

**REAL ESTATE REGULATORY AUTHORITY  
HIMACHAL PRADESH**

**Complaint No. HPRERA2025005/C**

**IN THE MATTER OF:-**

Sh. Romit Barnyal, Son of Sh. Rajender Singh, Resident of New town,  
Flat No 124 C, Solan, Himachal Pradesh, 173205

..... Complainant

Versus

1. Sh. Vipul Mittal, Resident of Gupta Property Builders Newtown Apartments Newtown, Flat No. 15 A, Baddi Solan H.P. Pin-173205
2. M/s Gupta Property Developers Limited through its Directors 427, Ground Floor, Bhera Enclave, Paschim Vihar, Delhi-110085 and also office at no. 450, Sector-19, Dwarka, New Delhi-110075.

..... Respondent(s)

**Present:- Romit Barnyal complainant  
None for the respondent/ Promoter**

**Final date of hearing: 06.03.2026**

**Date of pronouncement of order: 31.03.2026**

**Order**

**Coram: Chairperson and Member**

**1. FACTS OF THE COMPLAINT:-**

The complainant is an allottee of a residential unit developed by Gupta Property Builder, situated in Newtown near Sikka Hotel. The said project was developed approximately 7- 8 years ago and consists

of small-sized studio apartments intended for middle-income groups, with each unit priced between Rs. 5,00,000/- to Rs. 6,00,000/-. At the time of purchase, the builder had assured the complainant that possession of the flat could be taken immediately and that all necessary formalities, including installation of an individual electricity meter and registration of the flat, would be completed in due course. However, despite the lapse of several years, neither the electricity meter has been installed nor has the flat been duly registered in favour of the complainant. It is further submitted that no maintenance of the building has been carried out by the builder, resulting in significant weakening the structure, which is now in a unsafe condition. The complainant has further alleged that electricity supply to the premises is frequently disconnected due to non-payment of dues to the electricity department, despite the fact that electricity charges are being collected from the residents. The complainant has further stated that one Sh. Vipul Mittal, acting as the representative and Power of Attorney holder of Gupta Property Builder, operates from an office located in the Newtown building. Upon being approached, the said representative has stated that the builder has absconded. However, it is alleged that Sh. Vipul Mittal continues to engage in the sale and purchase of flats in the said project and collects substantial amounts. It is further alleged that the funds collected are not being utilized for maintenance or development of the project, and instead appear to be misappropriated. The conduct of the builder and its representative is stated to be misleading, and arbitrary, to the interests of the complainant. In view of the aforesaid facts, the complainant has prayed that appropriate directions be issued to the respondent/builder to provide a proper and regular electricity

connection, including installation of an individual electricity meter for the complainant's unit, and to ensure that necessary sewerage connection is duly installed and made functional. The complainant has further sought directions for handing over the society/building to the concerned Municipal Corporation. Additionally, the complainant has been prayed that the respondent/builder be directed to complete all pending developmental works and comply with all statutory obligations in respect of the project.

## **2. REPLY TO THE COMPLAINT :-**

The respondent, Sh. Vipul, has submitted that he joined M/s Gupta Property Developers Pvt. Ltd., situated at New Town Baddi, Baddi-Barotiwala Road, Tehsil Baddi, District Bilaspur (H.P.)-173205, on 13.07.2017 in the capacity of a Data Entry Operator. It is further submitted that, on 17.11.2021, he was duly authorized by the Director of the Company, Sh. Subhash Gupta, to sign documents on behalf of the Company for the limited purpose of correspondence with various Government Departments of the State of Himachal Pradesh and the Government of India in relation to the project at New Town Baddi. The respondent has averred that he discharged the said responsibilities in good faith, diligently, and in the interest of public welfare, without deriving any monetary benefit or personal gain. It is further submitted that, on 17.09.2023, the residents of New Town Baddi collectively constituted a Residents' Welfare Association under the name "New Town Welfare Association", which thereafter assumed full responsibility for the collection of maintenance charges and electricity bills. The respondent has clarified that his role and presence at the project site are strictly confined to Company-related matters, including correspondence with competent authorities, and

that he has no involvement or interference in the collection of maintenance charges, electricity dues, or any other activities undertaken by the said Association. The respondent has further submitted that, in November 2024, the Director of the Company, Sh. Subhash Gupta, refused to release his salary and, during a telephonic conversation, indicated that the respondent may continue to exercise the authority earlier granted to him, if he so desired. It is stated that no further communication has been received from the said Director thereafter. The respondent has averred that, in order to safeguard the interests of the allottees and residents of the project, he continued to act in the capacity of an authorized representative of the Company and undertook the task of issuing pending allotment letters, possession letters, and other related documents which had not been provided to the allottees at the time of purchase. The respondent has reiterated that he has not accepted any money or undue advantage from any resident in discharge of these functions. The respondent has denied all allegations against him and has submitted that he has neither committed any fraud nor engaged in any malpractice.

