



## CONSUMER UPDATE

### **Real Estate (Regulation and Development) Act (Part - III)**

#### **Real Estate Appellate Tribunal**

Any person, competent authority or the appropriate Government, aggrieved by the orders/directions of the Authority or the adjudicating officer, may prefer an appeal before the Appellate Tribunal. Appeal should be made within 60 days from the date of receipt of the order from the Authority/adjudicating officer.

Adjudicating Officers, Real Estate Authorities and Appellate Tribunals should dispose of complaints within 60 days.

#### **Offences and Penalties**

Promoter will be liable to a penalty which may extend up to ten per cent of the estimated cost of the real estate project as determined by the Authority, if he markets the project prior to registration (Section 59 (1)).

If any promoter does not comply with the orders, decisions or directions issued as above and/or continues to violate the provisions of Section 3 (marketing of project before registration with authority), he shall be punishable with imprisonment for a term which may extend up to three years or with fine which may extend up to a further ten per cent of the estimated cost of the real estate project, or with both (Section 59 (2)).

If any promoter provides false information or contravenes the provisions of Section 4 (application for registration with authority), he shall be liable to a penalty which may extend up to five per cent of the estimated cost of the real estate project, as determined by the Authority (Section 60).

If any promoter contravenes any other provisions of the Act, other than that provided under Section 3 or 4, or the rules made thereunder, he shall be liable to a penalty which may extend up to five per cent of the estimated cost of the real estate project, as determined by the Authority (Section 61).

If any real estate agent fails to comply with or contravenes the provisions of Section 9 (No real estate agent shall facilitate the sale or purchase of real estate project without obtaining registration) or Section 10 (Registered real estate agents should not facilitate sale or purchase of plot/apartment/building, which is not registered with the Authority), he shall be liable to a penalty of ten thousand rupees for every day during which such default continues, which may cumulatively extend up to five per cent of the cost of plot, apartment or buildings, as the case may be, of the real estate project, for which the sale or purchase has been facilitated, as determined by the Authority (Section 62).

If any promoter or real estate agent fails to comply with or contravenes any of the orders of the Authority, he shall be liable to a penalty for every day during which such default continues, which may cumulatively extend up to five per cent of the estimated cost of the real estate project or the estimated cost of the plot/apartment/building of the real estate project for which the sale has been facilitated, respectively, as determined by the Authority (Section 63 & 65).

If any promoter fails to comply with, or contravenes any of the orders of the Appellate Tribunal, he shall be punishable with imprisonment for a term which may extend up to three years or with fine for every day during which such default continues, which may cumulatively extend up to ten per cent of the estimated cost of the real estate project, or with both (Section 64).

If a real estate agent fails to comply with or contravenes any of the directions of the Appellate Tribunal, he shall be punishable with imprisonment for a term which may extend up to one year or with fine for every day during which such default continues, which may cumulatively extend up to ten per cent of the estimated cost of plot/apartment/building, of the real estate project, for which the sale has been facilitated, or with both (Section 66).

If any allottee, who fails to comply with, or contravenes any of the orders of the Authority he shall be liable to a penalty for the period during which such default continues, which may cumulatively extend up to five per cent of the plot/apartment/building cost, as the case may be, as determined by the Authority (Section 67).

If any allottee, who fails to comply with or contravenes any of the orders of the Appellate Tribunal, as the case may be, he shall be punishable with imprisonment for a term which may extend up to one year or with fine for every day during which such default continues, which may cumulatively extend up to ten per cent of the plot/apartment/building cost, as the case may be, or with both (Section 68).

#### **Compounding of Offences**

<b>Offence</b>	<b>Money to be paid for compounding the offence</b>
Imprisonment under sub-section(2) of Section 59	upto 10% of the estimated cost of the real estate project
Imprisonment under Section 64	upto 10% of the estimated cost of the real estate project
Imprisonment under Section 66	upto 10% of the estimated cost of the plot / apartment/building, as the case may be, of the real estate project, for which the sale or purchase has been facilitated
Imprisonment under Section 68	upto 10% of the estimated cost of the plot / apartment/building, as the case may be

On payment of the sum of money in accordance with the table, any person in custody, in connection with that offence, shall be set at liberty and no proceedings shall be instituted or continued against such person in any court.

**(concluded)**

## **Insurance Regulator, Insurance Company fined by Consumer Forum**

A Consumer Redressal Forum has, in a rare instance, pulled up the Insurance Regulatory Development Authority (IRDA), the autonomous statutory body that regulates India's insurance industry, asking the regulator and an insurance firm to pay compensation to a senior citizen for not taking appropriate action on a complaint he had filed. The District Consumer Disputes Redressal Forum, Chennai (South), summoned the IRDA chairman in person in the case pertaining to an insurance policy that a branch manager of Max Life Insurance Company Ltd, in collusion with an agent, issued to Guindy resident, Jagannathan, a retired bank manager.

