

West Bengal Real Estate Regulatory Authority
Calcutta Greens Commercial Complex (1st Floor)
1050/2, Survey Park, Kolkata- 700 075

Complaint No.WBRERA/COM (PHYSICAL)000169

Manoj Kothari & Mala Kothari..... Complainants

Vs

Ideal Unique Realtors Private Limited & Ors..... Respondent no. 1-12

Yes Bank Limited Respondent No. 13

The Authorized Officer, Yes Bank Limited Respondent No. 14

Sl. Number and date of order	Order and signature of the Authority	Note of action taken on order
01 24.12.2024	<p>Advocate Pratyush Patwari (Mob. No. 9831283208 & email Id: patwariandassociates@gmail.com) is present in the physical hearing today on behalf of the Complainant filing Vakalatnama and signed the Attendance Sheet.</p> <p>Advocate Srijeeta Gupta (Mob. No. 8240159491 & email Id: srijeetagupta8@gmail.com) is present in the hearing through online mode today on behalf of the Ideal Unique Realtors Private Limited and its Directors, filing Vakalatnama and hazira through email.</p> <p>Advocate Mr. Sourjya Roy (Mob. No. 9836486947 & email Id: srjroy8@gmail.com) is present in the hearing through online mode today on behalf of the Respondent No. 13 and 14, filing Vakalatnama and and hazira through email.</p> <p>Heard all the parties in detail.</p> <p>As per the Complaint Petition, the fact of the case is that,-</p> <p>a) Respondent no. 1-14 are 'Promoter' of Ideal Unique Centre located at premises no.10, East Topsia Road, P.S. - Tiljala, Kolkata - 700046, within the meaning of section 2(zk) of Real Estate (Regulation and Development) Act, 2016 (hererinafter referred to as the 'RERA Act').</p> <p>b) By an Agreement for Sale dated 06.04.2021 executed between Javed Ahmed Khan & Ors., all resident of Municipal Premises no.2 Golam Jelani Khan Road, P.S. - Tiljala, Kolkata - 700039, referred to as 'Owners', M/s Ideal Unique Realtors Private Limited referred to as 'Developer' and M/s IUC5G LLP referred to as Buyer, the said M/s ICU5G LLP had agreed to purchase unit no.5G, 5th floor, admeasuring carpet area of 2437 sq.ft. alongwith covered car parking space of 4 (four) medium sized car located at said premises for total consideration of Rs.3,64,80,640/-.</p>	

- c) By Supplementary Agreement dated 06.04.2021 executed between aforesaid Javed Ahmed Khan & Ors. referred to as 'Owners', M/s Ideal Unique Realtors Private Limited referred to as Developer and the said M/s IUC5G LLP referred to as 'Buyer', the said Buyer had paid a some of Rs.20,08,950/- for providing air condition facility to the said unit 5G located at the said premises.
- d) The Complainant was the Partner in M/s IUC5G LLP. The Complainant as Partner of the said M/s IUC5G LLP had invested the entire consideration amount for purchasing the said unit no. 5G as well as covered car parking space of 4 medium sized car as well as aforesaid consideration amount for providing air conditioning facility at the said premises.
- e) The Complainant had retired and / or ceased to be partner in M/s IUC5G LLP. At the time of retirement and/or ssession from the Partnership Business, it was mutually decided amongst the partners of M/s IUC5G LLP, that the said LLP shall be releasing in favour of the Complainant all its rights, title and interest in the said unit no. 5G, which the said M/s IUC5G LLP had acquired by the aforesaid Agreement for Sale dated 06.04.2021 and Supplementary Agreement dated 06.04.2021.
- f) Accordingly by registered Agreement for Sale dated 23.09.2022 the Complainant had agreed to purchase the said unit no.5G.
- g) The said M/s IUC5G LLP by executing letter dated 23.09.2022 address in favour of the Complainant had confirmed the fact that all the right, title, interest in respect of unit no.5G have been absolutely transfer to the Complainant.
- h) The Complainant stated that the entire consideration amount of Rs.3,84,89,590/- of the said unit 5G have been paid to the Respondent no.1.
- i) The Complainant through public notice dated 18.03.2024 for the first time came to know that the Respondent no.1 had mortgaged the Developer's share in the project which also includes aforesaid unit 5G in order to avail a loan from Yes Bank Limited - Respondent no.13.
- j) It appears to the Complainant the Respondent no.1 had defaulted in making payment of the loan amount to Respondent no.13, following which public notice dated 18.03.2024 was issued by Respondent no.14.
- k) The Complainant stated that the Respondent no.1 had never disclosed to the Complainant facts related to such mortgage to the Complainant.
- l) The Complainant also stated that the Yes Bank also violated the Rule 6 of Master Circular dated 01.07.2015 issued by Reserve Bank of India.
- m) As per the Complainant, it is apparent that there is deep routed criminal conspiracy between Respondents in matter related to apparent violation of Rule 6 of Master Circular dated 01.07.2015 issued by RBI.
- n) Apart from aforesaid it is found that no steps have ever been taken for causing registration of the instant project with WBRERA Authority under the RERA Act.

