



GOA REAL ESTATE REGULATORY AUTHORITY
DEPARTMENT OF URBAN DEVELOPMENT
GOVERNMENT OF GOA

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Case no.4/RERA/Adj. Matters (65)/2022/892

Date: 30/11/2022

BEFORE THE ADJUDICATING OFFICER

Mr. Mackenno Baptisto P. Cardozo,
R/o Succomadem, Assolna,
Ambelim, Banda, Salcete, Goa.

..... Applicant/Complainant

Versus

Mr. Venkatesh Narayan Prabhu Moni,
505/B Dempo Trade Centre,
EDC Complex,
Patto Plaza, Panaji.

.....

Respondent

Learned Advocate Shri Neelesh Takkekar for the Applicant/Complainant.

Learned Advocate Shri Ankur Kumar for the Respondent.

ORDER

(Delivered on this 30th day of the month of November, 2022)

The present proceedings have arisen as a corollary to the complaint under Section 31 of the Real Estate (Regulation and Development) Act, 2016 filed by the applicant/complainant against the respondent. The above said complaint was disposed off in favour of the applicant/complainant by Order dated 25.08.2022 of the Goa RERA (for short GRERA). The said Authority GRERA directed as follows:-

“The notice dated 22.04.2022 of termination of agreements for construction cum sale dated 07.11.2016 is held to be bad in law. Moreover, the respondent is directed to give all the essential facilities/ supplies/connections and the quality of work as mentioned in the agreement for sale executed with the complainant before executing the sale deed/ deed of conveyance and doing other legal formalities.

The instant complaint is referred to the Adjudicating Officer for deciding compensation, if any, under Section 71 of the said Act.”

2. Thereafter, the matter was taken up before this Forum under Section 71 of the Real Estate (Regulation and Development) Act, 2016.
3. The applicant/complainant has filed his claim for compensation in Form “B” seeking compensation of ₹33,60,000/- (Rupees Thirty Three Lakhs Sixty Thousand only) towards 06 units for loss of business and damages suffered on account of non-availability of the premises to work for his gain and livelihood and in addition a sum of ₹50,000/- towards costs of litigation.
4. The respondent filed his reply to Form “B”, denying the case of the applicant.



5. Both the parties filed their affidavit in evidence and written arguments in support of their respective cases. The Ld. Advocate Shri N. Takkekar argued for the applicant/complainant. Ld. Advocate Shri Ankur Kumar argued for the respondent.
6. The point for determination and my finding to the same is as under:-

Point for determination	Finding
<i>Whether the respondent is liable to pay compensation to the applicant/complainant?</i>	<i>In the affirmative as per the order.</i>

REASONS

7. Briefly stated the facts not in dispute are that by 06 separate Agreements For Construction Cum Sale executed on various dates as shown in the table below at para 31 between the parties and duly registered in the Office of the Sub Registrar of Bardez at Mapusa, it was agreed that the respondent would construct 06 office units of different areas as shown in the table below at para 31 on the 6th floor of the project Prabhu Chambers for various sums as shown in the table below at para 31. It is also not in dispute that the various amounts were paid for the 06 office units by the applicant/complainant to the respondent as shown in the table below at para 31. The possession as agreed was to be handed over in 12 months subject to extension of 06 months from the date of execution of each agreement.



8. It is the applicant's case that:

a) The applicant has been denied the use and occupation of the said 06 office premises since 2017 when the respondent was supposed to handover its possession duly completed in all respects;

b) The respondent has committed irregularities by carrying out defective construction leading to accumulation of water which has rendered the parking allotted to the applicant/complainant unusable;

c) The water accumulation in the basement and lift duct area prompted the applicant/complainant and the other allottees to make a grievance about the malpractice and sub-standard work of the building complex to the Mapusa Municipality which resulted in revoking of the occupancy certificate thereby causing immense hardship and delay to operate the office premises;

d) In view of this delay the applicant has suffered loss of business and income as he was unable to operate the same by starting his own enterprise of real estate brokerage or would have given the premises on rental basis, thereby fetching approximately ₹40,000/- income per month which works out to ₹4,80,000/- per year for each unit;

e) The applicant has till date been unable to operate the said 06 units since the year 2017 and has therefore suffered a loss of ₹4,80,000/- per unit. The applicant/complainant has purchased altogether 06 units and the total loss works



out to ₹33,60,000/- as a result of incomplete work and non-availability of occupancy certificate;

f) This loss is solely attributable to the respondent for having not completed the project within the time agreed upon and for defaults in meeting the requests and conditions imposed by the Authority;

g) The applicant/ complainant had also to avail of professional legal services to appear in various courts namely the Hon'ble High Court, RERA Authority, Administrative Tribunal and Adjudicating Authority for such services for which a sum of ₹50,000/- has been accrued till date.

