

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

Complaint no. :	1293 of 2021
Date of filing complaint:	05.03.2021
First date of hearing:	25.03.2021
Date of decision :	15.03.2023

Neeraj Verma & Deepa Verma
R/o: Flat no.1-D, Phase IV, Adarsh Nagar, Sonari,
Jamshedpur.

Complainants

Versus

M/s Vatika Limited
Vikram Bhalla
Office : Vatika Triangle, 4th floor, Sushant Lok, Ph-1,
block-A, Mehrauli Gurugram Road, Gurugram-122002

Respondents

CORAM:

Shri Ashok Sangwan

Member

APPEARANCE:

Sh. Ganesh Bhardwaj

Advocate for the complainants

Sh. Dhruv Dutt Sharma

Advocate for the respondents

ORDER

1. The present complaint has been filed by the complainant/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 provisions of the Act or the rules and regulations made thereunder or to the allottees 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
1.	Name and location of the project	"Vatika Express City" at sector 88A & 88B, Gurgaon, Haryana
2.	Nature of the project	Residential plotted colony
3.	Project area	100.785 acres
4.	DTCP license no.	94 of 2013 dated 31.10.2013 valid upto 30.10.2019
5.	Name of licensee	M/s Malvina Developers Pvt. Ltd. & others
6.	RERA Registered/ not registered	Registered vide no. 271 of 2017 dated 09.10.2017 valid upto 08.10.2022
7.	Unit no.	Plot no. 23, Street No. G-14, Block G (Page no. 37 of complaint)
8.	Unit area admeasuring	301.39 sq. yd. (Page no. 37 of complaint)
9.	Date of allotment	16.01.2014 (page 31 of complaint)
10.	Date of builder buyer agreement	21.01.2015 (page 35 of complaint)
11.	Due date of possession	21.01.2019
12.	Possession clause	9. SCHEDULE FOR POSSESSION OF THE SAID RESIDENTIAL PLOT <i>The Company based on its present plans and estimates and subject to all just exceptions, force majeure and delays due to reasons beyond the control of the Company contemplates to complete development of the said Residential Plot within a period of 48</i>

		<i>(Forty Eight) months from the date of execution of this Agreement unless there shall be delay or there shall be failure due to reasons mentioned in other Clauses herein or due to failure of Allottee(s) to pay in time the price of the said Residential Plot along with all other charges and dues in accordance with the Schedule of Payments given in Annexure II 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. Emphasis supplied</i>
13.	Total sale price	Rs. 2,34,73,874/- [page 66 of complaint]
14.	Basic sale price	Rs. 2,15,19,360/- [page 66 of complaint]
15.	Amount paid by the complainants	Rs. 86,09,991/- [page 66 of complaint]
16.	Legal notice w.r.t. cancellation	14.08.2020 (annexure C9, page 76 of complaint)
17.	Occupation certificate	Not obtained
18.	Offer of possession	Not offered

B. Facts of the complaint:

3. That the complainant booked a unit on 29.10.2013 in the project namely “**Vatika Express City**” situated at Sector-88-A & B, Gurgaon, Haryana- for a total sale consideration of Rs. 2,34,73,874/- and the complainant paid an amount of Rs. 11,00,000/- as the booking amount. In pursuant to the booking, the respondent issued an allotment letter dated 16.01.2014 and allotted a plot bearing no. 23, St no. G-14, block G. On 21.01.2015 a pre-printed, one-sided builder buyer agreement was executed between the parties, the complainants had no say and followed the dotted lines as set by the respondent-builder in the agreement. As per the builder buyers’

agreement dated 21.01.2015 executed by respondents for the aforesaid plot, it was promised that the said plot would be delivered to the complainants within a period of 48 months thereon from the date of execution of the buyers' agreement for his residential purpose. The complainants had booked the said project in year 2013 and then it was promised by the respondents that the said real estate project would be ready for the use of complainants within four years from the date of booking therefore the complainants had objected the signing of agreement which would further extend the date of completion of real estate project for next forty-eight months from year 2013. However, the respondent being a very big corporate house and builder suppressed the voice of complaints and extended the date of possession as per the buyer's agreement.

