

M/S Impact Sare Magnum Townships ... vs Shiv Rattan Kapahi on 1 June, 2026

STATE CONSUMER DISPUTES REDRESSAL COMMISSION
U.T., CHANDIGARH

[ADDITIONAL BENCH]

Appeal No. : 131 of 2025
Date of Institution : 19.03.2025
Date of Decision : 01.06.2026

1. M/s Impact Sare Magnum Townships Pvt. Ltd., Regd. Office Address:
1st & 2nd Floor, G-317, Bhai Randhir Singh Nagar, Ludhiana -
141012-PB

Site Office Address: Crescent Parc, Vill. and Post office Vallaha, GT
Road, Bye-pass Amritsar - 143501-PB through its Director

2. Managing Director & Directors (Now Director & Directors), M/s Impact
Sare Magnum Townships Pvt. Ltd., Regd. Office Address: 1st & 2nd
Floor, G-317, Bhai Randhir Singh Nagar, Ludhiana 141012 PB

Site Office Address: Crescent Parc, Vill and Post office Vallah, GT
Road, Bye-pass Amritsar 143501 PB

Both appellants through Shri Ajay Singh Cheema, Director, M/s
Impact Sare Magnum Townships Pvt. Ltd.

.....Appellants/Opposite Parties

Versus

1. Shiv Rattan Kapahi, son of Sh. Ram Rattan Kapahi, aged about 78
years (Sr. Citizen), resident of H.No.621, Ground Floor, Sector 41-A,
Chandigarh 160036
2. Sandeep Kapahi S/o Sh. Shiv Rattan Kapahi, aged about 49 years,
resident of H.No.621, Ground Floor, Sector 41-A, Chandigarh-160036

.....Respondents/Complainants

BEFORE: MRS. PADMA PANDEY, PRESIDING MEMBER

MR. RAJESH K. ARYA, MEMBER Argued by:

Sh. Mrigank Sharma, Advocate for the appellants Dr. Sunil Mallan, Advocate for the
respondents PER SH. RAJESH K. ARYA, MEMBER The instant appeal has been filed
by the opposite parties -M/s Impact Sare Magnum Township Pvt. Ltd. & Anr.
(appellants herein) seeking setting aside of order dated 17.01.2025 passed by the
District Consumer Disputes Redressal Commission-II, U.T., Chandigarh, whereby

the consumer complaint filed by the complainants (respondents herein) bearing No.93 of 2022 has been partly allowed by granting following relief:-

"16. In view of the above discussion, the present consumer complaint deserves to succeed and the same is accordingly partly allowed. OPs are directed as under :-

(i) to refund the total deposited amount i.e. 23,60,270 / - to the complainants alongwith interest @ 9% per annum from the date of respective deposits till the date of actual realization.

(ii) to also pay lump sum amount of 50,000/- to the complainants as compensation for the harassment caused to them as well as litigation expenses.

17. This order be complied with by OPs within 60 days from the date of receipt of its certified copy."

2. Briefly stated the case of the complainants before the District Commission was that on 31.3.2012, they had purchased a 200 sq. yds. plot No.106 at 'Crescent ParC' A situated at village and post office Vallah GT Road, Bypass, Amritsar, Punjab and paid total booking amount of 2,09,900/-. The total sale consideration of the said plot was 24,26,000/-. As per booking application, the opposite parties had assured to hand over possession of the duly developed plot by 31.12.2013 and they were entitled to grace period of 6 months. Further the opposite parties promised to compensate the complainants @ 5/- per sq.mt. of the area of the plot per month for the period of delay. Thereafter, till 2.4.2014, the complainants paid total amount of 23,60,270/- to the opposite parties on various dates which was even acknowledged by them vide letter dated 2.9.2021 (Ex.C-6). Copies of allotment letter dated 18.10.2012 and plot buyer agreement dated 4.4.2013, Ex.C-7 & Ex.C-8, were annexed alongwith the complaint. At the time of booking, the opposite parties had also convinced the complainants that they had already obtained the necessary approvals from the respective authorities. Vide letter dated 25.3.2014 (Ex.C-9), the opposite parties offered possession but when the complainants visited the plot, there was only barren land with no marking of plot, no connecting roads, no sewerage, water and electricity supply. The complainants sent various representations from 2014 till 2021 and finally served legal notice dated 27.9.2021 but with no success. It was averred that in fact the opposite parties admitted vide their letter dated 2.9.2021 that they had applied to the competent authority for completion certificate on 21.10.2019 and the matter was under consideration. Alleging that the aforesaid acts amounted to deficiency in service and unfair trade practice on the part of the opposite parties, complainants filed a consumer complaint before the District Commission primarily praying therein for directions to the opposite parties to deliver legal possession of the plot in question or in the alternative to refund the amount alongwith interest etc. besides other reliefs.

