

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

New Complaint no. : 4633 of 2020
First date of hearing: 09.03.2021
Date of decision : 18.08.2021

1. Mr. Dhruv Sharma
2. Ms. Kavita Sharma
Both RR/O: - III-C-36, 3rd Floor,
Lajpat Nagar-3, New Delhi-110024

Complainants

Versus

M/s Supertech Limited
Regd. Office at: - 1114, 11th Floor, Hemkunt
Chambers, 89, Nehru Place, New Delhi-
110019

Respondent

CORAM:

Shri Samir Kumar
Shri Vijay Kumar Goyal

Member
Member

APPEARANCE:

Sh. Nitin Tomar
Sh. Bhrigu Dharmi

Advocate for the complainants
Advocate for the respondent

ORDER

1. The present complaint dated 12.01.2021 has been filed by the complainants/allottees under section 31 of the Real Estate (Regulation and Development) Act, 2016 (in short, the Act) read with rule 28 of the Haryana Real Estate (Regulation and Development) Rules, 2017 (in short, the Rules) for violation of section 11(4)(a) of the Act wherein it is *inter alia* prescribed that the promoter shall be responsible for all obligations, responsibilities and functions 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

2. The particulars of unit details, sale consideration, the amount paid by the complainants, 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	"Araville", Sector- 79, Gurugram.
2.	Project area	10.0 acres
3.	Nature of the project	Group housing colony
4.	DTCP license no. and validity status	37 of 2011 dated 26.04.2011 valid till 25.04.2019
5.	Name of licensee	M/s Tirupati Buildplaza Private Limited
6.	RERA Registered/ not registered	Registered vide no. 16 of 2018 Dated 13.10.2018 (Tower No. A to F)
7.	RERA registration valid up to	31.12.2019
8.	Unit no.	R032E00603, 6 th floor, [Page no. 25 of complaint]
9.	Unit measuring	1530 sq. ft.
10.	Date of execution of flat buyer agreement	29.11.2012 [Page no. 24 of complaint]
11.	Payment plan	Construction linked payment plan [Page no. 26 of complaint]
12.	Total consideration	Rs.89,18,500/-

		[Page no. 26 of complaint]
13.	Total amount paid by the complainant	Rs.85,81,953/- [as per possession outstanding statement page no. 36 of Complaint]
14.	Due date of delivery of possession as per clause G (21) of the allotment letter by April 2015+ 6 Months grace period to cover any unforeseen circumstances and subject to timely payment. [Page 30 of complaint]	30.04.2015 [Note:- 6 month grace period is not allowed]
15.	Delay in handing over possession till the date of order i.e. 18.08.2021	6 years 3 months and 19 days
16.	Status of the project	On going

B. Facts of the complaint

3. The complainant has made the following submissions in the complaint: -

- I. That the present complaint is being preferred by the complainant under section 31 of the Act, for seeking directions and relief against the errant actions of the respondent who despite assuring, the date of possession of the unit purchased by the complainants is 30.10.2015 [including 6 months grace period] failed to deliver and thereby committed the breach of the flat buyer agreement dated 29.11.2012 and further breached the provisions stated under the Act.
- II. That the cause of action to file the complaint has occurred within the jurisdiction of the authority as the

unit which is the subject matter of the complaint is situated in Sector-79, Naurangpur, Manesar, Gurugram, Haryana. Hence, this authority has the power to try and adjudicate upon the complaint.

- III. That the complainants believing the representations and fake claims made by the respondent with respect to their market reputation to be true & correct, booked unit no. 603, tower E, admeasuring 1530 sq. ft. in their project "Araville" for a total sale price consideration of Rs.1,01,43,736/- inclusive of all the charges i.e. covered parking charge, club membership, corner & club park facing, development charges, fire fitting, power backup, IFMS, & service tax.
- IV. That with purpose of buying the said unit, the complainants filed allotment application form and wherefore by allotment letter the said unit was allotted. Thereafter, in furtherance of the purchase of the unit the complainants executed flat buyer agreement with the respondent on 29.11.2012.
- V. That as per the clause 21 of the flat buyer agreement and also the respondent had assured the complainant about deliver the possession of the unit by 30.04.2015. Further, as per clause 21 of the flat buyer agreement 6 months additional grace period is provided which can be taken by the respondent in the event of delay after the commitment period as per flat buyer agreement,

according to that also respondent was supposed to deliver the possession of the said unit by 31.10.2015.