4. That adhering to the timelines, the complainants made the payment of booking amount of Rs. 11,00,000/-. Further, the instalments of Rs.21,42,011/-,Rs.20,00,000/-,Rs.23,00,000/-,Rs.2,00,000/,Rs.7,50,000/- & Rs. 1,17,980/- respectively was made by the complainant. Therefore, a total amount of Rs. 86,09,991/- were made to you which the respondent duly acknowledged. According to the payment schedule the entire payment was to be made by 28.10.2014 except the last instalment which was to be paid subsequent to the issuance of possession letter. The complainants, as on today, have paid a total sum of Rs. 86,09,991/- towards sale consideration, base price and additional amenities of the aforesaid unit to the respondents against receipts issued by the respondents.
5. That the respondents had also promised to the complainants through aforesaid buyer's agreement that in case of delay in delivering the said plot

as per agreed timelines, the respondents would pay compensation for the delayed period on the rate of interest which the respondents charge in case of delay in payment by the allottees i.e. Rs. 75 per sq. yd. of the area of the said residential plot per month.

6. That on the date agreed for the delivery of possession of said unit as per date of booking and later on according to the Builder Buyers Agreement, complainants had approached the Respondents and its officers enquiring the status of delivery of possession, but none had bothered to provide any satisfactory answer to the Complainants about the completion and delivery said unit. Complainants thereafter kept running from pillar to post asking for the delivery of his home but could not succeed as the construction of the said unit and said project was nowhere near to completion.
7. That on 24.01.2017, upon specific query whether the delivery of the plot would be made on time to the complainants, the officials of the respondents informed that developmental work is in progress. Further, they were assured that official of the respondents will keep them posted about the progress. The complainants thereafter had tried his best to reach the representatives of the respondents to seek a satisfactory reply in respect of the said dwelling unit but all in vain. They had requested the respondents to deliver his home citing the extreme financial and mental pressure he was going through, but the respondents never cared to listen to his grievances and left him with his suffering and pain on account of default and negligence. On 12.11.2019, the complainants were called by the relationship manager of the respondents namely Mr. Ankit Nagpal to offer alternative options as the possession of their plot according to him was delayed by another 18-24 months.

✓

8. That confronted with Hobson's choice, the complainants went to explore other alternative options located at different location. However, they didn't find other options appropriate and ideal for them. Apart from being ill-suited, they were found to be over the odds. The complainants therefore didn't find them worthy of amicable settlement. Thereafter the complainants were given the offer of an apartment in Seven Lamps, Gurgaon constituting an area of 1880 sq.ft. costing Rs. 1,26,9000/- . Also, they were shown INXT floor, street H-12, unit no. 20, 24 plot size 400 square yard priced at Rs. 1,41,98,000/- . Besides, they were shown some other options as duplex of 360 sq. yds. costing Rs. 3crore. It is relevant to mention here that all these options were big budget homes and were not to the liking of the complainants. They were again shown substitutes for the plot in the months of June, 2019 and again, the complainants found them inappropriate and incompatible for their use and found them highly overpriced. Thereafter on 26.06.2020 another email was sent the respondents explicitly mentioning that the project has been delayed further and it will require additional 18-24 months.
9. That the respondents have not completed the said real estate project till now and they have not provided with the possession of said unit despite all promises done and representation made by the respondents. By committing delay in delivery of the possession of the aforesaid dwelling unit respondents have violated the terms and conditions of the buyers' agreement and promises made at the time of booking of said unit. The respondents have also failed to fulfill the promises and representation made it while selling the said dwelling unit to them.
10. That the conduct on part of the respondents regarding delay in delivery of possession of the said dwelling unit has clearly manifested that

respondent never ever had any intention to the deliver the said project and dwelling unit on time as agreed. It has also cleared the air on the fact that all the promises made by the respondents at the time of sale of involved dwelling unit were fake and false. The respondents had made all those false, wrongful and fraudulent promises just to induce the complainants to purchase the dwelling unit basis its false and frivolous promises, which the respondents never intended to fulfill.

