

REAL ESTATE REGULATORY AUTHORITY

HIMACHAL PRADESH

Complaint no.HPRERA2023019/C

IN THE MATTER OF:-

- 1 Dr. Baljit Singh Sidhu, Son of Sh. Nahar Singh Sidhu resident of house no.9, Street no.26, Anand Nagar B, Patiala-147001
- 2 Smt. Gurmit Kaur Sidhu, Wife of Dr. Baljit Singh Sidhu resident of house no. 9, Street no 26, Anand Nagar B, Patiala-147001
.....Complainant(s)

Versus

Sh. Jagjit Singh Ahlawat and Suman Ahlawat (Managing Partner(s), M/s Ahlawat Developers & Promoters resident of Khasra no 602-611, opposite Dr. Reddy Plant, Malku Majra, Baddi H.P. 173205 and Kothi No. 46, Sector 10,Panchkula, Distt. Panchkula(HR) also resident of M/s Ahlawat Developers and Promoters SCO 124, First Floor, Swastik Vihar, Sector 5, MDC, Panchkula 134 109,

.....Respondent

**Present:- Sh. Atul Pundir Ld. Counsel for complainant (s) Dr. Baljit Singh Sidhu and another through WebEx
Sh. Jagjit Singh Ahlawat respondent promoter Himachal One Baddi**

Final date of hearing:-23.02.2024

Date of pronouncement of order:-27.03.2024

Order

Coram: Chairperson and Member

1. Facts of the case:

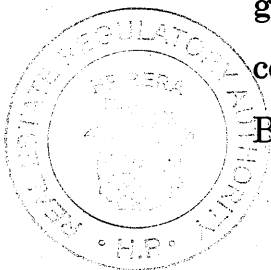
The brief facts of the case are that the complainant in pursuance of the advertisements made by the respondent that non-himachalis can buy the Flat in his project Himachal One



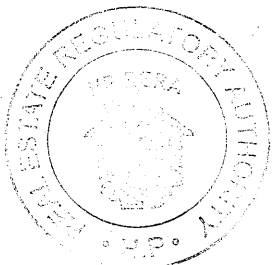
project at Baddi, booked a Flat 304, in Tower A-3 vide agreement for sale dated 31-10-2013. The total price as per the schedule C of the agreement for sale was Rs. 35,00,000/- (Rupees Thirty Five Lakhs only). The due date of possession was not given in the agreement for sale. The total amount has been paid by the complainant. The respondent has neither offered legal and valid possession nor got executed the conveyance deed. Thereafter another agreement was got executed between the parties dated 23rd October, 2022 in supersession of the previous agreement. The complainants have taken financial assistance i.e. House Loan from HDFC Bank for a total amount of Rs. 26,00,000/- (Rupees Twenty Six Lakhs only) which was paid to the respondent vide cheque No. 973224 dated 14.01.2014 for which the complainant is still paying monthly loan instalments to the bank. With these averments it was prayed that the respondents be directed to execute and register the conveyance deed of the Flat in favour of complainant after getting necessary permission under Section 118 of H.P. Tenancy and Land Reforms Act, 1972.

2. Reply:-

It was prayed that the complainant herein was given a Possession Letter/Certificate of the property on 16.12.2022 and in the said letter they had clearly mentioned in Clause 3 that "The Second Party has satisfied himself/herself about the amenities and services provided by the First Party and hereby declares that the amenities and services are as per the agreement for sale between the first party and the second party and further declare that all the assurances given by the first party have been duly fulfilled and the apartment is complete in respect of all the specifications written in the Apartment Buyer Agreement. The execution of agreements have not been



