

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

Complaint No.0450 of 2023
Date of Institution: 14.12.2023
Date of Decision: 30.03.2026

Neetu Sharma, HOUSE NO. 1391, SECTOR 4, PANCHKULA, -
134112

....Complainant

Versus

1. M/s Citi Centre Developers through partners, VIP Road Zirakpur Mohali, Zirakpur Punjab -140603
2. HDFC Bank Ltd, SCO-143-144, Sector-8-C, Madhya Marg, Chandigarh.

....Respondents

Present: Shri Mukesh Tomar, Advocate for the complainant

Shri Mohd. Sartaj Khan, Advocates for respondents no.1

Shri Shauryaj Khanna, Advocates for respondents no.2

ORDER

This complaint in Form 'M' under Section 31 of the Real Estate (Regulation and Development) Act, 2016, (hereinafter referred to as the Act of 2016) read with Rule 36 (1) of the Punjab State Real Estate (Regulation and Development) Rules, 2017 (hereinafter referred to as the Rules of 2017) was instituted on 14.12.2023 by complainant as individuals against respondent seeking possession of the allotted unit and interest for the period of delay in handing over valid possession.

2. The brief facts of the complaint as submitted by complainant is summarized below: -

2.1 The complainant booked a Commercial Unit "CLOUD SOHO, 10th Floor" unit no. 1027 measuring 525 sq ft super area in the project

"Chandigarh City Centre" being promoted by M/s Citi Centre Developers through their Partners and paid Rs.50,000/- as advance payment for booking on 30.06.2018. Thereafter, when the booking was confirmed vide letter bearing no. CS/1027, complainant further paid an amount of Rs.7.60 lacs vide cheque dated 31.07.2018 to the respondent. Sale price of the said unit was fixed at Rs. 27,00,000/-.

2.2 Vide letter bearing no. CS/1027, she was also assured that she would be given the benefit of "Assured Return Scheme" and she would be paid 12% per annum on the amount deposited i.e Rs.8,10,000/- against the unit upto 31st December 2019.

2.3 Thereafter on 02.08.2018, allotment letter was issued to the complainant and on the same day a 'Commercial Unit Buyers Agreement' was signed and entered into by the complainant and the respondent company. A copy of the Allotment letter and Commercial Unit Buyers Agreement dated 02.08.2018 is appended herewith as Annexure P-5 and P-6 respectively. As per the clause 7 of Commercial Unit Buyers Agreement, possession of the said unit was to be delivered on 31.12.2018

2.4 The complainant also took a loan of Rs. 19 lacs from HDFC (Respondent No. 2) for purchasing the said unit. A copy of the Home loan agreement is appended herewith as Annexure P-7. The Respondent No. 2 disbursed an amount of Rs.14,85,000/- in favour of Respondent No. 1.

2.5 Being 31.12.2018 as date of delivery of possession, the complainant has been asking the respondent company to give the possession but the representative of the respondent company has been giving false assurances and has been delaying the delivery of the

possession on one pretext or the other and the complainant is being forced to deposit the loan amount as per the installments to the bank.

2.6 The complainant stated that the respondent has sent a letter dated 17.07.2019 offering to give possession but in reality, it is nothing but a demand notice asking the complainant to deposit more money but the said project is far from being completed. A copy of the letter dated 17.07.2019 is appended herewith as Annexure P-9 and reply letter dated 13.08.2019 (Annexure- P-10) to respondent telling the reality of the work completed and her experience on her personal visit to the said site.

2.7 Thereafter again on 17.12.2019 the complainant received a letter from the respondent demanding some money before delivering the possession. A copy of the letter dated 17.12.2019 is appended herewith as Annexure P-11.

2.6 Payment of Rs.1,62,000/- vide cheque dated 16.01.2020 and amounting Rs.1,43,927/- dated 17.01.2020 having been made to the Respondent No.1. Despite total payment of Rs.26,00,927 having been made to the Respondent No. 1 towards the allotted unit, the possession has not been delivered to the complainant till date. There is a delay of almost 5 years in handing over the possession which is still continuing.

2.8 It is the prayer of complainants to direct respondents

2.8.1 Direct the Respondent No. 1 to handover the possession of the allotted unit, complete in all aspects

2.8.2 To pay interest for delayed period in offering possession of the unit as per provisions of the RERA Act.

2.8.3 Direct the Respondent No. 1 to pay litigation cost to the tune of Rs. 1,00,000/- to the complainant

3. Upon notice Shri Mohd. Sartaj Khan, Advocate appeared for respondents no.1 and filed reply dated 10.07.2025 and Ms Neetu Singh, Advocate appeared for respondent no.2 and filed reply dated 01.03.2024 which are summarized below: -

3.1 In reply, respondent no. 1 agreed that the complainant has purchased the commercial unit no. 1027 having carpet area of 378.81 Sq Ft Type Clous SOHO floor 10th, block no. D & E. The total cost of said unit is Rs. 30,24,000/-(including Taxes). The Commercial Unit Buyer's Agreement was executed on 02.08.2018.

3.2 Further, 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 complainant through a possession letter dated 17.07.2019 followed by 17.12.2019. However, instead of taking possession, the complainant willfully defaulted. Therefore, the delay in taking possession is attributable to the complainant themselves and not to the developer. 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 (annexure R-4), 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.

3.3 Addendum to Agreement to sale dated 02.08.2018 was also executed on 02.08.2018 (Annexure R-5), states that in case of non-acceptance of the letter of possession or non-payment, the developer

shall be well within its right to deduct the necessary maintenance charges from the interest free Maintenance Security (IFMS) of the purchaser.

