



Real Estate Regulatory Authority, Punjab

First Floor, Block-B, Plot No. 3, Sector-18 A, Madhya Marg, Chandigarh – 160018

Before the Bench of Sh. Rakesh Kumar Goyal, Chairman.

Phone No. 0172-5139800, email id: pschairrera@punjab.gov.in & pachairrera@punjab.gov.in

1. **Complaint No.** :- GC No. 0051/2022
2. **Name & Address of the complainant (s)/ Allottee** :-
 1. Smt. Aditi Goyal,
 2. Sh. Parveen Mittal,
 3. Sh. Amit Mittal,
 (All r/o #216, 3BR, Tower B9, Gulmohar City, Near DAV School, Derabassi, Sahibzada Ajit Singh Nagar (Mohali) – 140507)
3. **Name & Address of the respondent (s)/ Promoter** :-
 1. M/s Citi Centre Developers, VIP Road, Zirakpur, Sahibzada Ajit Singh Nagar (Mohali) – 140603
 2. HDFC Ltd.
(although, in the complaint it is mentioned as HDFC Home Loans)
SCO 142, 1st floor,
Above National Skin Hospital, Sector 5, Mansa Devi Complex, Panchkula, Haryana.
4. **Date of filing of complaint** :- 22.01.2022
5. **Name of the Project** :- Chandigarh Citi Centre
6. **RERA Registration No.** :- PBRERA-SAS79-PC0010
7. **Name of Counsel for the complainant, if any.** :- Sh. Sahil, Advocate alongwith Complainant in person.
8. **Name of Counsel for the respondents, if any.** :-

Sh. Mohd. Sartaj Khan, Advocate alongwith Sh. Mukim Ahmed, Advocates for the respondent 1.
Sh. Vaibhav Singh, Representative for the respondent 2
9. **Section and Rules under which order is passed** :- Section 31 of the RERD Act, 2016 r.w. Rule 36 of Pb. State RERD Rules, 2017.
10. **Date of Order** :- 10.09.2025

Order u/s. 31 read with Section 40(1) of Real Estate (Regulation & Development) Act, 2016 r/w Rules 16, 24 and 36 of Pb. State Real Estate (Regulation & Development) Rules, 2017.

The present complaint dated 22.01.2022 has been filed by Smt. Aditi Goyal & Ors. (hereinafter referred as the 'Complainants' for the sake of convenience and brevity) u/s. 31 of the Real Estate (Regulation & Development) Act, 2016 (hereinafter referred as the 'RERD Act, 2016' for the sake of convenience and brevity) read with Rule 36 of the Punjab State Real Estate (Regulation & Development) Rules, 2017 (hereinafter referred as the 'Rules' for the sake of convenience and brevity) before the Real Estate Regulatory Authority, Punjab (hereinafter referred as 'Authority' for the sake of convenience and brevity) seeking refund alongwith interest on the amount paid for purchase of commercial space from M/s. Citi Centre Developers (hereinafter referred as 'Respondent no.1' for the sake of convenience and brevity) in its project titled "Chandigarh Citi Centre", located at Village Bishanpur, VIP Road, Zirakpur,



Tehsil Derabassi District SAS Nagar, Mohali. Further, HDFC Ltd. is impleaded as financial institution from whom; loan had been taken by the complainants after entering into tripartite agreement.

2. The Complainant applied for purchase of a Commercial Space in the abovementioned project after entering into Agreement for Sale dated 13.10.2018. The details of the said unit, for which 'Agreement for Sale' was executed, are as under:-

Sr. No.	Particulars	Information
1.	Name & Location of the Project	"Chandigarh Citi Centre" at VIP Road, Zirakpur, Tehsil Derabassi, SAS Nagar (Commercial Project)
2.	RERA Registration No.	PBRERA-SAS79-PC0010
3.	Type of Project	Commercial
4.	Date of issuance of RERA Registration No.	11.09.2017
5.	Validity of the Project	31.12.2018
6.	Extension given u/s. 6 of the RERA Act, 2016	31.12.2019
7.	Unit No.	1411 at 14 th Floor having carpet area of 376.09 sq. ft.
8.	Type	Office Space
9.	Date of Agreement	13.10.2018
10.	Due date of Possession	31.12.2018 (Clause No. 7.1 of the Agreement for Sale)
11.	Total Sale Consideration	Rs.35,59,920/-
12.	Total amount paid till the filing of present complaint	Rs.35,40,041/-
	Paid by complainant from its own	Rs.15,23,230/-
	Paid through Loan from HDFC Ltd. (although an amount of Rs.25,00,000/- was sanctioned by Respondent No.2 i.e. HDFC Ltd.)	Rs. 20,16,811/-
13.	Assured return paid by the respondent, if any	Rs.8,90,028/-
14.	Possession offered on	19.07.2019 and 11.11.2019
15.	Partial Completion Certificate/Occupancy Certificate	13.06.2019

Further, the payment details made to the respondents are as under:-

14 DETAIL OF PAYMENTS			
SR. NO.	DATE OF PAYMENT DEPOSITED / RECEIVED	AMOUNT (Rs.)	CASH / CHEQUE (DETAILS)
1	8 - Oct - 2018	51,000	036886 (Axis)
2	17 - Oct - 2018	8,50,000	036867 (Axis)
3	10 - Nov - 2018	20,16,811	03959965 (HDFC)
4	6 - Jan - 2020	2,60,689	004737 (Axis)
5	5 - Feb - 2020	1,90,710	004739 (Axis)
6	6 - Jan - 2020	30,930	004740 (Axis)
7	26 - Jan - 2020	1,39,901	Cash
TOTAL AMOUNT PAID		35,40,041	



