



BEFORE THE HARYANA REAL ESTATE REGULATORY AUTHORITY, GURUGRAM

Complaint no.

1453 of 2023

Complaint filed on

06.04.2023

First date of hearing:

29.08.2023

Date of decision

29.08.2023

1. Mahaveer Mittal

RR/o: 803, New Delhi House, 27, Barakhamba Road,

Connaught Place, New Delhi-110001.

Complainant

Versus

1. M/s Ramprastha Estate Private Limited

2. M/s Ramaprastha Promoters & Developers Private Limited

Both offices addressed at: Plot-114, Sector-44, Gurugram, Haryana-122002.

Respondents

CORAM:

Shri Vijay Kumar Goyal

Member

APPEARANCE:

Son of the complainant in person Shri Navneet Kumar On behalf of the complainant Advocate for the respondents

ORDER

1. The present complaint has been filed by the complainant/allottee in Form CRA 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





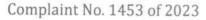
obligations, responsibilities and functions to the allottee as per the agreement for sale executed inter se them.

A. Project and unit related details

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

S. No.	Heads	Information
1.	Project name and location	"Ramprastha City", Sectors 92, 93 and 95, Gurugram, Haryana
2.	Project area	128.549 acres
3.	Nature of the project	Residential Colony
4.	DTCP license details	License no 44 of 2010 dated 09.06.2010 Valid up to- 08.06.2016 Licensee- Ramprastha Estates Pvt. Ltd. and others
5.	HRERA registered/ not registered	Registered vide no. 13 of 2020 dated 05.06.2020
	HRERA registration valid up to	W.e.f. 05.06.2020 till 31.12.2024
6.	Occupation certificate/ completion certificate granted on	Not received
7.	Welcome letter	03.04.2014 (Page no. 46 of the complaint)
8.	Provisional allotment letter in favour of the complainant	Not available
9.	Plot no. and measuring	438, block E measuring 200 sq. yards. (Page no. 28 of the complaint)
10.	Date of agreement to sell	12.03.2014 (Page no. 21 of the complaint)







11.	Date of execution of plot buyer's agreement	30.06.2014 [Page no. 27 of complaint]
12.	Possession clause	11. Schedule for possession
		(a) The company shall endeavour to offer possession of the said plot, within thirty (30) months from the date of this Agreement subject to timely payment by the intending Allottee(s) of Total Price, stamp duty, registration charges and any other changes due and payable according to the Payment Plan. (Emphasis supplied) [Page 31-32 of the complaint]
13.	Due date of possession	30.12.2016 [Note: Grace period is not included]
14.	Total consideration as per payment plan annexed with the buyer's agreement at page 40 of complaint	Rs.44,36,200/-
15.	Amount paid by the complainant as alleged by the complainant at page 8 of complaint and as per ledger at page 44 of complaint	Rs. 40,28,200/-
16.	Date of offer of possession to the complainant	Not offered

B. Facts of the complaint RUGRAM

- 3. The complainant made the following submissions in the complaint:
 - i. That the real estate commercial project namely "Ramprastha City" which is the subject matter of present complaint, is situated in Sector 92,93 and 95 in the revenue estates of village Wazirpur and Mewka, Gurugram, Haryana-122002 and is spread in area of

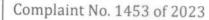




128.594 acres. Therefore, the hon'ble authority do have the jurisdiction to try and decide the present complaint.

- ii. That the respondent is a company incorporated under the provisions of Companies Act, 1956 and engaged in the business of construction of residential flats and plots, commercial buildings and malls, etc. in NCR zone and various other places.
- That in 2010, the respondent through its marketing and iii. advertisement represented that the respondent is inviting applications for the allotment of residential plot (s) and offered to sell plot in the proposed real estate project, namely "Ramprastha City". The respondent further represented to the complainant that the respondent is a very ethical business house in the field of construction of residential project and in case the complainant would apply in the said project of respondent, then it would deliver the possession of developed residential plots on the promised delivery date as to be agreed vide execution of plot buyer agreement. The respondent had further assured to the complainant that all the requisite sanctions and approvals had been obtained from the appropriate and concerned authorities qua the development & completion of said project.

