

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

Complaint no. : 3055 of 2021
First date of hearing: 19.10.2021
Date of decision : 22.02.2023

Mrs. Mamta Agarwal
W/o Sh. Sharad Prahlad Aggarwal
R/o: - E-58, Ground floor, Greater Kailash- I, Enclave,
New Delhi- 110048

Complainant

Versus

M/s Ramprashtha Promoters and Developers Private
Limited.
Regd. office: Plot No. 114, Sector-44, Gurugram-122002

Respondent

CORAM:

Shri Ashok Sangwan

Member

APPEARANCE:

Sh. Anshul Gupta (Advocate)
Ms. R. Gayatri Mansa (Advocate)

Complainant
Respondent

ORDER

1. The present complaint dated 09.08.2021 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 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 there under or to the allottee as per the agreement for sale executed *inter se*.

A. Unit and project details

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

S. N.	Particulars	Details
1.	Name of the project	"Primera", Sector 37D, Village Gadauli Kalan, Gurugram
2.	Project area	13.156 acres
3.	Registered area	3.257 acres
4.	Nature of the project	Group housing colony
5.	DTCP license no. and validity status	12 of 2009 dated 21.05.2009 valid upto 20.05.2024
6.	Name of licensee	Ramprastha realtor Pvt. Ltd.
7.	Date of approval of building plans	25.04.2013 [As per information obtained by planning branch]
8.	RERA Registered/ not registered	Registered vide no. 21 of 2018 dated 23.10.2018
9.	RERA registration valid up to	31.03.2020
10.	Unit no.	C-404, 4 th floor, tower/block- C





		(Page no. 21 of the complaint)
11.	Unit area admeasuring	1695 sq. ft. (Page no. 21 of the complaint)
12.	Allotment letter	05.11.2012 (Page no. 21 of the complaint)
13.	Date of execution of apartment buyer agreement	Not executed
14.	Possession clause	15. POSSESSION (a) Time of handing over the Possession Subject to terms of this clause and subject to the Allottee having complied with all the terms and condition of this Agreement and the Application, and not being in default under any of the provisions of this Agreement and compliance with all provisions, formalities, documentation etc., as prescribed by RAMPRASTHA. RAMPRASTHA shall endeavour to complete the construction of the said <i>Apartment within a period of 54 months from the date of approvals of building plans by the office of DGTCP. The Allottee agrees and</i>



		<p><i>understands that RAMPRASTHA shall be entitled to a grace period of hundred and twenty days (120) days, for applying and obtaining the occupation certificate in respect of the Group Housing Complex.</i></p> <p>(Emphasis supplied)</p> <p><i>(Possession clause taken from the BBA annexed in complaint no. 2617-2021 of the same project being developed by the same promoter)</i></p>
15.	Due date of possession	25.10.2017 [Note: - the due date of possession can be calculated by the 54 months from approval of building plans i.e., 25.04.2013]
16.	Grace period	Not utilized
17.	Total sale consideration	Rs.1,07,88,675/- (As per mentioned in the allotment letter dated 05.11.2012 at page 21 of the complaint)
18.	Amount paid by the complainant	Rs.32,41,717/- (As per receipt information page no. 41 of the reply)
19.	Occupation certificate /Completion certificate	Not received



20.	Offer of possession	Not offered
21.	Delay in handing over the possession till date of filing complaint i.e., 09.08.2021	3 years 9 months and 15 days

B. Fact of the complaint

3. The complainant has made the following submissions: -

- I. That in October 2012, booked a residential unit in the project named "Primera" situated at Sector 37D, Gurgaon Manesar Urban Complex, Gurgaon, Haryana vide booking form dated 25.10.2012 and by making a payment of Rs.9,60,218/- as booking amount.
- II. That the respondent had issued the allotment letter dated 05.11.2012 to the complainant. She was allotted residential unit no. C-404, 4th floor, block C, admeasuring 1695 sq. ft. in the said project.
- III. That she had made a total payment of Rs.32,41,717/- to the respondent as and when demanded as per the payment plan even though the builder buyer's agreement was not executed by the respondent that the agreement will be executed, and the possession of the unit will be delivered on time.
- IV. That the respondent in accepting the above-mentioned sum from the complainants without entering into and registering the builder buyer's agreement is a complete violation of section 13 of the Act.



