



## Real Estate Regulatory Authority, Punjab

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

1. Complaint No.	GC No. 02662023
2. Name & Address of the complainant (s)/ Allottee	Sh. Jatinder Jit Singh S/o Sh. Manjit Singh H. No. 360, Phase-4, SAS Nagar Mohali-160059.
3. Name & Address of the respondent (s)/ Promoter	Greater Ludhiana Area Development Authority, Street No.2 Ferozepur Road, Opposite GLADA, Ranjit Nagar New Professor Colony, Ludhiana- 142201.
4. Date of filing of complaint	27.08.2023
5. Name of the Project	203 Freehold Residential Plots
6. RERA Registration No.	PBRERA-LDH79-PR0487 Valid upto 29.04.2024
7. Name of Counsel for the complainant, if any.	Sh. Manjit Singh, Sh. Kirti Kumar & Sh. Mandeep Singh, Counsels for the complainant
8. Name of Counsel for the respondents, if any.	Sh. Bhupinder Singh & Sh. Balwinder Singh, Counsels for the respondent.
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	11.02.2026

**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 has been filed by Sh. Jatinder Jit Singh (hereinafter referred as the 'Complainant' 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) relating to a RERA registered project namely '203 Freehold Residential Plots (And 28 Plots For Economically Weaker Section (EWS)' promoted by M/s.Greater Ludhiana Area Development Authority. (hereinafter referred as the 'Respondent' for the sake of convenience and brevity) alleging violation of the RERD



Act, 2016 by Respondent /Promoter. The complainant has **sought refund of the amount paid along-with interest** for the reason that the respondent failed to fulfil their obligations and on account of unfair trade practices in violation of allotment Letter and conditions mentioned in brochure of the scheme. The complainant has also sought litigation amount of Rs.5,00,000/-.

2. The brief gist of the complaint, as alleged by the complainant is that he is allottee of residential plot No.223measuring in95 Sq. Yards in sector/ phase 231 ResidentialPlot Under 80:20 Scheme, Vill. Dad, Ludhiana, which is registered with Punjab RERA vide Registration No. PBRERA-LDH44-PR0487 dated 09.08.2019.It was submitted that the complainant through advertisement invited applications for 203 freehold residential plots at GLADA Estate, Sua Road, Behind Hotel Keys, Ludhiana. The complainant applied with earnest money of Rs.2,90,000/- on 18.09.2019. The Letter of Intent (LOI) was issued to the complainant by the respondent vide their letter vide GIADA-EO-Ldh/ 4753 dated 14.11.2019.The complainant was declared one of successful candidate in draw. A letter of allotment was issued by the respondent vide Memo No. GLADA-EO-2020/3626 dated 20.10.2020. The tentative price of the plot was Rs.27,55,000/- calculated @ Rs.29,000/- per sq. yards. The complainant opted for instalments. The details of payments made are as under:-

Date of Payment	Principal Amount	Interest	Cancer Cess	Total (Rs.)
18.09.2019- Application Amount	2,90,000			2,90,000
13.12.2019- Allotment Amount	3,98,750		55100	4,53,850
28.10.2021- 1 <sup>st</sup> Installment	3,44,375	92,981		4,37,356
Total	<b>10,33,125</b>	<b>92,981</b>	<b>55100</b>	<b>11,81,206</b>

The clause of possession is as under:-

#### **POSSESSION AND OWNERSHIP**

- 1) Possession of Plot shall be handed over to allottee within 90 days of issue of allotment letter provided 25% of the tentative price has been paid. If possession is not taken by the allottee within stipulated period, It shall be deemed to have been handed over on the expiry of said period.



2.1 The complainant had paid 25% within time. Therefore, the possession should have been given within 90 days of allotment letter dated 20.10.2020 i.e. 18.01.2021. The complainant had contended that there are civil dispute by the private parties with the respondent regarding title of the land. It is alleged that the development of the land has been delayed by the respondent. No physical possession of the plot has been given till date. As detailed above, the complainant has sought refund plus interest and cost of litigation.