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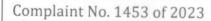
- iv. That the respondent assured that the allotment letter and plot buyer agreement for the said project will be issued to the complainant upon payment of booking amount. Accordingly, on 12.04.2010, the complainant, relying upon the representations and warranties of the respondent and the brand value associated with the respondent company, booked a residential plot in the project being developed by the respondent by paying an advance amount of Rs.10,00,000/- vide cheque dated 12.04.2010 and the same was acknowledged by the respondent vide receipt dated 12.04.2010. Thereafter, the respondent kept sitting with the amount collected from the complainant and the complainant kept chasing the respondent for the allotment of the plot.
- v. That somewhere in the starting of year of 2014, after much shock, astonishment, as well as disappointment, the complainant learned from some sources at Gurugram that fresh applicants for the project were getting the allotment of the plots directly from the respondent. On that, when the complainant pressed the respondent further to give him something in writing, then the respondent, in order to overpower, to dominate and to overawe



the complainant, put forward a structure asking for the additional payment, EDC, IDC, ODC and other charges

- vi. That after receiving another payment of Rs.10,00,000/-, the respondent confirmed the aforesaid booking to the complainant via preliminary agreement dated 12.03.2014 and allotment letter dated 03.04.2014. The complainant was allotted unit bearing E-438 measuring 200 square yard in the project ("Plot"), for a total consideration of Rs.44,36,200/-.
- vii. That thereafter, the complainant has to forcefully deposit another sum of Rs.20,28,200/-, and subsequently on 20.06.2014, the plot buyer agreement ("PBA") was executed between the parties containing terms and conditions of the booking.
- viii. That believing the creditability and assurance of the respondent, the complainant made timely payment of all demands amounting to a total of Rs.40,28,200/- as and when necessitated by the respondent. However, till date, the possession of the said unit has not been handed over to the complainant, despite making all requisite payments as per the demands raised by the respondent.
- ix. That as per condition 11(a) of the agreement, the respondent has agreed and promised to the complainant to offer possession of the

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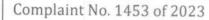




developed residential plot within a period of 30 months from the date of execution of the agreement. Accordingly, the respondent was duty bound to handover the possession of the fully developed allotted plot to the complainant on or before 20.12.2016. However, the respondent has breached the said clause of the agreement and the possession of the plot has not been offered to the complainant till date and thus, the respondent has failed miserably to fulfill its obligation.

x. That as per condition 11(d) of the Agreement, in case of delay in handover of the possession of the developed residential plot by the respondent to the complainant beyond the period as stated in condition 11(a), the respondent agreed and promised to pay to the complainant a compensation of Rs.90/- per square yard per month on the full area of the plot for the default period ("Penalty"). However, the respondent has failed miserably to pay the said penalty to the complainant, till date. It is also relevant to note that the penalty payable as on date of filing this complaint is more than the remaining sale consideration payable by the complainant to the respondent.







- xi. That the respondent failed to renew the licence issued by Town and Country Planning Department, Haryana (as a requirement under the Haryana Development and Regulation of Urban Areas Act, 1975) and to obtain the RERA registration certificate/licence with respect to the subject project, till June 2020. It is pertinent to mention that these two are mandatory requirements for the completion of development work of the project and shall be renewed till the respondent obtains the occupancy certificate of the project.
- xii. It is relevant to note here that the complainant visited the site in November 2022 and found that the construction of the project is completed only to the tune of 15 to 20 %, though a period of more than 8 years has already been passed since the execution date of the agreement. It is also relevant to note that before the execution of the agreement, the respondent has collected more than 90% of the sale consideration from the complainant. From this it can be identified that the respondent has misappropriated the money paid by the complainant by not commencing the developmental work of the project on time.





xiii. That in the case of Dr Bhim Sain Jhorar Vs. M/s Ramprastha Promoters & Developers Private Limited (complaint no. 217 of 2018), the respondent has submitted that it shall be able to apply for the occupancy certificate on or after 31.12.2025. That the complainant, based on the creditability and assurance of the respondent, purchased/booked the said plot keeping in mind that he will surely get its possession from the respondent within a stipulated time period. Accordingly, under the aforesaid circumstances and the agreement entered into by the complainant and the respondent, the respondent was bound to give the possession of fully developed allotted plot on or before 20.12.2016 which the respondent failed miserably to give even till today. Though the complainant booked the said unit in April 2010, the respondent initially stretched its allotment till April 2014 and now the possession till December 2025 for the best reason known to them. Therefore, the respondent has not fulfilled its committed liability, as on date of filing this complaint.

xiv. That despite various inquiries by the complainant qua handover of the developed plot, the respondent failed to provide any information qua status of work of the aforesaid project, moreover

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later on started ignoring calls and personal meetings with the complainant which resulted in mental trauma to the complainant.