Further, the respondent has accepted more than 30% of the cost of the unit without executing the builder buyer's agreement. This portrays the malicious intent of the respondent to defraud the complainant of their hard-earned money.

V. That the respondent finally issued a draft of the builder buyer's agreement on 14.04.2016. That the agreement contained various one-sided and arbitrary clauses and the complainant could not negotiate on any of the terms, since the respondent had already collected significant amount of money from the complainant due to which the agreement has remained unsigned. That through the draft of the builder buyer agreement was issued on 14.04.2016, the respondent till date, have not executed the builder buyer's agreement with the complainant despite the expiry of almost 9 years since booking of the unit. This further portrays the malicious intent of the respondent to defraud the complainant of their hard-earned money.

VI. That the turn of events borne suspicion in the mind of the complainant. The complainant, owing to the unreasonable delay in construction and the gross deficiency in services offered by it, is demanding a complete refund of the payments made to the respondent along with interest for the delay.

C. Relief sought by the complainant:

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

- I. Direct the respondent to refund the amount of Rs.32,41,717/- deposited by the complainants and interest pay interest @18% p.a. on the deposited amount with effect the promised date of possession, till the date of order from the authority for refund.
 - II. Direct the respondent to pay a sum of Rs.1,00,000/- to complainant as reimbursement of legal expenses.
5. On the date of hearing, the authority explained to the respondent/promoters about the contraventions as alleged to have been committed in relation to section 11(4) (a) of the Act to plead guilty or not to plead guilty.

D. Reply by the respondent

6. The respondent has contested the complaint on the following grounds.
- I. That the present complaint has been filed before the authority for refund along with interest and legal cost against the investment made by the complainant in one of the flat lots in the project "Primera" of the respondent. That the authority is precluded from entertaining the present matter due to lack of cause of action and lack of jurisdiction.
 - II. That the complainant has now filed a complaint in terms of the Haryana Real Estate (Regulation & Development) Amendment Rules, 2019 under the amended rule 28 in the amended 'Form CAO' and is seeking the relief of refund along with interest under section 18 of the Act. It is submitted in this behalf that the power of the appropriate Government to make rules under section 84 of the said Act is only for the purpose of carrying out the provisions

- of the said Act and not to dilute, nullify or supersede any provision of the said Act.
- III. That the power to adjudicate the complaint pertaining to refund, compensation, and interest for a grievance under section 12,14,18 and 19 are vested with the adjudicating officer under section 71 read with section 31 of the said Act and not under the said rules and neither the said rules or any amendment thereof can dilute, nullify, or supersede the powers of the adjudicating officer vested specifically under the said Act. Therefore, the authority has no jurisdiction in any manner to adjudicate upon the present complaint.
- IV. That the complaint pertains to the alleged delay in delivery of possession seeking relief of refund, interest, and compensation u/s 18 of the said Act. Therefore, even though the project of the respondent i.e. "Rise" (*SIC i.e., "Primera"*) Ramprastha City, Sector-37D, Gurgaon is covered under the definition of "ongoing projects" and registered with the regulatory authority, the complaint, if any, is still required to be filed before the regulatory authority under the amended rule -28 of the said rules and not before adjudicating officer under the amended rule-29 as the adjudicating officer has no jurisdiction whatsoever to entertain such complaint and such complaint is liable to be rejected.
- V. That, without prejudice to the above, now, in terms of the said amendment rules, the complainant has filed the present complaint under the amended rule-29 (but not in the amended 'Form CAO') and is seeking the relief of refund, interest and



compensation u/s 18 of the said Act. It is pertinent to mention here that as the present complaint is not in the amended 'Form CAO', therefore the present complaint is required to be rejected on this ground alone.