2.2 Following the Agreement for Sale, a lease agreement for 3 years was also executed on 14.11.2018 with M/s AB3 Asset Management (India) Pvt. Ltd., alleged to be sister concern company of Respondent no. 1 run by the son of promoter by whom, to which monthly amount was paid by respondent no.1, to the Complainants, for 3 years until October 2021, except for May 2021. The due date of project completion was assured by the respondent as 31.12.2018. Respondent no.1 offered possession of the said unit on 19.07.2019 and again on 11.11.2019, which were refused by the Complainants on the grounds that the unit was incomplete and unfurnished. Subsequently, the Respondent no. 1 informed the Complainants that the lease period could not be extended for the remaining 6 years. Being aggrieved, they filed a complaint before SSP Mohali on 23.10.2021 against such fraudulent practices. It is alleged that the actions of the respondent no. 1 amount to clear violations of Sections 12, 14, and 18 of the RERA Act, 2016, as they involve misrepresentation in advertisement and brochure, deviation from sanctioned plans, and failure to deliver possession within time. The complainants have suffered grave financial loss and therefore prays for refund of Rs.35,40,041/- along with interest.

3. In response to the complaint, respondent no. 1 filed its reply and has rebutted the claims of the complainants on the following grounds:-

i. In reply, respondent no.1 has not disputed with the facts of the case, but submits that the possession of the allotted unit was duly offered to the complainants through a possession letter dated 19.07.2019 followed by 11.11.2019. However, instead of taking possession, the complainants willfully defaulted. It has further been alleged that the complainants were required to clear outstanding dues amounting to Rs. 1,39,900/- plus Rs.15,000/- (meter charges), plus internet charges (Rs.15,930/-), plus Rs.1,90,710/- (towards GST) and Rs.1,72,000/- (towards holding charges), which they failed to pay, and therefore, the delay in taking possession is attributable to the complainants themselves and not to the developer.

ii. The respondent has further averred that the project has not been left incomplete, as alleged, and a Partial Completion Certificate was duly obtained from the competent authority on 13.06.2019, which establishes that the construction and development of the



project was in compliance with applicable statutory norms. Consequently, the offer of possession made thereafter was valid and within the framework of law.

iii. As regards the lease arrangement, the respondent has denied any involvement, asserting that the lease agreement was independently entered into between the complainants and M/s AB3 Asset Management (India) Pvt. Ltd., a separate and distinct legal entity from the developer. It has further been argued that the said lease agreement contained a lock-in period of three years commencing from 14.11.2018, during which the lessee was obligated to pay assured returns. The respondent has emphasized that this obligation was duly discharged, as the complainants received lease rentals for the entire period of three years, and hence, no breach can be attributed to the respondent.

4. Further, Respondent No. 2 – HDFC Ltd. respectfully submits that the complainants availed a loan of Rs. 25,00,000/-, out of which Rs. 20,16,811/- was disbursed towards the unit's sale consideration and Rs. 27,506/- towards insurance premium. No relief has been claimed against HDFC Ltd.; however, since the complainants have sought refund from the developer, it is submitted that any such amount, if awarded, must first be directed to HDFC Ltd. for adjustment towards the complainants' outstanding loan account, as per the Tripartite Agreement wherein the complainants irrevocably subrogated their rights in favour of HDFC Ltd. It is further submitted that even in case of cancellation of the unit, refund by the builder to HDFC Ltd. shall not absolve the complainants of their liability to clear the balance dues, and they remain under an absolute obligation to keep their loan account regular until full and final closure, including repayment of principal, interest, and charges. No cause of action or deficiency in service lies against HDFC Ltd., the dispute being solely between the complainants and the developer. Reliance is placed on the judgment of the Hon'ble State Commission in RP No. 11 of 2021 (*HDFC Ltd. vs. Amit Kumar & Ors.*), holding that borrowers must keep their loan accounts regular and pay EMIs till final adjustment. Hence, the complaint deserves to be dismissed qua HDFC Ltd., with a direction that any refund awarded be first appropriated towards repayment of the complainants' outstanding loan liability.

5. During the course of arguments, the complainants submitted that it is an undisputed fact that they had been allotted Commercial Space Unit No. 1411 in the Chandigarh Citi Center project for a total consideration of Rs. 35,59,920/-, out of which Rs. 20,16,811/- was disbursed



by HDFC Ltd. towards the sale consideration and the remaining amount was paid by them from their own resources. It is also not in dispute that an agreement to sell was executed on 13.10.2018 and that the last date for completion of the project was stipulated as 31.12.2018. Further, the complainants pointed out that a lease deed dated 14.11.2018 was executed in their favour with M/s AB3 Asset Management Pvt. Ltd. and that lease rentals were paid for three years up to October 2021, except for one month. They contended that despite these facts, the project remained incomplete and the possession offered on 19.07.2019 and again on 11.11.2019 was only of an unfurnished unit, which they were justified in refusing. They argued that the promise of a nine-year assured lease as per the brochure was a misrepresentation since the lease was executed with a company owned by the developer's son, created only to mislead them, and not renewed beyond three years. **Further, it had also been apprised by the complainants during the arguments that they had received an amount of Rs.8,90,028/- towards the assured returns.** This, they submitted, was a clear violation of sections 12, 14 and 18 of the RERA Act, and they sought a refund of their entire investment along with interest as per SBI's highest lending rate and litigation costs.