- xv. That the cause of action accrued in favor of the complainant and against the respondent in April 2010 when the complainant booked the residential plot and against the said booking the complainant made various payment in various period. It further arose when respondent failed /neglected to deliver the residential plot on time. The cause of action is continuing and is still subsisting on day-to-day basis, as the respondent has still not given the possession of the fully developed residential plot to the complainant.
- xvi. That feeling aggrieved and cheated, the complainant has been forced to approach the Hon'ble Haryana Real Estate Regulatory Authority for the possession of fully developed allotted plot along with other relief as per provisions of law and under the agreement entered into by both the parties.

C. Relief sought by the complainant

- 4. The complainant is seeking the following relief:
 - Direct the respondent to handover possession of the fully developed subject plot and to pay an amount of Rs. 18,000/-





(Rs.90/- per sq. yds. Per month) as per clause 11(d) of the agreement.

- ii. Direct the respondent to also pay interest as per section 18 of the Act for delay occurred so far within 30 days from the date of this order and thereafter monthly.
- iii. Any other relief/order or direction, which this Hon'ble Authority may deem fit and proper, considering the facts and circumstances of the present complaint.

D. Reply filed by the respondents

- 5. The respondents have contested the complaint on the following grounds:
 - i. That no default or contravention of the provisions of the Act has occurred on the part of the respondents herein. It is submitted that on examination of the zoning plans which were issued by the Government in early 2014, it became clear that there were various aspects which required further correction in the zoning plans of the Government and which will have a direct effect on the layout of a residential plotted colony. The various factors as evidenced in letter dated 07.04.2014 are mentioned herein below:
 - a. That there is a HSIIDC Nala which is passing through the land adjoining to the HUDA Nala in the village Gadauli Kalan.

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- That the boundary lines of village Basai and Gadauli Kalan is wrong and not as per the sizra plans.
- c. The position of khasra nos. were not correct.
- d. That a new HT Line passing through the colony has been installed by Dakshin Haryana Bijli Vitaran Nigam which will have an effect on various plots of land and also a separate green corridor was required to be created on both sides of the HT line.
- ii. That the revision in zoning plans of any development area is a cumbersome process undertaken by the State authorities and the respondents have no control over the process. The respondents were obliged to point out the various discrepancies and corrections that were required in the Zonal Plans and which will have a further effect on the layout of the residential plotted colony. By September 2014, it was clear that fresh zoning is required to be undertaken and this will take considerable time. This was specifically informed to all the allottees.
- iii. It is submitted that the list of time-consuming discrepancies are as under:
 - a) Incorrect Depiction of Village Boundary lines:
 - b) Further the boundary of village Gadauli Kalan and Basai is shown incorrectly in the Sectoral Plan as compared to the actual physical position over the site. The Sectoral Plan depicts the boundary as straight whereas the actual physical position is altogether different.





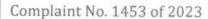
- c) Because the adequate emphasis was not given to the fact the village boundary of Gadauli kalan and Basai is majority affecting village Gadauli Kalan with substantial boundary deviation of approx. 15 20 meters.
- d) Because it was required to consider that said deviation of 15 20 meters is running all along to boundary of villages Gadauli Kalan and Basai starting from Railway lines, which is not minor deviation but on the other hand majorly affects/disturbs the area bearing the plotted project.
- e) Because said deviation of 15 20 meters has adversely affected the alignment of internal sector road of 24 meters, thereby causing deviation to the extent of 20 30 meters in internal sector road of 24 meters.
- iv. That because at the time of application by the respondents for layout plan approval, there was no HT Lines passing through the colony, but later on, DHBVNL installed HT Lines passing through several plots demarcated as per approved layout plan. Therefore, for HT Lines, separate green corridor of 18M needs to be created on land over which HT Lines is installed. Due to such flaw, the licensed area to the extent of approx. 7-8 acres is getting affected.
- v. That a total number of 144 plots are getting affected directly. It is further submitted that approx. 60-70% of the plots of the project developed by the respondents was adversely affected because any small change in the layout plan will impact whole project because





one demarcated change will lead to another change in the layout plan. The impact of one change in the plot will have an impact on subsequent plot/road/amenities as demarcated in the layout plan by the respondents.