11. That the respondents have committed grave deficiency in services by delaying the delivery of possession and false promises made at the time of sale of dwelling unit which amounts to unfair trade practice which is immoral as well as illegal. The respondents have also criminally misappropriated the monies paid by the complainants as sale consideration of said dwelling unit by not delivering the unit by agreed timelines. The respondents have also acted fraudulently by inducing the complainants to purchase the said dwelling unit basis its false and frivolous promises and representations about the delivery timelines aforesaid housing project. Relying upon th respondent's representation and believing them to be true the complainants were induced to pay Rs. 86,09,991/- as sale consideration of the aforesaid dwelling unit as on today.
12. That complainants have undergone severe mental harassment due to the negligence on part of the respondents to deliver her home on time agreed. They had faced all these financial burdens and hardship from his limited income resources, only because of its failure to fulfill its promises and commitments. The failure of commitment on respondent's part has made the life of the complainants miserable socially as well financially as all his personal financial plans and strategies were based on the date of delivery

of possession as agreed by the respondents. Therefore, the respondents have forced the complainants to suffer grave and severe mental and financial harassment with not fault on his part. The complainants being a common person just made the mistake of relying on respondent's false and fake promises, which lured him to buy a residential property in the aforesaid residential project. The respondents has trapped the complainants in a vicious circle of mental, physical and financial agony, trauma and harassment in the name of delivering the residential plot for dream home within deadline representing itself as a multinational real estate giant.

13. That aggrieved with the wrongful and fraudulent act of the respondents, the complaints have served a legal notice dated 14.08.2020 to the respondents for cancellation of the allotment and refund the monies deposited by the complainants.
14. That the respondents have acted in a very deficient, unfair, wrongful, fraudulent manner by not delivering the dwelling unit bearing plot no. 23. street no. G-14, block-G, situated in the real estate project named "Vatika Express City" in sector-88B, Gurugram, Haryana within the timelines agreed in the buyer's agreement and otherwise. The respondents are, therefore, liable to pay the damages and compensation for the monetary loss and harassment suffered by the complainants due to the delay in delivering the possession of aforesaid dwelling unit. The respondents are also liable to pay damages to the complainants for the losses he incurred due to wrongful and fraudulent promises & commitments made by the respondents in respect of the delivery of possession of aforesaid unit and also for non-payment of delayed compensation to the complainants.

15. That by having intentionally and knowingly induced and having falsely misrepresented to the complainants and thereby making him to act in accordance to its misrepresentations, and owing to all the deliberate lapses/delays on the part of the 'respondents' the 'respondents' are fully liable to make payment/reimbursements as requisitioned/claimed, by 'the complainants'.
16. That the cause of action accrued in favour of 'the complainants and against the respondents on 29.10.2013 when they booked the said dwelling unit and it further arose when the respondents failed to deliver the goods/services. The cause of action is continuing and is still subsisting on day-to-day basis.

C. Relief sought by the complainant:

17. The complainant has sought following relief(s):
- Direct the respondent to refund the total amount of Rs. 86,09,991/- to the complainant along with the prescribed rate of interest as per the applicable rules.
 - Compensation.

D. Reply by respondent:

18. That at the outset, the respondent humbly submits that each and every averment and contention, as made/raised in the complaint, unless specifically admitted, be taken to have been categorically denied by respondent and may be read as travesty of facts.
19. That the complaint filed by the complainant before the authority, besides being misconceived and erroneous, is untenable in the eyes of law. The complainant has misdirected themselves in filing the above captioned complaint before this authority as the relief being claimed by them besides

being illegal, misconceived and erroneous, cannot be said to even fall within the realm of jurisdiction of this authority.

