BEFORE THE HARYANA REAL ESTATE REGULATORY AUTHORITY, GURUGRAM

Complaint no.:	7199 of 2022
First date of hearing:	02.03.2023
Date of decision:	12.04.2024

Tejinder Kaur Cambow **R/o** Flat no. 254, BG-1, Paschim Vihar, New Delhi-110063

Complainant

Versus

M/s Almond Infrabuild Pvt. Ltd. Office address: 711/92, Deepali, Nehru Place, New Delhi-110019

Respondent

CORAM: Shri Sanjeev Kumar Arora

`RERA

GRAM

APPEARANCE:

Shri Rajan Kumar Hans Shri Vivek Sethi Complainant Respondent

Member

ORDER

1. The present complaint dated 21.11.2022 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 as provided under the provision of the Act or the rules and regulations made there under or to the allottee as per the agreement for sale executed *inter se*.

A. Unit and project related details



 The particulars of unit details, 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	"ATS Tourmaline", Sector- 109 Gurgaon
2,	Nature of project	Group housing project
3.	RERA registered/not registered	Registered vide registration no 41 of 2017 dated 10.08.2017
	Validity status	10.08.2023
4.	DTPC License no.	250 of 2007 dated 02.11.2007
	Validity status	01.11.2019
	Licensed area	19.768 acres
	Name of licensee	Raj Kiran & 2 others
5.	Unit no.	5174 on 17 th floor of tower 5 [As per page no. 19 of complaint]
6.	Unit area admeasuring	1750 sq. ft. (Super built-up area) [As per page no. 19 of complaint]
7.	Date of apartment buyer agreement	24.12.2020 [As per page no. 17 of complaint]
8.	Possession clause	7 Possession of the apartment for residential usage 7.1 Schedule for possession of the said apartment for residential usage: - The Promoter agrees and understands that timely delivery of possession of the Apartment for Residential usage along with car Parking (If applicable) to the

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		Allottee(s) and common areas to the associations of allottees or the competent authority, as the case may, as provided under Rule 2(1)(f) of Rules, 2017 is the essence of the agreement. The Promoter assures to hand over possession of the apartment for residential usage along with car parking on or <i>before June 2021</i> , unless there is delay due to "Force Majeure" Court Order, Government Policy/guidelines, decisions, affecting the regular development of the real estate project
9.	Due date of possession	30.06.2021 [as mentioned in the possession clause]
10.	Total sale consideration	Rs.1,24,25,000/- (BSP) [As per payment plan on page no. 44 of complaint]
11.	Amount paid by the complainant	Rs.1,01,06,155/- [As per customer ledger dated 08,09.2022 at page no. 48 of complaint]
12.	Occupation certificate	09.08.2019 [As per page no. 13 of reply]
13.	Offer of possession	Not offered
14.	Email request made by the complainant to the respondent company w.r.t. possession	23.09.2022 (As per annexure P-3, at page 50 of complaint)

B. Facts of the complaint

- 3. The complainant has pleaded the complaint on the following facts:
- 4. That on 30.11.2020 and 29.12.2020 the complainant paid an amount of Rs. 5,00,000/- and Rs.7,33,181 respectively as the booking amount.
- 5. That on date 24.12.2020, a pre-printed one-sided, arbitrary and unilateral builder buyer agreement for allotted unit was executed between respondent and complainant. That as per clause 7.1, the respondent had to complete the construction of unit and car parking and handover the possession on or before June 2021.
- That the unit was booked and the total cost of the unit arrived at Rs. 1,24,25,000/- all inclusive rate as per the schedule E of the BBA.
- That on various demands of the respondent, till date the complainant has already paid an amount of Rs. 1,01,06,155/- which is 92 % of the cost till date to the respondent.
- 8. That the respondent was supposed to provide possession of the plot by June 2021 but has miserably failed in its commitment. The complainant wrote many emails and had various verbal discussions with the staff of the respondent on many occasions, but the respondent was unable to provide the clarity.
- 9. That the main grievance of the complainant in the present complaint from respondent is that neither the possession has been given on time as there is already a delay of 16 months and no information and timeline is being provided for the completion of the project.
- 10. That as per section 18 of the RERA Act. 2016, the promoter is liable to refund the amount and pay interest at the prescribed rate of interest and compensation to the allottees of an apartment, building or project for a delay or failure in handing over such possession as per the terms and agreement of the sale.
- C. Relief sought by the complainant:



