



BEFORE THE HARYANA REAL ESTATE REGULATORY AUTHORITY, GURUGRAM

Complaint no. :	143 of 2021
Date of filing complaint:	22.01.2021
First date of hearing:	18.03.2021
Date of decision :	07.12.2022

Rajesh Kumar Arora R/O: A 64, Plot No. 8 Sarve Sanjhi Apartment, Sector 9 Dwarka, Barthal Southwest Delhi	Complainant
Versus	
Conscient Infrastructure Pvt Ltd Regd. office: 10th Floor, Tower D, Global Business Park, MG Road, Gurugram - 122002	Respondent

CORAM: शत्यमेव जयते	-
Shri Ashok Sangwan	Member
Shri Sanjeev Kumar Arora	Member
APPEARANCE:	
Sh. Jaswant Kataria (Advocate)	Complainant
Sh. K.P. Singh AR of the company	Respondent

ORDER

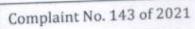
1. The present complaint has been filed by the complainant/allottee under Section 31 of the Real Estate (Regulation and Development) Act, 2016 (in short, the Act) read with rule 29 of the Haryana Real Estate (Regulation and Development) Rules, 2017 (in short, the Rules) for violation of section 11(4)(a) 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.

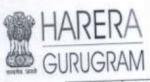


A. Unit and project related details

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. N.	Particulars	Details		
	Name of the project	"Conscient One Haryana	", Sector-109,	Gurugram
2.	Nature of the project	Commercial pr	oject	
3.	DTCP License no. & validity status	102 of 2008 dated 15.05.2008 up to 14.05.2022	83 of 2014 dated 09.08.2014 up to 08.08.2021	25 of 2019 dated 25.02.2019 up to 24.02.2022
4.	Name of licensee	Shri maya Buildcon Pvt. Ltd and 5 others	Shiv Shakti Estate Pvt. Ltd.	Shri maya Buildcon Pvt. Ltd
5.	Area IIA	8.24	0.16	0.2764
6.	RERA registered / no registered	up to 30.04.2	9/02 dated 14 021	.01.2019 valid
7.	Unit no.	1008 block C 10th floor [Annexure C-4 on page no. 38 of the complaint]		
8.	Super Area	595 sq. ft. [Annexure C-4 on page no. 38 of the complaint]		





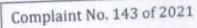
UGR	AM	
9.	Date of allotment	10.05.2013 (Annexure c-3 page 30 of complaint)
10.	Application form	18.04.2013 [Annexure C-1 on page no. 17 of the complaint]
11.	Date of builder buyer agreement	29.07.2015 [Annexure C-4 on page no. 35 of the complaint]
12.	Date of construction	27.04.2015 (Annexure R-5 page 33 of reply)
13.	Possession clause HAI GURU	of block in which the said serviced suite is to be located with a period of 42 months with the grace period of 6 months and subject to force majeure from the date of execution of this Agreement or start of
-	Due date of possession	on 29.07.2019



		(Calculated from the date of builder buyer agreement being later plus six months grace period allowed being unconditional) (Inadvertently mentioned in the proceedings of the day as 27.04.2019)	
15.	Total sale consideration (BSP)	Rs. 48,39,295/- [As alleged by the complainant in the facts]	
16.	Amount Paid	Rs. 35,62,008/- [As alleged by the complainants in the facts]	
17.	Occupation Certificate	19.02.2021 for tower A (Page 82 of reply of respondent)	
18.	Offer of possession	Not offered	
19.	Surrender by complaint	09.12.2019 but after due date (Annexure c-5 page 71 of complaint)	

B. Facts of the complaint:

- 3. A project by the name of "Conscient One" situated at sector 109, Gurugram was being developed by the respondent builder. The complainant coming to know about the same booked a unit in it vide application dated 18.04.2013 for a total sale consideration of Rs. 48,39,295/-. A booking amount of Rs. 4,00,000/- was paid by him.
- 4. The allotment of the unit was made by the respondent on 10.05.2013 of a unit bearing no. 1008, 10th Floor, Block C, having an area of 595 sq. ft., The buyer's agreement was executed between the parties on 29.07.2015. The unit was to be delivered within a period of 42 months plus six months grace period subject to force majeure from the date of





execution of this agreement or start of construction of the block, whichever is later.

