



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.	AdC No.0112 of 2024 UR BF TR
2. Name & Address of the complainant (s)/ Allottee	Sh. Husandeeep Bansal S/o Sh. Kapoor Chand Bansal, R/o Warach Colony, Samana, Patiala, Punjab-147101.
3. Name & Address of the respondent (s)/ Promoter	1. Punjab Urban Planning & Development Authority through its Additional Chief Administrator, PUDA Complex, Urban Estate, Phase-II, Patiala, Punjab-147002. 2. Estate Officer, Punjab Urban Planning & Development Authority, PUDA Complex, Urban Estate, Phase-II, Patiala, Punjab-147002.
4. Date of filing of complaint	24.05.2021
5. Name of the Project	Un-Registered Project.
6. RERA Registration No.	Un-Registered.
7. Name of Counsel for the complainant, if any.	Sh. J.P. Singla, Advocate.
8. Name of Counsel for the respondents, if any.	Sh. Ashish Grover, Advocate.
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	01.03.2026

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 dated 24.05.2021 has been filed by Sh. Husandeeep Bansal (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) **seeking interest @18% per annum from the date of deposit of the amount till the date of refund of amount.**

2. Before advertng to the merits of the case, it is apposite to recapitulate the background of the present complaint. The matter was initially entrusted to the learned Adjudicating Officer, who was pleased to issue notice to the



respondents for 01.09.2021. In response thereto, Sh. Vaibhav Narang, Advocate appeared for respondents no. 1 and 2 and filed the written reply. The complainant subsequently filed the rejoinder dated 23.11.2021. However, during the pendency of the present complaint proceedings, the then learned Adjudicating Officer, vide order dated 29.12.2021, referred the complaint to the Bench of the Authority for adjudication of the relief pertaining to refund and interest, in view of the law laid down by the Hon'ble Supreme Court in "**M/s Newtech Promoters and Developers Pvt. Ltd. Vs State of U.P. and Ors.**"(Civil Appeal No.6745-6749 of 2021), while retaining the issue of compensation for determination by the learned Adjudicating Officer of this Authority. Vide order dated 14.01.2022, the Bench of then Member of this Authority dismissed this complaint on the ground that it was not maintainable as the project in question was unregistered, and also in view of para no. 54 of the judgment dated 11.11.2021 passed by the Hon'ble Supreme Court in **Newtech Promoters** (supra). The complainant preferred an appeal before the Hon'ble Real Estate Appellate Tribunal, Punjab vide Appeal No. 196 of 2022 which, along with other connected Appeals, was disposed of on 05.08.2024 with the following orders:-

"Accordingly, the present appeals are disposed of with the same terms as Appeal No. 60 of 2022 referred-above. Parties are directed to appear before the Real Estate Regulatory Authority, Punjab on 26.08.2024."

For ready reference, operating para 4 of Appeal No. 60 of 2022 titled '**Aman Sethi and Anr. vs. M/s Dara Buildtech & Developers Ltd.**' is reproduced below:-

"30. Consequently the impugned orders in all the appeals are set aside and the matter is remitted back to the Authority to decide the complaints in accordance with law and in light of the observations made above."

3. The brief facts giving rise to the present complaint are that the respondents in an open auction allotted SCO No.2 in favour of the complainant for a total sum of Rs.2,28,00,000/- in a commercial scheme known as PWD (Public Health) Fountain Chowk site scheme in the year 2016-17. Respondent no.2 confirmed vide its letter No.3454 dated 01.11.2016 that the complainant had already deposited the sum of Rs.22,80,000/-i.e 10% on the day of auction itself and thereafter further deposited Rs.38,76,000/- towards 15% of the total price of the SCO plus 2% cancer cess vide Receipt dated 29.11.2016 totaling to



Rs.61,56,000/- . It is alleged that respondents received this payment in contravention of Section 13 of the Act of 2016 as promoter cannot accept more than 10% of the cost of plot without entering into an agreement for sale to be registered with the competent authority. Further, as per Section 13(2) of the RERD Act, 2016, the promoter/developer has to disclose the date on which possession of the plot was to be handed over. However, respondent no.2 vide their Memo No. 8451 dated 12.07.2017 informed that they were unable to give possession of the site for some reason and a proposal regarding providing of some other site in lieu of the auctioned site was under consideration of PUDA. The complainant categorically refused to accept any alternative site and instead sought refund of the entire amount deposited along with interest. However, the respondent no. 2 refunded only the principal amount of Rs.61,56,000/- vide Letter No. 11396 dated 12.11.2018, without paying any interest whatsoever, despite having retained and utilized the complainant's hard earned money for more than two years. Repeated visits to the respondents' office and a detailed representation dated 03.10.2018 seeking payment of interest yielded no result. The act of refunding of amount without any interest after using it for more than two years amounts to unfair trade practice on the part of the respondents. The respondents are liable for action under Section 59 of the Act of 2016 for not registering this project with this Authority and also liable for violation under Section 13 of the Act of 2016 by receiving the money more than 10% without entering into a written agreement. It was therefore prayed that:-

- (i) Respondents be directed to pay interest at the rate of 18% per annum from the date of deposit till the date of refund of principal amount and the respondents be further directed to pay interest on calculated amount till the same is realized;
- (ii) Respondents be further directed to pay Rs.2,00,000/- for mental harassment and costs to the tune of Rs.1,00,000/- towards litigation expenses.

