

**BEFORE SH.R.S.RAI, ADJUDICATING OFFICER,  
THE REAL ESTATE REGULATORY AUTHORITY, PUNJAB  
PLOT NO.3, BLOCK-B, FIRST FLOOR, SECTOR 18A,  
MADHYA MARG, CHANDIGARH.**

Complaint No.AdCNo.0051 of 2022

Date of Institution:28.07.2022

Date of Decision:23.02.2026

Sahej Pal Singh, R/o House No.2458, Urban Estate Phase-II, Patiala, Pin Code-147001.

.....Complainant.

Versus

GMADA, The Chief Administrator, PUDA BHAWAN, Sector 62, Sahibzada Ajit Singh Nagar (Mohali), Punjab Pin Code 160062.

.....Respondent

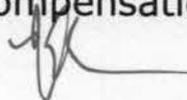
**Complaint under Section 31 of the Real Estate (Regulation and Development) Act 2016.**

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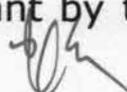
Present: Mr. Gurnoor Singh Advocate, for the complainant.  
Mr. Bhupinder Singh Advocate, for the respondent.

**ORDER**

Present complaint has been filed by complainant Sahej Pal Singh, under Section 31 of the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred to as "the Act") read with Rule 37 of the Punjab State Real Estate (Regulation and Development) Rules 2017, (hereinafter called as the Rules) against the respondent/promoter, seeking compensation.

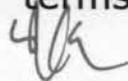


2. Brief facts of the complaint are that the respondent is a Development Authority under the State of Punjab and the promoter of the project namely "IT CITY Mohali" in sector-83, SAS Nagar Mohali, which is a RERA approved Project vide RERA No.PBRERA-SAS81-PM0116. The respondent floated and advertised a scheme for allotment of IT-750 Plots in the project of the respondent situated at Sector-83 SAS Nagar Mohali. Complainant applied for a residential plot in the above-named project vide Application Form No.11151, draw of lots was held on 21.09.2016 and the complainant remained successful. Thereafter, respondent issued Letter of Intent to complainant for the allotment of residential plot measuring 256.66 Square Yards in NRI Category qua above said 750 Plots Scheme vide Memo No.GMADA-EO/2016/57729 dated 22.12.2016, copy of which is Annexure C-1. The tentative price of the plot was Rs.20,000/- per square yard and the complainant had deposited Rs.5,13,320/- as earnest money. Further, it is averred that complainant has paid total amount of Rs.52,50,000/- as per schedule mentioned in the conditions of the Letter of Intent dated 22.12.2016, copy of detail of the amount paid is Annexure C-2. As per the condition No.15 of the said letter of Intent dated 22.12.2016, physical possession of the plot was to be handed over to the complainant by the respondent within a



period of one year from the date of issuance of the letter of Intent, copy of which is Annexure C-3. However, the respondent has issued the allotment letter to the complainant on 16.06.2020 after the gap of almost 3 years and 5 months. Thus, the respondent has violated its own condition in the letter of intent and has caused delay of more than 3 years & 5 months, which has caused unnecessary harassment to complainant. Further, the respondent has caused heavy loss to the complainant and wrongful gain earned for himself. The complainant has suffered huge mental pain and agony due to delay in delivering possession of the plot. The complainant has sought compensation through present complaint. Hence, the present complaint.

3. Upon notice, respondent put in appearance and contested the complaint by taking preliminary objections that Section 43 of the Act, empowers the Authority to frame schemes for development of land owned by it or transferred to it by the State Government and disposal of the said land with or without development on the terms and conditions by the Authority. In view of above provision of the Act, Greater Mohali Area Development Authority framed a scheme for allotment of 750 residential plots in IT City SAS Nagar, which remained open from 18.07.2016 to 19.08.2016. The terms and conditions for



allotment of plots in the above said scheme and relevant laws governing the allotment were detailed in Brochure of the scheme for information of the General Public. That complainant after going through and accepting the terms and conditions of the Brochure of this scheme for allotment of plots, he applied for the allotment of a plot measuring 256.66 square yards on 19.08.2016 and gave his acceptance in his application, copy of which is Annexure R-1. That consequent upon being successful in the draw of lots held on 21.09.2016, Letter of Intent for allotment of residential plot measuring 256.66 square yards in IT City SAS Nagar was issued to the complainant vide Letter No.GMADA-EO/2016/57729 dated 24.12.2016, copy of Letter of Intent is Annexure C-2. Further, it is averred that Letters of Intent for plots of size of 256.66 square yards were issued, but the development of area earmarked, got delayed due to the reasons beyond the control of the Authority, which were on account of delay in issuance of Amended Environmental Clearance by the State Level Environment Impact Assessment Authority. The respondent had shown his bonafide by intimating the general public about Environmental Clearance obtained by issuing a public Notice dated 14.06.2019 in "The Tribune" (English Newspaper). The respondent fast tracked the development works and within 6 months of this Public Notice had