### **3. ARGUMENTS ON BEHALF OF THE COMPLAINANT**

It has been argued by the complainant that Sh. Vipul Mittal continues to act as a representative of the builder and operates from the project premises, despite earlier submissions claiming that he has no connection with the builder. It is contended that the said person is still using the builder's name, official stamp, and signing as an authorized signatory, which clearly establishes his continuing association with the builder. The complainant has further submitted that relevant documentary evidence in this regard has already been

placed on record before this Authority. The complainant has further alleged that he is being subjected to undue pressure and threats by certain persons to withdraw the present complaint. It is submitted that during a meeting of residents, an attempt was allegedly made to intimidate and physically threaten the complainant, thereby creating a violent environment. It is further argued that the residents, including the complainant, have been compelled to bear the financial burden arising out of the promoter/ builder's defaults. It is submitted that substantial amounts have been collected from residents and deposited with the electricity department, including approximately Rs. 16,00,000/- towards enhancement of sanctioned load, and additional amounts towards arrears and penalties, which have accumulated due to the promoter/ builder's failure to obtain adequate sanctioned load at the time of development. The complainant has submitted that the sanctioned electricity load obtained by the promoter/ builder was only 200 KW, whereas the actual requirement of the project is approximately 400 KW. Due to this deficiency, the residents are subjected to continuous penalties, resulting in heavy financial liability. It is further submitted that, although transformers are installed and in working condition, the issue persists due to inadequate sanctioned load rather than infrastructural deficiency. It is further argued that no individual electricity meters have been installed, and electricity is being supplied through a main meter in the name of the promoter/ builder, with sub-metering arrangements internally managed by residents. Bills are raised by the electricity department in the name of the promoter/ builder, and the residents are collectively managing payments, including current dues as well as accumulated arrears, to avoid disconnection of supply. The

complainant has also submitted that an association of residents has been formed in January, though its formal registration has faced administrative difficulties. Despite this, the residents are collectively managing essential services, including electricity and maintenance, in the absence of any involvement from the promoter/ builder. It is further contended that only a limited number of sale deeds (approximately 32) have been executed, whereas possession of flats has been handed over to all allottees. The project remains incomplete, and essential infrastructure such as sewerage treatment systems is non-functional. It is submitted that the Sewage Treatment Plant (STP) is non-operational and insufficient in capacity, and sewerage is being discharged through a Common Treatment Plant (CTP), resulting in substantial recurring expenses borne by residents/ allottees. The complainant has further highlighted serious deficiencies in basic amenities, including water supply arrangements, which are improperly designed, requiring individual motors for each flat, thereby increasing operational inefficiencies and costs. It is submitted that the overall condition of the building is deteriorating, and the residents are bearing all expenses without any support from the promoter/ builder. It is, therefore, prayed that appropriate directions be issued by this Authority to ensure completion of the project, provision of essential services, regularization of electricity connections, and protection of the rights and interests of the allottees.

#### **4. OBSERVATIONS OF THE AUTHORITY**

From a perusal of the record and the zimni orders passed from time to time, this Authority observes that the present complaint was duly instituted and notices were issued to the respondent/promoter in

accordance with law. Vide order dated 07.05.2025, this Authority took cognizance of the complaint and granted an opportunity to the respondent, represented at that stage by Sh. Vipul Mittal, to file a reply. Simultaneously, the complainant was directed to place on record the complete agreement for sale to enable proper adjudication of the dispute. Thereafter, vide order dated 21.07.2025, it was recorded that the respondent/promoter failed to file any reply despite opportunity, and a last opportunity was granted to do so. It was also brought to the notice of this Authority that the registration of the project "New Town Baddi" had lapsed on 03.11.2022, which is a material fact having bearing on the legality of ongoing activities in the project. Further, vide order dated 18.08.2025, Sh. Vipul Mittal appeared before this Authority and stated that he had no connection with the promoter and was not in contact with him, though he admitted to being a former employee. Upon consideration of the complaint and material on record, this Authority formed a prima facie opinion that serious violations of the provisions of the Real Estate (Regulation and Development) Act, 2016, including Sections 4, 11, 14, and 19, had been committed by the promoter. Accordingly, it was held that the promoter, i.e., M/s Gupta Property Developers Pvt. Ltd., is a necessary party, and directions were issued to array the promoter as a respondent and to issue notice for filing reply. Further, considering the allegations regarding the status of the project and ongoing activities, this Authority directed an inquiry under Section 35 of the Act by the Tehsildar, Baddi and the Assistant Town Planner, BBND, to ascertain the factual position of the project and common facilities. Subsequently, vide order dated 04.10.2025, it was recorded that notices issued to the respondent/promoter were received back