6. Respondent no.1, the developer, did not dispute the execution of the agreement to sell, the disbursement of loan by HDFC, or the fact that the lease deed was entered into between the complainants and M/s AB3 Asset Management Pvt. Ltd. The developer, however, argued that a Partial Completion Certificate was obtained on 13.06.2019 and that possession was validly offered thereafter. According to them, the complainants willfully defaulted in taking possession despite being called upon to do so. The developer emphasized that the complainants failed to pay outstanding charges of Rs.1,39,900/- towards maintenance, Rs.15,000/- as meter charges, Rs.15,930/- towards internet, Rs.1,90,710/- towards GST and Rs.1,72,000/- towards holding charges. The developer further denied any role in the lease arrangement, arguing that M/s AB3 Asset Management Pvt. Ltd. is an independent legal entity and that its obligation to pay rent during the three-year lock-in period was fully discharged. Therefore, according to the developer, there was no deficiency in service on its part and the complaint was filed to avoid legitimate financial obligations.

7. Respondent no.2, HDFC Ltd., confirmed that the complainants had availed a loan of Rs.25,00,000/-, of which Rs.20,16,811/- was disbursed to the developer and Rs.27,506/-



towards insurance premium. It was reiterated that while no relief was sought against HDFC Ltd., any refund or compensation, if awarded, must first be directed to HDFC Ltd. for adjustment against the complainants' outstanding loan liability, in terms of the tripartite agreement whereby the complainants had irrevocably subrogated their refund rights in favour of HDFC. It was further submitted that even in the event of cancellation of the unit, refund by the builder would not absolve the complainants of their residual liability, and they were under an absolute obligation to continue paying EMIs until the loan account was fully closed. Reliance was placed on the decision of the Hon'ble State Commission in RP No. 11 of 2021 (HDFC Ltd. v. Amit Kumar & Ors.), which affirmed the borrower's obligation to keep the loan account regular till final adjustment.

8. The undisputed facts in the present case are that the complainants booked Unit No. 1411 at 14th floor in the project Chandigarh Citi Centre, Zirakpur, and paid a sum of Rs. 35,40,041/-, out of which a loan of Rs. 25,00,000/- was availed from HDFC Ltd., of which Rs.20,16,811/- was disbursed towards the sale consideration and Rs. 27,506/- towards insurance premium. The balance was contributed by the complainants from their own sources. An Agreement to Sell was executed on 13.10.2018, followed by a Lease Agreement on 14.11.2018. Lease rentals amounting to Rs. 3,90,028/- were paid to the complainants for a period of three years. Possession was allegedly offered by the respondent developer vide letters dated 19.07.2019 and 11.11.2019, on the strength of a Partial Completion Certificate (PCC) issued by the competent authority on 13.06.2019. These facts are not disputed by either party. What remains for adjudication are the following contested issues:

8.1 Under Clause 7 of the Agreement to Sell, possession of the unit was to be delivered by 31.12.2018. However, the possession was offered only in July and November 2019. The respondents justified this delay by relying upon the Partial Completion Certificate dated 13.06.2019 issued by the competent authority. The complainants, however, have consistently contended that the said certificate was defective and that the project was incomplete. This contention is supported by earlier findings of this Authority in complaints **GC No.1433 and 1434 of 2019 – Anuradha Sipehiya and Another v. M/s Citi Centre Developers and Others**, wherein this Authority held that condition no. 6 of the PCC dated 13.06.2019 was not fulfilled and, consequently, the offer of possession was premature. These findings were further reinforced in subsequent matters, such as **GC No.0272 of 2021 – Sarita Kumari v. Citi Centre Developers**, decided on 02.06.2022, **AdC No.1709 of 2020 – Tushar Bharti v. Chandigarh Citi Centre and**



Others, decided on 06.10.2022, and **AdC No.60 of 2021 – Preeti Arya v. Citi Centre Developers**, decided on 22.12.2022. Moreover, a report of the Executive Officer, Municipal Council, Zirakpur, revealed that as on 23.08.2021, basic facilities such as lifts were not installed in Blocks D and E. Subsequently, pursuant to the directions of the Hon'ble Punjab and Haryana High Court in **CWP No.12907 of 2023 – Chandigarh Citi Centre Buyers Welfare Association v. State of Punjab and Others**, the PCC was cancelled by the Municipal Council, Zirakpur, after finding serious discrepancies in the project. These facts conclusively establish that the possession offered in July and November 2019 was not in accordance with the Agreement to Sell. Therefore, the possession was not validly offered, as the unit was not complete and the PCC was defective. Hence, the respondent failed to comply with the contractual timeline and statutory mandate under Section 18(1) of the RERA Act.

8.2 The complainants refused to take possession on the grounds that the unit was incomplete and unfit for occupation. Their stance is supported by evidence on record. Not only were essential services such as electricity meters and internet not provided despite payments, but the respondents also later instructed the complainants to carry out completion on their own, which directly contradicts their claim of having offered completed possession. The Executive Officer's report further confirmed that the project lacked critical infrastructure like lifts. Importantly, the respondents themselves issued a "No Dues Certificate" dated 26.01.2020 (Annexure C-7), which nullifies their claim that the complainants defaulted in payments or delayed possession. In such circumstances, the refusal by the complainants to accept incomplete possession was justified and legally sustainable. Therefore, the complainants were fully justified in refusing possession, as the unit was incomplete, and valid possession had not been offered in accordance with the agreement and statutory requirements.