- VI. That the complainant is not "Consumer" within the meaning of the Consumer Protection Act, 2019 as their sole intention was to make investment in a futuristic project of the respondent only to reap profits at a later stage when there is increase in the value of flat at a future date which was not certain and fixed. Neither there was any agreement with respect to any date in existence of which any date or default on such date could have been reckoned due to delay in handover of possession.
- VII. That it is evident that the complainant has approached the authority by suppressing crucial facts with unclean hands which is evident from its own complaint. Therefore, the present complaint is liable to be rejected in limine based on this ground alone.
- VIII. That the complainant cannot be said to be genuine consumer by any standards; rather she is mere investor in the futuristic project. An investor by any extended interpretation cannot mean to fall within the definition of a "Consumer" under the Consumer Protection Act, 2019. Therefore, the complaint is liable to be dismissed merely on this ground.
- IX. Even all through these years, the complainant has never raised any dispute regarding delay in possession or any other aspect. Furthermore, filing a complaint after all these years only hints at



the malafide intentions of the complainant. Apparently, the complainant has been waiting eagerly all this while to raise dispute only to reap the benefits of the increase in value of property.

- X. That the complainant who has not come forward to execute the buyer's agreement despite several requests of the respondent. That the respondent herein has made several requests to her to come forward and complete the documentation regarding the allotted flat but to the utter disappointment of the respondent, the complainant has never approached the respondent to finalize the same only to file a complaint against the respondent at this stage based on complete false allegations and frivolous grounds.
- XI. That further, the payments have been made only up till 2014 to the tune of Rs.32,41,717/- out of total consideration of Rs.96,02,175/-. That in this regard, a copy of the latest payment schedule showing the outstanding amount of Rs.71, 49, 993/-.
- XII. That further, even all through these years, the complainant has never raised any dispute regarding delay in possession or any other aspect. Furthermore, filing a complaint after all these years only hints at the malafide intentions of the complainant. Apparently, the complainant has been waiting eagerly all this while to raise dispute only to reap the benefits of the increase in value of property. Further, in the absence of a buyer's agreement, no rights are vested in favour of her to compel the respondent to sell plot under the garb of receipt of payment after a lapse of 9 years by when such payments have become barred by limitation.



- XIII. Objections to the same was to be raised the same should have been done in a time bound manner while exercising time restrictions very cautiously to not cause prejudice to any other party. The complainant cannot now suddenly show up and thoughtlessly file a complaint at her own whims and fancies by putting the interest of the builder and the several other genuine allottees at stake. If at all, the complainant had any doubts about the project, it is only reasonable to express so at much earlier stage. Further, filing such complaint after lapse of such a long time at such an interest only raises suspicions that the present complaint is only made with an intention to arm twist. The entire intention of the complainant is made crystal clear with the present complaint and concretes her status as an investor who merely invested in the present project with an intention to draw back the amount as an escalated and exaggerated amount later.
- XIV. That the respondent had to bear with the losses and extra costs owing due delay of payment of installments on the part of the complainant for which she is solely liable. However, the respondent owing to its general nature of good business ethics has always endeavored to serve the buyers with utmost efforts and good intentions. The respondent constantly strived to provide utmost satisfaction to the buyers/allottees. However, now, despite of its efforts and endeavors to serve the buyers/allottees in the best manner possible, is now forced to face the wrath of unnecessary and unwarranted litigation due to the mischief of the complainant.



- XV. That the complainant has been acting as genuine buyer and desperately attempting to attract the attention of this authority to arm twist the respondent into agreeing with her unreasonable demands. The reality behind filing such complaint is that the complainant has resorted to such coercive measures due to the downtrend of the real estate market and by way of the present complaint, is only intending to extract the amount invested along with profits in the form of exaggerated interest rates.
- XVI. That further the reasons for delay are solely attributable to the regulatory process for approval of layout which is within the purview of the town and country planning department. The complaint is liable to be rejected on the ground that the complainant had indirectly raised the question of approval of zoning plans beyond the control of the respondent and outside the purview of consumer courts and in further view of the fact the complainant had knowingly made an investment in a future potential project of the respondent. The relief claimed would require an adjudication of the reasons for delay in approval of the layout plans which is beyond the jurisdiction of this authority and hence, the complaint is liable to be dismissed on this ground as well.
- XVII. That the complainant's primary prayer for handing over the possession of the said units is entirely based on imaginary and concocted facts and the contention that the opposite party was obliged to hand over possession within any fixed time period from the date of issue of provisional allotment letter is completely

