

**REAL ESTATE REGULATORY AUTHORITY, BIHAR,**

Before the Bench of Mr. Ved Prakash,

Special Presiding Officer

**RERA/CC/53/2024**

Madhu Devi .... Complainant

Vs.

Shree Loknath Babu Homes Pvt. Ltd. .... Respondent

**PROJECT: SARVAYONI CITY**

For the Complainant: Mr. Satish Kumar, Advocate

For the Respondent: Mr. Sumit Kumar, Advocate

**28.01.2026**

**ORDER**

Learned counsel Mr. Satish Kumar on behalf of the complainant and learned counsel Mr. Sumit Kumar on behalf of the respondent are present.

2. Learned counsel for the complainant submits that the complainant vide KYC, which is kept on record as Annexure -1, booked Flat no.406 of 1290 sq. ft. on 4<sup>th</sup> floor in Block – A along with car parking in the project “ Sarvayoni City ” located at Lakhani Bigha, Danapur, Patna, on total consideration amount of Rs.33,96,000/- out of which the complainant made payment of Rs.5,09,400/- through cheque dated 27.10.2016 of Allahabad Bank Sheikhpura Branch, Patna – 14, against which the respondent issued acknowledgement receipt and the same is kept on record. He further submits that on 12.11.2021 the complainant had sent a letter to the respondent for cancellation of booking and to refund her money because as per commitment work of the project was not started but the respondent did not respond to that letter. Thereafter, the complainant had sent legal notice dated 19.10.2023 by speed post to the respondent and then on being not responded the complainant had sent reminder dated 27.12.2023, which was replied by the respondent through his Advocate vide reply dated 29.12.2023, wherein it was clearly mentioned that Rs.3,29,400/- has been paid to the complainant through online and the rest amount of Rs.1,80,000/- would be paid shortly but till date neither the amount sent through online nor the rest amount has been received by the complainant. Hence, the complainant has filed this complaint for a direction to the respondent to refund his principal amount along with interest.

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3. Learned counsel for the respondent by filing reply submits that above project is pre RERA project and the promoter had decided to develop the project in four Blocks A,B, C & D and had accepted booking but after coming force of the RERA Act, 2016 the respondent could not develop all the four Blocks as the promoter could not meet the requirement of the RERA Act, 2016. He further submits that the respondent had served a demand letter dated 07.11.2019 to the complainant to make payment of further installments but the complainant failed in making payment and thereafter on 28.12.2019 a preemptive cancellation notice was sent to the complainant and then on 23.10.2021 final cancellation notice was sent to the complainant. He also submits that the respondent has already refunded Rs.5,09,400/- to the complainant by the year, 2024 but her demand of interest in absence of any formal agreement is not justified.

4. Learned counsel for the complainant by filing rejoinder to the counter reply of the respondent submits that the respondent has paid the principal amount to the complainant in eleven installments and the last installment was paid on 14.02.2024 after filing of the instant case but till date interest has not been paid on the principal amount. He also submits that the complainant is entitled to get interest on principal amount because the respondent failed in making construction of the building and providing flat to the complainant even after four years from the date of booking of flat.

5. Perused the record. The Bench observes that the respondent - promoter received an amount of Rs.5,09,400/- from the complainant on 27.10.2016 and the respondent cancelled the booking on 23.10.2021 but during these periods of four years the respondent did not start the work of the building, which causes non-payment of further installments, as claimed, by the complainant. The Bench also observes that the RERA Act, 2016 came into force on 1<sup>st</sup> May, 2017 but even after coming into force of the RERA Act, 2016 the respondent remained indulged in making advertisement and collecting money from the allottees including the complainant without having valid sanction map and RERA Registration, for which the respondent has been penalized in RERA/NC/177/2018. The Bench also observes that the respondent cannot claim that the complainant is not entitled to get

interest because of the fact that the respondent – promoter himself failed in

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starting work of the project even after a period of four years from the date of payment by the complainant and even thereafter after getting the map sanctioned and obtaining registration from RERA. Further, one fails to understand that if work of any project is not started after getting payment of first installment from the allottee then how far it is justified to demand next installments from the allottee.

6. In the backdrop of the submissions made on behalf of the parties and ongoing through the material available on record as well as keeping in view the above observations, the Bench directs the respondent - company and its Director Mr. Rohit Kumar to make payment of interest at 2% above marginal cost of the lending rate (MCLR) of the State Bank of India on the total principal amount of Rs.5,09,400/- since the date of payment till the date of refund within sixty days of this order.

**With the aforesaid observations and directions, this case is disposed of.**

**Sd/-**

**(Ved Prakash)**

Special Presiding Officer, RERA, Bihar.