- 5. That the complainant has paid sum of Rs. 35,62,008/- till date. The possession of the said unit is not handed over to the complainant in spite of a lapse of a period of more than 6 years till date.
- 6. That till date the respondent builder has not refunded the amount paid by the complainant and since the complainant had expressly stated that he is no more interested in purchasing the said unit therefore the complainant is left with no other efficacious remedy available except to file the present complaint before this Authority to seek refund.
- 7. That due to delay in handing over said unit and finding no alternative the complainant requested the respondent-builder through email dated 09.12.2019 and asked for cancellation of the said unit & refund the amount paid on account of not providing possession in time even after more than 6 years from the date of booking but the respondent-builder did not refunded the amount till now.
- 8. That till date the respondent builder has not refunded the amount paid by the complainant and since the complainant had expressly stated that he is no more interested in purchasing the said unit.
- 9. That the complainant wants to withdraw from the project, but the respondent is not ready to refund the money after deduction of earnest money as per application form and terms of buyer's agreement., the complainant was left with no other alternative but to file the present complaint seeking refund of the paid-up amount besides.

C. Relief sought by the complainant:

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

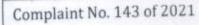


- i.Direct the respondent to refund the amount of Rs. 35,62,008/with interest.
- ii. Direct the respondent to pay Rs. 1,50,000/-as the cost of litigation and Rs. 5,50,000/- for causing mental and physical harassment to the complainant.

D. Reply by respondent:

The respondent by way of written reply made following submissions: -

- 11. That the complainant is an allottee of the above-mentioned unit for a total sale consideration of Rs. 48,39,295/-.
- 12. That the complainant vide application dated 18.04.2013 applied for a unit and accordingly, vide reservation letter dated 10.05.2013, the respondent builder reserved a unit bearing No. 1008, 10th Floor, admeasuring 595 sq. ft.
- 13. That alongwith the payment schedule contained in the reservation letter dated 10.05.2013, the complainant continued to make payments towards the said Unit till 03.06.2019 after which, the complainant failed to make further payments. That vide letter dated 24.03.2015 the respondent builder dispatched the buyer's agreement for the said unit for necessary execution by the complainant. The same was also informed to him vide email dated 26.03.2015. The buyer's agreement was executed between the parties on 29.07.2015.
- 14. That the respondent builder continued to raise demand letters towards the said unit and the complainant continued to make payments towards the same till 03.06. 2019.In the year 2019, the complainant started defaulting in making payments towards the said unit. On account





of the repeated defaults made by the complainant the respondent – builder, proceeded to issue demand letter dated 03.07.2019 and reminder letters dated 31.07.2019 and 20.11.2019 providing ample opportunities to the complainant to clear the outstanding dues.

15. That according to clause 8.1 and 8.3 of the said agreement, the respondent – builder was required to complete the construction of the block in which the said space is to be located within a period of 42 months with the grace period of 6 months subject to force majeure circumstances from the date of execution of the buyer's agreement or start of the construction of the block whichever is later. That the occupation certificate was received on 27.07.2020.

16. It is stated that the respondent – builder had endeavoured to complete the construction of the said complex within the time period as stipulated under the said agreement, however, owing to force majeure circumstances, there had been a slight delay in the construction of the said complex, which reasons are detailed hereinbelow. That it is imperative to highlight the force majeure conditions, which restrained the respondent – builder in completing the construction of the tower within the said unit is located. The said force majeure conditions are as under:

I. Order dated 08.11.2016 passed by the Hon'ble National Green Tribunal: banned the usage of any stone crusher in Delhi NCR, transportation of all construction material in Delhi NCR and also banned all construction activity in Delhi NCR for a period of one week. It is submitted on behalf of the respondent – builder that the stoppage of all construction activities in Delhi NCR vide the said order resulted in the labour engaged at site to abandon the site due



to such stoppage and the respondent – builder was able to remobilize the labour for construction at the site of the said complex after approximately 30 days from the lifting of the ban.

II. Order dated 09.11.2017 passed by the Hon'ble National Green Tribunal: once again banned all construction (structural) activity of any kind in the entire NCR till 14.11.2017 and also banned any digging on construction sites till 14.11.2017. As has already been stated hereinabove, such a ban by the Hon'ble National Green Tribunal on construction activities, though only for a short duration caused large delays in the construction of the said complex as with each ban, the labour present on the site of the said complex abandoned the site and it took the respondent – builder at least 15 to 30 days after the lifting of the ban imposed by the Hon'ble National Green Tribunal to re-mobilize the labour at the site of the said Complex.