- VI. That as per clause 23 of the flat buyer agreement dated 29.11.2012 that in the event of delay in the delivery of possession of the said unit, then the respondent will be liable to pay penalty @ Rs.5/- sq. ft./month on basis of super area for nascent six months, for the next six month it will be @ Rs.7.50/- sq. ft./month and finally, for the coming months it will be increased to @ Rs.10/- sq. ft./month.
- VII. That as per the flat buyer agreement dated 29.11.2012, the complainants in discharge of their financial obligations towards the respondent has made timely payments to the tune of Rs.85,81,953/- inclusive of development charges, covered parking charge, corner-club-park-facing charges & club membership charges till date, which amounts to 80% of the total sale price consideration. Further, the complainant made all the payments to the respondent as and when demanded. However, the possession of the unit was delayed beyond reasonable time by the respondent.
- VIII. That the complainants have taken loan from ICICI Bank against the booked unit. The loan amount of Rs.70,00,000/- was sanctioned out of which Rs.60,32,563/- was disbursed vide letter dated 27.11.2015.

- IX. That the complainants repeatedly have asked to respondent for the possession of said unit, however the respondent avoided giving out the details of handing over of the said unit to the complainants on one pretext or the other.
- X. That the respondent had delayed the project beyond reasonable time and despite that the respondent had not provided any delayed penalty to the complainant. It is further submitted that a delay in possession of more than 65 months as per the flat buyer agreement.
- XI. That as per section 19(6) the Act, the complainants had fulfilled their responsibility in regard to making the necessary payments in the manner and as well as within the time stipulated by the flat buyer agreement. Therefore, the complainants have not breached any of the terms of the agreement dated 29.11.2012.
- XII. That the respondent has not only harassed the complainants mentally and financially but had also breached the terms and conditions of the flat buyer agreement, wherefore infringing the rights of the complainants, who have spent their entire hard-earned savings in buying the said flat.
- XIII. That the respondent has conducted his business in the inconsistent and lackadaisical way and its lack of commitment in completing the project on time has caused the complainants big financial and emotional loss.

- XIV. That keeping in view the inability of the respondent in developing the project in time and in the light of the half-hearted promises made by the respondent, the chances of getting physical possession of the apartment as per the agreement in near future seems bleak and that the same is evident of the irresponsible and desultory attitude and conduct of the respondent, consequently injuring the interest of the buyers including the complainant who has spent their entire hard earned savings in the purchase of the unit and now stands at a crossroad to nowhere.
- XV. That the complainants turned down every request of information by turning his ear deaf whereas complainants keep running from pillar to post to get justice against the errant actions of the respondent.

C. Relief sought by the complainants.

4. The complainants have sought following relief(s):
- Pass an order for delayed penalty due to delay in handing over of the possession @ 12% per annum, from the due date of possession till the date of actual possession of the unit is not handed over to the complainant, in favour of the complainant and against the respondent.
 - Direct the respondent to exclude development charges, covered parking charge, corner-club-park-facing charges & club membership charges from the final demand since the same has already been paid by the complainant.

- Direct the respondent not to tariff GST charges from the complainants at the time of raising final demand in lieu of judgment passed by the Panchkula Authority in "*Madhu Sareen vs. BPTP Ltd*" and.
 - Restrain the respondent from charging electrification charges separately at the time of final demand.
5. On the date of hearing, the authority explained to the respondent/promoter 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 contested the complaint on the following grounds. The submission made therein, in brief is as under: -
- I. That complainants booked said unit for a total consideration of Rs.84,19,500/- vide a booking form.
 - II. That consequentially, after understanding the various contractual stipulations and payment plans for the said unit, the complainants executed the flat buyer agreement dated 29.11.2012. As per Clause 21 of flat buyer agreement, the possession of the apartment was to be given by April 2015, with an additional grace period of 6 months and as per clause 4 of flat buyer agreement, timely payment is the essence of the agreement.

- III. That as per flat buyer agreement, it was also categorically stipulated that any delay in offering possession due to unforeseen conditions would be excluded from the aforesaid period of giving possession of the said unit.
- IV. That the hiatus caused from the pandemic of Covid-19, gripped the masses without discrimination. The Government of India (in short, the GOI) has itself categorized the said event as a 'Force Majeure' condition, wherefore the GOI extended the timeline of handing over possession of the said unit to the complainants. Ergo, it would be apposite to note that the construction of the project in question is in full swing, and the delay if at all, has been due to the government-imposed lockdowns which stalled any sort of construction activity. Till date, there are several embargos qua construction at full operational level. That the delay if at all has been caused, was beyond the control of the respondent and as such extraneous circumstances would be categorized as 'Force Majeure' and would extend the timeline of handing over the possession of the unit, and the completion the project in question.