- The complainant has sought following reliefs:
 - a. Direct the respondent to pay interest @ prescribed rate on delayed possession since the due date of possession, till actual legal possession.
- 5. On the date of hearing, the authority explained to the respondents/promoters about the contravention 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:
- 7. That the respondent has developed and delivered several prestigious projects in and around NCR region such as ATS Greens-I, ATS Greens-II, ATS Village, ATS Paradiso, ATS Advantage Phase-I & Phase-II, ATS One Hamlet, ATS Pristine, ATS Kocoon, ATS Prelude & ATS Dolce and in these projects large number of families have already shifted after having taken possession and resident welfare associations have been formed which are taking care of the day to day needs of the allottees of the respective projects.
- 8. That the complainant, after checking the veracity of the project namely, 'ATS Tourmaline', Sector 109, Gurugram had applied for allotment of a residential unit and aged to be bound by the terms and conditions of the documents executed by the parties to the complaint. It is submitted that based on the application of the complainant, unit no. 5174 on 17th floor in tower no. 05 was allotted to the complainant by the respondent.
- That the buyer's agreement was executed on 24.12.2020 and it was agreed that as per clause 1.1 of the buyer's agreement, total sale consideration of the allotted unit/flat was Rs. 1,24,25,000/-.



- 10. That the possession of the unit was supposed to be offered to the complainant in accordance with the agreed terms and conditions of the agreement. As per clause 7.1 of the buyer's agreement the answering respondent was supposed to offer possession of the unit/flat on or before June 2021 unless there is a delay due to "force majeure".
- That it is submitted that the possession of the unit was subject to the occurrence of the force majeure events.
- 12. That occupation certificate qua tower no. 3 wherein the unit/flat in question is located issued by the Director, Town and Country Planning, Haryana on 09.08.2019. On same day offer of possession of the unit/flat in question was made to the complainants vide communication dated 09.08.2019.
- That the complainant has paid total amount of Rs. 1,01,06,155/- out of total sale consideration of the allotted unit/flat was Rs. 1,24,25,000/as per clause 1.1 of the buyer's agreement dated 24.12.2020.
- 14. That the implementation of the said project was hampered due to nonpayment of instalments by allottees on time and also due to the events and conditions which were beyond the control of the respondent and which have affected the construction and progress of the project. Some of the force majeure events/conditions which were beyond the control of the respondent and affected the implementation of the project and are as under:
 - I. Inability to undertake the construction for approx. 7-8 months due to Central Government's Notification with regard to Demonetization: [Only happened second time in 71 years of independence hence beyond control and could not be foreseen]. The respondent had awarded the construction of the project to one of the leading construction companies of India. The said contractor/ Page 6 of 19



company could not implement the entire project for approx. 7-8 months w.e.f from 9-10 November 2016 the day when the Central Government issued notification with regard to demonetization. During this period, the contractor could not make payment to the labour in cash and as majority of casual labour force engaged in construction activities in India do not have bank accounts and are paid in cash on a daily basis. During demonetization the cash withdrawal limit for companies was capped at Rs. 24,000 per week initially whereas cash payments to labour on a site of the magnitude of the project in question are Rs. 3-4 lakhs per day and the work at site got almost halted for 7-8 months as bulk of the labour being unpaid went to their hometowns, which resulted into shortage of labour. Hence the implementation of the project in question got delayed due on account of issues faced by contractor due to the said notification of Central Government.

Further there are studies of Reserve Bank of India and independent studies undertaken by scholars of different institutes/universities and also newspaper reports of Reuters of the relevant period of 2016-17 on the said issue of impact of demonetization on real estate industry and construction labour.

 Reserve Bank of India has published reports on impact of Demonetization. In the report- Macroeconomic Impact of Demonetization, it has been observed and mentioned by Reserve Bank of India at page no. 10 and 42 of the said report that the construction industry was in negative during Q3 and Q4 of 2016-17 and started showing improvement only in April 2017.

