

**REAL ESTATE REGULATORY AUTHORITY, BIHAR**

**Before the Bench of Mr R.B.Sinha, Member of the Authority**

**Case Nos.CC/404/2018**

**Ms Veena Vadini.....Complainant**

**Vs**

**M/s Grih Vatika Homes Pvt Ltd.....Respondent**

**Present:For the Complainant: In person**

**For the Respondent: Mr Ankit Kumar, Advocate**

**11/11/2020**

**ORDER**

1. Ms, Veena Vadini, W/o Sri Pramod Kumar, a resident of Mohallah-Shahpur, Dharamshala Road, Near Pokhara, Aurangabad, -824101, Bihar has filed a complaint petition on 13<sup>th</sup> June 2019 against M/s Grih Vatika Pvt Ltd, through their Managing Director Sri Ranjit Kumar Jha, having its registered office at Dipti Roy Complex, 26, Opposite Post Office, S K Puri Park, Boring Road, Patna-800001 under Section 31 of the Real Estate (Regulation & Development) Act, 2016 for refund of the principal amount of Rs 6,81,120 ( Rupees six lakhs, eighty one thousand, one hundred and twenty only) paid by her for Flat no- 201, a 3BHK flat in the Project Ambika Vatika, later converted into Flat No- 304 in the project Green Vatika of the respondent company, along with 18 percent compound interest thereon.

**Case of the Complainant:**

2. The complainant in her petition has claimed that she had booked flat No- 201 of 1301 sq ft on the 2nd floor of the project “Ambika Vatika” of M/s Grih Vatika Pvt Ltd, the respondent company at the total cost of Rs 29.02 lakhs on 18<sup>th</sup> September 2016 after paying a sum of Rs 3,01,808. She

claimed that she had paid the booking amount through cheque no- 960343 dated 26<sup>th</sup> September drawn on Indian Bank. She claimed that at the time of booking, it was stated by the promoter that the flat approval work would be completed soon and thereafter, construction work would start. However, the project was delayed and as a result thereof, her booking was shifted to another project named Green Vatika on payment of additional sum of Rs 3,79,312 on 10<sup>th</sup> January 2019 through an account payee cheque no-627393 dated 10.01. 2019. Accordingly, Flat no 304 in the Green Vatika A was booked by the Respondent company in favour of the complainant after receiving the cost of Rs 6,81,120 in January 2019. The estimated cost of the Flat No 304 in the Green Vatika A was Rs 34,05,560.

3. The Complainant claimed that even after making payment of twenty percent of the cost of the flat, the promoter started making inordinate delay in execution of the Agreement. As a result, the complainant requested for cancellation of her booking in April 2019 and refund of her full deposit along with interest. The Respondent company agreed to to return the amount by 31<sup>st</sup> May 2019 but failed to do so. As the respondent company didn't make any payment to the complainant within even after three months of cancellation of the booking, the complainant filed her complaint with the Authority requesting for refund of the principal amount of Rs 6,81,120 ( Rupees six lakhs, eighty one thousand, one hundred and twenty only) along with 18 percent compound interest thereon.
4. She has attached the copies of money receipts issued by the respondent company, her bank accounts showing payments to the respondent company, KYC documents of the Respondent company etc along with her complaint petition.

**Response of the Respondent Company :**

5. The respondent company did not furnish any response to the notice issued by this Authority on 17/07/2019 seeking their response within two weeks of receipt of the notice. Accordingly, the Authority called both parties for hearing on 30<sup>th</sup> October 2019.

**Hearing :**

6. Hearings were held on 30/10/2019, 14/11/2019, 12/12/2019, 26/12/2019, 22/01/2020, 17/02/2020 and 06.03.2020.
7. In course of hearing on 30<sup>th</sup> October 2019, the complainant was present to represent her case whereas no one turned up on behalf of the Respondent company. The Bench therefore ordered for issue of a notice for personal attendance of the Director on the next date. Mr Ankit Kumar, Advocate filed his vakalatnama on behalf of the respondent company and appeared on 14<sup>th</sup> November 2019 with a cheque for Rs 3,50,000 (Rupees three lakhs fifty thousands only) as the first installment of refund of the deposited amount. He further committed to refund the balance amount of Rs 3,31,120 within a month. However, the respondent company refunded the balance amount of Rs 3,31,120 in three installments (Rs 1.00 lakh vide Central Bank of India cheque no 71552 dated 7.01.2020, Rs 1.00 lakh vide cheque no-57637 dated 07.02.2020 and Rs 1,31,120 vide cheque no-73033 dated 05.03.2020) in the next four and half months.

**Issues for Consideration :**

8. There is no dispute on the facts of the case that the complainant had paid Rs 6,81,120 (Rupees six lakhs, eighty one thousands, one hundred and twenty only) to the respondent company during September 2016 to January 2019 for booking a flat initially in the Project Ambika Vatika and subsequently shifted to Green Vatika project of the Respondent Company. Though the Green Vatika project was registered with the Authority in November 2018, the respondent company was not able to execute Agreement for sale with the complainant within a period of three months even after receiving twenty percent of the estimated cost of the Flat.
9. As per section 13 (1) of the Real Estate (Regulation and Development) Act 2016, the promoters of real estate projects registered with the Authority, were prohibited from receiving more than 10 percent of estimated cost of the flat/apartment as booking amount without executing an agreement for

sale. Further, though the respondent company received twenty percent of the estimated cost of the flat (Ten percent of the estimated cost after registration of the project with the Authority), they didn't execute the agreement for sale with the complainant till April 2019. The Complainant was therefore well within her rights to cancel her booking. The Respondent company has not given any reasons for not executing the agreement for sale either in response to the notice issued for their reply to the petition received by the Authority or in course of hearing. It is thus evident that the respondent company have received the funds and availed the economic benefits of the deposits made by the complainant, without passing out any benefits to the petitioner. They are therefore liable to pay the interest on deposits received from the complainant. As the respondent company has already refunded the principal amount of deposit to the complainant, the only issue left for the bench is to decide the rate of interest to be paid by the respondent company to the complainant.

10. The complainant has claimed 18 percent interest on the booking deposits made by her. However Rule 17 of the Bihar Real Estate (Regulation & Development) Rules 2017 prescribes that the rate payable by the promoter to the allottee shall be at two percent above the prevalent Prime Lending Rate of State Bank of India prevailing on the date on which the amount becomes due. The Project Green Vatika is a registered project of the RERA, Bihar. It would therefore in the interests of allottees of the Project that the project is completed in time. It is therefore felt that interest paid to the complainant should not be so high so as to affect the interests of other allottees of the project. It is therefore felt that interest at a reasonable rate may be paid to the complainant.

**Order :**

11. The Bench therefore orders the respondent company to pay a simple interest at the rate of 8 percent per annum on the deposited amount from the date of deposit to the date of refund of the principal amount deposited by the complainant within sixty days of issue of the order. If the respondent company do not pay the amount of interest within stipulated

sixty days period, he will be required to pay compound interest at the rate of 8 percent per annum on the payable amount of interest from 5<sup>th</sup> March 2020 i.e. date of payment of last installment of the principal amount, to the date of making payment of interest to the complainant.

Sd  
(R.B. Sinha)  
Member