3. On the other hand, the opposite parties, while resisting the consumer complaint by filing their written version before the District Commission, admitted that the complainants booked the plot in question in their project and as per clause 14 of the terms & conditions, the opposite parties shall endeavour to hand over possession of the plot by 31.12.2013 subject to timely payment by intending allottee(s) towards the total consideration and other charges. It was pleaded that the complainants failed to adhere to the same despite the fact that possession was offered way back vide letter dated 25.3.2014. It was further pleaded that the time frame of possession was tentative and subject to multiple factors such as timely and prompt payment of installments and timely receipt of all approvals from the concerned authorities. However, it was denied that the complainants made all the payments on time. It was further pleaded that vide letter dated

2.9.2021, the opposite parties replied that as per record, the complainants had paid 23,60,270/-. It was further pleaded that the colony was approved by the Amritsar Development Authority and there was no condition of licence in the same. It was further pleaded that letter dated 21.10.2019 was the latest letter regarding application for completion certificate and the opposite parties had been pursuing for the same since 25.4.2017. Remaining allegations were denied being false. Pleading no deficiency in service or unfair trade practice on their part, the opposite parties prayed for dismissal of the consumer complaint.

4. The complainants filed replication before the District Commission wherein they reiterated the averments contained in their complaint and repudiated those as stated in the written version of the opposite parties.

5. The parties led evidence in support of their respective cases before the District Commission.

6. After considering the rival contentions of the parties and going through the material available on record, the District Commission partly allowed the complaint as stated above.

7. The appellants/opposite parties have assailed the order of the District Commission on multiple grounds contending that the complaint was grossly time-barred, as the allotment was made on 18.10.2012, agreement was executed on 04.04.2013, possession was offered/handed over on 25.03.2014 and the complaint was filed only on 27.01.2022 without any application for condonation of delay, rendering it not maintainable; that even as per the complainant's own case alleging "paper possession" in 2014, the cause of action had arisen at least by 31.12.2013 (scheduled date of possession) or 25.03.2014 (issuance of possession letter Annexure A- 2/Ex.C-9) and thus, the complaint ought to have been filed within the prescribed limitation period of two years under consumer law (or three years under civil law for refund), failing which, the same amounted to abuse of process; that limitation being a pure question of law strikes at the root of jurisdiction and the District Commission has exercised jurisdiction not vested in it; that the complaint was also not maintainable for lack of territorial jurisdiction as the project is situated at Amritsar and no cause of action arose at Chandigarh; that the complainant has not approached the District Commission with clean hands since possession was duly offered along with requisite statutory approvals from the

Amritsar Development Authority and supported by photographs (Ex.R-1 to R-4), showing the project was ready for construction, which the complainants themselves failed to undertake; that non-issuance of completion certificate was due to technical reasons and not for want of development and in a plotted development, delivery of clear, unencumbered possession with basic infrastructure sufficed; that out of more than 350 plots, possession has been delivered and several allottees are residing; that the complainants failed to deposit requisite charges including stamp duty and other fees for execution of the sale deed despite repeated requests, thereby attracting holding charges; that all development works, including roads, sewerage, water supply, electrification, storm water drainage and horticulture stood completed in 2013 in terms of the buyer agreement (Annexure A-1); that in absence of construction within stipulated time, levy of holding charges was justified and the plea of non-delivery of possession is untenable and finally, that the interest awarded by the District Commission is excessive and liable to be suitably reduced. Lastly prayer for allowing the appeal and setting aside the impugned order has been made by the appellants.

