

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

Complaint No.0350 of 2024
Date of Institution :01.10.2024
Date of Decision: 30.07.2025

1. Amritpal Singh,
 2. Amandeep Kaur
- Both residents of Kothi no. 652, Phase 10, Sahibzada Ajit Singh Nagar (Mohali), Punjab PIN Code 160062

....Complainants

Versus

1. GREATER MOHALI AREA DEVELOPMENT AUTHORITY THROUGH CHIEF ADMINISTRATOR, PUDA Bhawan, Sector 62, Sahibzada Ajit Singh Nagar (Mohali), Punjab, PIN Code 160062
2. GMADA, through its Estate Officer, PUDA Bhawan, Sector 62, Sahibzada Ajit Singh Nagar (Mohali), Punjab, PIN Code 160062

....Respondents

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

(Registration Number: PBRERA-SAS81-PM0116)

Present: Shri Ranjinder Singh Sidhu, Advocate for complainants
Ms. Aditi Sharma, Advocate for respondents

ORDER

Complainants seek issuance of direction to respondents to provide canal water, basic amenities/Infrastructure and to pay interest @ 12% per annum as per terms and conditions of Letter of Intent (LOI) on amount of Rs.62,06,255 deposited by complainants with respondents for the period of delay of 948 days.

2. Brief facts submitted by complainants in the complaint are summarized below:-

2.1 Earlier LOI issued to Shri Gurcharan Singh s/o Gurbax which was later transferred to the name of complainants with same terms and conditions of original LOI.

2.2 Complainants deposited entire amount of Rs.62,06,255/-.

2.3 As per Clause 15 of LOI possession of plot was to be given within one year from the date of issuance of LOI dated 07.11.2016 i.e by 06.11.2017. However, respondents provided possession of plot on 12.06.2020 after the delay of 948 days i.e. 2 years 7 months 06 days.

2.4 Complainants obtained 'No Due Certificate' and got registered Conveyance Deed in their names on 14.08.2020.

2.5 Environment clearance was obtained by respondents on 30.08.2014 and it undertook to provide canal water to allottees. Till date, allottees as well as complainants have not been given connections for treated water as promised by respondents even after lapse of more than six years.

2.6 State of Punjab has already formulated a policy dated 15.02.2017 vide which State Legislature clearly stated that in case of delay in possession, 12% interest be provided to allottees. Complainants have availed a loan of Rs.30,00,000/- for construction of their house.

2.7 It is the prayer of complainants to direct respondents to provide canal water, basic amenities/infrastructure and to pay interest @12% per annum as per terms and conditions of LOI on amount of Rs.62,06,255/- for the period of delay of 948 days.

3. Upon notice Ms. Aditi Sharma, Advocate appeared for respondents and submitted reply dated 24.01.2025 which is summarized below:-

3.1 While admitting the initial contents regarding allotment of residential plot to one Gurcharan Singh, it is stated that thereafter transferred the said plot in the name of present complainants on 03.08.2018 on their purchase i.e after the expiry of one year from the date of issuance of letter of intent and the complainants were aware about the delay in

development of the area and possession was not handed over to earlier LOI holders.

- 3.2 Counsel for the respondents relied upon para-7 of the judgement of the Hon'ble Supreme Court in the matter of "*Haryana Urban Development authority Vs Raje Ram I*" (2009) CPJ 56 (SC) which is reproduced below:-

"7. Respondents in the three appeals are not the original allottees. They are re-allottees to whom re-allotment was made by the appellant in the years 1994, 1997 and 1996 respectively. They were aware, when the plots were re-allotted to them, that there was delay (either in forming the layout itself or delay in delivering the allotted plot on account of encroachment etc). In spite of it, they took re-allotment. Their cases cannot be compared to cases of original allottees who were made to wait for a decade or more for delivery and thus put to mental agony and harassment. They were aware that time for performance was not stipulated as the essence of the contract and the original allottees had accepted the delay. The appellant offered possession to respondents (re-allottees) and they took possession of the respective plots on 27.6.2002, 21.3.2000, and 13.9.1999 respectively. They approached the District Forum in 1997, within a short period from the dates of re-allotment in their favour. They had not paid the full price when they approached the District Forum. In the circumstances, having regard to the principles laid down by this Court in Ghaziabad Development Authority v. Balbir Singh - 2004 (5) SCC 65, Darsh Kumar (supra) and Bangalore Development Authority v. Syndicate Bank - 2007 (6) SCC 711, we are of the view that the award of interest was neither warranted nor justified".