- o) The Complainant also stated that the construction of the said unit no.5G was scheduled to be completed within June 2022 but till date the construction work is not completed.
- p) The Complainant would have easily earned a rental income of Rs.3,00,000/- from July 2022 onwards but such rental income could not be earned by the Applicant since the construction is not complete yet.

The Complainants pray before the Authority for the following relief(s):-

- a) Refund of Rs.3,64,80,640/- paid by the Complainant for purchasing unit no.5G as per section 18 of the RERA Act.
- b) Refund of Rs.20,08,950/- paid for air conditioning facility in the said unit.
- c) Interest at the rate of 17% on the aforesaid total amount of Rs.3,84,89,590/- as per the RERA Act.
- d) Compensation amount of Rs.72,00,000/- with interest thereon at the rate of 17% per annum.
- e) Interim and further interest on judgment.
- f) Such further order or orders as the Authority deems fit.

Complainants pray before the Authority for the following interim relief(s):-

An interim order restraining the Respondents from transferring and / or alienating and/or selling the said unit no.5G alongwith covered car parking space of 4 medium sized car to any third party during the pendency of the instant proceeding.

The Complainants stated at the time of hearing that as the flat is not yet completed and the schedule date of delivery of the flat has already been lapsed in July 2022 therefore as per section 18 of the RERA Act he wants refund of his money alongwith interest and till the disposal of this matter, the Yes Bank Limited should be restrain from taking any further action in respect of the notice dated 18.03.2024. He requested for necessary direction for stay of all the proceedings taken by the Respondent no.13 and 14.

The Advocate of the Respondent no. 13 and 14 stated that the Bank deals with public money and the property is a mortgaged property. The subject matter flat has been mortgaged with the Yes Bank Limited by the Ideal Real Estates Private Limited. The Respondent has taken action as per law in accordance with section 13(4) of the SARFAESI Act. The said section provides that,-

“section 13(4).- In case the borrower fails to discharge his liability in full within the period specified in sub-section (2), the secured creditor may take recourse to one or more of the following measures to recover his secured debt, namely:-

- (a) take possession of the secured assets of the borrower including the right to transfer by way of lease, assignment or sale for realizing the secured asset;”.

He also stated that section 17 of the SARFAESI Act provides that, -

“section 17.- Application against measures to recover secured debts.- (1) Any person (including borrower), aggrieved by any of the measures referred to in sub-section (4) of section 13 taken by the secured creditor or his authorized officer under this Chapter, may make an application along with such fee, as may be prescribed, to the Debts Recovery Tribunal having jurisdiction in the matter within forty-five days from the date on which such measure had been taken.”.

The Respondent stated that any person including the present Complainants can take recourse of section 17 of the SARFAESI Act, if they are aggrieved with any action taken by the bank against the said person in exercise of the provision contained in section 13(4) of the SARFAESI Act.

He also stated that the submission of the Promoter Ideal Real Estates Private Limited required to be taken in this matter for proper adjudication.

Before admitting this matter, first it has to be considered whether this Complaint Petition can be admitted for hearing under section 31 of the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred to as the 'RERA Act').

Section 31 provides that,-

“section 31. **Filing of complaints with the Authority or the adjudicating officer.**—(1) Any aggrieved person may file a complaint with the Authority or the adjudicating officer, as the case may be, for any violation or contravention of the provisions of this Act or the Rules and Regulations made there under, against any promoter, allottee or real estate agent, as the case may be.

Explanation:—For the purpose of this sub-section “person” shall include the association of allottees or any voluntary consumer association registered under any law for the time being in force.

(2) The form, manner and fees for filing complaint under sub-section (1) shall be such as may be prescribed.”.

Therefore the question is whether Yes Bank Limited can be considered as Promoter or not. In this respect a Judgment of High Court of Judicature for Rajasthan Bench at Jaipur may be taken into consideration.

