

BEFORE  
MAHARASHTRA REAL ESTATE REGULATORY AUTHORITY  
MUMBAI

COMPLAINT NO: CC006000000000998

Manindra Kumar Singh

... Complainant.

Versus

Sai Ashray Developers Pvt. Ltd.

... Respondents.

MahaRERA Regn: P51700005877.

**Coram:** Shri B.D. Kapadnis,  
Hon'ble Member & Adjudicating Officer.


Complainant: Present in person

Respondents: Miss Christine Rewrie.

**Final Order**

08<sup>th</sup> February 2018.

The complainant in his complaint filed under Section 18 of the Real Estate (Regulation and Development) Act, 2016 (in short, RERA), contends that he booked flat no. P-702, Vrindavan Building in respondents registered project Prasadham situated at Chikloli Taluka Amabarnath, Dist. Thane. The respondents entered into an agreement with the complainant and agreed to hand over possession of the flat on or before 31<sup>st</sup> May, 2016. However, the respondents have failed to deliver the possession on the agreed date. Hence, complainant withdraws from the project and claims refund of his amount with interest and / or compensation.

  
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2. The respondents have pleaded not guilty but they have filed the reply wherein they admitted that they agreed to deliver the flat out possession of the complainants' booked flat on or before 31<sup>st</sup> May, 2016 with the grace period of 9 months. In other words, they agreed to deliver possession by February 2017. They while registering the project with MahaRERA revised the date of possession to 21.12.2020. They could not complete the project in time due to less rain fall in 2016 and water having less salinity was not available for construction work. There was decline in the economy due to demonetisation and introduction of G.S.T. The contractors delayed the work. These reasons causing delay were beyond their control and hence they are entitled to get reasonable extension of time. They contend that MahaRERA has no jurisdiction to entertain this complaint because the agreement for sale has been executed before RERA came into force. They gave three alternative offers contained in their reply to the complainant but the complainant refused to accept them only because he is interested in money. They contend that the consideration is Rs. 24,29,250/-, out of it complainant paid them Rs. 15,79,013/- towards consideration and Rs. 2,25,875/- towards amenities. Thus, they have received only Rs. 18,04,888/- from the complainant. They have refused to refund the amount of stamp duty, registration charges, insurance premium & taxes paid by the complainant. Therefore, they have requested to dismiss the complaint.

3. Following points arise for determination and I record findings thereon as under:

#### POINTS

#### FINDINGS

- a) Whether the respondents have failed to deliver the possession of the booked flat on the agreed date?

Affirmative.



b) Whether the complainant is entitled to  
get refund of his amount with interest?

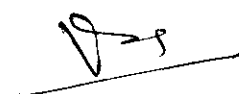
Affirmative.

### REASONS

#### Relevant law on Jurisdiction and refund:

4. The respondent's learned advocate submits that the agreement of sale has been executed during the Maharashtra Ownership of Flats (Regulation of promotion of Construction, Sale, Management and Transfer) Act 1963 (for short, MOFA) regime. RERA came into effect from 1<sup>st</sup> May, 2017 and it is prospective. He further submits that the date of possession mentioned in registration certificate is not crossed and therefore there is no breach of any provision of RERA. Hence, MahaRERA has no jurisdiction to entertain this complaint.

5. I find, the cause of action for claiming possession after the lapse of the agreed date of possession becomes a recurring cause of action. The claimants' right to claim their money back or to claim possession continues from June 2016 till the date of filing of this complaint. If the cause of action survives after coming into force of RERA, MahaRERA gets jurisdiction over all the disputes pertaining to the eligible real estate projects requiring registration u/s. 3. The on-going projects bring with them the legacy of rights and liabilities created under the statutes of the land in general and The Indian Contract Act and MOFA in particular. Section 79 of RERA bars the jurisdiction of the civil court from entertaining any suit or proceeding in respect of any matter which the Authority, Adjudicating Officer or Appellate Tribunal is empowered by or under RERA to determine. Hence, the Authority gets the jurisdiction over such matters which the civil court had. The Authority can take cognizance of the agreements executed under MOFA also and is equally competent to grant the relief relating to it. This view gets the support from Section 88 of RERA which



provides that its provisions shall be in addition to, and not in derogation of, the provisions of any other law for the time being in force. MOFA has not been repealed. In this context, section 71(1) of RERA can be looked into. It provides that for the purpose of adjudicating compensation u/ss. 12,14,18 & 19 of RERA, an Adjudicating Officer can be appointed by the Authority. Its proviso provides that any person whose complaint in respect of matters covered by sections 12, 14, 18, 19 of RERA is pending before the Consumer Disputes Redressal forum, State Consumer Disputes Redressal Commission or National Consumer Dispute Redressal Commission **on or before the commencement of RERA**, he may, with the permission of the said forum withdraw the complaint pending before it and file it before the Adjudicating Officer under RERA. This provision therefore, indicates that sections 12, 14, 18, 19 RERA are retroactive. The right to claim return of amounts paid by the allottee to the promoter is preserved by Section 18 of the Act. I get support from Neelkamal Realtors Suburban Pvt. Ltd. Vs. Union Of India Writ petition 2737 of 2017 filed at ordinary original jurisdiction of Bombay High Court recently decided by the Division Bench.