Thus, the complainants being subsequent purchasers are not entitled for any interest

- 3.3 As per Condition No.29 of the Allotment letter complainants should have approached the Chief Administrator of respondents for resolution of their dispute thus the present complaint is not maintainable.
- 3.4 It is emphasized that due to delay in issuance of amended environmental clearance by the State Level Environment Impact Assessment Authority, the development of area earmarked for plots of 256.66 sq. yards could not be completed.

Obtaining of environment clearance was intimated to general public through notice dated 14.06.2019 published in English newspaper "The Tribune". The '*force majeure*' events are implicit in every contract. Therefore, the delay caused due to mandatory environment clearance cannot be attributed to respondents.

3.5 It is further submitted that due to Covid-19 allotment letters were not issued immediately. However, complainants were issued Plot No.1192 in IT City Scheme vide Memo No.16763 dated 12.06.2020.

3.6 Respondents relied upon Clause 9 of terms and conditions of allotment letter dated 12.06.2020 vide which complainants were bound to take possession of plot within 90 days of its issuance. Respondents further cited Clause no.27 of allotment letter which says that if the complainants were aggrieved with the delay they could have refused to accept the allotment letter and sought refund of the deposited amount. Conveyance Deed was executed on 04.08.2020 and the complainants cannot raise the issue of delay of possession of plot.

3.7 It is further alleged that plot was allotted to the complainants at the tentative price of Rs.20,000/- per sq. yard whereas the current price is Rs.75,000/-. The complainants gained the benefit of appreciation of price of plot thus they are not entitled for any interest. In support of its case, respondents relied upon the following judgements of the Hon'ble Supreme Court:-

- i. "*Bangalore Development Authority Vs. Syndicate Bank*", reported at (2007) 6 SCC 711 wherein it was held that "...The allottee who had the benefit of

appreciation of price of the house is not entitled to interest on the price paid...."

- ii. *"HUDA Vs. Raje Ram" (2008) 17 SCC 407, wherein it has been held that "...where possession is given at the old rate, the party has got the benefit of escalation in price of land, and therefore, they cannot and should not be award of interest on the amounts paid by the allottee on the ground of delay in allotment..."*

Considering the appreciation, respondents cannot be required to give plot as well as to pay interest which would result in unjust enrichment of complainants.

3.8 On merits, respondents denied the deposit of entire amount of Rs.62,06,255/-. However, it is admitted that as per NOC issued on 24.07.2020 only an amount of Rs.51,33,200/- has been received from complainants.

3.9 It is stated that the work relating to setting up of new Sewerage Treatment Plant is being supervised by Engineering Branch of respondents and the treated water will be supplied as soon as it is available in sufficient quantity.

3.10 Since Conveyance Deed had already been executed on 04.08.2020 so complainants are not entitled for any interest.

4. Counsel for the complainants filed rejoinder denying the averments raised by respondents in their reply and reiterated the contents of their complaint. It is stressed that there is delay of 948 days in handing over possession to complainants. It is stated that respondents admitted that they have no environment clearance. However, despite that the respondents collected hard earned amount from the complainants. Regarding Covid-19 it is stated by complainants that it was from March

2020 whereas possession was to be given on or before 06.11.2017 as per LOI dated 07.11.2016 and allotment letter was issued on 12.06.2020 after delay of 948 days. Complainants are claiming interest @ 18% because respondents as per Clause 5(1) and 10 of LOI charged above said rate of interest. Respondents executed the Conveyance Deed on 04.08.2020 after receiving the whole sale consideration as per terms and conditions of the allotment letter and they cannot now agitate that they have not received the entire amount. Respondents have not attached any documentary proof about the current price of Rs.75,000/- per sq. yard. While not disputing clause 9 of allotment letter, it is stated that complainants took possession of the plot immediately as they wanted to settle and built their own house in the city of SAS Nagar after retirement. Regarding clause 27 the complainants urged that there is no question to refuse the acceptance of allotment as refusal would have attracted forfeiture of 10% of total amount including interest and penalty. Respondents themselves are violating their own policy formulated by the State Legislature on 15.02.2017. It is the prayer of complainants that as per Clause 15 of LOI dated 07.11.2016 whereby possession was to be given on 06.11.2017 but possession was offered vide allotment letter dated 12.06.2020 after the delay of 948 days, thus complainants are entitled for payment of interest for this period of delay by respondents.