Jagannathan informed the Forum that he had paid Rs 20,000 to purchase a unit-linked insurance policy (ULIP) from the firm, in February 2009. Max Life Insurance, under IRDA guidelines, should have sent him a copy of the original policy document within 15 days of receiving the premium but the firm did not do so for nearly two years, Jagannathan said. Nonetheless, he said, he paid annual premium of Rs 20,000 each in 2010 and 2011.

In February 2012, Jagannathan received an email from the firm stating the policy had lapsed for defaulting on premium payments for two years. He approached the firm's office in Chennai, head office in New Delhi as well as IRDA, but got no refund. Later, he approached the Consumer Forum. The insurance firm responded that it dispatched the policy after receiving the premium. But with no proof for this, the Forum rejected this claim.

On October 6, 2017 the Forum ordered the insurance firm and IRDA to pay Jagannathan Rs 44,554.51 with 9% interest from February 2012. It also ordered them to pay him Rs 25,000 for mental agony and Rs 5,000 as expenses.

(Source: Times of India)

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### **Do you know?**

The Department of Civil Supplies and Consumer Protection, Tamil Nadu has provided a mobile number, to which, if you message from your registered mobile number, you will not only get details about your fair price shop but, you can also register complaints against bogus billing. The details are as follows:

#### **Mobile Number: 9980904040**

Type PDS "space" 101 – to know if **your shop is open**

Type PDS "space" 102 – to know **items available** as on date

Type PDS "space" 107 – to file **complaint against bogus billing**. A transaction number will be sent on registering a complaint and you may track the transaction number in [www.tnpds.gov.in](http://www.tnpds.gov.in) to know about the action taken.

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### **Thomas Cook told to pay Rs.1.5 Lakh compensation**

Madurai District Consumer Disputes Redressal Forum has directed an international tour operator, Thomas Cook, to pay a compensation of Rs.1.5 lakh to the family of a doctor and return money withheld by the operator after cancellation of an European tour due to its deficiency in service. In its order, the Forum also imposed a cost of Rs.5,000/- on the operator.

The doctor, J. Premkumar of Gomathipuram and his family members booked an European Tour in December 2011 on payment of advance of Rs.1.20 lakh. The Manager of Thomas Cook in Madurai promised to get all clearances, including visa. The UK embassy refused visa to the complainant for non-submission of original documents. But, the complainant said that he did so as per the advice of the operator. The operator then promised to get visa within three days, if the entire tour amount of Rs.6.42 lakh was paid. However, this time too it failed. When the doctor cancelled his tour and sought refund of the money, the operator claimed he got the visa and offered the tour in a new schedule. However, a day before his departure, the operator sought Rs.1.65 lakh towards cancellation charges of air ticket for the original schedule.

When the doctor cancelled his tour, the Madurai operator threatened that the passports would not be returned, if the money sought was not paid. After the intervention of Mumbai office of the operator, the Madurai Manager accepted to return only Rs.3.56 lakh and passports. The doctor said that he would accept the said amount only “under protest”. Hence, the operator refused to make the refund. The doctor contented that the cancellation of tour was due to the shortcoming on the part of the tour operator.

When the case came up for hearing, the operator contended that the doctor had agreed for the terms and conditions of the company according to which last minute cancellation would lead to 100% cancellation charges. The visa was rejected only because of the complainant’s behavior at the interview and failure to produce bank statements to prove the cost of the visit in the UK. The Forum found the operator guilty for deficiency of service for not properly guiding the complainant as it had promised “an all inclusive tour”.

Booking of air tickets after knowing that visa could not be obtained before the original schedule of departure amounted to shortcoming in service. Besides, the operator failed to provide evidence of having booked air tickets, hotel accommodation and their cancellations. The Forum said that withholding Rs.2.85 lakh amounted to deficiency of service. The Forum should protect the consumers from restrictive practices of the service providers as well as deceptive practices, it observed.

(Source: The Hindu)



# CAG

Citizen consumer and civic Action Group

CAG is a 32 year old non profit, non political, professional organization working towards protecting citizen’s rights in consumer and environmental issues and promoting good governance including transparency, accountability and participatory decision making.

The complaints cell at CAG addresses specific problems of consumers. Also CAG regularly conducts consumer awareness programmes for schools, colleges and special target groups.

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