unserved. It was further noted that the reports sought from the Tehsildar and the Assistant Town Planner had not been received. Accordingly, this Authority directed issuance of reminders to the concerned authorities and also directed verification of the registered address of the promoter through official records, including those available with the Registrar of Companies, to ensure proper service. Thereafter, vide order dated 29.11.2025, it was recorded that despite earlier efforts, service upon the respondent/promoter had not been effected. However, the factual status reports received from the Tehsildar and BBNDAs were taken on record. The said reports indicated that the housing colony is in a deteriorated condition due to lack of maintenance, absence of an active Residents' Welfare Association, and non-availability of the builder for addressing issues. The Authority further took on record a representation submitted by the complainant along with supporting documents alleging continued sale transactions even after lapse of project registration. In view of non-service, fresh notices were directed to be issued through all permissible modes, including publication in a daily newspaper, with a clear stipulation that failure to appear or file reply would result in ex-parte proceedings. Finally, vide order dated 20.02.2026, it was recorded that service upon the respondent had been duly effected through publication in a daily newspaper in accordance with the provisions of the RERA Act and Rules. Despite such service, neither the respondent nor any representative appeared before this Authority. Consequently, the respondent was ordered to be proceeded against ex-parte, and the matter was listed for arguments. In light of the above, it is evident that sufficient opportunities were granted to the respondent/promoter to appear and contest the matter. However, the

respondent failed to avail such opportunities and remained absent despite valid service. Accordingly, this Authority is constrained to proceed with the adjudication of the present complaint on the basis of the material available on record and the submissions made by the complainant.

**5. ISSUES TO BE DECIDED:** - On the basis of pleadings of the parties, following issues arises for determination.

- a) Whether the promoter/builder has failed to complete the project and provide essential services and infrastructure, including electricity connection, sewerage system, and other basic amenities, in violation of the provisions of the Real Estate (Regulation and Development) Act, 2016?
- b) Whether the promoter has violated the provisions of the Act by continuing to deal with the project despite lapse of project registration on 03.11.2022?
- c) Whether the promoter has failed to obtain completion certificate and to fulfil its statutory obligations by not executing registered conveyance deeds and not maintaining the project and common facilities?
- d) Whether the complainant is entitled to the reliefs sought, including provision of essential services, completion of pending works, and appropriate directions against the promoter?

**6. DISCUSSION AND FINDINGS ON THE ISSUES:-**

- a) **Whether the promoter/builder has failed to complete the project and provide essential services and infrastructure, including electricity connection, sewerage system, and other basic**

**amenities, in violation of the provisions of the Real Estate (Regulation and Development) Act, 2016?**

Upon perusal of the pleadings, documents placed on record, and the material collected during the course of proceedings, this Authority finds that the present issue pertains to the core obligations of the promoter under the Real Estate (Regulation and Development) Act, 2016, particularly with respect to completion of the project and provision of essential services. At the outset, it is an admitted position that the complainant is an allottee in the project "New Town Baddi" developed by the promoter. The agreement for sale placed on record reflects that the cost of the apartment included provision of basic infrastructure such as electrical wiring, electric connection, and other essential services forming part of the project development. The promoter, therefore, was under a contractual as well as statutory obligation to ensure that such services were duly provided to the allottees. However, from the facts brought on record, it is clearly evident from the material on record that despite lapse of more than seven to eight years from the date of development and handing over of possession, the promoter has failed to provide basic amenities in the project. The complainant has specifically averred that individual electricity meters have not been installed and electricity supply is being managed through a single main connection in the name of the promoter, resulting in frequent disconnections due to non-payment of dues. It has further been submitted that the residents have been compelled to deposit substantial amounts with the HPSEBL, including approximately Rs. 16,00,000/- towards enhancement of sanctioned load and clearance of arrears, which is a liability that ought to have been discharged by the promoter. It is further evident from the record

that the sanctioned electricity load obtained by the promoter was inadequate (approximately 200 KW as against the required 400 KW), which has resulted in continuous penalties and financial burden upon the allottees. Although the transformers are stated to be in working condition, the deficiency lies in the planning and execution of the project infrastructure by the promoter. With respect to sewerage infrastructure, it has been brought on record that the Sewage Treatment Plant (STP) installed in the project is either non-functional or grossly inadequate in capacity, and sewerage is being discharged through a Common Effluent Treatment Plant (CETP), leading to recurring expenditure being borne by the residents. This clearly indicates failure on the part of the promoter to develop and maintain essential infrastructure in accordance with sanctioned plans and statutory requirements. Further, the factual status report obtained from the Tehsildar and BBND, as noted in the zimni order dated 29.11.2025, clearly records that the project is in a deteriorated condition due to lack of maintenance and absence of proper upkeep of common facilities. The report further indicates that neither the builder nor any responsible entity is maintaining the project, thereby adversely affecting the habitability of the premises. The cumulative effect of the above facts establishes that the promoter has failed to discharge its statutory obligations under Section 11 of the Real Estate (Regulation and Development) Act, 2016, which mandates the promoter to be responsible for all obligations, responsibilities, and functions under the Act, including provision of essential services and maintenance of the project. The failure to provide basic amenities such as electricity, sewerage, and proper infrastructure also constitutes a violation of the rights of allottees under Section 19 of the