8.3 The developer alleged that the complainants had defaulted in paying certain charges, such as GST, maintenance, meter, internet, and holding charges. However, the issuance of the "No Dues Certificate" on 26.01.2020 by the respondents themselves negates this contention and establishes that no such dues were outstanding. Thus, the charges claimed were neither valid nor enforceable. As regards refund, it is relevant that the complainants had executed a Tripartite Agreement with HDFC Ltd., whereby they irrevocably subrogated their rights in favour of the bank. Consequently, any refund that may be ordered by this Authority must first be directed towards settlement of the complainants' outstanding loan account with HDFC Ltd., and only thereafter should any surplus, if available, be released to the complainants. Therefore, the developer's demand for charges is invalid in light of the No Dues Certificate. Refund is legally due, but it must first be appropriated towards the complainants' outstanding loan liability with HDFC Ltd., in terms of the Tripartite Agreement.



8.4 It is also established that the complainants were induced to invest in the project based on representations of a nine-year assured lease. However, only a three-year lease was executed with M/s AB3 Asset Management Pvt. Ltd., an entity closely connected to the developer, and thereafter the lease was not renewed. The complainants never interacted with the actual lessee and all communications regarding lease extension came directly from the developer, which strongly suggests collusion. The complainant stated that this conduct amounts to a clear misrepresentation under Section 12 of the RERA Act, resulting in financial loss and hardship to the complainants. Therefore, the developer is guilty of misrepresentation and unfair trade practice, further entitling the complainants to seek refund with interest.

8.5 The promoter has to give possession of commercial office space No. 1411(finished) with the following specifications:-

SPECIFICATIONS

We are pleased to inform you that you had booked Office Space No. 1411 (Finished), 14th Floor, and Block-D&E in our project "Citi Centre Developers", situated at VIP Road, Zirakpur. The construction of the said unit will cover up the following broad specifications:

S. No.	Specification	Yes/No
1.	Rear UPVC Window	Yes
2.	Vitrified Flooring	Yes
3.	Oil Bound Distemper	Yes
4.	Basic Electric Fittings, Switches, Provision for Fans, Exhaust Fans	Yes
5.	Wiring for DTH, Telephone, Intercom & Internet	Yes
6.	Intercom Facility & Security	Yes

For Citi Centre Developers
Authorized Signatory

I/We do hereby thankfully accept the same

Signature Applicant 1: *Adi H*
Signature Applicant 2: *Poojeen Mittal*
Signature Applicant 3: *Arjun Mittal*

For Citi Centre Developers

8.6 The promoter has not produced any evidence regarding the completion of the project in terms of specifications mentioned as part of the "Commercial Unit Buyer Agreement" dated 13th October, 2018. It has not attached any such photographs of the unit when offered for possession. The promoter groups associate company i.e. M/s. AB3 Asset Management (India) Pvt. Ltd. has entered into agreement dated 14.11.2018 for a lease agreement for a period of 09 (nine) years to be renewed at the lessee's option for another terms of 09 (nine) years. Further the lock-in-period was mentioned




as three years. Further, as per Clause 19 of the agreement Lessor was not entitled to terminate the agreement except in case of default by the lessee to pay the lease rent for a continuous period of 6 months. The said clause is as under:-

“19. Promoter shall not mortgage or create a charge:-

After the Promoter executes this Agreement he shall not mortgage or create a charge on the Unit/Building and if any such mortgage or charge is made or created then notwithstanding anything contained in any other law for the time being in force, such mortgage or charge shall not affect the right and interest of the Allottee who has taken or agreed to take such Unit/Building.”

8.6.1 There is no clause that the lessee will be able to terminate the agreement except material breach by the lessor of the terms & conditions of the agreement. As a man of prudence, it implied to the allottee that the lessee is for 09 (nine) years & extendable for another 09 (nine) years. He was lured by the proposal as is evident from behavior of both the parties that it did not ask for termination of agreement even when the possession was disputed. Further, it is held that the lease agreement did not require a vacant peaceful & complete possession of the space as the condition of ownership and possession is mentioned that the lessor is absolutely seized and possessed or otherwise will and sufficiently entitled to the Unit No. 1411. The relevant part of the lease agreement is as under:-



ਪੰਜਾਬ ਪੰਜਾਬ PUNJAB **Z 155337**

AGREEMENT

This AGREEMENT TO LEASE is made at Zirakpur on this 14TH day of November, 2018 between

MRS.ADITI GOYAL W/O SH.AMIT MITTAL & MRS.PARVEEN MITTAL W/O MR.MADAN GOPAL MITTAL & MR.AMIT MITTAL S/O SH.MADAN GOPAL MITTAL R/O H.NO-216,3BR TOWER-B9, GULMOHAR CITY,NEAR DAV SCHOOL,DERABASSI,PUNJAB (hereinafter referred to as 'the Lessor' of the One Part)

and

M/s AB3 Asset Management (India) Pvt. Ltd. hereinafter referred to as the 'Lessee' of the Other Part.

WHEREAS the Lessor is absolutely seized and possessed of or otherwise well and sufficiently entitled to **Unit no-OFFICE-1411,Block-D & E, 14TH Floor** at the project namely **“Chandigarh Citi Center”** situated at VIP Road, Near Metro, Zirakpur and more particularly described in the Schedule hereunder written. The Lessor has this authority by virtue of builder buyer agreement dated **13/10/2018**.