9. The respondent in his reply has listed out certain facts/developments beyond his control on account of which, the interests of the purchasers as well as the developers also suffered. Certain Authorities of the State in connivance with over ambitious purchaser Mr. Imran Sayed, abused the process of law, forcing the respondent to knock the doors of the higher Constitutional Authorities and Constitutional Court so as to ensure Rule of law. It is also contented by the respondent that the orders by the Collector as regard conversion, registration of F.I.R by the police, revocation of occupancy certificate by the Mapusa Municipal Council, frustrating the builder in restoration of occupancy certificate by seeking compliances in violation of the regulatory provisions; delay by the Municipal Council in removal of Kiosk, facilitation by the Municipal Council



in construction of illegal kiosk blocking access to the parking of an ongoing construction (Prabhu Chambers) are all the examples demonstrating the arm twisting methods used by the Authorities and Mr. Imran Sayed to harass the builder and frustrate his efforts in resolving the problems of the genuine customers.

10. In the affidavit in evidence and in the written arguments placed on record, the respondent has taken a defence of the pandemic of Covid-19 which has gripped the nation since March 2020 and has categorized the same as a 'Force Majeure' event which automatically extends the timeline for handing over possession of the office premises.
11. In terms of the six Agreements For Construction Cum Sale as shown in the table below at para 31 the possession of the office premises was agreed to be handed over to the applicant/complainant by the respondent in 12 months with extended period of 06 months as shown in the table below at para 31.
12. It cannot be disputed that the respondent had commenced the construction of the building Prabhu chambers somewhere in the year 2011 and till date the respondent has failed to complete the project in all respects and obtain the occupancy certificate by complying with the directions of the Mapusa Municipal Council and the GRERA Order dated 17.03.2022.



13. The applicant has placed on record the last Order of the Mapusa Municipal Council dated 22.08.2022 wherein the Chief Officer of Mapusa Municipal Council has declined the grant of Occupancy Certificate for the said construction as the respondent has failed to comply with six discrepancies listed out in the inspection report.
14. Ld. Advocate for the applicant/complainant has enumerated the defaults committed by the respondent namely the Order dated 25.11.2019 of the GRERA directing the respondent/developer to comply within the directions passed by Mapusa Municipal Council.
15. Ld. Advocate for the complainant also submitted that the respondent was directed to register the project in terms of Section 3 of the Real Estate (Regulation and Development) Act, 2016 before the RERA Authority in the complaint filed by Mr.Sanjay Raut bearing no. 3/RERA/COMPL (29)/2018/143. However, the said Order was never complied with.
16. Ld. Advocate for the applicant/ complainant referred to the common Order dated 17.03.2022 read with corrigendum dated 21.03.2022, with respect to the first batch of 36 complaints in the same project whereby the respondent/developer was directed to obtain occupancy certificate and give possession of the respective units to the respective complainants as per the chart given in para 83 and as per the area/revised area given in the respective



agreements for sale/addendum/demand letters etc. and with all the essential facilities/supplies/connections and the quality of work as mentioned in the agreements for sale executed with the complainants within two months from the date of this Order. The respondent has failed to comply with this Order too.

17. Ld. Advocate for the applicant/complainant also referred to the GRERA Order dated 25.08.2022 wherein the notice dated 22.04.2022 of termination of agreements for construction cum sale dated 07.11.2016 is held to be bad in law. Moreover, the respondent is directed to give all the essential facilities/supplies/connections and the quality of work as mentioned in the agreement for sale executed with the complainant before executing the sale deed/ deed of conveyance and doing other legal formalities. The respondent has failed to comply with this Order also.