Act. It is also pertinent to note that possession of flats has been handed over to the allottees without ensuring completion of essential services and infrastructure, which is contrary to the provisions of the Act and amounts to an unfair and deficient practice on the part of the promoter. At this stage, this Authority places reliance on the judgment of the Hon'ble Supreme Court in ***M/s Newtech Promoters and Developers Pvt. Ltd. vs. State of Uttar Pradesh & Ors. (2021 SCC OnLine SC 1044)***, particularly paragraphs 16 & 15... wherein it has been observed as under:

*"15. Chapter II of the Act relates to the registration of real estate projects. Section 3 mandates prior registration of real estate projects including ongoing projects with the Real Estate Regulatory Authority. Section 4 prescribes the ingredients of application by the promotor for registration of real estate projects. In particular, the promotor is required to state in the application under sub section 2(L)(c) of Section 4, the timelines for completion of the project. Section 5 relates to the grant of registration by the authority and inter alia states that no application shall be rejected unless the applicant has been given an opportunity of being heard in the matter. As per Section 5(3) of the Act, the registration is co terminus with the completion of the project. Under Section 6, the authority can extend registration based on the facts of each case or the occurrence of the force majeure. Section 7 pertains to revocation of registration. As per Section 8, the authority is under obligation to inter alia carry out the remaining development work where there is lapse or revocation of the registration.*

*16. Chapter III lays down, 'functions and duties of promotor' which is relevant for the purpose of the present case. Section 11 thereof elaborates on the functions and duties of the promoters. Under subSection (4) of Section 11, several obligations have been casted upon the promoters. Under subsection (5) of Section 11, the promotor may cancel the allotment if the allottee/home buyer commits any breach of the terms of the agreement for sale, and in such case, the aggrieved allottee has the right to approach the authority."*

In view of the above settled legal position, the failure of the promoter to provide essential services and complete the project is in clear contravention of the object and mandate of the Act. Accordingly, this Authority holds that the promoter/builder has failed to complete the project and provide essential services and infrastructure, including electricity connection, sewerage system, and other basic amenities, and is therefore in clear violation of the provisions of the Real Estate (Regulation and Development) Act, 2016.

**b) Whether the promoter has violated the provisions of the Act by continuing to deal with the project despite lapse of project registration on 03.11.2022?**

This issue pertains to the legality of the acts of the promoter in continuing activities related to the project after expiry of its registration under the Real Estate (Regulation and Development) Act, 2016. From the perusal of the record, it stands established that the registration of the project "New Town Baddi" granted to the promoter had lapsed on 03.11.2022, as specifically noted by this Authority in its order dated 21.07.2025. Further, vide order dated 18.08.2025, this Authority recorded that despite such lapse of registration, allegations had been made by the complainant that the promoter continued to operate from the project premises and was still entering into fresh bookings and sale transactions in respect of the flats. The Authority also took note of this contention and observed that, after expiry of registration, the promoter cannot lawfully advertise, market, book, sell, or offer for sale any apartment in the project. The material placed on record, including the representation dated 22.11.2025 submitted by the complainant along with supporting documents and

photographs, further indicates that transactions relating to sale of flats were allegedly being carried out even after the registration of the project had expired. The said representation was taken on record by this Authority vide order dated 29.11.2025. At this stage, it is relevant to refer to the statutory provision of the Act. Section 3 of the Real Estate (Regulation and Development) Act, 2016 clearly mandates that no promoter shall advertise, market, book, sell, or offer for sale any plot, apartment, or building in any real estate project without registering the project with the Authority. The continuation of such activities after lapse of registration is equally impermissible in law and defeats the very object of the Act, which is to ensure transparency and accountability in real estate transactions. In the present case, the lapse of registration on 03.11.2022 is an admitted and undisputed fact on record. Once the registration stood expired, the promoter was legally restrained from undertaking any further sale or booking activities in the project. Any such act, if carried out, would amount to a clear contravention of Section 3 of the Act. Moreover, the conduct of the promoter in remaining absent from the proceedings and failing to contest the allegations, despite sufficient opportunities granted by this Authority, further strengthens the claims of the complainant. The respondent/promoter has been proceeded against ex-parte vide order dated 20.02.2026, and no material has been placed on record to rebut the allegations regarding continued dealings in the project. In absence of any rebuttal and in view of the material on record, this Authority finds no reason to disbelieve the submissions of the complainant, particularly when supported by documentary evidence and contemporaneous record. In view of the above discussion, this Authority holds that the promoter has acted in violation of the

provisions of the Real Estate (Regulation and Development) Act, 2016, particularly Section 3, by continuing to deal with the project despite lapse of its registration on 03.11.2022, and is therefore liable for appropriate directions and consequences under the Act.