8. On the other hand, on behalf of the respondents/complainants, it has been contended that the District Commission has rightly rejected the pleadings raised by the opposite party and allowed the complaint after due appreciation of facts and the documentary evidence on record. It has further been stated that the complaint filed before the District Commission was within limitation period. It has further been stated that the appellant submitted a cheque of 25 lac on 12.03.2025 before the District Commission but failed to pay the further amount and thus, failed to comply with the decretal order. It has further been stated that the appellants are just planning fraudulently by filing the present appeal and other illegal acts to cause the undue delay in paying the due amount and further failed to place on record copies of all the statutory and mandatory approvals with the appeal to show their bonafide such as occupation certificate, completion certificate and other approvals. It has further been stated that the plot is located at the address as mentioned Crescent ParC, Amritsar but the appellants are running their business/working for gain within the territorial jurisdiction of this Commission at Chandigarh. It has further been stated that the last communication between the parties was held within the jurisdiction of this Commission at Chandigarh and as such, the complaint before the District Commission was maintainable.

9. It has further been contended that purchasing a plot duly established the relationship of customer and buyer between the parties. It has further been stated that the appellants are liable for the intentional breach of contract as per Section 73 of Indian Contract Act as they did not complete the project on time and also caused a lot of inconvenience to the respondents. It has further been stated that the development of the project is over delayed or no development is there and is not in line with the promise and the government guidelines/approvals. It has further been stated that the appellants are also liable for violating the guidelines of GMADA under Punjab Apartment and Property Regulation Act 1995 as mentioned in Sections 12(iii) and (iv) as they failed to provide the basic facilities and public utility services like community centers, parks, dispensaries and the like items. It has further been stated that there are only 7 plots constructed out of 364 plots, meaning thereby zero development and the appellants failed to place on record the mandatory and statutory approvals for the said site, even CC or OC etc. It has further been stated that even after receiving the full payment, the appellants failed to provide the clear, developed and approved possession of the said plot in a promised time. It has further been stated that the appellants are not complying with

the statutory and mandatory requirements and further, they never paid any attention to communicate or to provide the necessary reply. It has further been stated that now after such level of delay by the appellants, even after receiving the full payment along with the additional charges for facilities, the purpose of buying the plot has been defeated and the respondents are feeling insecure to invest any more money on barren land/site. It has further been stated that the impugned order of the District Commission ordering refund of the deposited amount alongwith interest and compensation & litigation expenses is just and fair. Lastly prayer for dismissal of the appeal with cost has been made by the respondents.

10. We have heard the Learned Counsels for the parties and gone through the material available on record, the impugned order and the written arguments.

11. At the outset, the plea of limitation raised by the appellants is wholly untenable and misconceived. It is by now well settled that in cases involving non-delivery of possession or delivery of incomplete/defective possession, the cause of action is a continuing cause of action, which subsists till the deficiency is rectified or the consumer is granted appropriate relief. In the present case, admittedly, the appellants have neither delivered lawful and complete possession of the plot nor obtained the requisite completion certificate till date. Even as per their own admission, the application for completion certificate was made only on 21.10.2019 and the same has not been granted so far. Thus, the alleged offer of possession dated 25.03.2014, in the absence of basic amenities and statutory approvals, was nothing but a paper possession, conferring no enforceable rights upon the respondents/complainants. In such circumstances, the respondents cannot be non-suited on the ground of limitation, as the failure of the appellants to hand over legal possession constitutes a recurring and continuous breach. The complaint filed in the year 2022, therefore, cannot be said to be time-barred.

12. Equally devoid of merit is the objection raised by the appellants regarding lack of territorial jurisdiction. It may be stated here that Section 47 (4) of Consumer Protection Act, 2019 which is *pari materia* to Section 20 of the Code of Civil Procedure (CPC) provides as under:-

".....47. (4) A complaint shall be instituted in a State Commission within the limits of whose jurisdiction,--

(a) the opposite party or each of the opposite parties, where there are more than one, at the time of the institution of the complaint, ordinarily resides or carries on business or has a branch office or personally works for gain; or

(b) any of the opposite parties, where there are more than one, at the time of the institution of the complaint, actually and voluntarily resides, or carries on business or has a branch office or personally works for gain, provided in such case, the permission of the State Commission is given; or

(c) the cause of action, wholly or in part, arises; or

(d) the complainant resides or personally works for gain...."