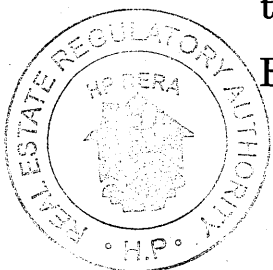
denied and the receipt of payment of Rs 35,00,000/- has been admitted. The agreement dated 31.10.2013 was superseded by the agreement dated 23.10.2022 and hence in order to decide the present dispute, only the agreement dated 23.10.2022 and the understanding reached out between the parties in the said agreement can be referred for adjudication of the present complaint case. The complainant who is a permanent resident of Canada requested the Respondent that he be permitted to enter into a fresh agreement in the year 2022 as he is getting a good price of the unit from a buyer and he would like to sell the property as prices of the real estate have escalated and requested to enter into a fresh agreement. It is submitted that it was on the request and persuasion of the complainant that the respondent No.1 entered into a fresh agreement with the complainants. In reply, it was stated that the complainant(s) herein have already filed a consumer complaint before the Consumer Disputes Redressal Commission at Solan, Himachal Pradesh seeking similar reliefs as sought before this Hon'ble Authority and since the Complainants have already approached a court of Law for redressal of its grievances, it cannot file another complaint for redressal of the same relief and the present complaint is liable to be dismissed on this ground itself. A copy of the consumer complaint is already on record. The complainants herein are earning rental income out of the present unit since the very beginning and the conveyance deed of the unit in question is pending to be executed for want of permission under Section 118 of H.P. Tenancy and Land Reforms Act, 1972 from the concerned Authority. It was further their case that the complainants have failed to submit the requisite documents to the respondent to jointly apply for requisite permission under Section 118 of the H.P. Tenancy and



Land Reforms Act, 1972 despite numerous letters and reminders. Hence due to this reason, the conveyance deed of the flat in question is pending to be executed for want of requisite permission under Section 118. It was further stated that the complainants may be directed to apply/obtain the requisite permission from the respective Authority under Section 118 of the H.P. Tenancy and Land Reforms Act, 1972. Further, it was stated in the reply that the respondent is the lawful owner of a parcel of land measuring 27 bighas within the revenue estate of Village Malku Majra Tehsil Baddi, District Solan Himachal Pradesh, registered in the name of the respondent vide sale deed no(s). 894 and 897 dated 16.05.2007 in the office of Sub-Registrar, Nalagarh Distt. Solan, Himachal Pradesh. It was further stated that the permission under Section 118 of Himachal Land Reforms and Tenancy Act and change of land use (CLU) has been duly obtained by the respondent vide letter dated 17.04.2007. With these pleadings the respondent prayed that the concerned competent authorities may be directed to grant permission under Section 118 of the Act *ibid*.

3. Rejoinder:

It was admitted that a complaint before the consumer court was filed. It was further stated that the complainants would have made an application seeking permission under Section 118 of the Act *ibid* to safeguard their interest and also their investment, if the respondent had accommodated them. It was stated that the respondent simply never replied to any of the communication and the complainants were not facilitated by the respondent for seeking permission under Section 118 of the HP Tenancy and Land Reforms Act, 1972. With these



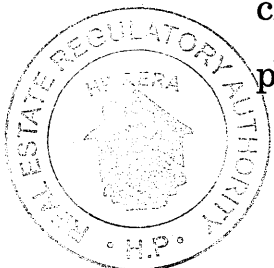
contentions it was prayed that the complaint in terms of the prayer be allowed.

4. Arguments on behalf of complainants-

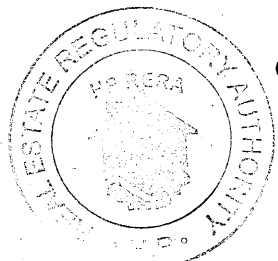
It was argued on behalf of the complainant that either the respondent be directed to execute sale deed or the amount paid by the complainant be refunded. It was further argued that the complainants have paid the entire amount of Rs 35,00,000/- to the respondent. It was further argued that complainant could not rent out the Flat as he is not a resident of India. The rental if any paid by the respondent is in the shape of assured returns. It was further argued that possession in accordance with law was never delivered. It was further their case that false representation was given by the respondent at the time of booking of the apartments that non Himachalis can buy. It was further stated that the possession being offered by the respondent is only a paper possession, for want of CC and execution of sale deed. It was further argued that the complainant applied with the requisite documents on 17.01.2024 to the concerned competent authority for seeking permission under Section 118 of the Act *ibid* but is not aware as to whether the respondent has applied for the same or not.