20. That further, without prejudice to the aforementioned, even if it was to be assumed though not admitting that the filing of the complaint is not without jurisdiction, even then the claim as raised cannot be said to be maintainable and is liable to be rejected for the reasons as ensuing.
21. That the complainants have miserably and willfully failed to make payments in time or in accordance with the terms of the buyer's agreement. It is submitted that the complainants have frustrated the terms and conditions of the buyer's agreement, which were the essence of the arrangement between the parties and therefore, they now cannot invoke a particular clause, and therefore, the complaint is not maintainable and should be rejected at the threshold. The complainants have also misdirected in claiming refund on account of alleged delayed offer for possession. It has been categorically agreed between the parties that subject to the complainants having complied with all the terms and conditions of the buyer's agreement and not being in default under any of the provisions of the said agreement and having complied with all provisions, formalities, documentation etc., the developer contemplates to complete construction of the said residential plot within a period of 48 months from the date of execution of agreement unless there shall be delay due to failure of allottee to pay in time the price of the said residential plot.
22. In the present case, there has been a delay due to various reasons which were beyond the control of the respondent and the same are enumerated below:
- Unexpected introduction of a new National Highway being NH 352 W (herein "NH 352 W") proposed to run through the project of the respondent. initially HUDA has to develop the major sector roads for*



the connectivity of the projects on the licensed land. But no development for the connectivity and movement across the sectors, for ingress or egress was done by HUDA for long time. Later on, due to the change in the master plan for the development of Gurugram, the Haryana Government has decided to make an alternate highway passing through between sector 87 and sector 88 and further Haryana Government had transferred the land falling in sector 87, 88 and others sectors to GMDA for constructing new highway 352 W. Thereafter in a process of developing the said highway 352 W, the land was uplifted by 4 to 5 mtrs. It is pertinent to note that Respondent has already laid down its facilities before such upliftment. As a result, respondent is constrained to uplift the project land and re-align the facilities. Thereafter GMDA handed over the possession of the land properties/land falling in NH 352 W to NHAI for construction and development of NH 352 W. All this process has caused considerable amount of delay and thus hampered the project in question which are beyond the control and ambit of developer.

- b. The GMDA vide its letter dated 08.09.2020 had handed over the possession of said properties for construction and development of NH 352 W to the National Highway Authority of India (NHAI). This is showing that still the construction of NH 352 W is under process resulting in unwanted delay in completion of project.*
- c. Further, when HUDA had acquired the sector road and started its construction, an area by 4 to 5 mtrs. was uplifted. Before start of the acquisition and construction process, the respondent had already laid down the services according to the earlier sector road level. However, due to upliftment caused by the HUDA in NH 352 W the company has been constrained to raise and uplift the same within the project, which not only result in deferment of construction of project but also attract costing to the respondent.*
- d. Re-routing of High-Tension lines passing through the lands resulting in inevitable change in the lay out plans and cause unnecessary delay in development.*
- e. The Hon'ble National Green Tribunal (NGT)/Environment Pollution Control Authority (EPCA) issued directives and measures to counter deterioration in Air Quality in the Delhi-NCR region, especially during winter months. Among these measures were bans imposed on construction activities for a total period of 70 days between November,2016 to December,2019.*
- f. Due to the implementation of MNREGA Schemes by the Central Government, the construction industry as a whole has been facing shortage of labour supply, due to labour regularly travelling away*



from Delhi-NCR to avail benefits of the scheme. This has directly caused a detrimental impact to the Respondent, as it has been difficult to retain labour for longer and stable periods of time and complete construction in a smooth flow.

- g. Disruptions caused in the supply of stone and sand aggregate, due to orders passed by the Hon'ble Supreme Court and the Hon'ble High Court of Punjab and Haryana prohibiting mining by contractors in and around Haryana.
- h. Disruptions caused by unusually heavy rains in Gurgaon every year.
- i. Due to the slump in real estate sector, major financial institutions are facing difficulty in providing funding to the developers. As a result, developers are facing financial crunch.
- j. Disruptions and delays caused in the supply of cement and steel due to various large-scale agitations organized in Haryana.
- k. Declaration of Gurgaon as a Notified Area for the purpose of Groundwater and restrictions imposed by the state government on its extraction for construction purposes.
- l. Additionally, imposition of several partial restrictions from time to time prevented the Respondent from continuing construction work and ensuring fast construction. Some of these partial restrictions are:
 - a. Construction activities could not be carried out between 6 p.m. to 6 a.m. for 174 days.
 - b. The usage of Diesel Generator Sets was prohibited for 128 days.
 - c. The entries of truck traffic into Delhi were restricted.
 - d. Manufacturers of construction material were prevented from making use of close brick kilns, Hot Mix plants, and stone crushers.
 - e. Stringently enforced rules for dust control in construction activities and close non-compliant sites.