Moreover, relevant part of section 18 of RERA reads,

**'18. Return of amount and compensation-**

(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;'

On plain reading of this provision it becomes clear that date of completion referred to in this provision means the date specified in the agreement. The word "therein" refers to the "agreement" and not the date of completion revised by the promoter unilaterally while registering the project. Hence I find myself unable to accept the submission of respondent's learned advocate that



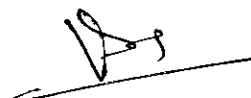
as till the date of completion mentioned in registration certificate is not crossed, this Authority has no jurisdiction. Considering all these aspects, I find that the Authority has jurisdiction to entertain this complaint as the complainants' right to claim back their money in the case of withdrawal from the project still subsists under RERA.

6. Section 18 of RERA gives two options to the allottee, when the Promoter fails to give the possession of the apartment on the date specified in the agreement. The first option is to continue with the project and claim interest on his investment. Second option is to withdraw from the project and demand for refund of the monies paid by him to the Promoter with interest and compensation as the case may be. In this case the Complainant has exercised his right to claim back him monies. Hence only because the complainant has refused to accept the offers of the respondents, he cannot be deprived of his right to claim refund of his amount with interest.

#### **Delayed Possession.**

7. The respondents have not disputed the fact that they agreed to deliver the possession of the flat on or before May 2016 however, there was grace period of nine months. It is fact that even after lapse of grace period they have not delivered the possession of the flat to the complainant. Complainant has proved that the respondent has failed to deliver the possession on the agreed date.

8. The respondents have referred to shortage of water for construction in the year 2016, decline of economy, demonetisation and levy of G.S.T. as the reasons which delayed their projects and these reasons were beyond their control. I find it very difficult to hold that these reasons were really sufficient to delay their project. Even if very lenient view is shown to accept these reasons,



the claim of the complainant regarding compensation can be refused at the most.

### **Complainant's Entitlement.**

9. Respondents have disputed the payment mentioned in the payment schedule filed by the complainant marked A for identification and have contended that they have received only Rs.18,04,888/-. Hence it is necessary to deal with this issue in detail.

10. Complainant has contended in his payment schedule that he paid Rs. 1,38,834/- by cheque on 24.11.2014. Complainant has produced its receipt passed on 02.12.2014 by the respondents. It is marked Ext. B. So this payment is proved.

11. The complainant has contended in his payment schedule that he paid Rs. 4,290/- by cheque on 24.11.2014. Complainant has produced its receipt passed on 02.12.2014 by the respondents. It is marked Ext. C. So this payment is proved.

12. Complainant has contended in his payment schedule that he paid Rs. 1,27,103/- by cheque on 11.01.2017. Complainant has produced its receipt passed on 14.03.2014 by the respondents. It is marked by Ext. D. So this payment is proved.

13. The complainant has contended in his payment schedule that he paid Rs.11,63,432/- on 30.10.2015, Rs.3,33,435/- on 29.10.2016, Rs.1,27,103/- on 12.01.2017 total Rs 16,23,970/- through his loan account of Punjab National Bank . He has produced the letter of the bank dated 24 .08.2017 marked Ext. E. This letter shows that the said loan was granted to purchase the booked flat and complainant contends that this amount is disbursed to the respondents. Therefore, this payment is also proved.



14. Complainant has produced the receipt marked Ext. F to show that he paid Rs. 24,300/- towards registration fee and Rs. 2,700/- towards document handling fee. The complainant cannot seek their refund from the registering Authority. Respondents have committed default in delivering the possession of the flat on agreed date hence, they have incurred liability to reimburse this amount. The complainant has paid the stamp duty in his name. Hence he is not entitled to get its refund from the respondents as he can claim it from the Govt. on cancellation of the agreement.

15. Section 18 of RERA entitles the complainant to get above amount with interest at prescribed rate. Rule 18 of Maharashtra Real Estate (Regulation & Development) (Registration of Real Estate Projects, Registration of Real Estate Agents, Rate of Interest & Disclosures on Website) rules, 2017 provides that the prescribed rate shall be the State Bank of India highest marginal cost of lending rate which is currently 8.05% plus 2%. Therefore, the complainant is entitled to get the above amount with simple interest at the rate of 10.05% from the respective dates of their payment till they are refunded by the respondents. The complainant is also entitled to get Rs. 25,000/- towards the cost of this complaint.

16. The respondents have shown their readiness to refund the complainant's amount within two years. Rule 19 of Maharashtra Real Estate (Regulation & Development) (Registration of Real Estate Projects, Registration of Real Estate Agents, Rate of Interest & Disclosures on Website) rules, 2017, provides the period of 30 days to refund any amount payable by the promoters to the allottees along with interest and compensation as the case may be. Hence, this prayer of the respondents cannot be accepted. In result, the order.



## ORDER

Respondents shall pay complainant the amount mentioned in para10 to 14 of this order with simple interest at the rate of 10.05% from the respective dates of their payments till they are refunded.


Respondents shall pay complainant the Rs. 25,000/- towards the cost of the complaint.

The charge of the amount awarded by this order shall remain on the flat booked by the complainant till satisfaction of his claim.

The complainant shall execute the deed of cancellation of agreement of sale at respondents' cost on satisfaction of his claim.

Mumbai.

Date: 08.02.2018.

  
8-2-18  
(B.D. Kapadnis)

Member & Adjudicating Officer  
MahaRERA, Mumbai.