4. On receipt of notice, the counsel for the respondents entered appearance and filed the written reply. The gist of the submissions of the respondents is encapsulated hereunder:-

4.1. The respondents have also placed reliance upon the provisions of the Punjab Regional and Town Planning and Development Act, 1995. It is submitted that the Punjab Urban Planning and Development Authority was constituted under Section 17, while the Patiala Urban Planning Area and Development Authority was notified under Section 29 of the Act. Invoking Section 43, which empowers the Authority to frame



development schemes for land vested in or transferred to it, the respondents contend that 8.49 acres of land owned by the Department of PWD (Public Health) was duly transferred by the State Government for development and disposal.

- 4.2. It is further submitted that the respondents conducted a public auction on 27.04.2016 for allotment of commercial sites at the project site in question. The complainant participated in the said auction and, having found as the highest/successful bidder, was allotted SCO No. 2. Pursuant thereto, the complainant deposited 25% of the bid amount in terms of the auction conditions towards consideration for allotment.
- 4.3. It is further averred that while the issue of allotment letter was under consideration, the Hon'ble Punjab and Haryana High Court, in Civil Writ Petition No. 7956 of 2016 titled *Subhash Kapoor and Ors. v. State of Punjab and Ors.*, vide order dated 12.05.2016, directed the parties to maintain status quo with respect to Kothi No. 11-A situated in the erstwhile Chief Engineer, Public Health Office, near Fountain Chowk, Mall Road, Patiala. Subsequently, vide communication dated 04.05.2017, the Department of Cultural Affairs, Archaeology and Museums, Punjab, restrained the respondents from undertaking any development activity at the Old PWD (Public Health) buildings, as the site was under consideration for protection under the Punjab Ancient and Historical Monuments and Archaeological Sites and Remains Act, 1964. Thereafter, the Department of Tourism and Cultural Affairs, Government of Punjab, vide notification dated 23.08.2018, declared the Old Public Health Building as a "protected monument" under the aforesaid Act. The said writ petition was ultimately disposed of by the Hon'ble High Court vide order dated 01.10.2018.
- 4.4. It is further submitted that as per policy decision of the Government qua the project in question, the entire amount deposited by the complainant was ordered to be refunded vide order dated 06.08.2018 and 12.11.2018, which had been accepted by the complainant. Thus, the complainant ceases to be allottee as defined in Section 2(d) of the RERD Act, 2016.
- 4.5. It is further contended that in the present case there is no agreement to sell, letter of intent and allotment letter has been issued in the present case, except offer of allotment. As such there is no question of violation of any terms of agreement for sale. There is no provision in the RERD Act for taking cognizance of violation of any term of refund order. It is



further averred that no such condition was mentioned in the offer of allotment to pay interest on the amount deposited by the complainant.

- 4.6. It is contended by the respondents that the complainant has failed to place on record any substantive and material proof to show their alleged visits to the respondents' office. There is no condition in the offer of allotment which stipulates payment of interest on the deposited amount. The refund has been processed in accordance with the decision of the State Government. It is further averred that the auction dated 27.04.2016 and the status quo order passed by the Hon'ble Punjab and Haryana High Court were prior to the enforcement of the RERD Act. The complainant is not entitled to any interest and violation of Section 13 of RERD Act is not attracted in the present case.
- 4.7. It is also urged that in view of Section 174 of the Punjab Regional and Town Planning and Development Act, 1995, the orders passed by the competent Authorities attain finality and are not amenable to challenge in any suit or legal proceedings.
- 4.8. It is also contended that there is an arbitration clause in the terms and conditions of the auction to settle the dispute by referring the matter to the Arbitrator under the provisions of Arbitration and Conciliation Act, 1996.
- 4.9. It is further contended that the allotment was to be governed by the provisions of the 1995 Act *ibid* whereby Section 45 of the said Act provides a specific statutory remedy by way of appeal or revision. The complainant has failed to avail this remedy.

5. The counsel for the complainant filed the rejoinder controverting the allegations of the written reply filed by respondents is wholly incorrect and misconceived, and reiterate the contents of their complaint under Section 31 of the RERA Act, denying all statements contrary thereto.

6. 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.

7. That representatives for parties addressed arguments on the basis of their submissions made in their respective pleadings as summarised above.