- V. The delay in construction was on account of reasons that cannot be attributed to it. It is most pertinent to state that the flat buyer agreement provides that in case the respondent delays in delivery of unit for reasons not attributable to the respondent, then the respondent shall be entitled to proportionate extension of time for completion of the project in question.
- VI. The *force majeure* situation clear that the occurrence of delay in case of delay beyond the control of the respondent, including but not limited to the dispute with the construction agencies employed by the respondent for completion of the project is not a delay on account of the respondent for completion of the project.
- VII. That the timeline stipulated under the flat buyer agreement was only tentative, subject to unforeseen reasons which are beyond the control of the respondent. The respondent in an endeavor to finish the construction within the stipulated time, had from time to time obtained various licenses, approvals, sanctions, permits including extensions, as and when required. Evidently, the respondent had availed all the licenses and permits in time before starting the construction and respondent admits that he has failed said possession clause.

VIII. That apart from the defaults on the part of the allottee, the delay in completion of project was on account of the following reasons that were above and beyond the control of the respondent:

- Shortage of labour or workforce in the real estate market as the available labour returning to their respective states due to guaranteed employment by the governments.
- That such acute shortage water and other raw materials and the additional permits, licenses, sanctions by different departments were not in control of the respondent and which was not at all foreseeable at the time of launching of the project and commencement of construction of the complex. The respondent cannot be held solely responsible for things that are not in control of the respondent.

IX. The respondent has further submitted that the intention of the *force majeure* clause is to save the performing party from the consequences of anything over which one has no control. It is no more *res integra* that *force majeure* is intended to protect from risks beyond the reasonable control of a party, incurred not as a product or result of the *negligence or malfeasance* of a party,

which have a materially adverse effect on the ability of such party to perform its obligations, as where non-performance is caused by the usual and natural consequences of external forces or where the intervening circumstances are specifically contemplated.

- X. It is among public and several judicial forums have taken cognisance of the upsetting impact of the demonetisation of the Indian economy, on the real estate sector. The real estate sector is highly dependent on cash flow, especially with respect to payments made to labourers and contractors. The advent of demonetisation led to systemic operational hindrances in the real estate sector, whereby the respondent could not effectively undertake construction of the project for a period of 4-6 months. Unfortunately, the real estate sector is still reeling from the repercussions of demonetisation, which caused a delay in the completion of the project in question. The said delay would be well within the definition of 'Force Majeure', wherefore would extending the period for completion of the project in question.
- XI. That the complainants have not come with clean hands before this hon'ble form and suppressed the true and material facts.

- XII. The respondent has submitted that it is also pertinent to mention that due to orders also passed by the Environment Pollution (Prevention & Control) Authority, the construction was intermittent for a considerable period due to high rise of pollution level in Delhi-NCR region.
- XIII. That the Act to protect the interest of allottees in the real estate market sector. The bonafide intention of the respondent to complete the project by stipulated time. According to the terms of the builder buyer agreement it is also mentioned that all the amount of delay possession charges will be completely paid/adjusted with the complainant at the time final settlement on slab of offer of possession. The project in question is ongoing.
- XIV. That the respondent further submitted that the GOI has also decided to help bonafide builders to complete the stalled projects due to scarcity of funds. The GOI announced Rs.25,000 Crore to help the bonafide builders for completing the stalled and unconstructed projects as to make deliver the homes to the homebuyers. It is submitted that the respondent, being a bonafide builder, has also applied for realty stress funds for its Gurgaon based projects.

XV. That compounding all these extraneous considerations, the Hon'ble Supreme Court vide order dated 04.11.2019, imposed a blanket stay on all construction activity in the Delhi-NCR region. It would be apt to note that the 'Araville' project of the respondent was under the ambit of the stay order, and accordingly, there was next to no construction activity for a considerable period. Also, similar stay orders have been passed during winter period in the preceding years as well, i.e. 2017-2018 and 2018-2019. Further, a complete ban on construction activity at site invariably results in a long-term halt in construction activities. As with a complete ban the concerned labor was let off and they traveled to their native villages or look for work in other states, the resumption of work at site became a slow process and a steady pace of construction as realized after long period of time.

