

**BEFORE THE MAHARASHTRA REAL ESTATE REGULATORY AUTHORITY,
MUMBAI**

COMPLAINT No: CC006000000012469

Mr. Devendra Pratap Singh and 6 others

..... Complainants

Versus

M/s. Sathya Lifestyles Pvt Ltd

MahaRERA Registration No. P99000006980

..... Respondent

Coram: Hon'ble Dr. Vijay Satbir Singh, Member-1

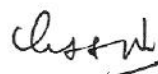
Adv. Shyam Mohite appeared for the complainants.

Adv. Pooja Pahuja appeared for the respondent.

Order

(20th April, 2018)

1. The complainants are allottees in the MahaRERA registered project bearing No. P99000006980 known as "Satya Lifestyle Phase-2" at Palghar. They have filed this complaint under section 18 of the "Maharashtra Real Estate (Regulation and Development) Act, 2016" seeking directions from this Authority, to the respondents, to handover possession of their respective flats with occupancy certificate, and also to pay interest for the delayed period of possession in respect of booking of their flats in the said project of the respondent.
2. This matter was heard on merits. The complainants have argued before this Authority that they had purchased the flats in the respondent's aforesaid



project by executing registered agreements for sale with the respondent. The agreed date of possession was 31-12-2014 with grace period of 6 months i.e. 30th June 2015. But so far, they have not been able to get their flats in spite of payment of more than 90% of the total consideration amount. The complainants, therefore, seek specific performance of the said Agreements for Sale. They further stated that they were willing to pay balance consideration to the respondent against possession of their respective flats. Hence, they have demanded interest for delayed possession under section-18 of the Real Estate (Regulation and Development), Act, 2016.

3. The respondent on the other hand argued that the project was launched in the year 2011 with the intention to construct low cost houses for the lower income group of people. However, the project got delayed due to reasons such as, repeated amendments in the Development Control Regulations in the year 2012 and 2013 resulting in the plans being held up for long period before the competent authority, ban/restrictions on extraction of river sand for construction purpose causing shortage of sand, financial difficulties caused due to stalling of project due to non-availability of the sand and current market scenario which slowed the sale of remaining units. The planning authority gave the necessary permissions in the year 2011 and accordingly, booking of the flats from the buyers including these complainants started during the year 2012, and agreements for sale have also been registered in the year 2013. In the meantime, the DCR got amended, due to which the plan got changed and therefore, delayed the project. The respondent further argued that, the reasons for the delay are covered under the force majeure clause mentioned in the agreement and therefore, they are entitled for the extension in the date of possession. In addition to this, the respondent also stated that, due to the said delay, the

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construction cost has also increased. But, still they are not shifting that burden on the complainants and even they are ready to handover the possession of the respective flats to the complainants between June 2018 to July 2018.

4. The arguments given by the parties were examined, and it was found out that, there is a delay in handing over possession of the flats to the complainants as per the registered agreement for sale executed between both the parties. It is true that the Development Control Regulation was amended in the year 2012, whereby the concept of fungible FSI was introduced by the Urban Development Department of Maharashtra, and accordingly, all plans sanctioned by the competent authority got changed, and the promoters were required to seek amendment in the plans as per the new policy. However, the respondent could not explain which particular permission delayed the project by more than 3 years. The other reasons pointed out by the respondent i.e. the restriction on sand extraction and current market scenario etc. also did not provide reasonable grounds for delay of the project.
5. Even if the difficulties pointed out by the respondent are taken into consideration, there was adequate time to complete the project and handover the possession of the said flat well before the Rera Act, 2016 came into effect on 1st May, 2017. According to Sec 18(1) of the Act, if the promoter fails to complete a project or unable to give possession of an apartment, plot or building, the allottee shall be paid interest for the period of delay till handing over of the possession at such rate as may be prescribed. The Act has provided interest for delay to the home buyer if he wants to continue in the project. This relief was not available under the

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MOFA. The complainant is, therefore, entitled to claim interest on the amount paid by him.

6. It is very clear from the above discussion that, the reasons cited by the respondent for the delay in completion of the project, do not give any satisfactory explanation. Moreover, the payment of interest on the money invested by the home buyers is not the penalty, but a type of compensation for delay as has been clarified by the Hon'ble High Court of Judicature at Bombay in above cited judgment dated 6th December 2017. The respondent is liable to pay interest for the remaining period of delay.
7. Accordingly, the respondent is directed to pay interest to the complainants for the delayed possession at the prescribed rate under RERA Act, 2016 and the Rules made there under i.e. MCLR+2% on the amount paid by him, from May, 2017.
8. With these directions, the complaint stands disposed of.



(Dr. Vijay Satbir Singh)
Member-1/MahaRERA