8. I have duly considered the documents filed and written & oral submissions of the parties i.e., complainant and respondents. It is an



undisputed fact that the complainant was allotted SCO No. 2 under the commercial Scheme known as PWD (Public Health) Fountain Chowk, Mall Road, Patiala, and deposited 25% of the bid amount by the complainant towards the said allotment. It is also undisputed fact that the respondents refunded the entire amount of Rs.61,56,000/- deposited by the complainant. The only dispute is about the amount deposited by the complainant was refunded without any interest. It is a matter of record that the respondents have refunded the entire deposited amount without any interest. This course of action was taken in accordance with the decision of the Government taken in its 48th meeting of the Empowered Committee held on 19.06.2018 and thereafter Notification dated 23.08.2018 issued by the Department of Tourism and Cultural Affairs, Government of Punjab declaring the site of Old Public Health Building to be a 'protected monument' under the Ancient Monuments & Archaeological Sites & Remains Act, 1965. It is also established on record that the complainant deposited 10% amount i.e. Rs.22,80,000/- on the day of auction itself i.e. on 27.04.2016 and thereafter deposited 15% amount i.e. Rs.38,76,000/- (including cancer fees) on 29.11.2016. The complainant had deposited the total amount of Rs.61,56,000/- regarding the allotment of the above said SCO. The said entire amount was refunded to the complainant by the respondents vide office order dated 12.11.2018, *albeit* without any interest.

9. Considering all the facts and circumstances of the case, the respondents had kept and utilized the principal amount of Rs.61,56,000/- paid by the complainant for more than 2 years prior to the refund. No doubt that respondents have refunded this amount of Rs.61,56,000/- but without any interest. The respondents were bound to pay the interest on the deposited amount to the complainant, which has not been done in the present case. The auction and allotment pertains to the period prior to commencement of RERD Act, 2016 but during pendency of project and litigation, the RERD Act, 2016 and the Punjab Real Estate (Regulation and Development) Rules, 2017 become applicable since 01.05.2017. No rate of interest was mentioned in the receipt issued and no such evidence has been submitted by either party relating to rate of interest to be changed by either party. Hence, it is reasonable to apply the provision of RERD Act, 2016 in these facts and circumstances of the case. It is held that the complainant is entitled for interest as per Section 18(1) of the Real Estate (Regulation and Development) Act, 2018, which runs 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."

[Emphasis Supplied]

10. In view of the above, the complaint is **allowed** and complainant is entitled for interest applicable @ 10.80 (i.e. 8.80% SBI's Highest MCLR Rate applicable as on 22.12.2025 plus 2%) from the date of receipt of the already refunded amount, paid by the complainant, till 12.11.2018 the date on which the principal amount was refunded, as per Rule 16 of the Punjab State Real Estate (Regulation and Development) Rules, 2017. Therefore, the calculation of payment of interest by the respondents to the complainant is calculated as follows:-

Date of amount deposit	Interest payable from	Principal Amount	Interest calculated till	Rate of Interest as on 22.12.2025	No. of Days	Interest Amount
27.04.2016	01.05.2016	22,80,000/-	12.11.2018	10.80%	926	6,24,708/-
29.11.2016	01.12.2016	38,76,000/-	12.11.2018	10.80%	712	8,16,572/-
Total						Rs.14,41,280/-

11. The amount of Rs.14,41,280/- calculated as interest mentioned in the table supra, as determined vide this order u/s. 31 of the Real Estate (Regulation & Development) Act, 2016; has become payable by the respondents to the complainant and the respondents are directed to make the payment within 90 days from the date of receipt of this order 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. The amount of Rs.14,41,280/- determined as interest 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.



12. **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 respondents 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, Husandeep Bansal is held to be Decree Holder and the Respondent no. 1 Punjab Urban Planning & Development Authority, Patiala, as judgment debtor for the purposes of recovery under this order.**

13. Rest of the objections qua Section 45, 174 of the Punjab Regional and Town Planning and Development Act, 1995, and debate about presence of arbitration clause have already been dealt with by this Authority in various cases and there is no need to adjudicate these issues again.

14. No other relief is made out.

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

Chandigarh
Dated: 01.03.2026




(Rakesh Kumar Goyal)
Chairman
RERA, Punjab.

Endst. No. CP/RERA/PB/PA/Sec-31/ 428

Dated: 03/03/26

A copy of the above order is sent to the followings:-

1. Sh. Husandeep Bansal S/o Sh. Kapoor Chand Bansal, R/o Warach Colony, Samana, Patiala, Punjab-147101.
2. Punjab Urban Planning & Development Authority through its Additional Chief Administrator, PUDA Complex, Urban Estate, Phase-II, Patiala, Punjab-147002.
3. Estate Officer, Punjab Urban Planning & Development Authority, PUDA Complex, Urban Estate, Phase-II, Patiala, Punjab-147002.
4. The Secretary, RERA, Punjab.
5. Director (Legal), RERA, Punjab.
6. The Complaint File.
7. The Master File.


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