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5. The undersigned heard the arguments of both the counsels on the stipulated date.
 6. Counsel for the complainants reiterated the contents of his complaint as well as rejoinder and prayed that interest for the period of delay of 948 days in handing over possession of the residential plot be granted to them.
 7. On the other hand, Counsel for the respondents also reiterated the contents of reply and denied that the complainants are entitled for any

interest for the period of delay in handing over possession and relied upon the contents of LOI as well as Allotment letter.

8. The undersigned has gone through the pleadings of the parties and also perused the annexed documents.

9. The objection taken by respondents that they received environment clearance for the area of plot measuring 256.66 sq. yards and they published it in newspapers "The Tribune" through public notice on 14.06.2019 for the information of general public regarding environment clearance and thereafter within six months they completed the development works and draw of lots were held on 20.12.2019. However, due to nationwide Covid-19 allotment letters were not issued. However, complainants were issued allotment letter on 12.06.2020. From the above sequence of facts it is evident that firstly it was the duty of respondents to obtain all necessary approvals from the competent authorities before launching the scheme. The environment clearance as admitted by respondents themselves was obtained and published in the newspapers on 14.06.2019 and it is also a fact that Covid-19 lockdown was started from 20 March 2020 onwards. The respondents were having approximately more than six months for issuance of allotment letter which they did on 12.06.2020 as far as the case of complainants is concerned. In the nutshell, the allotment letter along with offer of possession was given only on 12.06.2020.

10. Another objection of respondents of not complying with Condition no.29 of allotment letter by complainants regarding arbitration to exclude the jurisdiction of the Authority, this contention is rejected in view of the decision of the Supreme Court in the case "*M/s Emaar MGF Land Ltd. vs Aftab Singh*" (Review Petition (C) Nos. 2629-2630 of 2018 in Civil Appeal Nos.23512-23513 of 2017).

11. Regarding the citations mentioned at para 3.7 above, the facts of the case are distinguishable from the case referred by respondent as the appreciation of price is not a subject-matter of the impugned case. There is no clause in agreement to indicate price increase due to escalation of market price.

12. The prayer of the complainants is for payment of interest for the period of delay in handing over possession of the plot. It is the case of the complainants that possession has not been handed over to them in terms and conditions of LOI dated 07.11.2016. As per letter of intent issued on 07.11.2016, possession was to be delivered within one year of LOI i.e. by 06.11.2017. However, an allotment letter was issued vide Memo No.GMADA/2020/16763 dt 12.06.2020 whereby it was informed to the complainant that draw for the allotment of plots were held on 20.12.2019 and he has been allotted plot no.1192, Sector 83, Alpha Block B measuring 256.66 Sq. yard. The payment of instalment was retained as in earlier LOI. As per clause 9 of this allotment letter, an allottee was required to take possession of site within 90 days i.e. by 11.09.2020. The complainant however took possession well within 90 days i.e. on 04.08.2020. It is reiterated here that as per LOI dt 07.11.2016 the agreed date of delivery of possession was 06.11.2017.

13. From the above facts, it is established on record that there was delay on the part of the respondents in delivery of possession and complainants are entitled for the payment of interest for the period of delay in handing over possession of the Plot No.1192, Sector 83 Alpha, Block B, Mohali measuring 256.66 sq. yards. The respondents are an organization of the Government and it is their bounden duty and responsibility as they are promoter and complainants are purchasers who have paid the amount for purchase of plot. Now the only question for consideration before the

undersigned which date can be considered for payment of interest and the date of possession of the plot.

14. Perusal of Clause-15 of the Letter of Intent dated 07.11.2016 clearly revealed that physical possession of the plot shall be handed over to the allottee within a period of one year from the date of issuance of LOI which comes to 06.11.2017. However, in Clause-9 of the allotment letter dated 12.06.2020 issued by respondents later on, it is clearly mentioned that '*the allottee shall be required to take physical possession of the site within 90 days of the issue of this allotment letter*'. It is further mentioned therein that '*in case allottee fails to take the possession of the plot allotted within 90 days, the possession of the plot shall be deemed to have been delivered to the allottee..*' Thus, it is clear from the documents itself issued by the respondents that they have revised the date of possession from 06.11.2017 to 12.09.2020 and the allotment letter embraces offer of possession too. It is also noteworthy that it is the admitted case of the complainants themselves that Conveyance Deed was executed on 04.08.2020. Thus, the date of handing over possession is also held to be 04.08.2020.