**c) Whether the promoter has failed to obtain completion certificate and to fulfil its statutory obligations by not executing registered conveyance deeds and not maintaining the project and common facilities?**

This issue pertains to the statutory obligations of the promoter with regard to obtaining the completion certificate, execution of conveyance deeds in favour of the allottees, and maintenance of the project along with its common facilities. It is evident from the material on record that although possession of flats has been handed over to the allottees, only a limited number of sale deeds (approximately 32) have been executed, whereas the project comprises a substantially larger number of units, all of which are stated to have been sold and are under occupation. The failure of promoter to obtain completion certificate and failure to execute registered conveyance deeds in favour of the allottees, despite handing over possession, constitutes a clear violation of the section 11(4)(b) and section 17 of the Real Estate (Regulation and Development) Act, 2016.

The Act mandates that the promoter shall execute a registered conveyance deed in favour of the allottee and transfer the title of the apartment along with proportionate share in common areas within the stipulated time. The continued withholding of such legal title deprives the allottees of their lawful ownership rights and creates uncertainty regarding their legal status. Further, it is borne out from the record

and the reports obtained during the proceedings that the project is in a deteriorated condition due to lack of maintenance and absence of proper upkeep of common facilities. Vide order dated 29.11.2025, this Authority took on record the factual status reports submitted by the Tehsildar and BBNDA, which categorically state that the housing colony is in a poor and deteriorated condition, primarily due to the absence of maintenance by the promoter/ builder and the lack of an effective Residents' Welfare Association. It has also been brought on record that the promoter is not accessible and has failed to take any responsibility for maintenance of the project, thereby compelling the residents to manage essential services and bear the associated financial burden. The complainant has specifically highlighted that essential services such as electricity and sewerage are being managed by the residents themselves, and all related expenses are being borne by them in the absence of any maintenance from the promoter. The conduct of the promoter in abandoning the project and failing to maintain the common areas and facilities is in direct contravention of Section 11(4) of the Act, which casts a duty upon the promoter to be responsible for all obligations relating to the project, including maintenance of essential services, until the association of allottees takes over such responsibilities. In the present case, even the formation and effective functioning of the association has been adversely affected due to the incomplete status of the project and lack of cooperation from the promoter. At this stage, this Authority places reliance upon the judgment of the Hon'ble Supreme Court in ***Debashis Sinha & Ors. vs. R.N.R. Enterprise & Ors. (Civil Appeal No. 3343 of 2020, decided on 09.02.2023)***, particularly paragraphs 17, 23 and 24, wherein it has been held that the obligation to obtain a

completion certificate squarely lies upon the promoter and cannot be shifted upon the allottees. The Hon'ble Court further observed that merely because possession has been taken by the allottees, the promoter cannot escape from its statutory responsibilities, and failure to obtain a completion certificate constitutes a clear deficiency in service. The Court further clarified that it is not the flat purchaser's duty to apply for a completion certificate and the promoter is bound to comply with the statutory requirements in this regard. The relevant paras are as under:

*"17.NCDRC, in our opinion, might have missed to appreciate the present day realities of life. Nowadays, flat owners seldom purchase flats with liquid cash. Flats are purchased on the basis of finances being advanced by banks and other financial institutions. Once a flat is booked and the prospective flat owner enters into an agreement for loan, installments fall due to be paid to clear the debt irrespective of whether the flat is ready for being delivered possession. The usual delays that are associated with construction activities result in undue anxiety, stress, and harassment for which many a prospective flat owner, it is common knowledge, even without the project/flat being wholly complete is left with no other option but to take possession. Whether, upon taking possession, a flat owner forfeits his/her right to claim such services which had been promised but are not provided resulting in deficiency in services is a question that NCDRC ought to have adverted to. Once NCDRC arrived at a finding that the respondents were casual in their approach and had even resorted to unfair trade practice, it was its obligation to consider the appellants' grievance objectively and upon application of mind and thereafter give its reasoned decision. If at all, the appellants had not forfeited any right by registration of the sale deeds and if indeed the respondents were remiss in providing any of the facilities/amenities as promised in the brochure/advertisement, it was the duty of NCDRC to set things right.*

23. It is, therefore, evident on a conjoint reading of Sections 403, 390 and 394 of the KMC Act that it is the obligation of the person intending to erect a building or to execute works to apply for completion certificate in terms of the Rules framed thereunder. It is no part of the flat owner's duty to apply for a completion certificate. When the respondents had applied for permission/sanction to erect, the Calcutta Municipal Corporation Buildings Rules, 1990 (hereafter "the 1990 Rules" for short) were in force. Rule 26 of the 1990 Rules happens to be the relevant Rule. In terms of sub-rules (1) to (3) of Rule 26 thereof, the obligation as cast was required to be discharged by the respondents. Evidently, the respondents observed the statutory provisions in the breach.