AND WHEREAS the Lessor has approached the Lessee with a request to avail a long lease of the said unit and which the Lessee has agreed to do on the following terms and conditions agreed to between the parties

NOW IT IS AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

It is agreed that this agreement shall constitute as the final and binding agreement by and between the parties hereto with respect to the lease of the said demised premises. And the details terms and conditions with respect thereto are mentioned hereunder

Nikhil P. ... N.H.D. Amit Mittal

Asset Management (India) Private Limited
Authorised Signatory



Sr. No.	Terms	Description
1.	Nature of Agreement	Lease Agreement
2.	Usage of the Demised Premises	The demised premises shall be used by the lessee for self-use or subletting for any legal business purpose(s) (wherein A53 Asset Management (India) Pvt. Ltd. has/ shall have direct or indirect interest.) The lessee has the rights to alter the layout of demised premises as per the future requirement.
3.	Area of the Demised Premises	650 Sq Ft (Super Area) 376.09 sq. feet of the Carpet Area (As per RERA)
4.	Tenure	The initial tenure of the lease will be for a period of 09 (nine) years (hereinafter referred to as the "Term"), to be renewed at the Lessee's option, for another term of 09 (nine) years each or for such other term as may be mutually agreed thereafter but on the same terms & conditions as mentioned under this agreement.
5.	Lock-in period	The lease shall not be terminated by the Lessee for a period of 03 (three) years from the commencement Date (hereinafter referred to as "Lock-in Period"). The lessor shall not have right to terminate the lease for the entire term, save and except for the reason provided under Clause 19 herein below.
7.	Commencement of Lease Rent	The Lease Rent shall become payable immediately after execution of this agreement, which shall be for a period of 36 (thirty-six) months unless renewed thereafter at the option of the Lessee.
8.	Lease Rent	During the Term, the Lessee shall pay to the Lessor, as Lease rent calculated at the rate of Rs.40.75 psft of the Super Area per month for first 3 years from the date of 100% payment made to Chandigarh Citi Center by the LESSOR(herein after referred to as "Lease Rent"). GST applicable on Lease Rent shall be paid by the Lessee. The lease rent shall be subject to Tax Deduction at Source (TDS) as applicable.
9.	Escalation in Lease Rent	The Lease Rent payable after first 3 years from shall be Rs.44.82 per sq ft and again after next 3 years it shall be Rs.49.30 per sq ft.
10.	Common Maintenance ("CAM") Area	The Lessor, itself shall be liable and responsible to pay the CAM charges to Maintenance Agency, for the upkeep of Common area facilities & amenities installed for such period as would be decided by the said Maintenance agency in advance. The Lessor shall have to pay the CAM charges in advance to Maintenance agency for 2

8.6.2 The above agreement being with an associate company of the members/directors of the group did not require even physical possession of the unit. The payment was in the nature of property leased as "Assured Return", a kind of interest payment as mentioned in Clause 21 of the Agreement. This is a purposed well drafted agreement in fine print with an assurance of the of return on investment in the form of lease agreement. This lease agreement is extra to the "Commercial Unit Buyer Agreement" dated 13.10.2018. The typical relationship of promoter and allottee is further extended as Lesser and lessee. The unit was not ready and even then the lease was being paid. The promoter or the lessee has not produced any evidence showing that there was actually a lessee or the tenant doing/conducting business or having an office in the unit. It was a fictitious lease of paying money back to the allottee to keep him silent from raising any issue. It is evident that the allottee did not ask for possession or Occupancy Certificate/Completion Certificate. When offered possession the allottee raised the issue of incomplete unit only after assured returns were stopped. This kind of arrangement and allurements are not envisaged as a real agreement and the RERA Act, 2016 does not envisage and approve this kind of mode of sale arrangement/agreement or relationship of Allottee & Promoter. It is held to be misrepresentation and agreement for sale itself not free from misrepresentation. The consent for contract/agreement for sale was depending on the other agreement of lease. The payment terms also reflect it since Rs.20,16,811/- were paid on 10.11.2018



after the lease agreement was signed on 13.10.2018. The promoter involved its group associate company for lease has done misrepresentation with the cleverly drafted Agreement for Lease. If the corporate veil is lifted it will clearly show the Mutual understanding of the group companies to enter in to false promises and agreements. It may not be the case of this allottee but a part of project with large number of allottee(s). The sale & lease were marketed as a combined scheme. Now the promoter cannot go back to its promises of sale & lease. It is held once again that the RERD Act, 2016 is not applicable on lease agreement but it is seen that the agreement for sale i.e. "Commercial Builder Buyers Agreement" is combined part of lease agreement. Therefore the bench has to examine it as one transaction in two parts even at the time of booking, advertisement (may be oral) allocation etc. Further, the unit was not complete as promised with specification as part of the agreement. Section 18 of the RERD Act, 2016 is reproduced hereunder:-

"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) due to discontinuance of his business as a developer on account of suspension or revocation of the registration under this Act or for any other reason, 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."