5. Arguments on behalf of respondents-

The respondent admitted that agreement has been executed inter se the parties. It was further argued that the physical possession of the apartment has been delivered. It was further argued that the complainant is not entitled for refund as according to section 18 of the RERD Act, 2016 an allottee can claim refund only if the promoter fails or is unable to give possession. Therefore no refund can be granted in this case. It



was further argued that the complainant has been enjoying the possession by renting out the flat. It was further argued that none of the Authorities have rejected the cases of the parties for grant of permission under Section 118 of the Act ibid and there is no fault of the promoter, if the permission is not being granted by the authorities. It was argued that as per the agreement for sale the allottee has undertaken to abide by all the laws, rules, regulations as applicable in the State of H.P. and therefore whatever requirement has to be complied by the allottee shall be binding on them and they are required to obtain requisite permission u/s 118 of the HP Tenancy and Land Reforms Act. It was further argued that the advertisement of the promoter that non-himachali(s) can buy only states that they are permitted to buy but they have to seek permission under the relevant laws applicable to the State of H.P. It was further argued that the Justice D.P Sood (Retd.) committee was formed to look into the Benami transactions. There is no Benami Land transaction in the present project. The present land is exclusively of the promoter and he after getting requisite approval has developed the project. It was further argued that in the report of the said committee there is no conclusion that the present promoter is a violator. Further, it was argued that there are no conclusive findings by any of the authorities that the promoter has violated the provisions of Section 118 of the Act ibid while developing the aforesaid project in question. The payment of Rs 35,00,000/- has been admitted by the respondent. Further it was argued that as per the agreement for sale dated 23rd October, 2022 the possession of the apartment in question has already been delivered on



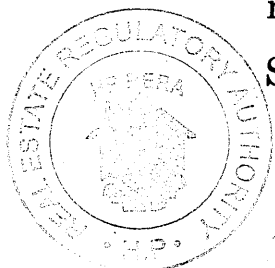
27.01.2020. It was further argued that documents pertaining to Section 118 of the Act ibid have been delivered on 17.01.2024. It was further argued that the possession letter dated 16th December, 2022 is signed by both the complainants and the respondent meaning thereby that the possession has been delivered.

6. Rebuttal arguments on behalf of complainant(s)-

It was further argued that since no sale deed has been executed the complainants are entitled for refund in the aforesaid case as it is their unqualified right. The possession was delivered on 16th December, 2022. Further it was argued that in the case of Paul Rubber Industries Private Limited versus Amit Chand Mitra and another Special Leave to Appeal (Civil) no. 15774 of 2022 decided on 25.9.2023 the Hon'ble Supreme Court has held that possession cannot be transferred on the basis of an unregistered document.

7. Hearing in the case and interim orders passed by the Authority

In the present case vide order dated 1.7.2023 this Authority directed that both the parties shall jointly submit an application along with all the documents complete in all respects before the concerned competent authority so that the case for seeking permission under Section 118 of the Act ibid is initiated. The documents as stated have been submitted on 17.01.2024 by the complainant. Further Vide order dated 6.1.2024 the complainants undertook to withdraw the case before the Ld. Consumer Commission as simultaneous complaint before the Consumer Court and RERA are not maintainable in view of the law laid down by the Hon'ble Supreme Court in IREO Grace Real Tech Pvt. Ltd. versus



Abhishek Khanna and others. The copy of order dated 9.1.2024 passed by the Ld. Consumer Disputes Redressal Commission in complaint no. 49/2023 has been placed on record wherein it has been mentioned that the complainant has withdrawn his complaint.

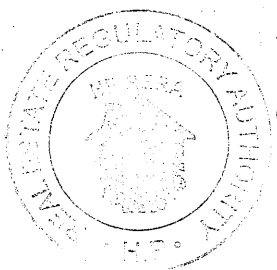
8. Findings of the Authority-

We have heard the parties and also perused the record pertaining to the case. After going through the record this Authority is of the view that following are the points for consideration that require adjudication namely:-

- a. What is the total amount paid by complainant to the respondent in lieu of sale consideration for the respective flat in question?
- b. Whether the respondent is under obligation to get the sale deed executed in favour of the complainant under Section 11(4)(f) of the RERD Act and the effect of non grant of permission under the provisions of Section 118 of the HP Tenancy Land Reforms Act, 1972 on the performance of this obligation?
- c. Whether in case, no sale deed is executed, the complainant is entitled to refund of the amount paid in lieu of sale consideration along with interest and from what date?