false, baseless and without any substantiation; In reality, the complainant had complete knowledge of the fact that the zoning plans of the layout were yet to be approved and the initial booking dated 25.10.2012 was made by the complainant towards a *future potential project* of the respondent company and hence there was no question of handover of possession within any fixed time period as falsely claimed by the complainant; hence the complaint does not hold any ground on merits as well.

XVIII. That further, the respondent has applied for the mandatory registration of the project with the authority and the same is still pending approval on the part of the authority. However, in this background, it is submitted that by any stretch of imagination, the respondent cannot be made liable for the delay which has occurred due to delay in registration of the project under the Act of 2016. It is submitted herein that since there was delay in zonal approval from the DGTCP, the same has acted as a causal effect in prolonging and obstructing the registration of the project under the Act of 2016 for which the respondent is in no way responsible. The approval and registration is a statutory and governmental process which is way out of power and control of the respondent. This by any matter of fact be not counted as a default on the part of the respondent.

XIX. There is no averment in the complaint which can establish that any so-called delay in possession could be attributable to the respondent as the finalization and approval of the layout plans has been held up for various reasons, beyond the control of the



respondent including passing of an HT line over the layout, road deviations, depiction of villages etc. which have been elaborated in further detail herein below. The complainant while investing in a plot which was subject to zoning approvals were very well aware of the risk involved and had voluntarily accepted the same for her own personal gain. There is no averment with supporting documents in the complaint which can establish that the respondent had acted in a manner which led to any so-called delay in handing over possession of the said plot. Hence the complaint is liable to be dismissed on this ground as well.

- XX. The respondent company is owner of vast tracts of undeveloped land in the revenue estate of Village Basai, Gadauli Kalan and falling within the boundaries of Sectors 37C and 37D Gurugram also known as Ramprastha City, Gurugram.
- XXI. That when the complainant had approached the promoter, it was made unequivocally clear to her that a specific plot cannot be earmarked out of large tracts of undeveloped and agricultural land; and (ii) specific plot with preferred location can be demarcated only when the government releases the zoning plans applicable to the area Village Basai, Gadauli Kalan, Gurugram. It was on this basic understanding that a preliminary allotment was made in favour of the complainant. On the date of the receipt of payment, the said preliminary allotment was nothing more than a payment towards a prospective undeveloped agricultural land.
- XXII. That even in such adversities and the unpredicted wrath of falling real estate market conditions, the respondent has made an

attempt to sail through the adversities only to handover the possession of the property at the earliest possible to the utmost satisfaction of the buyers/allottees. That even in such harsh market conditions, the respondent has been continuing with the construction of the project and sooner will be able to complete the construction of the project.

XXIII. The projects in respect of which the respondent has obtained the occupation certificate are described as hereunder: -

S. No	Project Name	No. of Apartments	Status
1.	Atrium	336	OC received
2.	View	280	OC received
3.	Edge Tower I, J, K, L, M Tower H, N Tower-O (Nomenclature-P) (Tower A, B, C, D, E, F, G)	400 160 80 640	OC received OC received OC received OC to be applied
4.	EWS	534	OC received
5.	Skyz	684	OC to be applied
6.	Rise	322	OC to be applied

7. Copies of all the relevant documents have been filed and placed on the 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

8. The respondent has raised a preliminary submission/objection the authority has no jurisdiction to entertain the present complaint. The objection 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

9. 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

10. 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.

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.

11. 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.
12. 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. (Supra)*** 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*** 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."

13. 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. Findings on the objections raised by the respondent.