Bare perusal of the above said provisions of sub-sections (a) and (b) of Section 47 (4) of the CPA 2019 abundantly make it very clear that a complaint may be filed at a place, where the opposite party(s) actually and voluntarily resides or carries on business or has a branch office or personally works for gain. Sub-section (c) and (d) of Section 47 (4) of the said Act, further clarifies that the State Commission within whose jurisdiction a part of cause of action, wholly or in part arises or the complainant resides or personally works for gain, shall have the territorial jurisdiction to entertain and decide the consumer complaint. In the instant case, since the complainants are residing in Chandigarh i.e. H.No.621, Ground Floor, Sector 41-A, Chandigarh, therefore, in view of Section 47 (4)(d) of Consumer Protection Act, 2019, the District Commission at Chandigarh had the territorial jurisdiction to entertain the consumer complaint. As such, objection of territorial jurisdiction taken by the appellants stands rejected.

13. The principal contention of the appellants that possession had been validly offered in March 2014 also does not withstand judicial scrutiny. The District Commission has, on the basis of evidence on record, categorically held that the alleged offer of possession was illusory and not backed by completion of development works or statutory approvals. This finding is fortified by the appellants' own documents, particularly their request for issuance of completion certificate in the year 2017, which unequivocally established that the project was incomplete at the time when possession was purportedly offered.

14. It is trite law that an offer of possession without obtaining mandatory approvals and without providing basic infrastructure such as roads, sewerage, water supply and electricity does not constitute a valid offer in the eyes of law. Such an act amounts not only to deficiency in service but also to unfair trade practice, especially when substantial amounts have been collected from consumers without ensuring compliance with statutory requirements. The District Commission has rightly relied upon settled judicial precedents to hold that collecting money without requisite approvals and failing to deliver developed possession within a reasonable time is impermissible.

15. The plea of the appellants that development stood completed in 2013 is also unsupported by any cogent and reliable evidence. The photographs produced before the District Commission do not inspire confidence and failed to establish either the timeline or the extent of development. On the contrary, the admitted position that completion certificate has not been obtained till date clearly demolishes the case of the appellants. Mere assertions, in the absence of credible documentary proof, cannot displace the consistent and substantiated case set up by the respondents/complainants.

16. The contention of the appellants regarding alleged default on the part of the respondents/complainants in making payments or depositing stamp duty and other charges is equally untenable. Once it is established that the appellants failed to deliver legally valid and complete possession within the stipulated or reasonable period, the respondents/complainants could not be compelled to perform their part of the contract, particularly when the very substratum of the agreement stood frustrated due to the default of the appellants. The law does not countenance

a situation where a consumer is forced to accept an incomplete project or invest further amounts in a legally deficient development.

17. The argument of the appellants that non-issuance of completion certificate was due to "technical reasons" also does not advance the case of the appellants. Statutory compliances are not empty formalities but are essential safeguards meant to protect consumers. Failure to obtain such approvals goes to the root of the matter and renders the offer of possession legally unsustainable.

18. The submission regarding the interest awarded being excessive is also devoid of merit. The rate of 9% per annum awarded by the District Commission is reasonable, just and in consonance with settled principles governing grant of compensation in consumer disputes. Rather, it represents a balanced approach, compensating the complainants for the prolonged deprivation of their hard-earned money without imposing any punitive burden on the appellants.

19. It is also significant to note that the respondents/complainants had paid almost the entire sale consideration as far back as April 2014 and have been deprived of both possession and use of the property for more than a decade. The law is well settled that a consumer cannot be made to wait indefinitely for possession and in such circumstances, refund of the deposited amount along with reasonable interest is the most appropriate and equitable relief, which the District Commission has rightly ordered. The findings recorded by the District Commission are based on proper appreciation of evidence and settled legal principles. The appellants have failed to point out any perversity, illegality or material irregularity in the impugned order warranting interference by this Commission in appellate jurisdiction.

20. Consequently, the appeal filed by the appellants/opposite parties being devoid of merit deserves dismissal and is accordingly dismissed with no order as to costs. The impugned order dated 17.01.2025 passed by District Commission-II, U.T., Chandigarh is upheld.

21. Pending applications, if any, in this appeal stand disposed of accordingly.

22. Certified copies of this order be sent to the parties free of charge forthwith.

23. Complete record of CC/93/2022 (in safe custody) alongwith certified copy of this order be also sent to District Commission-II, U.T., Chandigarh forthwith.

24. File be consigned to Record Room after completion. Pronounced 01.06. 2026 (PADMA PANDEY) PRESIDING MEMBER (RAJESH K. ARYA) MEMBER Ad