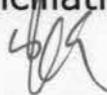
completed development work and thereafter conducted draw of plots on 20.12.2019 for allotment of specific plot numbers to the successful applicants. Allotment letters of plots could not be issued immediately, thereafter due to sudden outbreak of COVID-19 in January 2020 onwards and consequently nationwide lockdown was imposed by the Government, which paralyzed the working of all Government Offices including GMADA. Consequently, complainant was issued Allotment Letter of Plot No.1152 measuring 256.66 square yards situated in Sector 83, Alpha, Block-B in I.T City Scheme, SAS Nagar vide Memo No.17335 dated 16.06.2020. As per clause 9 of the terms and conditions of the Allotment letter dated 16.06.2020, complainant was also offered possession of plot and he was bound to take possession, within given time of 90 days. It is the trite law that Force Majeure events like the delay in issuance of Environmental Clearance and COVID-19 are implicit in every contract and delay caused on account of the same cannot be attributed to a party/respondent. As such, there is no deficiency in service on the part of respondent. Copy of Public Notice dated 14.06.2019 given in "The Tribune" Newspaper is Annexure R-2. That the Allotment Letter dated 16.06.2020 is the final agreement between the parties and they are bound to comply with all the terms and conditions of said Allotment Letter. If the allotment letter alongwith its



terms and conditions was not acceptable to the complainant, he was at liberty to refuse it as per condition No.27 of the Allotment Letter. The above said condition has been reproduced by respondent in Para No.10 of written reply. Further, as per condition No.9 of the Allotment Letter dated 16.06.2020, possession of the plot is also deemed to have been delivered to the complainant and the said condition has been reproduced by respondent in Para No.11 of written reply. If the complainant was aggrieved with delay in offer of possession of plot on account of delay in completion of development works of scheme, then as per clause 27 of Allotment Letter dated 16.06.2020, he could have refused to accept the offer of Allotment within 30 days, in which case deposited amount could have been considered to be refunded to him, as per rules. As the complainant had accepted the possession of plot, Allotment Letter dated 16.06.2020, so he was estopped by his own act and conduct from alleging delay in delivery of possession of plot. Further, from the date of issuance of Letter of Intent dated 24.12.2016, upto the date of issuance of Allotment Letter dated 16.06.2020 and then till issuance of DPC Level Certificate on 22.08.2022, the complainant had no objection regarding delay in delivery of possession of the plot in question. Moreover, the Letter of Intent dated 24.12.2016 on the basis of which complainant is claiming compensation



has ceased to operate after issuance of Allotment Letter dated 16.06.2020 to him. Therefore, the present complaint claiming compensation having been filed after more than five years, is liable to be dismissed. Further, there is no such condition for payment of interest in case there is any delay in delivering the possession of plot to the complainant. That the plot in question has been allotted to the complainant vide Allotment Letter dated 16.06.2020 on the same price which was prevalent in the year 2016 i.e Rs.20,000/- per square yard, whereas the current value of this plot is about Rs.75,000/- per square yard. Therefore, the complainant has gained the benefit of appreciation of the price of plot and is not entitled to any interest on the price paid. In the present case, when Letter of Intent was issued to the complainant on 24.12.2016, neither Sections 3 & 13 Act, 2016 had come into force nor Rules, 2017 were notified by the State Government as such, Agreement for Sale as per Annexure 'A' appended to the Rules, 2017 could not have been executed. As such, Agreement for Sale in the present case is the Allotment Letter and not the Letter of Intent. Therefore, terms and conditions stipulated in the Allotment Letter were to be kept in view. There is an arbitration clause in the Brochure and Letter of Intent to settle disputes or difference arising in any manner. In view of this clause and Section 8 of the Arbitration & Conciliation Act 1996, as



amended upto date, the matter deserves to be referred to an independent Arbitrator. On oneside, the complainant wants to retain the allotted plot and on the other hand he is seeking interest on the deposited amount. Thus, if complainant does not want to retain this allotment, he is always at liberty to seek refund of deposited amount which can be refunded to him alongwith interest as prescribed under Rules. Denying rest of the averments of the complaint for want of knowledge, a prayer has been made for dismissal of this complaint.