XVI. The respondent has further submitted that graded response action plan targeting key sources of pollution has been implemented during the winters of 2017-18 and 2018-19, These short-term measures during smog episodes include shutting down power plant, industrial units, ban on construction, ban on brick kilns, action on

waste burning and construction, mechanized cleaning of road dust, etc. This also includes limited application of odd and even scheme.

- XVII. That the pandemic of covid-19 has had devastating effect on the world-wide economy. However, unlike the agricultural and tertiary sector, the industrial sector has been severally hit by the pandemic. The real estate sector is primarily dependent on its labour force and consequentially the speed of construction. Due to government-imposed lockdown, there has been a complete stoppage on all construction activities in the NCR Area till July 2020. In fact, the entire labour force employed by the respondent were forced to return to their hometown, leaving a severe paucity of labour. Till date, there is shortage of labour, and as such the respondent has not been able to employ the requisite labour necessary for completion of the project in question. The Hon'ble Supreme Court in the seminal case of *Gajendra Sharma v. UOI & Ors, as well in Credai MCHI & Anr. V. UOI & Ors*, has taken cognizance of the devastating conditions of the real estate sector, and has directed the GOI to come up with a comprehensive sector specific policy for the real estate sector. According

to Notification no. **9/3-2020 HARERA/GGM (Admn)** dated **26.5.2020**, passed by this hon'ble authority, registration certificate date upto 6 months has been extended by invoking clause of force majeure due to spread of Covid-19 caused pandemic, which is beyond the control of the respondent.

XVIII. The respondent has further submitted that the authority vides its order dated 26.05.2020 had acknowledged the covid-19 as a *force majeure* event and had granted extension of six months period to ongoing projects. Furthermore, it is of utmost importance to point out that vide notification dated 28.05.2020, the Ministry of Housing and Urban Affairs has allowed an extension of 9 months vis-à-vis all licenses, approvals, end completion dates of housing projects under construction which were expiring post 25.03.2020 in light of the *force majeure* nature of the Covid-19 caused pandemic that has severely disrupted the workings of the real estate industry. In view thereof, this complaint is liable to be dismissed at the threshold.

E. Jurisdiction of the authority

7. 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 complainants at a later stage.

F. Findings on the objections raised by the respondent

F. I. Objection regarding the project being delayed because of force majeure circumstances and contending to invoke the force majeure clause.

8. From the bare reading of the possession clause of the builder buyer agreement, it becomes very clear that the possession of the apartment was to be delivered by **April 2015**. The respondent in his contribution pleaded the *force majeure* clause on the ground of Covid- 19 caused pandemic. That in the High Court of Delhi in case no. **O.M.P (I) (COMM.) No. 88/2020 & I.As. 3696-3697/2020 title as M/S Halliburton Offshore Services Inc Vs Vedanta Limited & Anr. 29.05.2020** it was held that the past non-performance of the Contractor cannot be condoned due to the COVID-19 lockdown in March 2020 in India. The Contractor was in breach since September 2019. Opportunities were given to the Contractor to cure the same repeatedly. Despite the same, the Contractor could not complete the Project. The outbreak of a pandemic cannot be used as an excuse for non-performance of a contract for which the deadlines were much before the outbreak itself.



It makes clear that respondent must complete the construction of the apartment/building by April 2015. The respondent has not given any reasonable explanation as to why the construction of the project is being delayed and why the possession has not been offered to the complainants by the committed time. That the lockdown due to the pandemic in the country began on 25.03.2020. The contention of the respondent to invoke the *force majeure* clause is outrightly rejected and disallowed from making wrong impositions as respondent negligence was *causa sine qua non* also estoppel by his own conduct, in regard the settled law is that *Nullus commodum capere potest de injuria sua propria* (in latin) *i.e* ***“No one can take benefit out of his own wrong”***. Moreover, there is nothing on record to show that the project is near completion, or the developer applied for obtaining occupation certificate rather it is evident from his submission that the project is completed up to/ around 85% and it may take more time to get occupation certificate. Thus, in such a situation the plea with regard to *force majeure* on ground of Covid- 19 is richly non-sustainable.

F.II. Objection regarding entitlement of DPC on ground of complainant being investor.

