

BEFORE THE  
MAHARASHTRA REAL ESTATE REGULATORY AUTHORITY  
MUMBAI

COMPLAINT NO: CC006000000023293

Rujuta Thatte ... Complainant

Versus

Forefront Private Limited ... Respondent  
MahaRERA Regn. No. P51800010015

Corum:

Shri. Gautam Chatterjee, Chairperson, MahaRERA

Complainant was herself present a/w Mr. Shirish Deshpande, Adv and Mr. Shashikant Kadam, Adv.

Respondent was represented by Mr. Satyadev Joshi, Adv.

**Order**

October 16, 2018

1. The Complainant has purchased an apartment bearing no: 401 in the Respondent's project 'Forefront Primeria' situated at Vile Parle, Mumbai via registered agreement for sale dated September 9, 2015. The Complainant has alleged that the date of possession as stipulated by the said agreement was June 30, 2017. Therefore, she prayed that since the Respondent has failed to hand over the possession of the apartment within the stipulated period, they be directed to pay interest, on delay, as per the provisions of section 18 of the Real Estate (Regulation and Development) Act, 2016 (*hereinafter referred to as the said Act*).
2. The learned Counsel for the Respondent explained that the construction work of the project could not be completed because of reasons which were beyond the Respondent's control. Specifically, he submitted that there was a pending litigation filed by the society members which was eventually disposed off in 2017. Further, he submitted that at present 11 floors of the building have been completed and only two floors are pending, approvals for which are awaited.



3. Various opportunities were provided to the parties to settle the matter amicably, however, the parties informed that no settlement could be agreed at.
4. On the last date of hearing, the Complainant submitted that at this stage, she is interested in having the project completed and will, therefore, in the interest of the project getting completed, will not insist that the Respondent pay interest for the delayed possession as on date. Further, she submitted that if she does not see the efforts of the Respondent towards the completion of the project or even otherwise, she should be at liberty to demand interest as per the provisions of section 18 of the Real Estate (Regulation and Development) Act, 2016 and the rules and regulations made thereunder, from the Respondent, at an appropriate stage. She also submitted that she is expecting the possession of the said apartment by March, 2019. However, the Complainant later submitted an application via email, stating that an appropriate order based on the merits of the case may be passed.
5. Preamble of the said Act reads as thus:

*An Act to establish the Real Estate Regulatory Authority for regulation and promotion of the real estate sector and to ensure sale of plot, apartment or building, as the case may be, or sale of real estate project, in an efficient and transparent manner and to protect the interest of consumers in the real estate sector and to establish an adjudicating mechanism for speedy dispute redressal and also to establish the Appellate Tribunal to hear appeals from the decisions, directions or orders of the Real Estate Regulatory Authority and the adjudicating officer and for matters connected therewith or incidental thereto.*

Under the provisions of the said Act, MahaRERA has been established not only as a quasi-judicial body but is also entrusted with regulatory functions. It is obligated to implement the provisions of the said Act in a harmonious manner and not in isolation, to ensure that every registered project gets completed and the interest of all the stakeholders are protected.

6. Section 4 (2)(I)(D) of the said Act reads as follows:

...





*(D) that seventy per cent. of the amounts realised for the real estate project from the allottees, from time to time, shall be deposited in a separate account to be maintained in a scheduled bank to cover the cost of construction and the land cost and shall be used only for that purpose:*

*Provided that the promoter shall withdraw the amounts from the separate account, to cover the cost of the project, in proportion to the percentage of completion of the project:*

*Provided further that the amounts from the separate account shall be withdrawn by the promoter after it is certified by an engineer, an architect and a chartered accountant in practice that the withdrawal is in proportion to the percentage of completion of the project:*

*Provided also that the promoter shall get his accounts audited within six months after the end of every financial year by a chartered accountant in practice, and shall produce a statement of accounts duly certified and signed by such chartered accountant and it shall be verified during the audit that the amounts collected for a particular project have been utilised for the project and the withdrawal has been in compliance with the proportion to the percentage of completion of the project.*

Keeping in mind the larger interest of all the allottees of the said project, awarding interest at this stage would mean jeopardising the project completion. Money for the interest payment will have to be taken out from the separate account, which is meant specifically for the completion of the project and would eventually slow down the progress of the project work.

7. As per the provisions of the Rule 4 of the Maharashtra Real Estate (Regulation and Development) (Registration of Real Estate Projects, Registration of Real Estate Agents, Rates of Interest and Disclosures on Website) Rules, 2017 the revised date of possession for an ongoing project has to be commensurate with the extent of balance development.

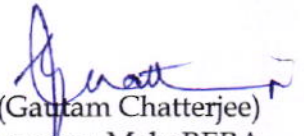
On review of the Respondent's MahaRERA registration it is observed that the respondent has put December, 2020 as the revised proposed date of completion which is an unreasonable time period for completion of the project.

8. In view of the above facts, the Respondent shall, therefore, handover the possession of the apartment, with Occupancy Certificate, to the Complainant before the period of March 31, 2019. The Complainant shall be at liberty to demand interest at an



appropriate stage, as per the provisions of section 18 of the Real Estate (Regulation and Development) Act, 2016 and the rules and regulations made thereunder, from the Respondent for the delay in completing the said project.

9. Consequently, the matter is hereby disposed of.

  
(Gautam Chatterjee)  
Chairperson, MahaRERA