As per the said Judgment of High Court of Judicature for Rajasthan Bench at Jaipur in the matter of D.B. Civil Writ Petition No. 13688/2021 and other connected matters, the Hon'ble High Court has been pleased to observe that, -

“28. The last question surviving for our consideration is, does RERA have the authority to issue any directions against a bank or financial institution which claims security interest over the properties which are subject matter of agreement between the allottee and the developers. The term “allottee” has been defined under Section 2(d) of the RERA Act as to mean in relation to real estate project the person to whom a plot, apartment or building has been allotted, sold or otherwise transferred by the promoter and would include a person who subsequently acquires the said allotment through sale, transfer or otherwise but

under:-

"2(zk) "promoter" means,—

- (i) a person who constructs or causes to be constructed an independent building or a building consisting of apartments, or converts an existing building or a part thereof into apartments, for the purpose of selling all or some of the apartments to other persons and includes his assignees; or
- (ii) a person who develops land into a project, whether or not the person also constructs structures on any of the plots, for the purpose of selling to other persons all or some of the plots in the said project, whether with or without structures thereon; or
- (iii) any development authority or any other public body in respect of allottees of—
 - (a) buildings or apartments, as the case may be, constructed by such authority or body on lands owned by them or placed at their disposal by the Government; or
 - (b) plots owned by such authority or body or placed at their disposal by the Government, for the purpose of selling all or some of the apartments or plots; or
- (iv) an apex State level co-operative housing finance society and a primary co-operative housing society which constructs apartments or buildings for its Members or in respect of the allottees of such apartments or buildings; or
- (v) any other person who acts himself as a builder, coloniser, contractor, developer, estate developer or by any other name or claims to be acting as the holder of a power of attorney from the owner of the land on which the building or apartment is constructed or plot is developed for sale; or
- (vi) such other person who constructs any building or apartment for sale to the general public.

Explanation.—For the purposes of this clause, where the person who constructs or converts a building into apartments or develops a plot for sale and the person who sells apartments or plots are different person, both of them shall be deemed to be the promoters and shall be jointly liable as such for the functions and responsibilities specified, under this Act or the rules and regulations made there under;

29. The term "real estate agent" has been defined in Section 2(zm) as to mean any person who negotiates or acts on behalf of one person in a transaction of transfer of his plot, apartment or building in a real estate project by way of sale with another person and who receives remuneration or charge for the services so rendered. Under sub-section (1) of Section 31, any aggrieved person may file a complaint before RERA or before the adjudicating officer for any violation or contravention of the provisions of the Act or the rules and regulations against any promoter, allottee or real estate agent, as the case may be. The complaint by an aggrieved person thus would be restricted to being filed against any promoter, allottee or real estate agent. It is in this context the

definition of term "promoter" and its interpretation assumes significance. We have reproduced the entire definition of the term "promoter". Perusal of this provision would show that the same is worded "as to mean" and therefore prima facie is to be seen as restrictive in nature. However various clauses of Section 2(zk) would indicate the desire of the legislature to define this term in an expansive manner. As per Clause (i) of Section 2(zk) "promoter" means a person who constructs or causes to be constructed an independent building or a building consisting of apartments, or converts an existing building or a part thereof into apartments, for the purpose of selling all or some of the apartments to other persons and includes his assignees. By couching this clause in "means and includes" language the definition of a term "promoter" is extended by including within its fold not only a person who constructs or causes construction of independent building but also his assignees.

30. The term "assignee" has not been defined anywhere in the Act. We would therefore have to interpret the term as it is ordinarily understood in the legal parlance in the context of the provisions of RERA Act. The Advance Law Lexicon by P. Ramanatha Aiyar expands the term "assignee" as to grant, to convey, to make an assignment; to transfer or make over to another the right one has in any object as in an estate. It further provides that an assignment by act of parties may be an assignment either of rights or of liabilities under a contract or as it is sometimes expressed an assignment of benefit or the burden of the contract. The rights and liabilities of either party to a contract may in certain circumstances be assigned by operation of law, for example when a party dies or becomes bankrupt."

Therefore, from the above observations of the Hon'ble High Court and from the definition of "Promoter" as provided in section 2(zk) of the RERA Act, the Authority is of the considered opinion that **Yes Bank Limited is a Promoter** in the present matter for the following reasons:-

The definition of Promoter as provided in section 2(zk) of the RERA Act provides that Promoter means and includes his assignees also and Yes Bank Limited can be considered as an assignee as in this case the Promoter Ideal Real Estates Private Limited has assigned its right, title and interest to the Yes Bank Limited by mortgaging the subject matter flat with the said Bank. Therefore, it is crystal clear that Yes Bank Limited is an assignee of the Ideal Real Estate Private Limited and therefore it is also a Promoter as per the definition of Promoter in the RERA Act in the present case.