Furthermore, there have been several studies on the said subject matter and all the studies record the conclusion that during the period Page 7 of 19



of demonetization the migrant labour went to their native places due to shortage of cash payments and construction and real estate industry suffered a lot and the pace of construction came to halt/ or became very slow due to non-availability of labour. Some newspaper/print media reports by Reuters etc. also reported the negative impact of demonetization on real estate and construction sector.

That in view of the above studies and reports, the said event of demonetization was beyond the control of the respondent, hence the time period for offer of possession should deemed to be extended for 6 months on account of the above.

II. Orders Passed by National Green Tribunal: In last four successive years i.e. 2015-2016-2017-2018, Hon'ble National Green Tribunal has been passing orders to protect the environment of the country and especially the NCR region. The Hon'ble NGT had passed orders governing the entry and exit of vehicles in NCR region. Also the Hon'ble NGT has passed orders with regard to phasing out the 10 year old diesel vehicles from NCR. The pollution levels of NCR region have been quite high for couple of years at the time of change in weather in November every year. The contractor of respondent could not undertake construction for 3-4 months in compliance of the orders of Hon'ble National Green Tribunal. Due to following, there was a delay of 3-4 months as labour went back to their hometowns, which resulted in shortage of labour in April -May 2015, November- December 2016 and November- December 2017. The district administration issued the requisite directions in this regard.

In view of the above, construction work remained very badly affected for 6-12 months due to the above stated major events and conditions which were beyond the control of the respondent and the said period is Page 8 of 19



also required to be added for calculating the delivery date of possession.

Non-Payment of Instalments by Allottees: Several other allottees were in default of the agreed payment plan, and the payment of construction linked instalments was delayed or not made resulting in badly impacting and delaying the implementation of the entire project.

- III. Inclement Weather Conditions viz. Gurugram: Due to heavy rainfall in Gurugram in the year 2016 and unfavorable weather conditions, all the construction activities were badly affected as the whole town was waterlogged and gridlocked as a result of which the implementation of the project in question was delayed for many weeks. Even various institutions were ordered to be shut down/closed for many days during that year due to adverse/severe weather conditions.
- IV. That the respondent company has been constructing the project in a timely manner and as per the terms of the agreement for sale and no default whatsoever has been committed by it. It is pertinent to mention herein that the project was badly affected on account of a restraint order dated 23.04.2014 passed by the SDM Kapashera on the basis of a report submitted by Halka Patwari, Kapashera that the respondent was making encroachment on the Gram Sabha Land. In the restraint order dated 23.04.2014, it was stated that a case titled as Dilbagh Singh vs GNCTD of Delhi pertaining to the land in dispute was pending before the Delhi High Court and SDM, Gurugram was requested to conduct joint demarcation. It is pertinent to mention herein that the order passed by the SDM Kapashera is covered under the ambit of the definition of Force Majeure Event' as stipulated in the mutually agreed terms of the Agreement for Sale.



15. That as per clause 7.2 of the buyer's agreement dated 24.12.2020, the promoter/respondent was supposed to offer possession of the apartment/unit to the allotee within 3 months from the date of obtaining occupation certificate. The occupation certificate qua tower no. 5th wherein the unit/flat in question is located issued by the Director, Town and Country Planning, Haryana on 09.08.2019 i.e. even before execution of buyer's agreement dated 24.12.2020; however, the offer of possession was not given to the complainant due to non-payment of more than 23 Lakhs out of total sale consideration.

- 16. That as per clause 10 of buyer agreement, the complainant/allottee was supposed to execute the conveyance deed/sale deed & take over physical possession of the apartment within a period of 6 months from the date of issuance of possession notice. The instant complaint has been filed despite non-payment of more than 23 Lakhs by the complainant to the respondent concern.
- 17. Copies of all the documents have been filed and placed on record. The authenticity is not in dispute. Hence, the complaint can be decided on the basis of theses undisputed documents.

E. Jurisdiction of the authority

 The authority observed that it has territorial as well as subject matter jurisdiction to adjudicate the present complaint for the reasons given below.

E.I. Territorial jurisdiction

19. 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

20. 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.

21. So, in view of the provisions of the Act quoted above, the authority has complete jurisdiction to decide the complaint regarding noncompliance 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.