3. In response the notice of the complainant, the respondent filed their reply dated 11.03.2024 through their counsels, stating that:-

i. As per letter of Intent dated 14.11.2019, all disputes arising should have been referred to sole arbitrator i.e. Chief Administrator, GLADA.

ii. The conditions given in brochure are not exhaustive. The allottee is liable to abide by terms and conditions of Punjab Regional and Town Planning and Development Act, 1995, order passed by the State Government and the Competent Authority. Such orders are final and are not to be questioned in any suit or other legal proceedings.



iii. The complainant has not sought refund from the respondent as per conditions mentioned in the allotment letter. Therefore, the failure to abide by the terms and conditions of allotment letter has made the complainant ineligible for any kind of refund.

iv. There is deemed possession clause in the letter of allotment i.e. 90 days from the issue of allotment letter provided 25% of tentative price has been paid. The complainant has failed to take over the possession of plot within stipulated period and also failed to construct as per conditions of allotment letter.

v. The respondent has stated that there is no civil dispute in respect of the plot allotted to the complainant. The dispute land is not part of lay out.

4. The violations and contraventions contained in the complaint were given to the representative of the respondents to which they denied and did not plead guilty. The complaint was proceeded for further inquiry. Both the parties filed their written arguments i.e. by the complainant on 02.12.2024 and by the respondent vide submissions dated 01.04.2025. The same has been placed on record.

5. That representatives for parties addressed arguments on the basis of their submissions made in their respective pleadings as summarised above. I have duly considered the documents filed and written & oral submissions of the parties i.e. complainant and respondent.

6. After perusal of the file i.e. oral arguments of the parties, pleadings etc. available in record, the following facts are not in dispute:



- (a) Letter of Allotment was issued on 20.10.2020. The complainant was allotted plot. 25% amount up-to the allotment and 1<sup>st</sup> instalment has been duly paid.
- (b) The agreed date of possession as per the Letter of Allotment was 90 days from letter of allotment dated 20.10.2020.
- (c) The actual physical possession has not been offered. However, the respondent has contended that there is deemed possession as per clauses of Letter of Allotment (Supra).

7. The respondent has objected to the maintainability of this complainant on two grounds namely as per letter of allotment, the complainant is bound by Punjab Regional and Town Planning and Development Act, 1995, order passed by the State Government and the Competent Authority and secondly, the matter should have referred to arbitrator who is chief administrator of the respondent. This argument has come in various complaints where any State Government Authority or its instrumentality is the party. This issue was adjudicated long time back by Pb. Rera Authority comprising of The Chairperson and two members in the case of Ranjeet Kaur Vs. GMADA vide order dated 31.03.2021 in Complaint No. 1687/2020. The relevant part reads as under:-



6. We have considered the rival contentions and perused the record. At the outset it is held that none of the legal issues raised by the respondent have any merit. Following the Supreme Court order in

the case of '*Emaar MGF Land Ltd. Vs. Aftab Singh*' (Civil Appeals No.23512-23513 of 2017) it has already been held in various orders that mere presence of an arbitration clause does not preclude the jurisdiction of this Authority. Further, the Act provides for payment of interest in case of delay in handing over of possession and this legal right of an allottee cannot be defeated by the lack of such a provision in any document issued by a promoter. It is also seen the letter of intent clearly mentions that the allottee would be responsible for payment of interest on the balance instalments and also for penal interest at the rate of 18% p.a. in case of delay in payments. Such one-sided arrangements have been held to be illegal by the Supreme Court in '*Pioneer Urban Land & Infrastructure Ltd. Vs Govindan Raghavan*' (Civil Appeal No.12238 of 2018) and '*Wg. Cdr. Arifur Rahman Khan and Aleya Sultana and ors. Vs DLF Southern Homes Pvt. Ltd.*' (Civil Appeal N.6239 of 019). Finally, the Act and its Rules only require that the matter pursued by a complainant should not be pending before any other court or authority. The complainants have certified to this effect in para 7 of their complaint. It was well within the complainants' right to decide which of the alternative remedies available to them should be pursued. The respondent's next argument that no interest is payable in this case since there was no Agreement for Sale entered into with the complainants is also devoid of merits. The respondent is a government agency and has issued a Letter of Intent in favour of the predecessor-in-interest which was later on transferred in favour of the complainants by the respondent on the same terms and conditions. Possibly, they do not follow the practice of executing an Agreement for Sale despite the legal stipulation to this effect. In any case the



