

**BEFORE SHRI BINOD KUMAR SINGH, MEMBER
REAL ESTATE REGULATORY AUTHORITY, PUNJAB**

Complaint No. 0058 of 2023
Date of Institution : 06.03.2023
Date of Decision: 20.08.2025

1. Prem Chand, B-XII, 1664, Gali No. 2, Old Lakhi Colony, Barnala, Punjab PIN Code 148101
2. Kuldeep Singh Bassi, Gali No. 7, Professor Street, K.C. Road, Barnala, Punjab PIN Code 148101
3. Megh Raj Mittal, B-XI 538, KC Road, Gali Number 8, Ward No. 21, Barnala, Punjab PIN Code 148101
4. Sukhbir Singh, H. No. 4412, Darshan Vihar, Sector 68, Sahibzada Ajit Singh Nagar (Mohali), Punjab, PIN Code 160062

....Complainants

Versus

1. M/s RKM HOUSING LTD, THROUGH ITS DIRECTOR KANWAL JIT SINGH, SCO 1-4, behind Chandigarh Engineering College, Sector 112, Landran, District Sahibzada Ajit Singh Nagar (Mohali), Punjab, PIN Code 140301
2. Roop Singh (Proforma respondent), Gali No. 7, Professors Street, K.C. Road, Barnala, Punjab PIN Code 148101

...Respondents

Complaint in Form 'M' u/S 31 of the Real Estate (Regulation and Development) Act, 2016, (the Act of 2016) read with Rule 36 (1) of the Punjab State Real Estate (Regulation and Development) Rules, 2017 (the Rules of 2017).

(Registration Number: PBRERA-SAS81-PR0125)

Present: Shri Vipin Kumar and Shri Mandeep Singh, Advocates for complainants
Ms. Jeniffer Sain, Advocate for respondent no.1

ORDER

Complainants seek issuance of directions to respondents to develop the project; handover possession of allotted SCO No.48 immediately; to register conveyance deed after having completion certificate; and to pay interest for the period of delay from 11.07.2020 till actual delivery of possession.

2. Brief facts of the complaint as submitted by complainants are that
 - 2.1 Respondent no. 2 (proforma respondent) and complainants are old friends and they booked three separate properties with respondent vide registration no. R-227, R-238 (MCP) and R-260 (MP). Due to inability of respondent no.1 to handover possession

of three properties, complainants gave their consent for transfer of their booking into single SCO in the joint name of complainants in lieu of three properties on the request of respondent no.1.

2.2 Respondent issued an allotment letter on 11.10.2019 (**Annexure A/1**) for Commercial SCO No.48, measuring 100 (15'-0"x 60'-0") sq. yards in the project "RKM City", situated at Sector 112, Mohali in the joint name of all complainants for a total sale consideration of Rs.64,00,000/- (Rs.55,00,000/- as Basic Sale Price and Rs.9,00,000/- as Development Charges) which had already been paid by them.

2.3 As per allotment letter, possession of developed SCO site was to be handed over to complainants within 6 months from 10.11.2019, i.e. by 10.05.2020. Respondent no. 2 being one of the allottee has been added as proforma respondent.

2.4 Complainants visited the site in the month of July, 2020, but there was no development and progress at the site and on contacting, respondents put off the matter. Complainants came to know that respondents have not obtained necessary approvals from the authorities for the project. This amounts to unfair trade practice and deficiency in services on the part of respondents. Hence this complaint seeking various reliefs as mentioned above in initial para of this order.

3. Upon notice, Ms.Jeniffer, Advocate appeared on behalf of respondent no.1 and submitted reply dated 21.02.2024 to the effect that

3.1 The present complaint is barred by limitation as the cause of action arose in the year 2019 and complainants have filed this complaint in the year 2023 and referred First Appeal No.1446 of 2016 of the National Commission wherein it has been held that as the completion of the flat was completed in 1993 whereas complaint was filed in 2010, thus it is time barred.

3.2 It is emphasized that the answering respondent was arrested by the police on 06.01.2020 after the issuance of allotment letter on 11.10.2019 and he was released on bail on 13.10.2023. Thus, respondent no.1 was not in a position to develop the project and hand over possession of the commercial SCO to complainants. The development of project is based on various necessary renewals/approvals from the Competent Authorities.

3.3 Answering respondent is ready to refund the amount along with interest as per rules prescribed in the Rules of 2017 and payment shall be remitted within a period of six months from the date of direction by this Authority.

3.4 Answering respondent also relied upon Section 56 of the Indian Contract Act whereby when contract is voidable, same is not required to be performed. It is the prayer of answering respondent that the complaint be dismissed with costs.