8.6.3. In the same project of the same promoter in **GC No. 0136/2022 in the case of Mohinder Singh Vs. M/s. Citi Centre Developers**, the co-ordinate Bench of Sh. Ajay Pal Singh, the then Member has held as under:-

11. As per the agreement to sell entered into between the complainant and the respondent, possession was to be given by 31.12.2018. However, possession was offered only on 19.07.2023 allegedly, on the basis of a partial completion certificate issued by the competent authority, dated 13.06.2019. I find that the validity of the partial completion certificate, issued for the blocks D and E, has been questioned by this Authority in the order dated 12.03.2021, passed in Complaints No.GC1433 and 1434 of 2019, both titled as Anuradha Sipehiya and another Vs. M/s Citi Centre Developers and others. In those cases, the Full Bench of the Authority had held that the condition No.6 of the partial completion certificate, dated 13.06.2019, for the impugned block of the project, had not been fulfilled and therefore, the possession letter was held to be pre-mature. The undersigned had also decided other complaints i.e. (i) bearing GC No.0272 of 2021-Sarita Kumari Vs. Citi Centre Developers on 02.06.2022, (ii) bearing AdC No.1709 of 2020-Tushar Bharti Vs. Chandigarh Citi Centre and others on 06.10.2022, and (iii) AdC No.60 of 2021-Ms Preeti Arya Vs. M/s Citi Centre, on 22.12.2022, wherein, it was seen that the above observations of the Full Bench of the



Authority were supported by the report of the Executive Officer, Municipal Council, Zirakpur, placed at Annexure C10 in that file. It was further observed from said report that in blocks D and E three lifts were not installed, as on 23.08.2021. It was also reported by the Executive Officer, Municipal Council, Zirakpur that developer had agreed not to charge any maintenance charges until completion of the project and physical possession is given to the allottees. All the above mentioned facts would clearly imply that the valid possession has not been offered to the complainant. In the circumstances, even under the provisions of Section 18 of the Act, the complainant is entitled for refund of the amount of his investment."

9. The promoter is responsible for fulfilling all obligations, responsibilities, and functions under the provisions of the Real Estate (Regulation and Development) Act, 2016, as well as the Rules and Regulations framed there-under, in addition to those arising under the Agreement for Sale executed with the allottee. In the present case, the promoter has failed to complete construction and/or hand over possession of the allotted unit in accordance with the agreed timeline specified in the Agreement for Sale. This failure constitutes a clear violation of the contractual terms as well as the statutory obligations imposed by the Act. Accordingly, in view of Section 18(1) of the Act, the promoter is liable to the allottee, who has expressed the intention to withdraw from the project, to refund the entire amount received in respect of the said unit, together with interest at the rate prescribed under the Act and Rules. This liability of the promoter is without prejudice to any other remedies available to the allottee under law.

10. In light of the above findings, this Bench of Authority concludes that:

- i. The possession offered by the respondent was not valid and did not comply with the agreement, as the PCC/OC subsequently got cancelled by the MC, Zirakpur.
- ii. The complainants were justified in refusing such possession.
- iii. Refund of the entire amount invested by the complainants is warranted under Section 18(1) of the RERA Act, along with interest.
- iv. The refund must first be appropriated towards the complainants' outstanding loan liability with HDFC Ltd., in terms of the Tripartite Agreement.
- v. It is an admitted fact that the complainants entered into a lease agreement dated 14.11.2018 with the promoter, under which they continuously received lease rentals from December 2018 until October 2021, except for May 2021. During this entire period, the complainants derived assured financial benefit from their



investment in the project and raised no grievance with regard to delay or non-completion.

10.1 The record further reveals that the promoter obtained a partial completion certificate dated 13.06.2019. At the time of issuance, this certificate was valid and subsisting, when offer of possession in July and November 2019 was made. This certificate was subsequently held to be incomplete and invalid owing to deficiencies noted by the Municipal Council and this Authority since date of issuance retrospectively. It is observed that at the time of offer of possession, the promoter had a valid PCC in hand but defective *ab initio*. Thus, the promoter's conduct cannot be equated with cases of absolute failure to complete construction or offer valid possession, since there never existed lawful authority supporting the valid and due offer.

10.2 Equally significant is the fact that the complainants, having entered into the lease agreement, accepted and enjoyed lease rentals for nearly three years. Their acceptance of these benefits without demur indicates that they were satisfied with and acquiesced in the arrangement created by the promoter. By choosing to avail themselves of financial returns in lieu of immediate possession, the complainants effectively elected a commercial arrangement and remained content with it until October 2021.

10.3 Hence, in strict application of Section 18(1) of the RERD Act, 2016, the promoter is liable to refund the entire amount received from the complainants along with interest at the prescribed rate from November, 2021 until the actual date of refund. This construction harmonises the complainants' rights under RERA with the principle of fairness, ensures that the promoter is held accountable for failure to deliver possession, and at the same time prevents the complainants from enjoying double benefits for the same period. It also reinforces the larger intent of RERA, which is to balance the rights of allottees and the obligations of promoters in a transparent and equitable manner.

11. In the facts and circumstances as discussed, it is held that the respondents failed to deliver the complete unit on time, their material misrepresentation regarding the assured lease, and the absence of any valid defense, the Complainants are fully entitled to withdraw from the project and receive a full refund with interest.



12. In view of the above, the complaint is **Partly Allowed** and complainant is entitled to refund of its money alongwith interest applicable @ 10.90% (i.e. 8.90% SBI's Highest MCLR Rate applicable as on 15.08.2025 + 2%) as per Rule 16 of the Punjab State Real Estate (Regulation & Development) Rules, 2017. The period for payment of interest will be considered from the next month in which payment was effected by the allottee to the previous month of the date in which payment has been effected by the promoter. Therefore, the calculation of refunds and interest upto 31.07.2025 is calculated as follows:-