18. Ld. Advocate for the applicant/complainant has submitted that, the conduct on the part of the respondent and the consequent imposition of penalty leads to the indisputable conclusion that the respondent is in default and due to such defaults the interest and right to hold, enjoy, occupy, possess and utilize for gain at the instance of the applicant/purchaser has been seriously jeopardised.

19. Ld. Advocate for the applicant/complainant submitted that in normal circumstances, any building project should have been completed in all respects in about 03 years or so. However, in the present case on account of the defaults



of the respondent the said completion of said project has been delayed considerably for which the respondent is duty bound and liable to compensate the applicant.

20. Ld. Advocate for the applicant/complainant submitted that the present building though constructed and standing does not have the required facilities which are contemplated under the law. Therefore, the respondent who is bound by the terms of the agreement has failed on all grounds and caused severe hardship and inconvenience to the applicant/purchaser.
21. Ld. Advocate for the applicant/complainant also submitted that the applicant/complainant has invested his hard earned savings for the office premises to meet his livelihood. However, the respondent has utilised the funds of the applicant/purchaser but has left the applicant/purchaser in distress.
22. Ld. Advocate for the applicant/complainant further submitted that the respondent is in direct breach of his obligations in terms of the agreement for construction cum sale and the addendum agreement executed for delivery of the office premises duly completed in all respects and is thereby liable to pay damages under the provisions of law.
23. It can be noticed that the very same defences taken by the respondent herein were similarly taken by the respondent in the first batch of 36 complaints before



the GRERA. The GRERA after pains taking note of and considering the very same defence and also the orders of the various Authorities and judgement of Hon'ble High Court concluded that the contentions of the respondent herein are untenable and accordingly held in the said common order dated 17.03.2022 that the respondent has failed to give possession of the said premises to the applicant/complainant as per the dates specified in the respective agreement for sale and therefore Section 18 of the RERA Act was squarely applicable. The GRERA also directed the respondent to obtain occupancy certificate and give possession of the respective units to the respective complainants with all essential facilities/supplies/connections and quality of work as mentioned in the agreement for sale executed with the complainants within two months from the date of this Order. The respondent has till date not complied with this Order. The said Order still stands and is yet to be set aside.

24. Further by the GRERA Order dated 25.08.2022 wherein the notice dated 22.04.2022 of termination of agreements for construction cum sale dated 07.11.2016 is held to be bad in law. Moreover, the respondent is directed to give all the essential facilities/ supplies/connections and the quality of work as mentioned in the agreement for sale executed with the complainant before executing the sale deed/ deed of conveyance and doing other legal formalities. The respondent has till date not complied with this Order. The said Order still stands and is yet to be set aside



25. The defence of the pandemic of Covid-19 raised by the respondent cannot be accepted as possession of the office premises in the present case was extendable not later than the year 2018 as shown in the table below at para 31 and the pandemic scenario commenced only in March 2020.
26. Taking into consideration all the above factors, there is no substance in the submissions advanced by Ld. Advocate for the respondent. On the contrary, there is considerable merit in the arguments advanced by Ld. Advocate for the applicant/complainant.
27. Ld. Advocate Shri N. Takkekar for the applicant/complainant has placed reliance in the case **ONGC LTD. v. SAW PIPES LTD. (2003) 5 Supreme Court Cases 705**. The Apex Court while dealing with Section 73 and 74 of the Contract Act has held that:

“(1) Terms of the contract are required to be taken into consideration before arriving at the conclusion whether the party claiming damages is entitled to the same.

(2) If the terms are clear and unambiguous stipulating the liquidated damages in case of the breach of the contract unless it is held that such estimate of damages/compensation is unreasonable or is by way of



penalty, party who has committed the breach is required to pay such compensation and that is what is provided in Section 73 of the Contract Act.

(3) Section 74 is to be read along with Section 73 and, therefore, in every case of breach of contract, the person aggrieved by the breach is not required to prove actual loss or damage suffered by him before he can claim a decree. The court is competent to award reasonable compensation in case of breach even if no actual damage is proved to have been suffered in consequence of the breach of a contract.

(4) In some contracts, it would be impossible for the court to assess the compensation arising from breach and if the compensation contemplated is not by way of penalty or unreasonable, the court can award the same if it is genuine pre-estimate by the parties as the measure of reasonable compensation.”