8.a What is the total amount paid by complainant to the respondent in lieu of sale consideration for the respective flat in question ?

In the present case an agreement for sale was executed inter se the parties on 31st October, 2013 where in total sale consideration agreed was Rs 35,00,000/-. No due date of



possession has been mentioned in the aforesaid agreement for sale. Thereafter another agreement dated 23rd October, 2022 has been placed on record which supersedes the earlier agreement. This agreement has been signed by both the parties. As per schedule C of the agreement for sale dated 23rd October, 2022 the receipt of Rs 35,00,000/- has mentioned. Further during the course of arguments the receipt of Rs 35,00,000/- has been admitted. Therefore, there is sufficient conclusive evidence on record of the case file to hold that the complainants had paid Rs.35,00,000/- to the respondent as sale consideration.

- 9.b Whether the respondent is under obligation to get executed the sale deed in favour of the complainant under Section 11(4)(f) of the RERD Act and the effect of non grant of permission under the provisions of Section 118 of the HP Tenancy Land Reforms Act, 1972 on the performance of this obligation?**

Primarily the main grievance raised by the complainant is with respect to execution of sale deed. Section 11 of the RERD Act, 2016 enumerates the functions and duties of promoter. Section 11(4) (f) of the Act which reads as under:

Section 11 (4) (f) “execute a registered conveyance deed of the apartment, plot or building, as the case may be, in favour of the allottee along with the undivided proportionate title in the common areas to the association of allottees or competent authority, as the case may be, as provided under section 17 of this Act;”

Further as per Section 17(1) which reads as under-

- (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 the allottees or the competent authority, as the case may be, and hand over the physical possession of the plot, apartment of building, as the case may be, to the allottees and the common areas to the association of the allottees or the competent authority, as the case may be, in a real estate project, and the other title documents pertaining thereto within specified period as per sanctioned plans as provided under the local laws:

As per Section 19 (11) which reads as under

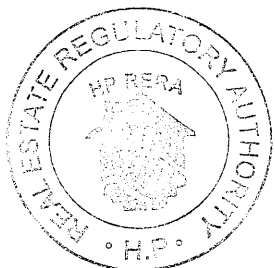
(11) Every allottee shall participate towards registration of the conveyance deed of the apartment, plot or building, as the case may be, as provided under sub-section (1) of section 17 of this Act.

Therefore in view of the provisions quoted herein above the execution of conveyance deed of the apartments, plots or buildings is one of essential duties or obligations of the promoter and correspondingly it is the duty of the allottee also to participate in the registration of conveyance deed

Further as per Section 34(f) & (g) of the RERD Act, 2016 which reads as under-

34. The functions of the Authority shall include—
(f) to ensure compliance of the obligations cast upon the promoters, the allottees and the real estate agents under this Act and the rules and regulations made thereunder;
(g) to ensure compliance of its regulations or orders or directions made in exercise of its powers under this Act;

Under Section 34 (f) of the RERD Act, 2016 the Authority is duty bound to ensure compliance of the obligations cast upon the promoter under the RERD Act, 2016.



10. In the present case, the complainant/allottee and respondent/ promoter both are non agriculturist(s). In that case the provisions of section 118 of the HP Tenancy and Land Reforms Act, 1972 are applicable to them. Section 118 of the HP Tenancy and Land Reforms Act, 1972 is as under-

Section 118. Transfer of land to non-agriculturists barred.-

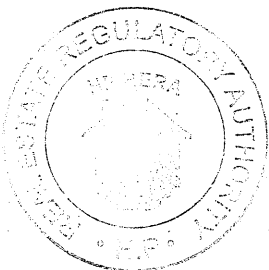
(1) Notwithstanding anything to the contrary contained in any law, contract, agreement, custom or usage for the time being in force, but save as otherwise provided in this Chapter, no transfer of land (including sales in execution of a decree of a civil court or for recovery of arrears of land revenue) by way of sale, gift, will, exchange, lease, mortgage with possession, creation of a tenancy or in any other manner shall be valid in favour of a person who is not an agriculturist.