8. It has also seen that the letter of allotment dated 20.10.2020 only mentions that the allottee would be responsible for payment of interest on the balance instalments & also for penal interest in case of delay in payments. However, there is no clause regarding any interest/ compensation for default by the promoter which is GLADA, a state instrumentality. Such one-sided

arrangements have been held to be illegal by the Hon'ble Supreme Court in 'Pioneer Urban Land & Infrastructure Ltd., Vs Govindan Raghavan (Civil Appeal No.12238 of 2018 and 'Wg. Cdr. Arifur Rahman Khan and Aleya Sultana and Ors. Vs. DLF Southern Homes Pvt. Ltd.' (Civil Appeal No.6239 of 2019). Therefore, such authorities being instrumentality of State is under mandate to act reasonably and fairly.

9. It is a rampant practise among the builders, developing agencies etc. particularly state Instrumentalities that they offer deemed possession once an allotment of property in auction or draw is done, particularly in the draw for plots. In any real estate project, the possession is one key element. Therefore, every agreement for sale and/ or allotment letter must contain specific clause regarding specific actual possession. For example, Form Q is a template of Agreement of Sale in Punjab State Real Estate (Regulation and Development) Rules 2017. Para 7.2. is relevant here in the context of possession being reproduced below:-

*"7.2 Procedure for taking possession The Promoter, upon obtaining the occupancy certificate from the competent authority shall **offer in writing the possession of the (Apartment/Plot), to the Allotee in terms of this Agreement to be taken within two months.***



**(Emphasis Supplied).**

10. The Law and various judicial pronouncements also emphasis and recognize the actual physical delivery and not paper delivery. The issuance of possession certificate without physical delivery or symbolic possession cannot be equated with actual possession under an agreement for sale and/ or allotment letter. Therefore, issue of allotment letter with a deemed handover

clause cannot be equated with an actual delivery of possession in the eyes of law. Possession means peaceful vacant delivery of the product and the eminent domain over the product in physical form in the case of physical product. This aspect is missing in the case of deemed possession. The possession is always an act of handing over from predecessor to successor and till such action happens, the predecessor holds such article in fiduciary capacity. Coming to the pleadings on this issue by both the parties, these are inadequate and no concrete steps were taken by either party to complete the takeover of possession by the complainant or hand over the possession by the respondent. In fact, as per the allotment letter dated 20.10.2020, the complainant has already paid 25% i.e. Rs.6,88,750/- and was eligible to take possession within 90 days from the date of allotment letter dated 20.10.2020 without any further payment. The clause 4 of allotment letter dated 20.10.2020 reads as under:-

**4. POSSESSION AND OWNERSHIP**

*1) Possession of Plot shall be handed over to allottee within 90 days of issue of allotment letter provided 25% of tentative price has been paid. If possession is not taken by the allottee within stipulated period, it shall be deemed to have been handed over on the expiry of said period.*



10.1 The complainant did not come forward to take the possession. In fact he delayed the first instalment which was due on 01.05.2021 despite letter dated 26.7.2021 & reminder dated 06.09.2021. The complainant paid first instalment of Rs.3,44,375 along-with interest of Rs.92,981/- on 28.10.2021. Thereafter, the complainant did not pay any instalment. The complainant was filed before this authority on 27.07.2023.

11. There is another aspect in the case. The complainant had alleged that the title is defective and there is legal dispute whereas the respondent has denied the charge contending that the land/ plot given to the complainant has no such issue. The perusal of the pleadings reveal that there is civil dispute in the project though may not be specifically in respect of land on which the plot was given to the complainant. It has been specifically stated in the interim order dated 28.02.2023 of the Hon'ble Pb. & Hry High Court (where the matter is subjudice) that additionally, any construction raised on the remaining suit land shall be subject to the outcome of the suit. It might be the case that due diligence or stronger initial screening while acquiring the land may not have been done which could jeopardise the peaceful or legal right of the complainant.