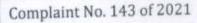
III. Notice dated 21.09.2017 issued by the Superintendent (DMC)
For the Additional Chief Secretary & Financial Commissioner to
Govt. of Haryana, Revenue and Disaster Management Department:
It is submitted that an Alert/Warning for Heavy Rainfall was issued
by the Superintendent (DMC) for the Additional Chief Secretary &
Financial Commissioner to the Govt. of Haryana, Revenue and
Disaster Management Department stating that heavy rainfall
warnings had been issued from 21.09.2017 to 23.09.2017 for the
districts of Panchkula, Ambala, Yamunanagar, Kurukshetra,



Kaithal, Karnal, Panipat, Sonipat, Gurugram, Faridabad, Palwal, Mewat and adjoining areas. It is submitted that upon the issuance of the abovementioned Alert/Warning, the construction at the site of the said complex again came to stoppage due to the said alert for a period of 3 days, once again causing delay in the said complex.

IV. Direction dated 27.10.2018 bearing No. EPCA-R/2018/L-91 issued by the Environment Pollution (Prevention & Control) Authority for the National Capital Region: It is stated that a direction was issued by the Environment Pollution Prevention & Control) Authority for the National Capital Region dated 27.10.2018 bearing No. EPCA-R/2018/L-91 wherein the said Authority had directed stoppage of all construction activity involving excavation, civil construction (excluding internal finishing/work where no construction material is used) in Delhi and the NCR districts from 01.11.2018 to 10.11.2018.

V. Direction dated 24,12.2018 bearing No. EPCA-R/2018/L-113 issued by the Environment Pollution (Prevention & Control) Authority for the National Capital Region: It is submitted that another direction dated 24.12.2018 bearing No. EPCA-R/2018/L-113 was issued by the Environment Pollution (Prevention & Control) Authority for the National Capital Region wherein once again the said Authority gave the direction to stop construction

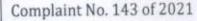




activities in Delhi, Faridabad, Gurugram, Ghaziabad and Noida till 26.12.2018.

VI. Shortage of treated sewage water at construction sites owing to the ban of usage of ground water by the Hon'ble High Court of Punjab & Haryana: The Hon'ble High Court of Punjab & Haryana had vide Order dated 16.07.2012 directed that all builders to use recycled sewage water at the construction site, however, there was immense shortage of such treated sewage water at the construction site, which was far beyond the control of the respondent – builder, which shortage once again caused delay due to such force majeure condition, in the construction of the said complex.

VI. Imposition of Lockdown by the Govt. of India from 25.03.2020 till 31.05.2020: The Govt. of India in view of the COVID-19 Pandemic, had imposed a nationwide lockdown from 23.03.2020, owing to which all activities, including construction activities were stopped across the country. During the said period of lockdown, only essential services were allowed to operate and construction of real estate projects, was not included in the realm of "essential services" allowed to function during the said period of lockdown. Therefore, the respondent – builder was unable to undertake any construction on the site of the said complex during such period and all activities at the site of the said complex came to a standstill.





Furthermore, even though the Govt. had begun to lift the lockdown from 01.06.2020, owing the large scale and widespread migration of labour across the country, the respondent – builder, despite best efforts, was also unable to employ labour to carry out the construction at the site of the said complex. It is stated that despite the respondent – builder continuously attempting, to the best of its capabilities, to find labour to work on the said site since the lifting of the lockdown as imposed by the Govt. of India, it is only post July, 2020 that the respondent – builder was able to effectively employ and deploy labour at the said complex to continue with the remaining work at the said complex and thereafter, proceeded to diligently and expeditiously completed the construction of the said tower in which the said unit is located.

17. It is submitted on behalf of the respondent – builder herein that has been stated hereinabove, there were numerous force majeure circumstances which were far beyond the control of the respondent – builder herein that have caused a short delay in the construction of the said complex and the Respondent herein, under the terms of the said agreement cannot be held liable for such a delay having been caused due to such force majeure conditions. It is submitted that despite having faced such adversities, the respondent – builder herein has always ensured that the construction of the said complex has continued as far as possible, though there were stoppages and slowdowns.