Explanation. For the purpose of this sub-section, the expression —transfer of land shall not include-

- (i) transfer by way of inheritance;
- (ii) transfer by way of gift made or will executed, in favour of any or all legal heirs of the donor or the testator, as the case may be;
- (iii) transfer by way of lease of land or building in a municipal area;

but shall include-

- (a) a benami transaction in which land is transferred to an agriculturist for a consideration paid or provided by a non agriculturist; and
- (b) an authorisation made by the owner by way of special or general power of attorney or by an agreement with the intention to put a non-agriculturist in possession of the land and allow him to deal with the land in the like manner as if he is a real owner of that land.



(2) Nothing in sub-section (1) shall be deemed to prohibit the transfer of land by any person in favour of,-

- (a) a landless labourer; or
- (b) a landless person belonging to a scheduled caste or scheduled tribe; or
- (c) a village artisan; or
- (d) a landless person carrying on an allied pursuit; or
- (dd) a person who, on commencement of this Act, worked and continues to work for gain in a estate situated in Himachal Pradesh; for the construction of a dwelling house, shop or commercial establishment in a municipal area, subject to the condition that the land to be transferred does not exceed-
 - (i) in case of a dwelling house -500 square Meters; and
 - (ii) in the case of a shop or -300 square meters: commercial establishment

Provided that such person does not own any vacant land or a dwelling house in a municipal area in the State.

(e) the State Government or Central Government, or a Government Company as defined in section 617 of the Companies Act, 1956, or a Company incorporated under the Companies Act, 1956, for which land is acquired through the State Government under the Land Acquisition Act, 1894 or a statutory body or a corporation or a board established by or under a statute and owned and controlled by the State of Central Government; or

(f) a person who has become non-agriculturist on account of-

(i) acquisition of his land for any public purpose under the

Land Acquisition Act, 1894 (1 of 1894); or

(ii) vestment of his land in the tenants under this Act;



or

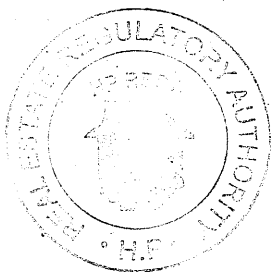
(g) a person who has become non-agriculturist on account of the acquisition of his land for any public purpose under the Land Acquisition Act, 1894 (1 of 1894); or

(h) a non-agriculturist who purchases or intends to purchase land for the construction of a house or shop, or purchases a built up house or shop, from the Himachal Pradesh Housing and Urban Development Authority, established under the Himachal Pradesh Housing and Urban Development Authority Act 2004, or from the Development Authority constituted under the Himachal Pradesh Town and Country Planning Act, 1977 or from any other statutory corporation set up any State or Central enactment; or

(h) a non-agriculturist with the permission of the State Government for the purposes that may be prescribed:

Provided that a person who is non-agriculturist but purchase land either under clause (dd) or clause (g)] or with the permission granted under clause (h) of this sub-section shall, irrespective of such purchase of land, continue to be a non-agriculturist for the purpose of the Act:

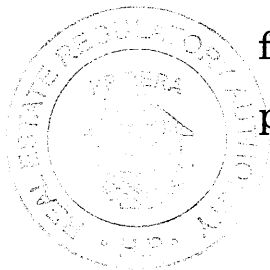
Provided further that a non-agriculturist who purchases land under clause (dd) or in whose case permission to purchase land is granted under clause (h) of this sub-section, shall put the land to such use for which the permission has been granted within a period of two years or a further such period not exceeding one year, as may be allowed by the State Government for the reasons to be recorded in writing to be counted from the day on which the sale deed of land is registered and if he fails to do so or diverts, without the permission of the State Government, the said user for any other purpose or transfer by way sale, gift or otherwise, the land so purchased by him shall, in the prescribed manner, vest in the State Government free



from all encumbrances.

