

REAL ESTATE REGULATORY AUTHORITY, BIHAR

**Before the Bench of Hon'ble Inquiry Commissioner, Mr. Sanjaya Kumar Singh,
RERA, Bihar**

RERA/CC/123/2024

Annu Singh

.....Complainant

Vs

M/s Shree Lok Nath Baba Homes Pvt. Ltd.

.....Respondent

Project: SARVAYONI CITY

**Present: For the Complainant: In person
For the Respondent: Mr. Sumit Kumar, Advocate**

11.08.2025

ORDER

Hearing was last taken up on 29.07.2025 and the order was reserved when the Complainant Annu Singh was present herself and Mr. Sumit Kumar, learned counsel was present on behalf of the respondent.

2. The case of the complainant is that she had booked Flat No.6 on the 6th Floor of Block-A in the project "Sarvayoni City" by means of a Memorandum of Understanding (hereinafter referred to as the "MOU") for a total consideration amount of Rs.15,51,000/- and till the period of signing of the MOU, a total amount of Rs.5,35,714/- had been paid and remaining amount of Rs.10,15,286/- was to be paid in future instalments. Till date, she claims to have paid Rs.11.00 lakh to the respondent, which the respondent has refunded to her, starting from March, 2024 till July, 2025. Now, she claims for interest on the principal amount paid by her at the rate of 8% simple interest as per the terms and conditions laid down in paragraph 3 of the MOU. She has further prayed for the interest to be paid to her by the builder for the entire period starting from the date of payment made by her till the date of full payment of the said principal amount was refunded to her.

3. At the outset, learned counsel for the respondent has raised an objection regarding maintainability of the present complaint petition. He submits that the case is barred by law of limitation as the complainant has failed to file a case within three years of the cause of action dated 07.05.2018 and she has acquiescence to the conduct of the respondent i.e., she has received the

refund of entire principal amount of Rs.11.00 lakh (paid by her to the respondent) without any demur. She has filed this case after a delay of almost six years without any justification in this regard and by this conduct, it is proved beyond cavil that she has no grievance other than unjustified interest.

4. The complainant submits with assertion that she was regular in payment of the due instalment and it was without any information to her regarding non-payment of instalment amount (if any) that the respondent without giving any notice to her, clandestinely sold her booked flat to another person illegally.

5. Learned counsel for the respondent is pressing that the MOU does not bear the signature of the complainant and hence it does not hold good legally, whereas the complainant submits that every page of the said document bears the signature of Rohit Singh, the Managing Director of the respondent-Company, wherein on page no.2 of the above said MOU, it is clearly mentioned that booking of flat in her favour has been done for Flat No.6 (6th floor) Block-A in Sarvayoni City for a total consideration amount of Rs.15,51,000/-.

6. The complainant further submits that since the said MOU bears the signature of the respondent, hence there is no doubt as regards the veracity of the terms and conditions outlined therein, in the said MOU.

7. Learned counsel for the respondent, when asked as to whether the signature on the said MOU is of the Managing Director or not, he did not deny the same, however, he submitted that since it is an unilateral agreement, it is difficult for him to acknowledge it.

8. The complainant, who is present in person, submitted that the MOU was executed after an agreement between the respondent (promoter) and the complainant and it was then duly signed by the promoter on every page of the MOU. The MOU was executed on 27.09.2017 and the said MOU was accepted in totality (as being the Agreement in force) by both the promoter as well as the buyer which is also substantiated by the fact that the promoter (respondent) accepted the payment as per the laid terms in the said MOU after duly confirming the same. In the MOU it was clearly mentioned that Flat No.6 on

the 6th Floor of Block-A in the project “Sarvayoni City” having super built-up area of 1290 Sq.ft. was booked in favour of the complainant Mrs. Annu Singh for a total consideration amount of Rs.15,51,000/- and till the period of signing of MOU, a total amount of Rs.5,35,714/- had been paid and remaining amount of Rs.10,15,286/- was to be paid in future instalments. She submitted that she had never defaulted in payment as per the schedule fixed by the respondent (promoter), on the contrary, she has always been in surplus as far as the payment of instalment is concerned.