- vi. That without prejudice to the above, it is further stated herein that the reasons for delay in obtaining the approvals, 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 which is beyond the control of the respondents and hence outside the purview of the authority. The reliefs claimed would require an adjudication of the reasons for delay in approval of the layout plans which is beyond the jurisdiction of this Hon'ble Authority and hence the complaint is liable to be dismissed on this ground as well.
- vii. That when the complainant had approached the respondents, it was unequivocally clear to the complainant that a specific plot cannot be earmarked out of large tracts of undeveloped and agricultural land owned by the respondents unless zoning plans are approved and RERA registration is obtained and further, the respondent never offered to handover any specific plot within any





fixed time period; and it is also pertinent herein to mention that 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.

- viii. That allowing the present complaint shall be contrary to the objectives of the Act. The objective of the RERA Act is not only to safeguard the interests of the allottees but also, to ensure the healthy promotion of real estate sector and to protect the interests of the several stake holders involved in such sector. That the wordings of the section 32 of the Act clearly dictates the intention of the legislature behind enacting the RERA Act. That, the authority carries a duty towards the real estate sector apart from safeguarding the interests of the allottees.
- ix. That the authority is entrusted with the responsibility of ensuring the completion of the real estate projects within the stipulated timeline or such extended time, as the authority may deem fit in the interest of the common justice of both the allottee and the builder. That for a miniscule percentage of litigations by nongenuine buyers, the greater justice should not be discarded. That the completion of the project ensures the greater good of all the stakeholders involved and any impediment caused by reasons such as outflow of funds into litigation shall adversely impact the



welfare of the stakeholders including the genuine buyers involved in the project. Therefore, the powers of the authority must be exercised judiciously while tilting in favour of the common good and to do the ultimate justice.

E. Jurisdiction of the authority

6. 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

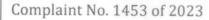
7. As per notification no. 1/92/2017-1TCP dated 14.12.2017 issued by Town and Country Planning Department, Haryana the jurisdiction of Real Estate Regulatory Authority, Gurugram shall be entire Gurugram District for all purpose with offices situated in Gurugram. In the present case, the project in question 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

8. Section 11(4)(a) of the Act 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.

9. 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 as per provisions of section 11(4)(a) of the Act leaving aside compensation which is to be decided by the adjudicating officer if pursued by the complainant at a later stage.

F. Findings of the authority

F.I Possession and delay possession charges

10. **Relief sought by the complainant:** Direct the respondents to handover possession of the fully developed subject plot and to pay an amount of Rs. 18,000/- (Rs.90/- per sq. yds. Per month) as per clause 11(d) of the agreement. Direct the respondents to also pay interest as per section 18 of the Act for delay occurred so far within 30 days from the date of this order and thereafter monthly.





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

"Section 18: - Return of amount and compensation

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

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

- 12. Clause 11(a) of the plot buyer's agreement provides time period for handing over the possession and the same is reproduced below:
 - "11. Schedule for possession
 - (a) The company shall endeavour to offer possession of the said plot, within thirty (30) months from the date of this Agreement subject to timely payment by the intending Allottee(s) of Total Price, stamp duty, registration charges and any other changes due and payable according to the Payment Plan." (Emphasis supplied).
- 13. The respondents/promoters have proposed to handover the possession of the said unit within a period of 30 months from the date of execution of the plot buyer agreement The plot buyer's agreement in the present complaint was executed on 30.06.2014. Therefore, the due date of handing over possession as per the buyer's agreement comes out to be 30.12.2016.
- 14. Admissibility of delay possession charges at prescribed rate of interest: The complainant is seeking delay possession charges at the prescribed rate of interest. Proviso to section 18 provides that where an





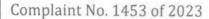
allottee does not intend to withdraw from the project, he shall be paid, by the promoter, interest for every month of delay, till the handing over of possession, at such rate as may be prescribed and it has been prescribed under rule 15 of the rules. Rule 15 has been reproduced as under:

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

(1) For the purpose of proviso to section 12; section 18; and subsections (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.