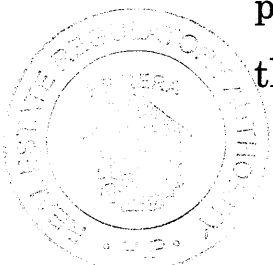
(2).....

11. Therefore, as per clause 2(h) of Section 118 of the Act ibid a non agriculturist has to apply for permission from the State Government. In the present case, the apartment purchaser as well as the seller have applied on 17.01.2024 for permission under section 118 of the HP Tenancy and Land Reforms Act, 1972. The allottee who has invested hard earned money to buy their home is made to wait indefinitely for the grant of permission. The acquisition of title to the property is the most important and invaluable right in favour of the allottee. It is also one of the obligations cast upon the promoter, but grant of this permission is not in the domain of the promoter, therefore he cannot perform the said obligation till the permission under section 118 of the Act ibid is accorded in favour of the parties. If the permission in the aforementioned case is not granted then it is neither the fault of the promoter nor the allottee. The promoter got the project license from the competent authorities, after obtaining permission under Section 118 of the Act ibid at the time of purchase of the land to develop a Real Estate Project. Only thereafter the promoter constructed the said real estate project i.e. Himachal One. The respondent promoter has sold residential flat/ built up structure to the non agriculturist complainant. The allottee herein has filed this complaint for execution of sale deed which is pending as the necessary permission under Section 118 of the Act ibid has not been granted. The allottee is waiting to get ownership of the flat in spite of sale consideration already paid by him to the promoter. Without getting the title, the said property is of no



use to the complainant. The promoter cannot execute sale deed in favour of the allottee, till the permission under Section 118 of the Act *ibid* is granted by the competent authority. The administrative power vested with the State Government under Section 118 of the Act *ibid* has to be exercised in a time bound manner, in the interest of the home buyers. The State Government granted various permissions to the promoter like permission under Section 118 of the Act *ibid* and BBND A approved the building plans and thereby permitted the project to be constructed/ executed and now at this stage by delaying the permissions u/s 118 of the Act *ibid* in favour of home-buyers would cause grave injustice to the allottee/complainant.

12. What transpires during the course of hearing is that Justice D.P. Sood (Retd.) committee was formed to look into the violation if any committed by the promoters which basically was to find out the Benami transaction(s) and a report in the year 2012 was given but in the report there are no conclusive findings as to whether the present promoter is also a violator. The conclusive findings on this issue have not been passed by the competent authority exercising powers under Section 118 despite lapse of so many years. The result is that the allottee who has invested hard earned money has been left in lurch.
13. In this case, the main prayer of the complainant is to get the sale deed executed in his favour. This can happen only if the permission is accorded u/s 118 of the HPT&LR Act by the state government. Therefore we feel that this is a fit case for grant of an opportunity to the parties to pursue their cases for seeking permission under Section 118 of the Act *ibid* and a period of three months is granted for the same. The period of three

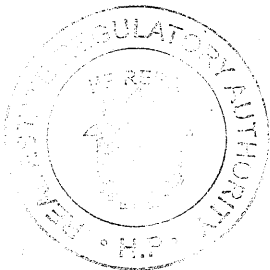


months shall commence from the date when the complainant submit their documents complete in all respects as per the queries raised/ documents asked by the District Collector under Section 118 of the HP Tenancy and Land Reforms Act, 1972 to the promoter. If the complainant has already submitted documents pertaining to his Flat then period of three months will start from date of this order. If no decision is taken by the State Government on this issue then the promoter is at liberty to approach any competent court to seek legal remedy for which a reasonable period of further three months is granted.

