter to the allottee is not valid, the same being made without obtaining occupation certificate but the allottee has already taken possession on the basis of offer of possession on 08.06.2018 and is continuing as such and enjoying the property. They are certainly entitled to delay possession charges but only from the due date 30.11.2015 upto 08.06.2018, the date on which possession of the allotted unit was taken on the basis of offer of possession 08.06.2018.
37. On consideration of the record and submissions made by the parties, the authority is satisfied that the respondent is in contravention of the section 11(4)(a) of the Act by not handing over possession by the due date as per the agreement. By virtue of apartment buyer's agreement executed between the parties on 30.11.2012, the possession of the booked unit was to be delivered within 3 years from the date of execution of agreement and the due date comes out on 30.11.2015. The offer of possession made by the respondent/promoter on 29.02.2016 after a gap of 1 year is not a valid/lawful offer of possession due to non-receipt of OC.
38. The respondent sent a letter of intimation of possession by inviting the complainant to take possession by 29.02.2016. Accordingly, on 08.06.2018 the possession was taken by the complainant herein after making final payments due against unit in question. The complainants have also stated that she had taken an assurance from the respondent for obtaining OC and was kept in dark. The matter is being referred to director town and country planning Haryana, Chandigarh. There is violation of Haryana

Building Code, as the builder has offered possession without obtaining OC. The director may initiate legal proceedings against the promoter. The DTCP is also advised to dispose of application of the promoter for grant of occupation certificate and after levying the compounding fees as per applicable rules from the promoter-respondent. The complainant has already taken over possession, accordingly from the date he has taken over possession, he cannot be allowed delayed possession charges. Although the possession has been offered wrongly by the respondent as mentioned above. However, the complainant shall be entitled for DPC from the due date of possession till actual taking over the possession.

G.II Direct the respondent to register the conveyance deed and transfer title in favour of the complainant upon receipt of occupation certificate, in accordance with section 17 of RERA,2016.

36. The complainant is asking for the registration of conveyance deed and transfer of title in accordance with section 17 of the Act of 2016. The complainant in the present complaint has taken possession of the unit on 08.06.2018 on offering of the possession of the unit in question. Whereas the possession was offered by the respondent/promoter without obtaining the OC. the respondent/promoter clearly violated the section 11(4)(b) of the Act, 2016 as detailed in other reliefs in this judgement therefore, the respondent/promoter is under a mandatory obligation as per the statue and as per the BBA signed between the mutual of consent of the both parties for registration of conveyance deed after obtaining OC.

37. Clause 13 is reproduced below:



13. Conveyance of the said Apartment

Clause 13.:

"The Company, its Associates Companies, its Subsidiary Companies as stated earlier shall prepare and execute along with the Allottee a conveyance deed to convey the title of the Said Apartment in favour of Allottee but only after receiving full payment of the total price of the Apartment and the parking space allotted to him/her and payment of all securities including maintenance security deposits and charges for bulk supply of electrical energy, interest, penal interest etc. on delayed instalments stamp duty, registration charges, incidental expenses for registration, legal expenses for registration and all other dues as set forth in this Agreement or as demanded by the Company from time to time prior to the execution of the Conveyance Deed. If the Allottee is in default of any of the payments as set forth in this Agreement then the Allottee authorizes the Company to withhold registration of the Conveyance Deed in his/her favour till full and final settlement of all dues to the Company is made by the Allottee and agrees to bear the consequences. The Allottee undertakes to execute Conveyance Deed within the time stipulated by the Company in its written notice failing which the Allottee authorizes the Company to cancel the allotment and terminate this Agreement in terms of Clause (12) of this Agreement and to forfeit out of the amounts paid by him/her the earnest money, delayed payment of interest any interest paid, due or payable, any other amount of a non-refundable nature and to refund the balance amount without any interest in the manner prescribed in Clause (12) Supra. The Allottee shall be solely responsible and liable for compliance of the provisions of Indian Stamp Act 1899 including any actions taken or deficiencies/penalties imposed by the competent authority(ies). Any increase/decrease in the Stamp Duty charges during the period when the case for execution of the Conveyance Deed of the allotted flat is being processed by the Company Shall be borne by/refunded to the Allottee.

38. It should be further noted that Section 11(4)(f) provides for the obligation of respondent/promoter to execute a registered conveyance deed of the apartment along with the undivided proportionate title in common areas to the association of the allottees or competent authority as the case may be as provided under section 17 of the Act of 2016. As envisaged in the below mentioned section the respondent/promoter is in clear

contravention of section 11(4)(f) of the Act of 2016 and shall get the conveyance deed done after obtaining OC.

39. As far as the relief of transfer of title is concerned the same can be clearly said to be the statutory right of the allottee as section 17(1) of the Act provide for transfer of title is reproduced below:

"Section 17: - Transfer of title.—

17(1). The promoter shall execute a registered conveyance deed in favour of the allottee along with the undivided proportionate title in the common areas to the association of the allottees or the competent authority, as the case may be, and hand over the physical possession of the plot, apartment of building, as the case may be, to the allottees and the common areas to the association of the allottees or the competent authority, as the case may be, in a real estate project, and the other title documents pertaining thereto within specified period as per sanctioned plans as provided under the local laws: Provided that, in the absence of any local law, conveyance deed in favour of the allottee or the association of the allottees or the competent authority, as the case may be, under this section shall be carried out by the promoter within three months from date of issue of occupancy certificate.

40. Hence, in compliance of the above-mentioned provision of the Act of the 2016 the respondent/promoter shall transfer the title to the association of the allottee within 3 months from the date of issuance of occupation certificate.

H. Directions of the authority:

41. Hence, the authority hereby passes this order and issue the following directions under section 37 of the Act to ensure compliance of obligation cast upon the promoters as per the

function entrusted to the authority under section 34(f) of the Act of 2016:

- i. The complainant shall be entitled for delay possession charges from the due date of possession i.e., 30.11.2015 till actual taking over the possession i.e., 08.06.2018.
 - ii. As and when OC of the tower of the allotted unit is received by the respondent/builder, then it will be obligated for him to arrange execution of conveyance deed of the unit in favour of the complainant on her depositing necessary charges within 3 months and failing which legal consequences would follow.
 - iii. A direction is given to the respondent/builder to obtain occupation certificate of the project from the competent authority by completing all the formalities within a period of 3 months.
42. Complaint stands disposed of.
43. File be consigned to registry.


(Vijay Kumar Goyal)
Member


(Dr. K.K. Khandelwal)
Chairman

Haryana Real Estate Regulatory Authority, Gurugram

Dated: 12.04.2022