24. Curiously enough, NCDRC referred to sub-section (2) of Section 403 of the KMC Act only to permit the respondents to wriggle out of such obligation and arrived at a completely erroneous finding that no deficiency in service could be attributed to the respondents since both the respondents and the appellants had acted in violation of law. True it is, the appellants ought not to have taken possession without the completion certificate; however, that was not a valid ground not to direct the respondents to apply for and obtain the completion certificate as required by law. The mere fact that the flat owners were being assessed by KMC affords no reason to the respondents for breaching Section 403(1) read with Rule 26 of the 1990 Rules. Of course, once a completion certificate is issued by KMC upon conducting appropriate inspection and tests of the building that has since been erected, it would stand to reason that the same amounts to a certification that the building does not suffer from any violation of the building plan sanctioned for the purpose under Section 390 of the KMC Act or that its constructional quality is not of the desired level for which it is unsafe for human habitation. We are constrained to observe that the respondents have been let off by NCDRC in a manner contrary to law."

The principle laid down by the Hon'ble Supreme Court squarely applies to the present case, as under the scheme of the Real Estate (Regulation and Development) Act, 2016, the promoter is under a statutory obligation to obtain the completion certificate and fulfil all obligations relating to the project.

The cumulative effect of the above facts and the settled legal position clearly demonstrates that the promoter has failed to discharge its statutory duties, both in terms of obtaining the completion certificate, executing conveyance deeds, and maintaining the project and its common infrastructure. In view of the above discussion, this Authority holds that the promoter has failed to obtain the completion certificate, has not executed registered conveyance deeds in favour of the allottees, and has failed to maintain the project and common facilities, thereby acting in clear violation of the provisions of the Real Estate (Regulation and Development) Act, 2016.

**d) Whether the complainant is entitled to the reliefs sought, including provision of essential services, completion of pending works, and appropriate directions against the promoter?**

This issue pertains to the entitlement of the complainant to the reliefs claimed in the present complaint, in light of the findings recorded by this Authority on the preceding issues and the material available on record. At the outset, it is established from the record that the complainant is an allottee in the project developed by the promoter and has been in possession of the unit for several years. However, it has already been held under Issue Nos. 1, 2, and 3 that the promoter has failed to discharge its statutory obligations under the Real Estate

(Regulation and Development) Act, 2016, including failure to provide essential services, failure to complete the project, continuation of activities despite lapse of registration, and failure to execute conveyance deeds and maintain the project. The complainant has specifically sought directions for provision of individual electricity connection, sewerage system, completion of pending developmental works, and handing over of the project to the competent authority. From the facts on record, it is evident that the complainant and other residents are presently compelled to manage basic services on their own. The electricity supply is being operated through a single main meter in the name of the promoter, and the residents are bearing the financial burden of arrears, penalties, and enhancement of sanctioned load, including payment of substantial amounts to the electricity department. Further, it has been established that the sewerage infrastructure is inadequate and non-functional, with the Sewage Treatment Plant (STP) either not operational or insufficient in capacity, resulting in discharge through a Common Effluent Treatment Plant (CETP) and consequent financial burden upon the residents. The factual status report taken on record by this Authority, as noted in the zimni order dated 29.11.2025, further corroborates that the project is in a deteriorated condition due to lack of maintenance and absence of proper maintenance by the promoter. In such circumstances, the failure of the promoter to provide essential services and complete the project has resulted in continuous hardship to the complainant, thereby infringing the rights of the allottee as guaranteed under Section 19 of the Act. Similarly, Section 11 of the Act imposes a statutory duty upon the promoter to provide and maintain essential services and to fulfil all obligations in respect of the

project. It is a settled principle under the provisions of the Act that an allottee cannot be compelled to suffer due to the defaults of the promoter. The promoter is legally bound to ensure that the project is completed in all respects, with all essential infrastructure and services made available, before transferring responsibility to the association of allottees or any competent authority. In view of the above, this Authority is of the considered opinion that the complainant has successfully established deficiency and non-compliance on the part of the promoter and is, therefore, entitled to appropriate reliefs. Accordingly, this Authority holds that the complainant is entitled to the reliefs sought, including directions for provision of essential services such as electricity and sewerage, completion of pending developmental works, and issuance of appropriate directions against the promoter to ensure compliance with statutory obligations under the Real Estate (Regulation and Development) Act, 2016.