F. I Objection regarding complainants being investor

14. The respondent has taken a stand that the complainant is the investor and not consumer. Therefore, she is not entitled to the protection of the Act and thereby not entitled to file the complaint under section 31 of the Act. The respondent also submitted that the preamble of the Act states that the Act is enacted to protect the interest of consumer of the real estate sector. The authority observed that the respondent is correct in stating that the Act is enacted to protect the interest of consumer of the real estate sector. It is settled principle of interpretation that the preamble is an introduction of a statute and states main aims & objects of enacting a statute but at the same time the preamble cannot be used to defeat the enacting provisions of the Act. Furthermore, it is pertinent to note that any aggrieved person can file a complaint against the promoter if he contravenes or violates any provisions of the Act or rules or regulations made thereunder. Upon careful perusal of all the terms and conditions of the apartment buyer's agreement, it is revealed that



the complainant is buyers and they have paid total price of **Rs.32.41,717/-** to the promoter towards purchase of an apartment in the project of the promoter. At this stage, it is important to stress upon the definition of term allottee under the Act, the same is reproduced below for ready reference:

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

In view of above-mentioned definition of "allottee" as well as all the terms and conditions of the apartment buyer's agreement executed between promoter and complainant, it is crystal clear that the complainant is allottee(s) as the subject unit was allotted to her by the promoter. The concept of investor is not defined or referred in the Act. As per the definition given under section 2 of the Act, there will be "promoter" and "allottee" and there cannot be a party having a status of "investor". The Maharashtra Real Estate Appellate Tribunal in its order dated 29.01.2019 in appeal no. 0006000000010557 titled as **M/s Srushti Sangam Developers Pvt. Ltd. Vs. Sarvapriya Leasing (P) Lts. And anr.** has also held that the concept of investor is not defined or referred in the Act. Thus, the contention of promoter that the allottee being investor is not entitled to protection of this Act also stands rejected.



F. II Objection regarding jurisdiction of authority w.r.t. buyer's agreement executed prior to coming into force of the Act

15. Another contention of the respondent is that authority is deprived of the jurisdiction to go into the interpretation of, or rights of the parties inter-se in accordance with the booking application form executed between the parties and no agreement for sale as referred to under the provisions of the Act or the said rules has been executed inter se parties. The authority is of the view that the Act nowhere provides, nor can be so construed, that all previous agreements will be re-written after coming into force of the Act. Therefore, the provisions of the Act, rules and agreement have to be read and interpreted harmoniously. However, if the Act has provided for dealing with certain specific provisions/situation in a specific/particular manner, then that situation would be dealt with in accordance with the Act and the rules after the date of coming into force of the Act and the rules. The numerous provisions of the Act save the provisions of the agreements made between the buyers and sellers. The said contention has been upheld in the landmark judgment of **Neelkamal Realtors Suburban Pvt. Ltd. Vs. UOI and others. (W.P 2737 of 2017)** decided on 06.12.2017 which provides as under:

"119. Under the provisions of Section 18, the delay in handing over the possession would be counted from the date mentioned in the agreement for sale entered into by the promoter and the allottee prior to its registration under RERA. Under the provisions of RERA, the promoter is given a facility to revise the date of completion of project and declare the same under Section 4. The RERA does not



contemplate rewriting of contract between the flat purchaser and the promoter....

122. *We have already discussed that above stated provisions of the RERA are not retrospective in nature. They may to some extent be having a retroactive or quasi retroactive effect but then on that ground the validity of the provisions of RERA cannot be challenged. The Parliament is competent enough to legislate law having retrospective or retroactive effect. A law can be even framed to affect subsisting / existing contractual rights between the parties in the larger public interest. We do not have any doubt in our mind that the RERA has been framed in the larger public interest after a thorough study and discussion made at the highest level by the Standing Committee and Select Committee, which submitted its detailed reports."*

16. Also, in appeal no. 173 of 2019 titled as ***Magic Eye Developer Pvt. Ltd. Vs. Ishwer Singh Dahiya***, in order dated 17.12.2019 the Haryana Real Estate Appellate Tribunal has observed-

"34. Thus, keeping in view our aforesaid discussion, we are of the considered opinion that the provisions of the Act are quasi retroactive to some extent in operation and will be applicable to the agreements for sale entered into even prior to coming into operation of the Act where the transaction are still in the process of completion. Hence in case of delay in the offer/delivery of possession as per the terms and conditions of the agreement for sale the allottee shall be entitled to the interest/delayed possession charges on the reasonable rate of interest as provided in Rule 15 of the rules and one sided, unfair and unreasonable rate of compensation mentioned in the agreement for sale is liable to be ignored."