18. It is therefore clear that any alleged delay in the construction of the said unit, in terms of the said agreement is solely on account of the force majeure conditions faced by the respondent-builder, which were beyond



the control of him. The representatives of the respondent-builder duly intimated to the complainant, vide email dated 12.12.2019, the force majeure conditions faced by the respondent-builder which only restrained the respondent-builder to complete the construction of the tower within which the said unit is located. Thus, it is established beyond reasonable doubt that the force majeure conditions faced by him were well within the knowledge of the complainant and the reasons for such delay in completing the construction of the said unit were beyond the control of the respondent-builder.

- 19. That the respondent has also filed written submissions to substantiate their averments made in the pleadings as well as in the documents and the same were taken on record.
- 20. All the other averments made in the complaint were denied in toto.
- 21. Copies of all the relevant do 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:

22. 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

23. 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) The promoter shall-

(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;

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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 promoter leaving aside compensation which is to be decided by the adjudicating officer if pursued by the complainants at a later stage.

25. Further, the authority has no hitch in proceeding with the complaint and to grant a relief of refund in the present matter in view of the judgement passed by the Hon'ble Apex Court in *Newtech Promoters and*



Developers Private Limited Vs State of U.P. and Ors. 2020-2021 (1) RCR (c) 357 and reiterated in case of M/s Sana Realtors Private Limited & other Vs Union of India & others SLP (Civil) No. 13005 of 2020 decided on 12.05.2022wherein it has been laid down as under:

"86. From the scheme of the Act of which a detailed reference has been made and taking note of power of adjudication delineated with the regulatory authority and adjudicating officer, what finally culls out is that although the Act indicates the distinct expressions like 'refund', 'interest', 'penalty' and 'compensation', a conjoint reading of Sections 18 and 19 clearly manifests that when it comes to refund of the amount, and interest on the refund amount, or directing payment of interest for delayed delivery of possession, or penalty and interest thereon, it is the regulatory authority which has the power to examine and determine the outcome of a complaint. At the same time, when it comes to a question of seeking the relief of adjudging compensation and interest thereon under Sections 12, 14, 18 and 19, the adjudicating officer exclusively has the power to determine, keeping in view the collective reading of Section 71 read with Section 72 of the Act. if the adjudication under Sections 12, 14, 18 and 19 other than compensation as envisaged, if extended to the adjudicating officer as prayed that, in our view, may intend to expand the ambit and scope of the powers and functions of the adjudicating officer under Section 71 and that would be against the mandate of the Act 2016."

26. Hence, in view of the authoritative pronouncement of the Hon'ble Supreme Court in the cases mentioned above, the authority has the jurisdiction to entertain a complaint seeking refund of the amount and interest on the refund amount.

F. Objections regarding force majeure.

F.I Objection regarding delay due to force majeure

27. The respondent-builder raised the contention that the construction of the project was delayed due to conditions beyond the control of the respondent – builder such as banned construction in Delhi NCR, the labour abandoned the site, heavy rainfall ban of usage of ground water, but all the pleas advanced in this regard are devoid of merit. First of all the unit in question was allotted in the year 2013 and its possession was



to be offered by 29.07.2019 so the events taking place such as banned construction in Delhi NCR, the labour abandoned the site, heavy rainfall ban of usage of ground water do not have any impact on the project being developed by the respondent. Further, the orders banning construction and extraction of ground water were imposed for a very short duration and thus, a delay of such a long duration cannot be justified by the same. Thus, the promoter respondent cannot be given any leniency on based of aforesaid reasons and it is well settled principle that a person cannot take benefit of his own wrong.

28. As far as delay in construction due to outbreak of Covid-19 is concerned, Hon'ble Delhi High Court in case titled as M/s Halliburton Offshore Services Inc. V/S Vedanta Ltd. & Anr. bearing no. O.M.P (I) (Comm.) no. 88/ 2020 and I.As 3696-3697/2020 dated 29.05.2020 has observed that-

"69. The past non-performance of the Contractor cannot be condoned due to the COVID-19 lockdown in March 2020 in India. The Contractor was in breach since September 2019. Opportunities were given to the Contractor to cure the same repeatedly. Despite the same, the Contractor could not complete the Project. The outbreak of a pandemic cannot be used as an excuse for non- performance of a contract for which the deadlines were much before the outbreak itself."