- 14.c. **Whether in case no sale deed is executed the complainant is entitled to refund of the amount paid in lieu of sale consideration along with interest and from what date?**

Despite of the above, if still no permission is accorded in that case this Authority is left with no other option but to order refund of the amount received. The right of the allottee to seek refund is unqualified and unconditional as decided by the Hon'ble Supreme Court in the judgment of New Tech Promoter's case. However the complainant has to hand over the possession immediately when the refund is paid. The Honb'le Supreme Court in the case of Newtech Promoters and Developers Pvt. Ltd. Vs. State of U.P. and Ors MANU/SC/1056/2021 has held that

"22. If we take a conjoint reading of Sub-sections (1), (2) and (3) of Section 18 of the Act, the different contingencies spelt out therein, (A) the allottee can either seek refund of the amount by withdrawing from the project; (B) such refund could be made together with interest as may be prescribed;

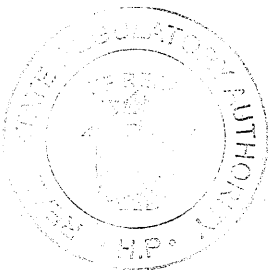


(C) in addition, can also claim compensation payable Under Sections 18(2) and 18(3) of the Act; (D) the allottee has the liberty, if he does not intend to withdraw from the project, will be required to be paid interest by the promoter for every months' delay in handing over possession at such rates as may be prescribed.

23. Correspondingly, Section 19 of the Act spells out "Rights and duties of allottees". Section 19(3) makes the allottee entitled to claim possession of the apartment, plot or building, as the case may be. Section 19(4) provides that if the promoter fails to comply or being unable to give possession of the apartment, plot or building in terms of the agreement, it makes the allottees entitled to claim the refund of amount paid along with interest and compensation in the manner prescribed under the Act.

24. Section 19(4) is almost a mirror provision to Section 18(1) of the Act. Both these provisions recognize right of an allottee two distinct remedies, viz., refund of the amount together with interest or interest for delayed handing over of possession and compensation.

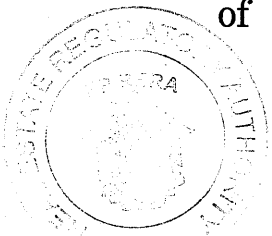
25. The unqualified right of the allottee to seek refund referred Under Section 18(1)(a) and Section 19(4) of the Act is not dependent on any contingencies or stipulations thereof. It appears that the legislature has consciously provided this right of refund on demand as an unconditional absolute right to the allottee, if the promoter fails to give possession of the apartment, plot or building within the time stipulated under the terms of the agreement regardless of unforeseen events or stay orders of the Court/Tribunal, which is in either way not attributable to the allottee/home buyer, the promoter is under an obligation to refund the amount on demand with interest at the rate prescribed by the State Government including compensation in the



manner provided under the Act with the proviso that if the allottee does not wish to withdraw from the project, he shall be entitled for interest for the period of delay till handing over possession at the rate prescribed.”

The ratio of the aforesaid judgment is that conjoint reading of Sub-sections (1), (2) and (3) of Section 18 of the RERD Act, 2016, is that the allottees have the liberty, if they intend to withdraw from the project, they are entitled to refund along with interest at rate as may be prescribed. Right to seek refund in terms of the aforesaid judgment is unqualified and is not dependent on any contingencies or stipulations thereof and is also regardless of unforeseen events or stay orders of the Court/Tribunal, which in either way is or are not attributable to the allottees. The circumstances because of which permission cannot be accorded for execution of sale deed in favour of the allottee can in no manner be attributable to the allottee therefore in terms of the judgment of New Tech Promoter no benefit of the same can be drawn by respondent in their favour.

15. In the agreement for sale dated 29th October, 2012 no due date of possession has been given. However in the subsequent agreement for sale dated 23rd October, 2022 in clause 7.1 it has been mentioned that the promoter has handed over the possession on 27.01.2020 to the respondent. Further a possession letter dated 16th December, 2022 has been appended by the complainant with his complaint which is signed by both the parties. Further in the reply filed by the respondent they have placed reliance on the aforementioned possession letter dated 16.12.2022. The contention of the complainant by placing reliance on the judgment of the Hon'ble Supreme Court in the case of Paul Rubber



Industries Private Limited versus Amit Chand Mitra and another Special Leave to Appeal (Civil) no. 15774 of 2022 decided on 25.9.2023 is that possession cannot be transferred on the basis of an unregistered document. This judgment of the Hon'ble Supreme Court is not attracted to the facts of the case as it differs on facts and the law laid down by it and further it does not apply to the present facts as by virtue of the possession letter dated 16th December, 2022 which is signed by both the parties there is clear cut admission in the said document that possession has been taken on 16th December, 2022. It is settled law that fact admitted need not be proved. Therefore this Authority is of the considered view that a person who has taken possession without any protest and is enjoying the fruits of the same should be granted interest on refund from the date this complaint was filed.