**7. RELIEF:-** In view of the findings recorded on Issue Nos. (a) to (d) and upon consideration of the material available on record, particularly the proceedings and final directions issued by the TCP Wing of this Authority in Suo-motu Petition No. 26/2024 concerning the project "New Town Baddi", this Authority observes that the issues raised in the present complaint have already been duly examined. A perusal of the said proceedings shows that the promoter, M/s Gupta Property Developers Pvt. Ltd., has been found to be in continuous violation of the provisions of the Real Estate (Regulation and Development) Act, 2016. These violations include failure to obtain extension of project registration after 03.11.2022, non-submission of mandatory Quarterly and Annual Progress Reports, and failure to

comply with statutory obligations, including maintenance of essential services and infrastructure. The Authority in the Suo Moto petition no 26/2024 has observed that :-

*"From the material on record, including site inspection reports, revenue records, BBNDA reports, and previous submissions it is evident that the promoter has willfully and persistently violated the statutory provisions of the Act, including; Section 11(4)(a) the promoter shall be responsible for all obligations, responsibilities and functions under the provisions of this Act or the rules and regulations made thereunder or to the allottees as per the agreement for sale, or to the association of allottees, as the case may be, till the conveyance of all the apartments, plots or buildings, as the case may be, to the allottees, or the common areas to the association of allottees or the competent authority, as the case may be."*

**Violation:** *the promoter has failed to discharge his obligations towards the allottees and the project. The BBNDA inspection report clearly establishes that several essential facilities including lifts, street lighting, fire safety systems, STP and other common amenities are non-functional or poorly maintained. The promoter has also failed to ensure proper upkeep of the buildings, parks, and boundary wall. Such neglect demonstrates failure to fulfill statutory responsibilities toward the project and its allottees, thereby constituting a violation of Section 11(4)(a) of the Act.*

**Section 11(4)(b)**

*"The promoter shall be responsible to obtain the completion certificate or the occupancy certificate, or both, as applicable, from the relevant competent authority as per local laws or other laws for the time being in force and to make it available to the allottees individually or to the association of allottees, as the case may be."*

**Violation:** *Despite the project having been substantially constructed, the promoter has failed to obtain the Completion Certificate or Occupancy*

Certificate from the competent authority. The absence of such statutory approvals indicates that the project has not been formally completed in accordance with applicable laws, thereby depriving the allottees of lawful possession and recognition of the project infrastructure. Further, it is also matter of record that possession in respect of almost all the constructed units has already been handed over, and 32 registered sale deeds have been executed without obtaining the formal Completion Certificate from the competent authority. Such conduct on the part of the promoter amounts to a clear violation of Section 11(4)(b) of the Act, which mandates that the promoter shall obtain the Completion Certificate or Occupancy Certificate from the competent authority before handing over possession of any apartment, plot, or building to the allottees.

**Section 11(4)(d)**

"The promoter shall be responsible to provide and maintain the essential services, on reasonable charges, till the taking over of the maintenance of the project by the association of the allottees."

**Violation:**

The inspection conducted by BBND A clearly indicates that essential services such as street lighting, sewerage treatment, lifts, water distribution and fire safety equipment are either non-functional or inadequately maintained. Since no Resident Welfare Association has yet been formed, the responsibility for maintenance continues to lie with the promoter. The promoter's failure to ensure proper functioning of these essential services constitutes a clear violation of Section 11(4)(d) of the Act.

**Section 11(4)(e)**

"The promoter shall enable the formation of an association or society or co-operative society, as the case may be, of the allottees, or a federation of the same, under the laws applicable."

"Provided that in the absence of local laws, the association of allottees, by whatever name called, shall be formed within a period of three months of

the majority of allottees have booked their plots or apartment or building, as the case may be, in the project,

**Violation:**

It has been observed from the BBND A inspection report that no Resident Welfare Association (RWA) has been constituted in the project. The promoter has failed to facilitate or enable the formation of such an association despite a substantial number of flats being occupied or rented out. The absence of an RWA has resulted in neglect of common facilities and lack of collective maintenance of the project, thereby violating the provisions of Section 11(4)(e) of the Act.

**Section 14(1)**

"The proposed project shall be developed and completed by the promoter in accordance with the sanctioned plans, layout plans and specifications as approved by the competent authorities."

**Violation:**

Although the residential and commercial blocks appear to have been constructed as per approved plans, the promoter has failed to ensure proper completion and operational readiness of essential infrastructure such as lifts, STP, fire safety equipment, community hall facilities, and common amenities. The lack of functional infrastructure and incomplete finishing works demonstrates that the project has not been properly completed in accordance with the approved plans and specifications, thereby violating Section 14(1) of the Act.