It is to be mentioned here that the Hon'ble Supreme Court of India in Civil Appellate Jurisdiction in Civil Appeal No(s). 6745 - 6749 of 2021 (Arising out of SLP (Civil) No(s). 3711-3715 of 2021) in the matter of M/s. Newtech Promoters And Developers Pvt. Ltd.....Appellant(s) Vs State of UP & Ors. etc.....Respondent(s) dated 11.11.2021 has been pleased to held that,-

"Looking to the scheme of Act 2016 and Section 3 in particular of which a detailed discussion has been made, all 'ongoing projects' that commence prior to the Act and in respect to which completion certificate has not been issued are covered under the Act. It manifests that the legislative intent is to make the Act applicable not only to the projects which were yet to commence after the Act

became operational but also to bring under its fold the ongoing projects and to protect from its inception the inter se rights of the stake holders, including allottees/home buyers, promoters and real estate agents while imposing certain duties and responsibilities on each of them and to regulate, administer and supervise the unregulated real estate sector within the fold of the real estate authority.”.

From the above observations of Hon’ble Supreme Court of India, the subject matter project and this Complaint matter come within the purview of the provisions of the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred to as the ‘RERA Act’), as per the provision of section 3 of the RERA Act, because the Completion Certificate of the project has been issued on 17.11.2017 which is after the coming into force of the provisions of the RERA Act with effect from 01.05.2017.

Therefore, after hearing all the parties and after taking into consideration the documents placed on record, the Authority is pleased to admit this matter for further hearing and order as per the provisions contained in Section 31 of the Real Estate (Regulation and Development) Act, 2016 read with Rule 36 of the West Bengal Real Estate (Regulation and Development) Rules, 2021.

Now to take a decision regarding the interim orders and the stay orders prayed by the Complainant the Authority has to consider some points which are as follows:-

The first thing to be considered by the Authority that action has been taken by the Yes Bank Limited as per the provisions of SARFAESI Act specifically section 13(4) of the said Act. Whether RERA Act will prevail over the provisions of SARFAESI Act is to be considered.

In this regard section 89 of the RERA Act is surely to be taken into consideration which provides that,-

“Section 89. Act to have overriding effect.- The provisions of this Act shall have effect, notwithstanding anything inconsistent therewith contained in any other law for the time being in force.”.

Therefore section 89 of the RERA Act clearly and unequivocally provides that RERA Act shall override and prevail over any other law for the time being in force and from which it can be concluded that RERA Act shall prevail over the provisions of the SARFAESI Act whenever there is a contradiction between the provisions of the said two Acts.

In this regard the Judgment of the Supreme Court of India in Petition for Special Leave to Appeal (C) Nos. 1861-1871/2022 in the matter of Union Bank of India Vs Rajasthan Real Estate Regulatory Authority & Ors. also should be taken into consideration. The Apex Court in the said matter has been pleased to direct that,-

“36. Our conclusions can thus be summarized as under:-

(i).....

(ii).....

(iii) As held by the Supreme Court in the case of Bikram Chatterji (Supra) in the event of conflict between RERA Act and SARFAESI Act the provisions contained in RERA would prevail

(iv).....

(v) RERA authority has the jurisdiction to entertain a complaint by an aggrieved person against the Bank as a secured creditor if the Bank takes recourse to any of the provisions contained in section 13(4) of the SARFAESI Act.

However, is it clarified that para 36(v) reproduced hereinabove shall be applicable in a case where proceedings before the RERA Authority are initiated by the Home Buyers to protect their rights. With this, the Special Writ Petition are dismissed.”

With the above observation of Hon'ble Supreme Court of India it can be clearly stated that the provisions of RERA Act shall prevail over the provisions of the SARFAESI Act whenever there is a contradiction between the two Acts and therefore, the WBRERA Authority has every power and jurisdiction to admit the present Complaint and heard the matter as per the provisions of RERA Act and pass orders including stay orders as per the provisions of the RERA Act.

The second question to be considered whether a stay order is actually required or not in the present matter.

In this regard it is to be considered that the RERA Act is a later / subsequent Act and it is a Special Act to protect the right, title and interest of the Allottees / Home Buyers. Although the Yes Bank Limited has taken action as per the provisions of section 13(4) of the SARFAESI Act but this action of the Bank clearly violated and hampered the right of the Complainants who are in the peaceful possession of the subject matter flat. Already registration of the flat has been done in favour of the Complainants and they are in the peaceful possession of the said flat.