F. Findings on the objections raised by the respondent

F.I. Objection raised by the respondent regarding force majeure condition.

22. The respondent-promoter has raised the contention that the construction of the tower in which the unit of the complainant is situated, has been delayed due to force majeure circumstances such as



orders passed by National Green Tribunal to stop construction during 2015-2016-2017-2018, dispute with contractor, non-payment of instalment by allottees and demonetization. The plea of the respondent regarding various orders of the NGT and demonetisation and all the pleas advanced in this regard are devoid of merit. The orders passed by NGT banning construction in the NCR region was for a very short period of time and thus, cannot be said to impact the respondent-builder leading to such a delay in the completion. The plea regarding demonetisation is also devoid of merit. Further, any contract and dispute between contractor and the builder cannot be considered as a ground for delayed completion of project as the allottee was not a party to any such contract. Also, there may be cases where allottees has not paid instalments regularly but all the allottees cannot be expected to suffer because of few allottees. Thus, the promoter respondent cannot be given any leniency on based of aforesaid reasons and it is well settled principle that a person cannot take benefit of his own wrong.

G. Findings on the relief sought by the complainant

- G.I. Direct the respondent to pay interest @ prescribed rate on delayed possession since the due date of possession, till actual legal possession.
 - 23. In the present complaint, the complainant intends to continue with the project and is seeking delayed possession charges on the amount paid. Clause 7.1 of the unit buyer agreement (in short, agreement) provides for handing over of possession and is reproduced below: -

*7.1 Schedule for possession of the said apartment for residential usage: - The Promoter agrees and understands that timely delivery of possession of the Apartment for Residential usage along with car Parking (If applicable) to the Allottee(s) and common



areas to the associations of allottees or the competent authority, as the case may, as provided under Rule 2(1)(f) of Rules, 2017 is the essence of the agreement.

24. 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 complainant not being in default under any provisions of this agreement 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 favor 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 unit buyer 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.

25. In the present complaint, the complainant-allottee booked a unit bearing no. 5174 on 17th floor, tower 5 in the project of the respondent namely, ATS Tourmaline situated at sector-109, Gurugram for a total sale consideration of Rs. 1,24,25,000/- out of which he has paid an



amount of Rs. 1,01,06,155/-. Thereafter, the builder buyer agreement was executed between the parties on 24.12.2020. As per possession clause 7.1 of the BBA the unit was to be handed over on or before June 2021. Therefore, the due date of possession comes out to be 30.06.2021.

- 26. The complainant in the present complaint is seeking delay possession charges from the due date of possession i.e., 30.06.2021 till actual handing over of possession. But the respondent- builder took a plea that they has obtained the occupation certificate of the project where the unit of the complainant is situated on 09.08.2019 and on the same date they has offered the possession to him. And as per BBA the due date is 30.06.2021 and they had already offered the possession before the due date so, there is no case of refund.
- 27. The authority observes that by virtue of clause 7.1 of the agreement executed between the parties on 24.12.2020, the possession of the subject apartment was to be delivered by 30.06.2021. Therefore, the due date of handing over possession is 30.06.2021. The respondent builder has obtained the occupation certificate on 09.08.2019. Further, the complainant vide email dated 23.09.2022 has requested the respondent company to hand over the actual physical possession of the unit. Thereafter the respondent had replied to the said email vide email dated 29.09.2022. The email dated 29.09.2022 is reproduced hereunder for ready reference:

We wish to inform you that the reason of delay in handing over your apartment is obvious and beyond our control in view of the outbreak of pandemic due to spread of Corona Virus. The ongoing pandemic of novel Covid-19 has gravely affected the entire globe and we are not the exception to the same which has led to a disruption in business operations across the country. Several state governments as well as the Government of India have ordered a complete and strict



lockdown on movement of public as well as closure of, interalia, all public transport, private establishments, factories, offices, etc. These restrictions and directives disrupted the work everywhere, even the government of India has declared this as a Force Majeure Event.

Please note that the Project got ready in all respect in 2019 only. Even the Occupancy Certificate was issued by the concerned authority, we started to send the offer of possession to the allottees. We were in the process of handing over the possession after the fit out works, even, have handed over the possession to some of the allottees/customers who are residing there.