9. The respondent has taken a stand that the complainants are the investor and not consumers, Ergo, not entitled to the

protection of the Act and thereby not allowed 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 consumers 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 consumers of the real estate sector. It is settled principle of interpretation that preamble is an introduction of a statute and states main aims & objectives of enacting a statute but at the same time preamble cannot be used to defeat the enacting provisions of the Act by any faulty reading. Furthermore, it is pertinent to note that any aggrieved person can file a complaint against the promoter if the promoter 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 flat buyer's agreement, it is *ipso facto* that the complainants are buyer and have paid total price of Rs.85,81,953/-to the promoter towards purchase of an apartment in the project of the respondent. 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;"

10. In view of above-mentioned definition of "allottee" as well as all the terms and conditions of the flat buyer's agreement executed between respondent and complainants, it is crystal clear that the complainants are allottee(s) as the said unit was allotted to them by the respondent. 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 no party be a 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 an investor is not entitled to protection of this Act. wherefore contention stands rejected.

G. Findings on the relief sought by the complainant

G.I. Delay Possession Charges

11. In the present complaint, the complainant intend 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 G (21) of the flat buyer agreement (in short, agreement) provides for handing over of possession and is reproduced below: -

G Possession of Unit

*21. The possession of the allotted unit shall be given to the Allottee(s) by the company by **APRIL 2015**. However, this period can be extended due to unforeseen circumstances for a further grace period of 6 months to cover any unforeseen circumstances. The possession period clause is subject to timely payment by the Allottee(s) and the Allottee(s) agrees to abide by the same in this regard."*

13. The authority has gone through the possession clause of the agreement and observed that clause is rare in nature where builder has specifically mentioned the date of handing over possession rather than specifying period from some specific happening of an event such as signing of buyer developer agreement, commencement of construction, approval of building plan etc. This is a welcome step, and the authority appreciates such firm commitment by the promoter

regarding handing over of possession but subject to observations of the authority given below.

14. At the outset, it is relevant to comment on the preset possession clause of the agreement wherein the possession has been subjected to timely payment and 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 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 developer 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.

15. **Admissibility of grace period:** The promoter has proposed to hand over the possession of the apartment by April 2015 and further provided in agreement that promoter shall be entitled to a grace period of 6 months for unforeseen circumstances and subject to timely payment by the allottee. The respondent has not mentioned any grounds/circumstances on the happening of which he would become entitled for the said extension of period. There is no document available on record that the allottee is in default w.r.t timely payments. As per buyer agreement the construction of the project is to be completed by April 2015 which is not completed till date. It may be stated that asking for the extension of time in completing the construction is not a statutory right nor has it been provided in the rules. Accordingly, this grace period of 6 months cannot be allowed to the promoter at this stage.

16. **Admissibility of delay possession charges at prescribed rate of interest:** The complainants are seeking delay possession charges at the rate of 12% p.a. however, 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 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.

17. 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.
18. 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., 18.08.2021 is 7.30%. Accordingly, the prescribed rate of interest will be marginal cost of lending rate +2% i.e., 9.30%.
19. 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;"*

20. Therefore, interest on the delay payments from the complainant shall be charged at the prescribed rate i.e., 9.30% by the respondent/promoter which is the same as is being granted to the complainant in case of delayed possession charges.

21. Taking the case from another angle, the complainant-allottee was entitled to the delayed possession charges/interest only at the rate of Rs.5/- sq. ft. as per month relevant clauses of the buyer's agreement for the period of such delay, whereas the promoter was entitled to cancel unit. The functions of the authority are to safeguard the interest of the aggrieved person, may be the allottee or the promoter. The rights of the

parties are to be balanced and must be equitable. The promoter cannot be allowed to take undue advantage of his dominate position and to exploit the needs of the home buyers. This authority is duty bound to take into consideration the legislative intent i.e., to protect the interest of the consumers/allottees in the real estate sector. The clauses of the buyer's agreement entered into between the parties are one-sided, unfair and unreasonable with respect to the grant of interest for delayed possession. There are various other clauses in the flat buyer's agreement which give sweeping powers to the promoter to cancel the allotment and forfeit the amount paid. Thus, the terms and conditions of the buyer's agreement are ex-facie one-sided, unfair, and unreasonable, and the same shall constitute the unfair trade practice on the part of the promoter. These types of discriminatory terms and conditions of the buyer's agreement will not be final and binding.

G. II Whether the respondent is entitled to charge development charges, covered parking charges, corner club park facing & club membership charges, and electrification charges from the complainant at the time of the final demand since the same has already been paid by the complainant?