12. It has also observed that the complainant has paid Rs.10,33,125/- excluding interest of delayed payment and Cancer Cess against the sale price of Rs.27,55,000/-. This comes to 37.5%. As per section 13 of Rera Pb. RERD Act 2016, the promoter should not accept more than 10% as advance money. Therefore, the forfeiture of entire money is against the law and equity. A promoter cannot typically forfeit more than 10% of the total apartment/ plot cost.



13. It has been observed that the complainant has paid interest of Rs.92,981/- towards late payment of instalment. Hence the interest paid on late payment is held as part of principal paid for plot. The same has to be as refunded being paid as cost price of plot. The belated payment of instalment if

any, in the case does not entitle the promoter to be exempted from refunding the amount and interest thereon. The promoter has neither cancelled the plot nor offered the possession and even the project is not complete or has obtained requisite partial completion certificate.

14. The complainant has paid cancer cess of Rs.55,000/- which is 2% of plot value of Rs.27,55,000/-. It is levied under "The Punjab State Cancer and Drug Addiction Treatment Infrastructure Fund Act, 2013". The issues relating to chargeability of Cancer Cess already collected from the complainant and deposited by the respondent is beyond the jurisdiction of this Authority so far its chargeability or otherwise is concerned as Section 9 of the Punjab State Cancer and Drug Addiction Treatment Infrastructure Fund Act, 2013 bars jurisdiction of any Civil Court relating to matters arising under this Act or Rules made there under. The respondent is asked to consider the plea of the applicant and take necessary action.



15. Considering all the facts and circumstances of the case, it appears that both the parties are negligent and deficient in their services. On the one hand, the complainant never took serious steps to take over the possession of plots when he was entitled to, on the other hand, the respondent failed to offer the possession of the plot in earnest manner. Giving a considerate and passionate approach to the case, it is hereby held that the complainant is entitled to refund of amount paid [Rs.11,26,106/- (Rs.11,81,206 - 55,100)].

16. The Ld. Counsel for the complainant argued that failure to hand over possession constitutes a continuing violation of the Act, entitling them to

refund with interest under Section 18. Reliance was placed upon the judgment of the Hon'ble Supreme Court in **M/s. Newtech Promoters and Developers Pvt. Ltd. Vs. State of U.P. and others in Civil Appeal Nos. 6745-6749 of 2021.**

17. The section 18 of the Act clearly provides that if the promoter fails to deliver possession in accordance with the terms of the Agreement for Sale, the allottee has a statutory right to seek refund with interest. The Hon'ble Supreme Court in ***M/s. Newtech Promoters and Developers Pvt. Ltd. Vs. State of U.P. and others in Civil Appeal Nos. 6745-6749 of 2021*** has authoritatively held that delay beyond the agreed possession date confers an indefeasible right upon the allottee to seek refund. Further, Hon'ble Supreme Court of India, in Para 77, of its judgment in ***M/s. Newtech Promoters and Developers Pvt. Ltd. (supra)*** has reiterated the law declared by the court in ***Imperia Structures Ltd.(supra)***. The same is reproduced below:-



*"77..... The submission has no foundation for the reason that the legislative intention and mandate is clear that Section 18(1) is an indefeasible right of the allottee to get a return of the amount on demand if the promoter is unable to handover possession in terms of the agreement for sale or failed to complete the project by the date specified and the justification which the promotor wants to tender as his defence as to why the withdrawal of the amount under the scheme of the Act may not be justified appears to be insignificant and the regulatory authority with summary nature of scrutiny of undisputed facts may determine the refund of the amount which the allottee has deposited, while seeking withdrawal from the project, with interest, that too has been prescribed under the Act..."*

18. As regards contention of the Respondent that complainant did not make full payment, the Hon'ble Supreme Court in his judgment in ***M/s. Newtech Developers Pvt. Ltd. (supra)*** in Para 80 has held as follows:-

"80. The further submission made by learned counsel for the appellants that if the allottee has defaulted the terms of the agreement and still refund is claimed which can be possible, to be determined by the adjudicating officer. The submission appears to be attractive but is not supported with legislative intent for the reason that if the allottee has made a default either in making instalments or made any breach of the agreement, the promoter has a right to cancel the allotment in terms of Section 11(5) of the Act and proviso to sub-section 5 of Section 11 enables the allottee to approach the regulatory authority to question the termination or cancellation of the agreement by the promotor and thus, the interest of the promoter is equally safeguarded."