The imposition of several total and partial restrictions on construction activities and suppliers as well as manufacturers of necessary material required, has rendered the Respondent with no option but to incur delay in completing construction of its projects. This has furthermore led to significant loss of productivity and continuity in construction as the Respondent was continuously stopped from dedicatedly completing the Project. The several restrictions have also resulted in regular demobilization of labour, as the Respondent would have to disband the groups of workers from time to time, which created difficulty in being able to resume construction activities with required momentum and added many additional weeks to the stipulated time of construction.

- f. The Government of India imposed lockdown in India in March 2020 to curb the spread of the Covid-19 pandemic. This severely

impacted the Respondent as the Respondent was constrained to shut down all construction activities for the sake of workers' safety, most of the labour workforce migrated back to their villages and home states, leaving the Respondent in a state where there is still a struggle to mobilize adequate number of workers to start and complete the construction of the Project due to lack of manpower. Furthermore, some suppliers of the Respondent, located in Maharashtra, are still unable to process orders which inadvertently have led to more delay

23. Further, it had been also agreed and accepted that in case the delay is due to the force majeure then the developer would not be held responsible for delay in delivery of possession.
24. It is not disputed that due to the outbreak of covid 19, the entire world went into lockdown and all the construction activities were halted and no labour were available. Infact, all the developers are still facing hardship because of acute shortage of labour and even the Authority, Gurugram has vide order dated 26.05.2020 declared the Covid 19 as a calamity under the force majeure clause and therefore there cannot be said to be any delay in delivering the possession by the respondent and the complaint is premature.
25. That it is pertinent to mention here that, the answering respondent despite facing above-mentioned complications and difficulties in delivering the said project in time to the complainant, offered an alternative option/re-allotment in other similar projects of the answering respondent, which are ready for possession after complying with the due consideration by the complainant. However, the complainant refused and denied the said offer of the answering respondent for the best reasons known to them. It is to be appreciated that a builder constructs a project phase wise for which it gets payment from the prospective buyers and the money received from the prospective buyers are further invested towards the completion of the project. It is submitted that a builder is supposed to construct in time when

the prospective buyers make payments in terms of the agreement. It is further submitted that one particular buyer who makes payment in time can also not be segregated, if the payment from other perspective buyer does not reach in time. It is relevant to note that the problems and hurdles faced by the developer or builder have to be considered while adjudicating complaints of the prospective buyers. It is also relevant to note that the slow pace of work affects the interests of a developer, as it has to bear the increased cost of construction and pay to its workers, contractors, material suppliers, etc. It is pertinent to mention here that the irregular and insufficient payment by the prospective buyers such as the complainant freezes the hands of developer/builder in proceeding towards timely completion of the project.

26. 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:

27. 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

28. 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 complete territorial jurisdiction to deal with the present complaint.

E. II Subject matter jurisdiction

21. 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.

22. 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 complainant at a later stage.
23. 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.** SCC Online SC 1044 decided on 11.11.2021 wherein 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."

24. Hence, in view of the authoritative pronouncement of the Hon'ble Supreme Court in the matter of **M/s Newtech Promoters and Developers Private Limited Vs State of U.P. and Ors. (supra)**, the authority has the jurisdiction to entertain a complaint seeking refund of the amount paid by allottee alongwith interest at the prescribed rate.

F. Findings on the objections raised by the respondent.

F.I Objection w.r.t. force majeure.