29. In the present complaint also, the respondent was liable to complete the construction of the project in question and handover the possession of the said unit by 29.07.2019. The respondent- builder is claiming benefit of lockdown which came into effect on 25.03.2020 whereas the due date of handing over of possession was much prior to the event of outbreak of Covid-19 pandemic. Therefore, the authority is of the view



that outbreak of a pandemic cannot be used as an excuse for nonperformance of a contract for which the deadlines were much before the outbreak itself and for the said reason the said time period is not excluded while calculating the delay in handing over possession

G. Entitlement of the complainant for refund:

G. I Direct the respondent to refund the amount of Rs.35,62,008.

30. In the present case, the subject unit was allotted to the complainant on 10.05.2013. He paid a sum of Rs. 35,62,008/-towards total consideration of allotted unit. The complainant approached the authority seeking relief of refund of the paid-up amount on the ground that the allottee does not want to continue with the project as he sent a surrender email on 09.12.2019. As per clause 8.1, of the buyer's agreement the due date of handing over of possession comes out to be 29.07.2019.

31. It is an admitted fact that buyer's agreement was executed between the parties on 29.07.2015. So, the due date for completion of the project and handing over possession of the allotted unit is being taken from clause 8.1 of the buyer's agreement and the same comes to 29.07.2019 after adding the grace period. The allotment of the unit was made in favour of the complainant on 10.05.2013 whereas as per clause 8.1, the due date of handing over of possession comes out to be 29.07.2019. After the due date the complainant vide email dated 09.12.2019 stated that there is no news or update as to when the project is getting completed so he wants to proceed with the cancellation of the unit booked by him and wants refund of the paid up amount. So, it means that the complainant wants to withdraw from the project and is seeking refund after the due date has expired.



32. In view of aforesaid circumstances, the authority is of considered view that the due date of handing over of possession comes out to be 29.07.2019 has already been passed and the complainant sent an email dated 09.12.2019 for surrender after the due date is over.

33. 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) reiterated in case of M/s Sana Realtors Private Limited & other Vs Union of India & others SLP (Civil) No. 13005 of 2020 decided on 12.05.2022. it was observed

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.

34. 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 allottee 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 allottee, as the allottee wishes to withdraw from



the project, without prejudice to any other remedy available, to return the amount received by him in respect of the unit with interest at such rate as may be prescribed.

35. This is without prejudice to any other remedy available to the allottee including compensation for which the allottee 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.

36. The authority hereby directs the promoter to return the amount received by him i.e., Rs. 35,62,008/- with interest at the rate of 10.35 % (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 surrender i.e 09.12.2019 till the actual date of refund of the amount within the timelines provided in rule 16 of the Haryana Rules 2017 ibid.

G.II Direct the respondent to pay Rs. 1,50,000/-as the cost of litigation and Rs. 5,50,000/- for causing mental and physical harassment to the complainant.

37. The the complainant is seeking above mentioned relief with regard to compensation. Hon'ble Supreme Court of India in civil appeal nos. 6745-6749 of 2021 titled as *M/s Newtech Promoters and Developers Pvt. Ltd. V/s State of Up & Ors. 2021-2022 (1) RCR (c) 357*, has held that an allottee is entitled to claim compensation & litigation charges under sections 12,14,18 and section 19 which is to be decided by the adjudicating officer as per section 71 and the quantum of compensation & litigation expense shall be adjudged by the adjudicating officer having due regard to the factors mentioned in section 72. The adjudicating officer has exclusive jurisdiction to deal with the complaints in respect of compensation & legal expenses. Therefore, the complainants are advised

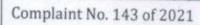


to approach the adjudicating officer for seeking the relief of litigation expenses.

H. Directions of the Authority:

38. 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. 35,62,008 received by him from the complainant along with interest at the rate of 10.35% p.a. as prescribed under rule 15 of the Haryana Real Estate (Regulation and Development) Rules, 2017 from the date of surrender i.e 09.12.2019 by the complainant till the actual date of refund of the amount.
- 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.
- iii. The respondent is further directed not to create any thirdparty rights against the subject unit before full realization of
 paid-up amount along with interest thereon to the
 complainants, and even if, any transfer is initiated with
 respect to subject unit, the receivable shall be first utilized for
 clearing dues of allottee-complainants.





39. Complaint stands disposed of.

40. File be consigned to the registry.

(Sanjeev Kumar-Arora)

Member

(Ashok Sangwan)

Member

Haryana Real Estate Regulatory Authority, Gurugram

सत्यमेव जयते

Dated: 07.12.2022