Sr. No.	Payment made on	Cash/ Cheque	Interest payable from	Principal Amount paid	Interest calculated till	Rate Of Interest	Delay in months	Interest payable till 31.07.2025
A	B	C	D	E	F	H	I	J
1	08.10.2018	Cheque	01.11.2018	51,000/-	31.07.2025	@ 10.90% (i.e. 8.90% SBI's Highest MCLR Rate applicable as on 15.08.2025 + 2%)	80 months	37060.00
2	17.10.2018	Cheque	01.11.2018	8,50,000/-	31.07.2025		80 months	617667.00
3	10.11.2018	Cheque	01.12.2018	20,16,811/-	31.07.2025		79 months	1447230.00
4	06.01.2020	Cheque	01.02.2020	2,60,689/-	31.07.2025		65 months	153916.00
5	05.02.2020	Cheque	01.03.2020	1,90,710/-	31.07.2025		64 months	110867.00
6	06.01.2020	Cheque	01.02.2020	30,930/-	31.07.2025		65 months	18262.00
7	26.01.2020	Cash	01.02.2020	1,39,901/-	31.07.2025		65 months	82600.00
				35,40,041/-				24,67,602.00
GRAND TOTAL (Principal Amount Paid + Interest payable)								60,07,643.00

13. The Hon'ble Supreme Court, in its judgment in the matter of **M/s. Newtech Promoters and Developers Pvt. Ltd. Vs. State of U.P. and Others (Civil Appeal Nos. 6745-6749 of 2021)**, has upheld that the refund to be granted u/s. 18 read with Section 40(1) of the Real Estate (Regulation & Development) Act, 2016 is to be recovered as Land Revenue alongwith interest and/or penalty and/or compensation.

14. It is observed that the promoter has devised a colourable method to allottees, by alluring them with the promise of a fixed return. For this purpose, a new entity, namely **M/s AB3 Asset Management (India) Pvt. Ltd.**, was introduced into the arrangement. The complainant stated that *prima-facie*, the said entity is an associate or a related concern of the promoter. The manner in which this entity has been positioned in the transaction chain demonstrates that its role is only to create an artificial structure to lure the allottees to sell the units.

14.1 From a legal standpoint, it is a settled principle that the **promoter and the lessor are distinct and independent legal entities**, each governed by its own contractual rights and obligations. The statutory liability of the promoter under Section 18 of the Act, being in the nature of a remedy, cannot be diluted, transferred, or substituted by introducing a third-party arrangement from refund and interest payable. The lessor, has no bearing of the contract with



the allottees in respect of the obligations arising under Section 18, nor can it step into the shoes of the promoter for the purpose of claiming deduction of such obligations at the time of refund.

14.2 It is further noted that in the present proceedings, neither the complainant nor the respondent has chosen to implead the lessee, i.e. **M/s AB3 Asset Management (India) Pvt. Ltd.**, as a necessary party as respondent. This reinforces the position that the liability to pay interest under Section 18 of the Act remains solely attributable to the promoter, and cannot, under any circumstances, be adjusted with the lease money paid by any lessee.

14.3 Equally significant is the fact that the arrangement with the lessor constitutes a **separate and independent contract**, supported by a distinct consideration. The scope, purpose, and obligations under such a contract are entirely different from those contemplated under the statutory scheme of the RERD Act, 2016. Consequently, any payments made or returns received under such a contractual arrangement cannot be taken into account for the purposes of determining the entitlement of the allottee to interest under Section 18 of the Act. To do so would amount to conflating two legally distinct relationships and permitting the promoter to take undue advantage of a device designed to frustrate the statutory rights of the allottees.

14.4 The liability of the promoter under Section 18 is absolute and cannot be avoided by resorting to third-party arrangements, however cleverly structured it may be. The allottees, therefore, remain entitled to enforce their statutory rights against the promoter without being constrained or prejudiced by the existence of the lessor or any parallel contractual framework. The relevant part of the Lease Agreement is as under:-

4.	Tenure	The initial tenure of the lease will be for a period of 09 (nine) years (hereinafter referred to as the "Term"), to be renewed at the Lessee's option, for another term of 09 (nine) years each or for such other term as may be mutually agreed thereafter but on the same terms & conditions as mentioned under this agreement.
5.	Lock-in period	The lease shall not be terminated by the Lessee for a period of 03 (three) years from the commencement Date (hereinafter referred to as "Lock-in Period"). The lessor shall not have right to terminate the lease for the entire term, save and except for the reason provided under Clause 19 herein below.
7.	Commencement of	The Lease Rent shall become payable immediately after

14.5 The promoter has paid lease rental for three years amounting to Rs. 8,90,028/-

The said payment is not related to the contract called 'Builder Buyer Agreement' or



"Agreement for Sale". The payment is separate and as per a different agreement which was entered for 9 years and terminated after 3 years unilaterally by the lessor. The lessor is not the promoter. There may be any reason or consideration for the said Rs.40.75 per sq. ft. amount of the super area 650 sq. ft. of which an amount of Rs. 8,90,028/- @ Rs.44.82 sq. feet per month was paid from December, 2018 to October, 2021 (except for May, 2021) as per agreement dated 14.11.2018. Therefore, this payment of Rs.8,90,028/- as lease rent/assured return are not being deducted from the interest payable u/s. 18 of the RERD Act, 2016 by the promoter to the allottee.

15. In view of the aforesaid legal provisions and judicial pronouncement, it is hereby directed that the refund amount along with the accrued interest shall be recovered as Land Revenue as provided u/s. 40(1) of the RERD Act, 2016. Accordingly, the Secretary is instructed to issue the requisite Debt Recovery Certificate and send it after 90 days as per Rule 17 of the Punjab Real Estate (Regulation & Development) Rules, 2016 to the relevant Competent Authorities under the Punjab Land Revenue Act, 1887 for due collection and enforcement in accordance with law.