28. Section 18 of the Real Estate (Regulation and Development) Act, 2016 provides for return of amount and compensation. Section 18(3) provides that if the promoter fails to discharge any other obligation imposed on him under this Act or the rules and regulations made thereunder or in accordance with the terms and conditions of the agreement for sale, he shall be liable to pay such compensation to the allottees, in the manner as provided under this Act.



29. In the present case, the applicant has failed to establish that he intended starting real estate brokerage business in the said office premises. No documentary evidence has been produced on record in support thereof. However, it cannot be disputed that the applicant has alternately also claimed rental amount that he could have obtained had he given the 06 office premises on rent. The said office premises being at a prime location in the City of Mapusa, would have easily fetched rental amounts as shown in the said table below at para 31 per month. Considering that the said office premises ought to have been handed over not later than as shown in the said table below at para 31, the cause of action for claim for compensation could be taken as shown in the said table below at para 31 and the approximate reasonable rental income could be calculated effective from the dates as shown in the said table below at para 31 till the date of this Order.
30. The applicant has also claimed for compensation of ₹50,000/- towards costs of litigation for having been dragged into litigation by the respondent before various Courts/Forums. The respondent has not denied this claim. In the circumstances, the respondent shall be liable to pay ₹25,000/- (Rupees Twenty Five Thousand only) to the applicant towards costs of litigation.
31. Given below is a table containing details pertaining to the applicant/complainant Mr. Mackenno Baptisto P. Cardozo, his unit numbers, area, agreement execution date, amount paid, date of possession as per the agreement, extended



date of possession as per the agreement, last date of possession, date of cause of action, approximate rental income per month and total rental income:-

Sr. No	Unit No	Area (in sq. mtrs.)	Agreement Execution Date	Amount paid	Date of possession as per the agreement	Extended date of possession as per the agreement	Last date of possession	Date of cause of action	Approximate rental income per month	Total rental income
1.	6 SF 5	40.05	07.11.2016	16,02,000	12 months	6 months	07.05.2018	01.06.2018	12,000	6,48,000
2.	6 SF 2	40.05	07.11.2016	16,02,000	12 months	6 months	07.05.2018	01.06.2018	12,000	6,48,000
3.	6 SF 16	21.26	07.11.2016	8,50,400	12 months	6 months	07.05.2018	01.06.2018	6,000	3,24,000
4.	6 SF 4	40.05	07.11.2016	16,02,000	12 months	6 months	07.05.2018	01.06.2018	12,000	6,48,000
5.	6 SF 6	52.04	07.11.2016	20,81,600	12 months	6 months	07.05.2018	01.06.2018	15,000	8,10,000
6.	6 SF 3	40.05	07.11.2016	16,02,000	12 months	6 months	07.05.2018	01.06.2018	12,000	6,48,000
Total										37,26,000

32. The point for determination, accordingly, is answered in the affirmative.
33. Before parting with this Order it is necessary to mention that the claim for compensation was filed on 12.10.2022. The respondent sought time to reply on 26.10.2022 and filed the same on 03.11.2022. The complainant filed affidavit in evidence and written arguments on 12.11.2022. The respondent filed affidavit in evidence and written arguments on 17.11.2022. Oral arguments were advanced on 24.11.2022. The matter has been disposed off by Order dated 30.11.2022.


In the result, I pass the following:-

ORDER

The respondent shall be liable to pay:-



- (a) Compensation quantified in the amount of ₹37,26,000/- (Rupees Thirty Seven Lakhs Twenty Six Thousand only) for violation under Section 18(3) read with Section 71 and 72 of The Real Estate (Regulation and Development) Act, 2016 to the applicant/complainant towards notional loss of rental income which the applicant/complainant would have reasonably earned conservatively per month for all the 06 units from the dates as shown in the said table at para 31.
- (b) Compensation of ₹25,000/- (Rupees Twenty Five Thousand only) under Section 71 read with Section 72 of The Real Estate (Regulation and Development) Act, 2016 to the applicant/ complainant towards costs of litigation.
- (c) Both the above amounts shall be paid by the respondent to the applicant/complainant within one month from the date of this Order. In default, the respondent shall be liable to pay to the applicant/complainant the said amounts with interest at the rate 10.35% per annum till the date of realisation.


30/11/2022
(Ashley L.C. Noronha)
Adjudicating Officer,
Goa RERA