In this regard section 11(4)(g) and 11(4)(h) of the RERA Act should be taken into consideration which provides that, -

“section 11(4). The Promoter shall -

(a) ;.....

(g) pay all outgoings until he transfers the physical possession of the real estate project to the allottee or the associations of allottees, as the case may be, which he has collected from the allottees, for the payment of outgoings (including land cost, ground rent, municipal or other local taxes, charges for water or electricity, maintenance charges, including mortgage loan and interest on mortgages or other encumbrances and such other liabilities payable to competent authorities, banks and financial institutions, which are related to the

project):

Provided that where any promoter fails to pay all or any of the outgoings collected by him from the allottees or any liability, mortgage loan and interest thereon before transferring the real estate project to such allottees, or the association of the allottees, as the case may be, the promoter shall continue to be liable, even after the transfer of the property, to pay such outgoings and penal charges, if any, to the authority or person to whom they are payable and be liable for the cost of any legal proceedings which may be taken therefor by such authority or person;

section 11(4)(h).- after he executes an agreement for sale for any apartment, plot or building, as the case may be, not mortgage or create a charge on such apartment, plot or building, as the case may be, and if any such mortgage or charge is made or created then notwithstanding anything contained in any other law for the time being in force, it shall not affect the right and interest of the allottee who has taken or agreed to take such apartment, plot or building, as the case may be.”.

Therefore being the Promoters of this project, the Ideal Real Estate Private Limited and the Yes Bank Limited are both under the obligation to deliver the flat to the Complainants free of any charge, mortgage etc. as per the provisions contained in section 11(4)(g) and 11(4)(h) of the RERA Act, as mentioned above. Both the Promoters have failed in their obligations. The Complainants have no fault in their part therefore their rightful peaceful possession from the said flat cannot be ousted by operation of the SARFAESI Act. Therefore an interim order of stay should be imposed upon the Yes Bank Limited until the disposal of this matter or until further order of this Authority, whichever is earlier.

This Authority has the power to issue interim orders including stay order in exercise of the provision contained in section 36 of the RERA Act. Section 36 of the RERA Act provides that,-


“section 36. Power to issue interim orders.—Where during an inquiry, the Authority is satisfied that an act in contravention of this Act, or the rules and regulations made thereunder, has been committed and continues to be committed or that such act is about to be committed, the Authority may, by order, restrain any promoter, allottee or real estate agent from carrying on such act until the conclusion of such inquiry or until further orders, without giving notice to such party, where the Authority deems it necessary.”.

Therefore, after hearing all the parties in the physical hearing today and careful consideration the Complaint Petition and documents annexed with the said Petition, the Authority is pleased to give the following directions:-

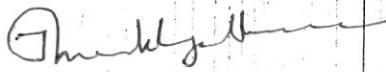
- a) An interim order of **stay** is hereby imposed restraining the Respondents and their men, agents and officers from dispossessing the Complainants from the subject matter flat being **Flat No. 5G, 5th Floor** of the project named **Ideal Unique Centre** located at premises no.10, East Topsia Road, P.S. – Tiljala, Kolkata – 700046, during the pendency of the instant proceeding or until further order, whichever is earlier.

- b) An interim order of **stay** restraining the Respondents and their men, agents and officers from causing any disturbance and / or obstruction and / or nuisance in any manner whatsoever in peaceful enjoyment of the said flat and facilities attached thereto by the Complainants, during the pendency of the instant proceeding or until further order, whichever is earlier.
- c) An interim order of **stay** restraining the Respondents from transferring and / or alienating and / or selling the said flat to any third party, during the pendency of the instant proceeding or until further order, whichever is earlier.
- d) The Complainants are hereby directed to submit their total submission regarding his Complaint Petition on a Notarized Affidavit annexing therewith notary attested/self-attested of supporting documents and a signed copy of the Complaint Petition and send the Affidavit (in original) to the Authority, serving a copy of the same to the Respondent, both in hard and scan copies, within **30 (thirty)** days from the date of receipt of this order through email.
- e) The Respondents are hereby directed to submit his Written Response on notarized affidavit regarding the Complaint Petition and Affidavit of the Complainants, annexing therewith notary attested supporting documents, if any, and send the Affidavit (in original) to the Authority serving a copy of the same to the Complainants, both in hard and scan copies, within **30 (thirty)** days from the date of receipt of the Affidavit of the Complainants either by post or by email, whichever is earlier.

Fix **13.06.2025** for further hearing and order.


(BHOLANATH DAS)
Member

West Bengal Real Estate Regulatory Authority


(TAPAS MUKHOPADHYAY)
Member

West Bengal Real Estate Regulatory Authority