16. Further the principal amount is determined at Rs.35,40,041/- and interest of Rs.24,67,602/-; the rate of interest has been applied @ 10.90% (i.e. SBI's Highest MCLR Rate applicable as on 15.08.2025 + 2%) as per Rule 16 of the Punjab State Real Estate (Regulation & Development) Rules, 2017. Hence, the promoter is liable to pay a total amount of Rs.60,07,643/- upto 31.07.2025 (i.e. principal amount of Rs.35,40,041/- and interest of Rs.24,67,602/-), and any amount due as interest w.e.f. 01.08.2025 of Rs.32,155/- per month is due and pending. Any amount paid by the promoter will be considered as payment against the interest whatever is due. After payment of whole of interest only, the payment will be considered against principal and accordingly the principal will be reduced and interest will be charged on the balance principal amount till the principal amount is fully paid. Even any payment after reduction in principal amount if any will be first considered towards interest payment, if any becomes due on the unpaid principal amount.

17. Further, the promoter is directed not to sell, allot, book the Unit No. 1411, 14th Floor, in the project named "Chandigarh Citi Centre", situated in village Bishanpur, VIP Road, Zirakpur, Tehsil Derabassi, Distt. SAS Nagar, Mohali allocated to the complainants till the



whole payment payable to the complainant of Rs.60,07,643/- upto 31.07.2025 (i.e. inclusive of principal amount of Rs.35,40,041/- and net interest of Rs.24,67,602/-) and subsequent interest amount w.e.f. 01.08.2025 @ Rs.32,155/- per month, if any, becomes dues is fully paid to the complainant. The complainant will have its continuous lien over the said unit till the refund alongwith interest is not paid by the promoter to the complainant as determined in this order and/or mentioned in the Decree Certificate. **Further, it is made clear that the borrower-cum-complainant-cum-allottee and respondent no. 1/promoter are held to be liable jointly and severally for payment to respondent no.2 (i.e. HDFC Ltd.).** The promoter will be free to sell the unit in question only after duly obtaining the receipt of the due payment from complainant as per this order.

18. The complainant & the respondent are directed to inform the Secretary of this Authority regarding any payment received or paid respectively so as to take the same in to account. The amount of Rs.60,07,643/- upto 31.07.2025 (i.e. inclusive of the principal amount of Rs.35,40,041/- and interest of Rs.24,67,602/-), has become payable by the respondent to the complainant immediately and be paid within 90 days from the date of receipt of this order by the promoter as per Section 18 of the Real Estate (Regulation & Development) Act, 2016 read with Rules 17 of the Punjab Real Estate (Regulation & Development) Rules, 2017 as being determined vide this order u/s. 31 of the Real Estate (Regulation & Development) Act, 2016. The amount of Rs.60,07,643/- upto 31.07.2025 (i.e. inclusive of the principal amount of Rs.35,40,041/- and interest of Rs.24,67,602/-), determined as refund and interest amount thereon upto 31.07.2025 and further a sum of Rs.32,155/- to be payable as interest per month from 01.08.2025 is held **"Land Revenue"** under the provisions of **Section 40(1) of the RERD Act, 2016**. The said amounts are to be collected as Land Revenue by the **Competent Authorities** as provided/authorised in the Punjab Land Revenue Act, 1887 read with section 40(1) of the Real Estate (Regulation and Development) Act, 2016 read with Rule 16 of the Punjab Real Estate (Regulation & Development) Rules, 2017.

19. The Secretary of this Authority is hereby directed to issue a **"Debt Recovery Certificate"** immediately and send the same to the Competent/ jurisdictional Authority as mentioned in the Punjab Land Revenue Act, 1887 after 90 days of the issuance of this order to be recovered as arrears of **"Land**




Revenue". The complainant & the respondent are directed to inform the Secretary of this Authority regarding any payment received or paid respectively so as to take the same in to account before sending "Debt Recovery Certificate" to the Competent Authority for recovery. **Further, Smt. Aditi Goyal & others is held to be Decree Holder and the Respondents i.e. M/s. Citi Centre Developers as judgment debtor being liable for the purposes of recovery under this order.**

20. No other relief is made out.

21. A copy of this order be supplied to both the parties under Rules and file be consigned to record room.


Chandigarh
Dated: 10.09.2025




(Rakesh Kumar Goyal),
Chairman,
RERA, Punjab.

A copy of the above order may be sent by the Registry of this Authority to the followings:-

1. Smt. Aditi Goyal , #216, 3BR, Tower B9, Gulmohar City, Near DAV School, Derabassi, Sahibzada Ajit Singh Nagar(Mohali) - 140507.
2. Sh. Parveen Mittal, #216, 3BR, Tower B9, Gulmohar City, Near DAV School, Derabassi, Sahibzada Ajit Singh Nagar(Mohali) - 140507.
3. Sh. Amit Mittal, #216, 3BR, Tower B9, Gulmohar City, Near DAV School, Derabassi, Sahibzada Ajit Singh Nagar(Mohali) – 140507
4. M/s Citi Centre Developers, VIP Road, Zirakpur, Sahibzada Ajit Singh Nagar(Mohali) – 140603
5. HDFC Home Loans, SCO 142, 1st floor, Above National Skin Hospital, Sector 5, Mansa Devi Complex, Panchkula, Haryana.
6. The Secretary, RERA, Punjab.
7. Director (Legal), RERA, Punjab.
8. The Complaint File.
9. The Master File.


(Sawan Kumar),
P.A. to Chairman,
RERA, Punjab.