3.4 The respondent no.1 also submitted that the project was significantly impacted by factors beyond the control of the respondent no.1 Covid-19 pandemic, government-imposed lockdown, supply chain disruption, labour shortage etc as force majeure condition.

4. Further, Respondent No. 2 – HDFC Ltd. respectfully submits that the complainants availed a loan of Rs. 19,00,000/-, out of which Rs.14,85,000/- was disbursed towards the unit's sale consideration and Rs.22,780/- towards insurance premium. No relief has been claimed against HDFC Ltd. Respondent no. 2 submitted that as on date (i.e. 01.03.2024 date of reply of respondent no.2) loan account of the Complainant is regular and account statement is annexed R-2/3.

5. The undersigned heard the parties on the stipulated date of hearing.

5.1 During the course of arguments, the complainants submitted that it is an undisputed fact that they had been allotted Commercial Space Unit No. 1027 in the Chandigarh Citi Center project for a total consideration of Rs.30,24,000/-(including Taxes), out of which Rs.14,85,000/-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 02.08.2018 and that the last date for completion of the project was stipulated as 31.12.2018.

5.2 Complainant contended that despite these facts, the project remained incomplete and the possession offered on 17.07.2019 and again on 17.12.2019 was only of an unfurnished unit, which they were

justified in refusing. Respondent no.1, the developer, did not dispute the execution of the agreement to sell, the disbursement of loan by HDFC. 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 complainant willfully defaulted in taking possession despite being called upon to do so. The developer emphasized that the complainant 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. Therefore, according to the developer, there was no deficiency in service on its part and the complaint was failed to avoid legitimate financial obligations. Respondent no.2, HDFC Ltd., confirmed that the complainant had availed a loan of Rs.19,00,000/-, out of which Rs.14,85,000/- was disbursed to the developer and Rs.22,780/- towards insurance premium. It was reiterated that while no relief was sought against HDFC Ltd. The undisputed facts in the present case are that the complainant booked Unit No.1027 at 10th floor in the project Chandigarh Citi Centre, Zirakpur, and paid a sum of Rs. 26,00,927/-, out of which a loan of Rs.19,00,000/- was availed from HDFC Ltd of which Rs.14,85,000/- was disbursed towards the sale consideration and Rs. 22,780/- towards insurance premium. The balance was contributed by the complainant from their own sources. An Agreement to Sell was executed on 02.08.2018. Possession was allegedly offered by the respondent developer vide letters dated 17.07.2019 and 17.12.2019, 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.

5.3 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 17.07.2019 and 17.12.2019. The respondents justified this delay by relying upon the Partial Completion Certificate dated 13.06.2019 issued by the competent authority. The complainant, however, have consistently contended that the said certificate was defective and that the project was incomplete has no substance. Since Partial Completion Certificate dated 13.06.2019 has been issued by the competent authority i.e. Municipal Council, Zirakpur and accordingly offer of possession has been made by the respondent on 17.07.2019 and fulfill his statutory duty to offer the possession of commercial unit after taking Partial Completion Certificate from Competent authority.

5.4 PCC is issued by Competent Authority with acknowledgement that a specific portion is finished and safe to use, even if rest of the project is still under construction. In other words, it is provisional status of the project till it is replaced by the Occupancy Certificate for the full project or withdrawn. The PCC is provided only when if the completed portion has its own functional essential services independent of the ongoing construction. The PCC comes only a specific phase or block and it permits the possession of specific furnished unit. The PCC allows an allottee to move in but the promoters is still obligated to obtain the final occupancy certificate for the entire layout as it is necessary for the eventual handover of the common areas to the RWA.

5.5 It is established on record that till today possession of said Unit has not been taken by the complainant. Regarding the pandemic of covid-19, due to which respondent was not able to give possession of the unit to the complainant is without any substance as the due date of possession was 31.12.2018 and the pandemic period started from March 2020 i.e. after 15 months of the possession date, hence no benefit on account of force majeure covid-19 is allowed.

6. The undersigned considered the rival contentions of both the parties and also perused the available record.

6.1 It is held that complainant is entitled for interest on delayed possession from 01.01.2019 to 17.07.2019 on the amount deposited by them with respondents as per the mandate of Section 18 of the Act of 2016 which is reproduced hereunder:

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

6.2 As a result of the above discussion, this complaint is accordingly accepted. The undersigned is of the considered view that complainant is entitled for the receipt of interest from the respondent for the period of delay in handing over possession of the above said unit as provided


in section 18(1) of the Act. Accordingly, this complaint is allowed and respondents are directed ;

6.2.1 The respondent no.1 is directed to issue fresh offer of possession. As provided in Section 18(1) of the Act, read with Rule 16 of the Punjab State (Regulation and Development) Rules 2017, the respondent No.1 shall pay interest @ 10.80% on the deposit amount w.e.f. 01.01.2019 (as the stipulated date for delivery of possession was 31.12.2018) as per State Bank of India's highest marginal cost of lending rate (8.80% as of 01.04.2026 plus 2%) till 17.07.2019 and this amount shall be paid within ninety days from this order.

7. It may be noteworthy that in case compliance report is not submitted by the respondent no.1 after the expiry of above stated period of ninety days and further any failure to comply with or contravention of any order, or direction of this Authority may attract penalty under Section 63 of this Act of 2016.

8. The issue of cost of litigation has not been pressed during the course of arguments, so it is not being adjudicated upon.

9. File be consigned after due compliance.


30/03/26
(Binod Kumar Singh)
Member, RERA, Punjab