4. A rejoinder dated 20.02.2025 was received in this Authority vide Diary No.1233 dated 27.02.2025 submitted by complainants reiterating the contents of their complaint and denied the averments of the reply submitted by respondent no.1. Counsel for complainants declined the offer of refund by answering respondent. It is also stressed that answering respondent is selling the SCOs in similar locality to other allottees and complainants are also ready to wait for possession subject to payment of interest for the period of delay in handing over possession of SCO No.48.

5. It is noteworthy that Ms. Jenifer, Advoate appeared for respondents on 22.02.2024 and filed reply on behalf of respondent no.1. Thereafter, Ms.Ravneet Kaur, Advocate appeared on 06.09.2024 as proxy for counsel for respondents. Perusal of interim orders would reveal that the matter is being listed from 12.06.2025 for arguments. But there is no representation on behalf of respondent no.1 from 12.06.2025 onwards. When the matter was taken up on 07.08.2025, nobody was present on behalf of respondent no.1.

Counsel for complainants stated that lot of opportunities have been granted to respondent no.1 for appearance. Counsel for complainants was heard and matter was reserved for orders.

6. However, reply dated 21.02.2024 filed by respondent no.1 is being considered on merits.

7. While repeating the contents of his pleadings, counsel for complainants stated that they have paid total amount of Rs.64.00 lakhs towards sale consideration of commercial SCO No.48 to respondents. Allotment letter was issued on 11.10.2019 and as per it, possession was to be delivered within six months i.e by 11.05.2020. However, till date respondent no.1 has not been able to hand over possession of commercial SCO No.48 to complainants. He prayed that answering respondent be directed to hand over possession of SCO and to pay interest for the period of delay in handing over possession of the commercial SCO No.48.

8. On the other hand, perusal of pleadings of respondent no.1 goes to show that he has not denied the payment of Rs.64.00 lakhs in his reply made by complainants to respondents. Counsel for complainants also drew attention of this Bench towards application dated 08.02.2024 submitted by him for directing the Sub Registrar, Mohali not to register sale deed or conveyance deed or create any charge of third party in any manner to the property of the respondent. Pursuant to that application, an interim order dated 22.02.2024 was passed by this Authority whereby it was ordered that *"the respondents are hereby directed u/s 36 of the RERD Act, 2016 not to create any third party right relating to SCO No.48 measuring 100 sq. yards in the project RKM City till the finalization of the present complaint.."*. It is admitted by answering respondent himself that he was arrested by the police on 06.01.2020 and released on bail only on 13.10.2023 and due to this answering respondent was not a position to develop the project and he is ready to refund the amount with prescribed rate of interest mentioned in the Rules of 2017 to complainants.

9. In rejoinder, complainants denied the offer of refund with prescribed interest made by answering respondent and stated that they are ready to wait for possession.

10. It is noted that the Act of 2016 is silent about the limitation. So, the objection raised by respondent no.1 is rejected. Respondent no.1 has also not placed on record copy of Completion/Occupancy Certificate of this project.

11. The respondent made an offer for refund of amount paid along with interest against the prayer of complainant of possession along with interest for delayed period. The complainant denied the offer of respondent in the rejoinder filed and during the proceedings. The respondent has not submitted any reasons that the unit will never been built for possession. Has ever the case, the complete refund of deposited amount might have been considered, if requested by complainant which is not the case in the instant complaint. Thus, the rejection of offer of respondent by the complainant is based on cogent reason.

12. From the above discussion, it is established on record that possession of the Commercial SCO No.48, measuring 100 sq. yards (15'-0" x 60'-0") in the project "RKM City" situated at Sector 112, Mohali, was to be handed over by respondent no.1 to complainants on or before 11.05.2020, but respondent no.1 failed to hand over possession of their commercial SCO despite receiving the total sale consideration of Rs.64.00 lakhs from complainants. Thus, this case is accordingly squarely covered within the definition of Section 18 of the Act of 2016 and it is held that complainants are entitled for payment of interest for the period of delay in handing over possession of commercial SCO as detailed above and Section 18 of the Act of 2016 reads 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) ..


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..."

13. In view of above discussion, this complaint is allowed and respondent no.1 is directed

13.1 to pay interest on the amount of Rs.64.00 lakhs along with interest at the rate of 10.85% per annum (today's State Bank of India highest Marginal Cost of Lending Rate of 8.85% plus two percent) prescribed in Rule 16 of the Rules of 2017 with effect from 11.05.2020 till the date of order.

13.2 Respondent no.1 is further directed to pay interest on the amount of Rs.64.00 lakhs along with interest at the rate of 10.85% per annum (today's State Bank of India highest Marginal Cost of Lending Rate of 8.85% plus two percent) prescribed in Rule 16 of the Rules of 2017 with effect from 21.08.2025 till possession.

14. File be consigned to record room after due compliance.


(Binod Kumar Singh)
Member, RERA, Punjab