17. The agreements/application form are sacrosanct save and except for the provisions which have been abrogated by the Act itself. Further, it is noted that the booking application form has been executed in the manner that there is no scope left to the allottee to negotiate any of the clauses contained therein. Therefore, the authority is of the view that the charges payable under various heads shall be payable as per the agreed terms and conditions of the allotment/booking application form /permissions approved by the respective departments/competent



authorities and are not in contravention of any other Act, rules, statutes, instructions, directions issued thereunder and are not unreasonable or exorbitant in nature.

G. Findings on the relief sought by the complainants

G.1 Direct the respondent to refund the amount of Rs.32,41,717/- deposited by the complainants and interest pay interest @18% p.a. on the deposited amount with effect the promised date of possession, till the date of order from the authority for refund.

18. The complainant intends to withdraw from the project and is seeking return of the amount paid by her in respect of subject unit along with interest at the prescribed rate as provided under section 18(1) of the Act. Sec. 18(1) of the Act is reproduced below for ready reference.

“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.-

(a) in accordance with the terms of the agreement for sale or, as the case may be, duly completed by the date specified therein; or

(b) due to discontinuance of his business as a developer on account of suspension or revocation of the registration under this Act or for any other reason,

he shall be liable on demand to the allottees, in case 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 that apartment, plot, building, as the case may be, with interest at such rate as may be prescribed in this behalf including compensation in the manner as provided under this Act:

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.”

(Emphasis supplied).

19. Clause 15(a) of the apartment buyer agreement (Possession clause taken from the BBA annexed in complaint no. 2617-2021 of the same project being developed by the same promoter) provides for handing over of possession and is reproduced below:



"15. POSSESSION

(a) Time of handing over the possession

*Subject to terms of this clause and subject to the Allottee having complied with all the terms and condition of this Agreement and the Application, and not being in default under any of the provisions of this Agreement and compliance with all provisions, formalities, documentation etc., as prescribed by RAMPRASTHA. RAMPRASTHA shall endeavour to complete the construction of the said **Apartment within a period of 54 months from the date of approvals of building plans by the office of DGTCP.** The Allottee agrees and understands that RAMPRASTHA shall be entitled to a grace period of hundred and twenty days (120) days, for applying and obtaining the occupation certificate in respect of the Group Housing Complex."*

20. At the outset, it is relevant to comment on the preset possession clause of the agreement wherein the possession has been subjected to all kinds of terms and conditions of this agreement and application, and the complainants not being in default under any provisions of these agreements and compliance with all provisions, formalities and documentation as prescribed by the promoter. 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 default by the allottee in fulfilling formalities and documentations etc. as prescribed by the promoter may make the possession clause irrelevant for the purpose of allottee and the commitment date for handing over possession loses its meaning. The incorporation of such clause in the 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.

21. **Due date of handing over possession and admissibility of grace period:** The promoter has proposed to hand over the possession of the apartment within a period of 54 months from the date of approval of building plans i.e., 25.04.2013 and further provided in agreement that promoter shall be entitled to a grace period of 120 days for applying and obtaining occupation certificate in respect of group housing complex. As a matter of fact, the promoter has not applied for occupation certificate within the time limit prescribed by the promoter in the apartment buyer's agreement. As per the settled law, one cannot be allowed to take advantage of his own wrongs. Accordingly, this grace period of 120 days cannot be allowed to the promoter at this stage.
22. **Admissibility of refund along with prescribed rate of interest:** The complainant is seeking refund the amount paid by her at the rate of 18% interest. However, the allottee intend to withdraw from the project and is seeking refund of the amount paid by her in respect of the subject unit with interest at prescribed rate as provided 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.