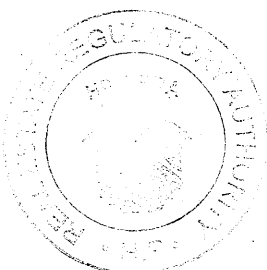
16. Although the physical possession has been handed over but the same is not in accordance with law, as it has been given before obtaining completion and occupation certificate. Further, if sale deed is not executed then this is a mere paper possession without any legal title. Therefore, Authority feels that if sale deed is not executed even after providing sufficient time to the promoter, then the promoter is not fulfilling its duty under section 17 of the RERD Act and has to refund money along with interest

17. Further on the issue of what interest is applicable in the present case. The RERD Act, 2016 is special Act and the rate of interest has been prescribed in the rules formulated therein as under:

Rule 15 of the Himachal Pradesh Real Estate (Regulation and Development) Rules, 2017-

Interest payable by promoter and allottee-

The rate of interest payable by the promoter to the allottee or by the allottee to the promoter, as the case



may be, shall be the State Bank of India highest marginal cost of lending rate plus two percent as mentioned under Section 12,18 and 19 of the Act:

Provided that in case the State Bank of India marginal cost of lending rate is not in use it would be replaced by such benchmark lending rates which the State Bank of India may fix, from time to time for lending to the general public.

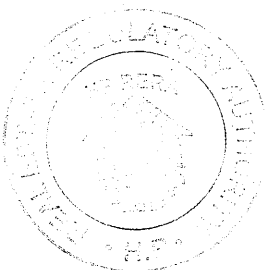
Provided further if the allottee does not intend to withdraw from the project, he shall be paid by the promoter an interest which shall be the State Bank of India highest marginal cost of lending rate

Accordingly, the SBI marginal cost of lending rate (in short MCLR) as on date of passing of this order is 8.85 %, hence the rate of interest would be 8.85 %+ 2 % [as per HP Real Estate (Regulation and Development) Rules, 2017] i.e.10.85% per annum. Therefore, interest on amount to be refunded shall be charged at 10.85% per annum at simple rate of interest.

18. Relief-

Keeping in view the above mentioned facts, this Authority in exercise of powers vested in it under various provisions of the Act, rules and regulations made there under, issues the following orders/directions:

- a. A period of three months is granted to the promoter/allottee to pursue the case for grant of approval under Section 118 of the HP Tenancy and Land Reforms Act, 1972 for the purpose of execution of conveyance deed. The period of three months shall commence from the date when the complainant submits his documents complete in all respects as per the queries raised/ documents asked by the District Collector under Section 118 of the HP Tenancy and



Land Reforms Act, 1972 to the promoter or to the District Collector. If the complainant has already submitted documents pertaining to the permission then period of three months will start from date of this order.

- b. In case the competent authority does not grant permission under section 118 of the Act *ibid* within aforesaid three months then the promoter is at liberty to approach appropriate court of law for which a further period of three months is granted.
- c. The promoter is directed to get the sale deed executed in favour of the complainants within one month in case the permission under Section 118 is granted as per directions no. (a) or (b).
- d. If the permission is not obtained in terms of the directions within the period as mentioned above as per direction no(s) (a) & (b) then the complainant is held entitled to refund of Rs.35,00,000/- immediately along with interest at the SBI highest marginal cost of lending rate plus 2 % i.e. 10.85% from the date of filing of this complaint.

Badalia
B. C. Badalia
MEMBER

skant
Dr. Shrikant Baldi
CHAIRPERSON