19. The respondent had the option to initiate the process for cancellation of the allotment, in case a default, by the complainant. However, the same was not done and the respondent itself failed to offer actual physical possession. Hence, the respondent is liable for refund of the entire amount paid by the complainant, along-with prescribed rate of interest.

20. Therefore, as per provisions of Section 18, the complainant is entitled to claim refund along-with interest as per its choice in case of non-completion on due date. It 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) 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."

21. In view of the above, the complaint is **Partly Allowed** and complainant is entitled to refund of Rs.11,26,106/- along-with interest applicable @ 10.80% (i.e. 8.80% SBI's Highest MCLR Rate applicable as on 15.12.2025 + 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 end of month in which allotment/ date of payment (whichever is later), to the previous month of the date in which payment has been effected by the promoter. Therefore, the calculation of refunds and interest upto 28.02.2026 is as follows:-

Interest payable from	Principal Amount paid	Interest calculated till	Rate Of Interest	Delay in months	Interest payable
01.11.2020	6,88,750	28.02.2026	@ 10.80% (i.e. 8.80% SBI's Highest MCLR Rate applicable as on 15.12.2025 + 2%)	64	3,96,720
01.11.2021	4,37,356	28.02.2026		52	2,04,683
	<b>11.26.106</b>				<b>6,01,403</b>
<b>GRAND TOTAL (Principal Amount + Interest Payable upto 28.02.2026)</b>					<b>17,27,509</b>

22. 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.



23. 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.

24. Further the principal amount is determined at Rs.11,26,106/- and interest of Rs.6,01,403/- the rate of interest has been applied @ 10.80% (i.e. 8.80% SBI's Highest MCLR Rate applicable as on 15.12.2025 + 2%) as per Rule 16 of the Punjab State Real Estate (Regulation & Development) Rules, 2017. Hence, the respondent is liable to pay a **total amount of Rs.17,27,509/-** upto 28.02.2026 and in case of non-payment of the same within stipulated time period, further sum due as interest **w.e.f. 01.03.2026 of Rs.10,135/- per month till the realization of payment.** Any amount paid by the respondent will be considered as payment against the interest whatever is due. After payment of whole of interest only then 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. This amount of Rs.10,135/- will change according to the principal amount due at the start of the month as per the method narrated here in the para above.



25. The amount of Rs.17,27,509/- upto 28.02.2026 (i.e. principal amount of Rs.11,26,106/- and balance interest of Rs.6,01,403/-, determined as refund and interest amount thereon upto 28.02.2026 and further a sum of Rs.10,135/- per month w.e.f. 01.03.2026) to be payable as interest per month from

01.03.2026 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**. 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.17,27,509/-** upto **28.02.2026** (i.e. principal amount of **Rs.11,26,106/-** and balance interest of **Rs.6,01,403/-**), 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**.



26. **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, Sh. Jatinder Jit Singh S/o Manjit Singh R/o 360, Phase 4, SAS Nagar Mohali is held to be Decree Holder and the Respondent M/s Greater Ludhiana Area Development Authority, PUDA Complex, Ferozepur Road, Ludhiana is held as judgment debtor for the purposes of recovery under this order.

27. No other relief is made out.

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

Chandigarh  
Dated: 11.02.2026



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

Endst. No./CP/RERA/PB/PA/Sec.31/305

Dated:-11.02.2026

A copy of this order is hereby forwarded to the following for their information and necessary action:-

1. Sh. Jatinder Jit Singh S/o Manjit Singh, R/o 360, Phase-4, SAS Nagar Mohali-160059.
2. The Greater Ludhiana Area Development Authority, Street No.2 Ferozepur Road, Opposite GLADA, Ranjit Nagar New Professor Colony, Ludhiana- 142201.
3. The Secretary, RERA, Punjab.
4. Director (Legal), RERA, Punjab.
5. The Complaint File.
6. The Master File.

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