**Section 17(1)**

"The promoter shall execute a registered conveyance deed in favour of the allottee along with the undivided proportionate title in the common areas to the association of allottees or the competent authority, as the case may be, and hand over the physical possession of the plot, apartment or building, as the case may be, to the allottees and the common areas to the association of allottees or the competent authority, as the case may be, in a real estate project."

**Violation:**

*During the proceedings it was stated by the promoter's representative that all flats had been sold. However, the Tehsildar's report dated 28.09.2025 indicates that only 32 flats have recorded sale deed mutations in the revenue records. This discrepancy clearly indicates that conveyance deeds have not been executed in favour of several allottees, thereby depriving them of legal ownership rights. Such conduct constitutes a violation of Section 17(1) of the Act."*

It is further noted that, after detailed consideration, this Authority has already imposed a substantial penalty of Rs. 1,50,00,000/- (Rupees One Crore Fifty Lakh only) under Section 61 of the Act, in addition to earlier liabilities, on account of repeated and continued violations. The said order also records that the promoter has failed to provide and maintain essential services, has not obtained the Completion/Occupancy Certificate, has not executed conveyance deeds in favour of the allottees, and has not facilitated the formation of an association of allottees, thereby violating Sections 11, 14, and 17 of the Act. It is also evident that detailed and specific directions have already been issued to the promoter in the said proceedings for compliance of statutory obligations and for rectification of deficiencies in the project, and the matter is presently under execution by the TCP Wing of this Authority. The directions issued in the aforesaid suo-motu proceedings include, inter alia:

- 1. Infrastructure and Facility Compliance: Restore and maintain all common facilities, operationalize lifts, STP, street lighting, water supply, and fire safety systems.*
- 2. RWA Formation: Facilitate formation of Resident Welfare Association to manage maintenance and common areas.*

3. *Conveyance Deeds: Execute all pending deeds in favour of allottees under Section 17.*

4. *Completion Certificate: The promoter is directed to obtain Completion Certificate from the concerned TCP authority without delay.*

It is thus evident that the project has remained stalled primarily on account of non-completion of essential services, failure to obtain the Completion Certificate, and non-formation of a Residents' Welfare Association (RWA). In order to protect the interests of the allottees and to ensure compliance with the provisions of the Real Estate (Regulation and Development) Act, 2016, the following directions are hereby issued:

- I. The promoter is directed to take all necessary and immediate steps to complete all pending works and deficiencies in the project, including provision and restoration of essential services and infrastructure, and to obtain the Completion Certificate from the competent authority. The promoter shall also secure all requisite clearances/NOCs for essential services from BBNDAs and other concerned authorities. This shall be completed within a period of two months from the date of this order. The promoter shall file a compliance report along with documentary proof before this Authority within the said period.
- II. The promoter is further directed to facilitate, initiate, and ensure the formation of a Residents' Welfare Association (RWA)/Association of Allottees strictly in accordance with Section 11(4)(e) of the Act and the applicable rules.

**The promoter shall:**

- provide complete details of allottees,
- extend full cooperation in convening meetings,
- and ensure necessary documentation for registration of the association.

The RWA shall be duly constituted and registered within a period of two months from the date of this order, and a compliance report shall be submitted before this Authority..

In the event of failure of the promoter to comply with the above directions, the Sub-Divisional Magistrate (SDM), Baddi and the TCP/ATP, BBND, Baddi, are hereby directed to convene a General House meeting of the allottees/association of allottees on 05.06.2026, and to take necessary steps for:

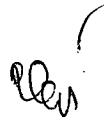
- Educating the allottees regarding their rights and responsibilities;
- Facilitating constitution of the governing body of the association; and
- Ensuring registration of the association under the applicable provisions of the Himachal Pradesh Societies Registration Act, 2006, in a time-bound manner.

Accordingly, the present complaint is disposed of with the following directions:

- i. The complainant shall also be entitled to the benefit of all directions, reliefs, and enforcement measures issued by this Authority in Suo-motu Petition No. 26/2024 (TCP Wing) in respect of the project "New Town Baddi".

- ii. The promoter, M/s Gupta Property Developers Pvt. Ltd., shall remain bound by the directions and compliance requirements already imposed in the aforesaid proceedings, including compliance of statutory obligations relating to provision of essential services, completion of infrastructure, execution of conveyance deeds, and other duties.

The present complaint stands disposed of in terms of the above directions, taking into account that the issues involved are already subject matter of adjudication and enforcement in the suo-motu proceedings of this Authority.



**(R.D. Dhiman)**  
**CHAIRPERSON**



**(Vidur Mehta)**  
**MEMBER**