15. The complainants have got the unit transferred in their names from Shri Gurcharan Singh on 03.08.18. It is also correct to say that at this time the complainants were well aware of the delay in possession i.e 06.11.2017 which was within one year of LOI issued to previous allottee. The complainants are entitled for interest u/s 18(1) of RERD Act on the amount paid by them after the LOI was transferred in their names. Any interest on amount paid before the date when LOI exchanged hand may be attributed to previous holder of LOI as interest is a charge for borrowing or a compensation for the use of funds by another person. Since the complainants money was involved only after the LOI was changed in their names, thus the interest payable to them will commence for that particular

day only. Further Annexure C-5 Property Ledger maintained by respondents themselves relating to Property No.B-1192 of the complainants shows that a sum of Rs.62,06,255/- (which in fact comes to Rs.53,86,275 only as per entries) has been received by the respondents against this property. The earlier erstwhile allottee has paid Rs.30,51,118 (on different dates) before 03.08.2018 and the balance thereafter by the complainant on various dates till the date of possession last payment being on 06.11.2019. A sum of Rs.13,620/- was paid on 24.03.2022 as Security Building Plan. The complainant is entitled to get interest for every month of delay as per the provisions of Section 18(1) of the Act of 2016 on the amount paid to promoter till the date of handing over the possession. As such the complainants are entitled for payment of interest on amounts paid between 03.08.18 till 4.8.2020, as mandated in Section 18(1) of the Act of 2016.

16. Regarding providing of treated water to complainants, it is stated by respondents in para 9 of their reply dated 24.01.2025 that as soon as the treated water is available in sufficient quantity, the same will be supplied. It is expected that respondents will do the needful at the earliest.

17. As a result of above discussion, this complaint is allowed and respondents are directed:

17.1 To pay interest under Section 18(1) of the Act of 2016 at the rate of 10.90% per annum (today's State Bank of India highest Marginal Cost of Lending Rate of 8.90% plus two percent) prescribed in Rule 16 of the Rules of 2017 on the amount paid from the respective dates of payments made between 3.8.18 (date when LOI was transferred to complainant) to 4.8.2020 (date of possession) as per Ledger dated 26.09.2024 as per Annexure C-5 of the complaint, within 90 days as stipulated in Rule 17 of Rules of 2017. Copy of Ledger Account as annexed

by complainant in C-5 is attached as Annexure-1 for ready reference.

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



(Binod Kumar Singh)
Member, RERA, Punjab

Encl: Annexure - I

Rera, Punjab



Greater Mohali Area Development Authority
ਗਰੇਟਰ ਮੋਹਾਲੀ ਏਰੀਆ ਡਿਵੈਲਪਮੈਂਟ ਅਥਾਰਿਟੀ

Property Ledger

Report Date:- 26-Sep-2024

Scheme Name : Sector - 83 (Alpha)
Property No : B-1192
Owner's Name :
Is Under Litigation : No
Court Case : No

Property Detail

Usage Type : Residential
Total Sale Amount (₹) : 5,133,200.00

Details of Payment					
Date	Description	Amount	Mode	Receipt No.	Total Amount
05-Nov-2016	Earnest Money Deposit	513320	Account No.		513320
05-Dec-2016	Installment	1026640	DD No. 953542	Payment Receipt No - 49733	1129304
	Cancer Cess 2%	102664			
08-Jun-2017	Installment	814467	DD No. 528977	Payment Receipt No - 56526	820000
	Penal Interest Receipt	5533			
03-Nov-2017	Installment	778535	DD No. 529175	Payment Receipt No - 60991	778535
01-Aug-2018	Installment	743788	DD No. 892096	Payment Receipt No - 73185	782603
	Penal Interest Receipt	38815			
01-Aug-2018	Transfer Fee	128330	DD No. 892095	Payment Receipt No - 73186	150660
	GST	23899			
	Processing Fee	4431			
06-Nov-2018	Installment	705600	DD No. 892470	Payment Receipt No - 77053	705600
06-May-2019	Installment	670738	DD No. 359948	Payment Receipt No - 85990	670738
12-Jun-2019	Installment	1070	916317600438		1070
06-Nov-2019	Installment	50000	931017156738		50000
06-Nov-2019	Installment	584805	931021260146		584805
24-Mar-2022	Security Building Plan	11800	DD No. 503910	Payment Receipt No - 129283	13620
	Scrutiny Fee	1820			
Grand Total					6206255

Balance as on 26-Sep-2024

Sales Ledger(Excluding Schedule Installments)	Installment	PI + Surcharge	Construction/Possession	GST Construction/Possession (18%)	Transfer	Maintenance Due + Penal	Refund	Total
0	-1185	0	0	0	0	0	0	-1185

Note : Negative balance for Installment shall be automatically adjusted after due date

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