4. Rejoinder to the written reply was not filed by the complainant, however, he orally rebutted the contentions of written reply of the respondent and reiterated the contents of his complaint, at every stage of the proceedings in this case.

5. Violations and contraventions contained in the complaint were put to the representative of the respondent. He totally denied all of them, including allegations of the complainant. Thereafter, the complaint was proceeded for further enquiry.

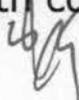
6. I have heard the representatives of the parties, who addressed the arguments on the lines of their pleadings/submissions, as summarised in the earlier part of this order. Each party reiterated its stand as contained in its



pleadings. I have also carefully gone through the case file, with their able assistance.

Admitted facts need not to prove. In the case in hand, it is admitted case of the parties that plot in question was allotted to the complainant and its possession was delivered to him. Date of application of the applicant, date of agreement, date of delivery of possession, are also not disputed. However, it is stand of the complainant that possession of the plot was delivered to him after a considerable delay of more than 3 years & 5 months, for which he is claiming compensation, on the ground of harassment and mental agony.

On the other hand, it is stand of the respondent that the complainant has accepted all the terms and conditions of the agreement. He accepted possession of the plot without any objection. Respondent has tried to justify the delay in delivery of possession due to COVID-19 situation and other official formalities. Learned counsel of respondent vehemently argued that this complaint is not maintainable, in view of Section 18 of the Act, as the complainant has not withdrawn from the project, and he has accepted the possession of the plot. After denying whole allegations and claim of the complainant, a prayer has been made for dismissal of this case, with costs.



7. I have paid a considerable thought to the submissions of Ld. Representatives of the parties and have perused their pleadings, evidence.

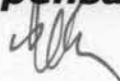
Main dispute is with regard to the maintainability of this complaint, as per the provisions section 18 (1) of the Act. It is case of the complainant that he is entitled for appropriate compensation, because of his harassment and mental agony due to delay in delivery of possession of the plot in question, caused by the respondent. Keeping in view all these things, for proper and effective disposal of this complaint, perusal of Section 18 of the Act is very important, which is reproduced as under:-

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

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

*(b) xxxx      xxxx*

*he shall be liable on demand to the allottees, **in case the allottee wishes to withdraw from the project**, without prejudice to any other remedy available, to return the amount received by him in respect of that apartment, plot, building, as the case may be, with interest at such rate as may be prescribed in this behalf **including compensation** in*



*the manner as provided under this Act*

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

A close scrutiny of the aforesaid Section 18(1) of the Act leaves no manner of doubt that this Section deals with the matters in which the project of the case is not completed by the promoter or the promoter is unable to deliver the possession of an apartment, plot or building, within the stipulated period as per terms and conditions settled between the parties, then the allottee has the option of withdrawing from the project and seek the relief of refund of the paid amount alongwith interest, as per rules and also compensation. However, if the complainant chooses to remain in the project, then the only remedy provided for the default of the promoter in completion of the project, is to get interest on the paid amount from the stipulated date of possession, till the actual date of delivery of possession.

8. Now coming to the case in hand, admittedly, the complainant has not withdrawn from the project, rather, he has taken possession of the plot in dispute. In view of the findings of our Hon'ble Supreme Court in **Civil Appeal 6745-6749 of 2021, titled M/s Newtech Promoters**



**and Developers Pvt. Ltd. Vs State of UP and others etc.**, alongwith connected appeal decided on 11.11.2021, remedy seeking relief of Interest, Refund of Amount, lies with the Hon'ble Regulatory Authority (RERA), whereas remedy qua compensation lies with this Bench. In the case in hand, admittedly the complainant has chosen to continue with the project and has taken possession of the plot, so he is not entitled to seek compensation under the Act, as is clear from above mentioned Section 18 (1) of the Act. Wording of this provision of the Act, makes it crystal clear that allottee/complainant can only seek compensation, if he/she withdraws from the project. Otherwise, if he/she does not intend to withdraw from the project, he/she shall be paid only interest for every month of delay, till handing over the possession, at such rate as may be prescribed. Keeping in view all these facts and circumstances, coupled with Section 18 of the Act, since the complainant has not withdrawn from the project, so he is not entitled for compensation, as claimed by him through this complaint or for any other relief from this Bench. Accordingly, this complaint deserves dismissal.

9. As a result of my above discussion, this complaint stands dismissed and disposed of, with no order as to costs. A copy of this order be sent to both the parties,



free of costs, under rules. File be consigned to the record room, after necessary compliance under rules.

Pronounced  
Dated:23.02.2026

  
(Rajinder Singh Rai)  
Adjudicating Officer  
RERA, Punjab