At the end, in view of the event/compelling reason, aforementioned, we say that the scheduled date of delivering possession of your premises after completing the fit outs and/or other works in the project was delayed due to the circumstances beyond our control and we need your kind cooperation and trust in us for some more time so that we deliver your deliver your apartment at the earliest.

Regards,

Divya Negi

- 28. As per the said email dated 29.09.2022 respondent has clearly requested some time from the complainant-allottee to handover the apartment.
- 29. Admissibility of grace period: The promoter has proposed to hand over the possession of the apartment by June 2021. Since in the present matter the BBA incorporates qualified reason for grace period/extended period in the possession clause subject to force majeure. The force majeure reasons provided by the promoter, are taken not into consideration by the authority for the reasons quoted above. Accordingly, the authority disallows grace period to the promoter at this stage.
- 30.Admissibility of delay possession charges at 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

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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

- 31. The legislature in its wisdom in the subordinate legislation under the provision of rule 15 of the rules, has determined the prescribed rate of interest. The rate of interest so determined by the legislature, is reasonable and if the said rule is followed to award the interest, it will ensure uniform practice in all the cases.
- 32. Consequently, as per website of the State Bank of India i.e., <u>https://sbi.co.in</u>, the marginal cost of lending rate (in short, MCLR) as on date i.e., **12.04.2024** is 8.85%. Accordingly, the prescribed rate of interest will be marginal cost of lending rate +2% i.e., 10.85%.
- 33. 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— (i) the rate of interest chargeable from the allottee by the promoter, in case of default, shall be equal to the rate of interest



which the promoter shall be liable to pay the allottee, in case of default.

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

- 34. Therefore, interest on the delay payments from the complainant shall be charged at the prescribed rate i.e., 10.85% by the respondent/promoter which is the same as is being granted to the complainant in case of delayed possession charges.
- 35.On consideration of the documents available on record and submissions made regarding contravention of provisions of the Act, 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 7.1 of the agreement executed between the parties on 24.12.2020, the possession of the subject apartment was to be delivered by 30.06.2021. 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 30.06.2021. Though the respondent has obtained the occupation certificate on 09.08.2019 but have not handed over the physical possession of the unit till date. Accordingly, it is the failure of the respondent/promoter to fulfil its obligations and responsibilities as per the agreement to hand over the possession within the stipulated period. Accordingly, the non-compliance of the mandate contained in section 11(4)(a) read with proviso to section 18(1) of the Act on the part of the respondent is established. As such the allottee shall be paid, by the promoter, interest for every month of delay from due date of possession i.e., 30.06.2021 till the actual handing over of the



possession of the unit, at prescribed rate i.e., 10.85 % p.a. as per proviso to section 18(1) of the Act read with rule 15 of the rules.

H. Directions of the authority

- 36. Hence, the authority hereby passes this order and issue the following directions under section 37 of the Act to ensure compliance of obligations casted upon the promoters as per the functions entrusted to the authority under section 34(f):
 - The respondent is directed to pay interest at the prescribed rate of 10.85% p.a. for every month of delay from the due date of possession i.e., 30.06.2021 till the actual handing over of the possession.
 - ii. The arrears of such interest accrued from 30.06.2021 till the date of 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 promoter to the allottee before 10th of the subsequent month as per rule 16(2) of the rules;
 - The complainant is directed to pay outstanding dues, if any, after adjustment of interest for the delayed period.
 - iv. The rate of interest chargeable from the allottee by the promoter, in case of default shall be charged at the prescribed rate i.e., 10.85% by the respondent/promoter which is the same rate of interest which the promoters shall be liable to pay the allottee, in case of default i.e., the delayed possession charges as per section 2(za) of the Act.
 - v. The respondent shall not charge anything from the complainant which is not the part of the agreement. However, holding charges



shall not be charged by the promoter at any point of time even after being part of agreement as per law settled by Hon'ble supreme court in civil appeal no. 3864-3889/2020.

37. Complaint stands disposed of.

38. File be consigned to registry.

Q.

(Sanjeev Kumar Arora)

Member

Haryana Real Estate Regulatory Authority, Gurugram Dated: 12.04.2024