22. As on date, the cause of action has not arisen with regard to the aforesaid reliefs. The respondent has not raised the demand on account of offer of possession till date and it is



mere contingency that the respondent may or may not raise demand on account of development charges, covered parking charges, electricity charges, power backup charges, and club membership charges. The respondent shall not charge anything from the complainant which is not the part of the flat buyer's agreement. Therefore, the complainant is advised to approach the authority as and when cause of action arises.

G.III Whether the respondent not to charge GST charges from the complainant at the time of raising final demand.

23. The complainants have sought the relief that the respondent has not to charge GST to the complainants at the time of raising final demand. The authority has observed that the GST has been levied strictly in accordance with the terms and conditions of the buyer's agreement.
24. The relevant clause F of the flat buyer's agreement is reproduced as under: -

"F. TERMS OF LOCAL AREA DEVELOPMENT AUTHORITY: -

18. That all taxes or charges, by whatever name called, present or future, on land or building, levied by any authority/Govt. from the date of booking shall be borne and paid by the Allottee(S). However, so long as each unit of the said complex is not assessed on the whole complex. If such taxes/charges are increased with retrospective effect after the execution of the Sub Lease Deed, then these charges shall be treated as unpaid price of the unit and the company shall have right to recover the equivalent amount from the allottees and the allottee(S) shall pay that demanded amount to the company without any objection."

25. As per the flat buyer's agreement, taxes shall be payable as per the government rules as applicable from time to time.

Taxes are levied as per government norms and rules and are leviable in respect of real estate projects as per the government policies from time to time. Therefore, there is no substance in the plea of the complainant in regard to the illegality of the levying of the said taxes.

The authority after hearing the parties at length is of the view that admittedly, the due date of possession of the unit was 30.04.2015. No doubt as per clause F(18) of the flat buyer's agreement, the complainants/allottees has agreed to pay all the Government rates, tax on land, municipal property taxes and other taxes levied or leviable now or in future by Government, municipal authority, or any other government authority, but this liability shall be confined only up to the due date of possession i.e. 30.04.2015. The delay in delivery of possession is the default on the part of the respondent /promoter and that time the GST has not become applicable. But it is settled principle of law that a person cannot take the benefit of his own wrong/default. For the same reason, the respondent /promoter was not entitled to charge GST from the complainants/allottees as the liability of GST had not become due up to the due date of possession as per the agreement.

26. On consideration of the circumstances, the documents, submissions made by the parties and based on the findings of the authority regarding contravention as per provisions of rule 28(2), the Authority is satisfied that the respondent is in contravention of the provisions of the Act. By virtue of clause G (21) of the agreement executed between the parties on 29.11.2012, the possession of the subject apartment was to be delivered within stipulated time i.e., by 30.04.2015. 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 30.04.2015. The respondent has failed to handover possession of the subject apartment till date of this order. 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. The authority is of the considered view that there is delay on the part of the respondent to offer of possession of the allotted unit to the complainant as per the terms and conditions of the buyer developer agreement dated 29.11.2012 executed between the parties. Further, no OC/part OC has been granted to the project. Hence, this project is to be treated as on-going project and the provisions

of the Act shall be applicable equally to the builder as well as allottee.

27. 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 delay possession charges at rate of the prescribed interest @ 9.30% p.a. w.e.f. 30.04.2015 till the handing over of possession as per provisions of section 18(1) of the Act read with rule 15 of the Rules.

H. Directions of the authority

28. 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 is directed to pay interest at the prescribed rate of 9.30% p.a. for every month of delay from the due date of possession i.e. 30.04.2015 till the handing over of possession of the allotted unit through a valid offer of possession after obtaining the occupation certificate from the competent authority.
- ii. The complainants are directed to pay outstanding dues, if any, after adjustment of interest for the delayed period;

- iii. The arrears of such interest accrued from 30.04.2015 till the date of order by the authority shall be paid by the promoter to the allottees 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 allottees before 10th of the subsequent month as per rule 16(2) of the rules;
- iv. The rate of interest chargeable from the allottees by the promoter, in case of default shall be charged at the prescribed rate i.e., 9.30% by the respondent/promoter which is the same rate of interest which the promoter shall be liable to pay the allottees, 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 complainants which is not the part of the flat buyer agreement.

29. Complaint stands disposed of.

30. File be consigned to registry.


(Samir Kumar)

Member

Haryana Real Estate Regulatory Authority, Gurugram

Dated: 18.08.2021

Judgement uploaded on 29.10.2021


(Vijay Kumar Goyal)

Member