23. 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.
24. 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., 22.02.2023 is **8.70%**. Accordingly, the prescribed rate of interest will be marginal cost of lending rate +2% i.e., **10.70%**.
25. The definition of term 'interest' as defined under section 2(z) of the Act provides that 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. 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;"*



26. On consideration of the documents available on record and submissions made by both 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 clause 15(a) of the apartment buyer's agreement (possession clause taken from the BBA annexed in complaint no. 2617-2021 of the same project being developed by the same promoter), the possession of the subject apartment was to be delivered within a period of 54 months from the date of approval of building plans i.e., 25.04.2013 which comes out to be 25.10.2017. As far as grace period is concerned, the same is disallowed for the reasons quoted above. Therefore, the due date of handing over possession is 25.10.2017.
27. The authority has further, observes that due date of possession of the same project being developed by the same promoter is specifically mentioned that the possession will be offered within a period of 54 months from the date of approval of building plans i.e., 25.04.2013 which comes out to be 25.10.2017. It is pertinent to mention over here that even after a passage of more than 10.3 years (i.e., from the date of allotment till date) neither the construction is completed nor the offer of possession of the allotted unit has been made to the allottee by the respondent/promoter. The authority is of the view that the allottee cannot be expected to wait endlessly for taking possession of the unit which is allotted to him and for which he has paid a considerable



amount of money towards the sale consideration. It is also to mention that complainant has paid almost 30% of total consideration till 2014. Further, the authority observes that there is no document place on record from which it can be ascertained that whether the respondent has applied for occupation certificate/part occupation certificate or what is the status of construction of the project. In view of the above-mentioned fact, the allottee intends to withdraw from the project and is well within the right to do the same in view of section 18(1) of the Act, 2016.

28. Moreover, 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 allottees cannot be expected to wait endlessly for taking possession of the allotted unit and for which they have paid a considerable amount towards the sale consideration 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....."

29. Further, 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, observed as under: -

25. *The unqualified right of the allottee to seek refund referred Under Section 18(1)(a) and Section 19(4) of the Act is not dependent on any contingencies or stipulations thereof. It appears that the legislature has consciously provided this right of refund on demand as an unconditional absolute right to the allottee, if the promoter fails to give possession of the apartment, plot or building within the time stipulated under the terms of the agreement regardless of unforeseen events or stay orders of the Court/Tribunal, which is in either way not attributable to the allottee/home buyer, the promoter is under an obligation to refund the amount on demand with interest at the rate prescribed by the State Government including compensation in the manner provided under the Act with the proviso that if the allottee does not wish to withdraw from the project, he shall be entitled for interest for the period of delay till handing over possession at the rate prescribed."*
30. 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 she 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.
31. Accordingly, the non-compliance of the mandate contained in section 11(4)(a) read with section 18(1) of the Act on the part of the respondent



is established. As such, the complainant is entitled to refund of the entire amount paid by them at the prescribed rate of interest i.e., @ 10.70% p.a. (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.II Direct the respondent to pay a sum of Rs.1,00,000/- to complainant as reimbursement of legal expenses.

32. The complainant is seeking above mentioned relief w.r.t. 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. (supra)*, 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 complainant is advised to approach the adjudicating officer seeking the relief of litigation expenses.

H. Directions of the authority

33. 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 promoter as per the function entrusted to the authority under section 34(f):
- i. The respondent/promoter is directed to refund the amount i.e., Rs.32,41,717/- received by it from the complainant along with interest at the rate of 10.70% p.a. as prescribed under rule 15 of the Haryana Real Estate (Regulation and Development) Rules, 2017 from the date of each payment till the actual date of refund of the deposited amount.
 - ii. A period of 90 days is given to the respondent to comply with the directions given in this order and failing which legal consequences would follow.
34. Complaint stands disposed of.
35. File be consigned to registry.

Dated: 22.02.2023



(Ashok Sangwan)
Member
Haryana Real Estate
Regulatory Authority,
Gurugram