9. The respondent, in utter violation of the terms and conditions as laid in the MOU and without informing her through any means and without formally cancelling her booking, entered into an absolute sale deed and sold the said flat to another person, namely, Shashi Bhushan Nath Tiwary and his wife Premlata Devi. The complainant said that the promoter had committed fraud on her and thus cheated her and therefore she requests for a direction to the promoter to make the payment of interest amount apart from penalty. She again said that contrary to the declaration made in the MOU, the respondent (promoter) refunded her the paid principal amount in successive instalments from March, 2024 till July, 2025. She submits that though she is in receipt of the entire principal amount of Rs.11.00 lakh paid by her, yet the concerned promoter (respondent) is liable for payment of interest at the rate of 8% simple interest to her as per the terms and conditions laid down in paragraph 3 of the MOU. She further prays for the interest to be paid to her by the promoter for the entire period from the date of payment made by her till the date of full payment of the principal amount refunded to her.

10. Perused the records of the case. After giving conscious, serious and judicious consideration to the facts and evidences pertaining to the matter in question, it is clear that the statement of the respondent regarding the case being barred by limitation does not hold good in the present case, as it is clear that the cause of this case arises after the final sale deed has been executed in favour of another person and the date of execution of such sale deed is 06.12.2024 and thus the case being barred by limitation, as prayed by the learned counsel for the respondent, is not sustainable in the present case.

11. It is clear that the MOU has been signed by the promoter (respondent) under his signature on 27.09.2017 and the same has not been denied by the respondent. It is thus clear that the said MOU has been executed after the enforcement of the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred to as “the RERA Act”). It is also clear that the promoter has accepted an amount more than 10% of the total consideration amount pertaining to the flat in question without any formal Agreement for Sale and has thus violated Section 13 of the RERA Act.

12. In such circumstances, this Bench has no other alternative but to consider the above referred MOU duly executed and signed by the respondent as the Agreement for Sale in this particular matter and thus, the terms and conditions outlined therein are binding on both the promoter (respondent) as well as the buyer (complainant). Paragraph 8 of the MOU explicitly outlines the responsibility of the developer/vendor to execute the absolute sale deed in favour of the vendee after completion of the project.

13. After hearing both the parties regarding the fact of the case and perusing the material available on record, it is clear that the vendor (respondent) has violated the said condition, as outlined in the above said paragraph 8 of the MOU and has entered into an absolute sale deed with another person without giving any notice, whatsoever and without pointing any deficiency on the part of the buyer (complainant) regarding payment of the due instalments. On the contrary, during the hearing, it was pointed out by the complainant that she had never defaulted; rather she was always surplus as far as the payment of instalments was concerned. It thus becomes clear that the promoter (respondent) has violated the provisions as contained in Section 11(4)(a) of the RERA Act.

14. The respondent cannot shirk off his responsibility by refunding only the principal amount and that too after enjoying the benefit of the principal amount for over six years in utter violation of the terms outlined in the MOU and which tantamounts to violation of the provisions laid under Section 11(4)(a) of the RERA Act. It thus becomes clear that the respondent has unethically deceived/cheated the complainant and hence, this Bench, in exercise of its power under Section 38 of the RERA Act, directs the respondent not only for

the payment of interest as laid under Rules 17 and 18 of the Bihar RERA Rules, 2017, but also for the payment of a penal amount as laid under Section 61 of the RERA Act, 2016. The interest amount shall be payable from the date of the payment made by the complainant to the respondent till the date of full refund made by the respondent to the complainant at the rate of 2% higher than the MCLR (Marginal Cost of Funds based Lending Rates). This Bench also directs the respondent to pay a penalty of Rs.77,550/- (5% of the total consideration amount of Rs.15,51,000/-) along with the above said interest amount within a period of 60 (sixty) days from the date of passing of this order.

15. With the above observations and directions, this case is accordingly disposed of.

Sd/-

(Sanjaya Kumar Singh)
Inquiry Commissioner,
RERA, Bihar