25. It is contended on behalf of respondent/builder that due to various circumstances beyond its control, it could not speed up the construction of the project, resulting in its delay such as various orders passed by NGT Hon'ble Supreme Court, introduction of new highway being NH-352W, transferring the land acquired for it by HUDA to GMDA, then handing over to NHAI and re-routing of high-tension lines passing through the land of the project. But all the pleas advanced in this regard are devoid of merit. The passing of various orders to control pollution in the NCR-region

during the month of November is an annual feature and the respondent should have taken the same into consideration before fixing the due date. Similarly, the various orders passed by other authorities cannot be taken as an excuse for delay.

26. The counsel for the complainant states that he has sought refund by filing the above complaint on 05.03.2021 i.e., after the due date was over i.e., on 21.01.2019 and further submitted that there is no progress of construction at site as no demand has been raised after 2016 and thus, the project seems to be abandoned because of non-clear title of the land. Hence, no grace period due to covid can be allowed as neither there was any work going on at the site since 2016 nor there is any work going on post covid and the respondent has only retained the money deposited by allottee for use in some other project and further requested the authority to take note of same in suo-moto proceedings and to allow the full refund along with interest as the allottee has not made payment of instalments as there was no progress in construction at site and no default on part of the complainant allottee and cannot be expected to wait endlessly for the completion of unit and handing over of possession.
27. In view of aforesaid circumstances where no substantial work has been taken by the respondent even after lapse of 4 years from due dated of handing over of possession i.e., 21.01.2019, no leniency on ground of Covid-19 can be given to the respondent.

G. Findings on the relief sought by the complainant:



G.1 Direct the respondent to refund the paid amount of Rs. 86,09,991/- along with interest.

28. In the present complaint, the complainant booked a unit on 29.10.2013 in the above said project for a total sale consideration of Rs. 2,34,73,874/-. On 16.01.2014, the respondent issued an allotment letter and allotted a unit no. 27, street no. H-30, along with the allotment letter. Thereafter, on 21.01.2015 a buyer's agreement was executed between the parties. As per clause 9 of the said agreement, the unit was to be handed over within 48 months from the signing of the agreement i.e., 21.01.2019. Therefore, the due date comes out to be 21.01.2019. As per agreement, the total sale consideration of the said unit is Rs. 2,34,73,874/- and the complainant has paid an amount of Rs. 86,09,991/.
29. Keeping in view the fact that the allottee/complainant wishes 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.
30. The occupation certificate/completion certificate of the project where the unit is situated has still not been obtained by the respondent/promoter. The authority is of the view that the allottee cannot be expected to wait endlessly for taking possession of the allotted unit and as observed by Hon'ble Supreme Court of India in *Ireo Grace Realtech Pvt. Ltd. Vs.*

Abhishek Khanna & Ors., civil appeal no. 5785 of 2019, decided on

11.01.2021:

".... The occupation certificate is not available even as on date, which clearly amounts to deficiency of service. The allottees cannot be made to wait indefinitely for possession of the apartments allotted to them, nor can they be bound to take the apartments in Phase 1 of the project....."

31. 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. 2021-2022,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 12.05.2022.*** It was observed that :

"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."

32. 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 they wish 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.

33. The authority hereby directs the promoter to return to the complainant the amount received i.e. Rs.86,09,991/- with interest at the rate of 10.70% (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. Directions of the Authority:

34. Hence, the Authority hereby passes this order and issues the following directions under section 37 of the Act to ensure compliance of obligations cast upon the promoters 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 entire amount of Rs. 86,09,991/- paid by the complainant along with prescribed rate of interest @ 10.70% p.a. as prescribed under rule 15 of the Haryana Real Estate (Regulation & Development) Rules, 2017 from the date of each payment till the date of refund of the deposited amount.
- ii. A period of 90 days is given to the respondents to comply with the directions given in this order and failing which legal consequences would follow.

35. Complaint stands disposed of.



36. File be consigned to the Registry.

(Ashok Sangwan)
Member

Haryana Real Estate Regulatory Authority, Gurugram

Dated: 15.03.2023



HARERA
GURUGRAM