- 15. The legislature in its wisdom in the subordinate legislation under 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.
- 16. 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., 29.08.2023 is 8.75%. Accordingly, the prescribed rate of interest will be MCLR +2% i.e., 10.75%.
- 17. Rate of interest to be paid by the complainant in case of delay in making payments- The definition of term 'interest' as defined under section 2(za) 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—

 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;"
- 18. Therefore, interest on the delay payments from the complainant shall be charged at the prescribed rate i.e., 10.75 % by the respondents/promoters which is the same as is being granted to the complainant in case of delay possession charges.
- 19. On consideration of the documents available on record and submissions made by the parties regarding contravention as per provisions of the Act, the authority is satisfied that the respondents are in contravention of the section 11(4)(a) of the Act by not handing over possession by the due date as per the plot buyer's agreement. By virtue of clause 11(a) of the buyer's agreement executed between the parties on 30.06.2014, the possession of the subject plot was to be delivered within a period of 30 months from the date of the agreement. However, the respondents have





failed to deliver the possession of the subject plot within the stipulated time period as per the plot buyer's agreement.

20. 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 respondents is established. The respondents are legally bound to meet the pre-requisites for obtaining a completion certificate from the competent authority. It is unsatiated that even after the lapse of more than 6 years and 8 months from the due date of possession, the respondents have failed to apply for CC/part CC to the competent authority. The promoter is duty bound to obtain CC/part CC and hand over possession only after obtaining CC/part CC. As such the complainant is entitled to delayed possession at prescribed rate of interest i.e. 10.75 % p.a. w.e.f. 30.12.2016 till actual handing over of possession or offer of possession plus two months, whichever is earlier, as per section 18(1) of the Act of 2016 read with rule 15 of the rules.

G. Directions of the authority

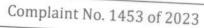
- 21. Hence, the authority hereby passes this order and issues the following directions under section 37 of the Act to ensure compliance of obligations cast upon the promoter as per the function entrusted to the authority under section 34(f) of the Act:
 - i. The respondents are directed to pay interest at the prescribed rate of 10.75% p.a. on the amount paid by the complainant for



every month of delay from the due date of possession i.e., 30.12.2016 till actual handing over of possession or offer of possession plus two months after obtaining completion certificate from the competent authority, whichever is earlier, as per section 18(1) of the Act of 2016 read with rule 15 of the rules.

- ii. The arrears of such interest accrued from due date of possession of each case till the date of this order by the authority shall be paid by the promoter to the allottee within a period of 90 days from date of this order and interest for every month of delay shall be paid by the respondents-promoters to the allottees before 10th of the subsequent month as per rule 16(2) of the rules.
- iii. The respondents are directed to offer the possession of the allotted unit within 30 days after obtaining completion certificate from the competent authority. The complainant w.r.t. obligation conferred upon him under section 19(10) of Act of 2016, shall take the physical possession of the subject plot, within a period of two months of the completion certificate.
- iv. The respondents shall not charge anything from the complainant which is not the part of the plot buyer's agreement. The respondents are also not entitled to claim holding charges from the complainant/allottee at any point of time even after being part of the buyer's agreement as per law settled by Hon'ble







Supreme Court in civil appeal nos. 3864-3889/2020 decided on 14.12.2020.

- v. The complainant is directed to pay outstanding dues, if any, after adjustment of delay possession charges/interest for the period the possession is delayed. The rate of interest chargeable from the complainant/allottee by the promoter, in case of default shall be charged at the prescribed rate i.e., 10.75% by the respondents/promoters which is the same rate of interest which the promoter shall be liable to pay the allottee, in case of default i.e., the delay possession charges as per section 2(za) of the Act.
- 22. Complaint stands disposed off.
- 23. File be consigned to the registry.

HARERA (Vijay Kumar Goyal)

Haryana Real Estate Regulatory Authority, Gurugram

Dated: 29.08.2023