

**REAL ESTATE DISPUTE RESOLUTION: A STUDY OF REMEDIES**  
**AVAILABLE UNDER REAL ESTATE REGULATION ACT AND**  
**CONSUMER PROTECTION ACT**

*Dr. Gurmanpreet Kaur\**

*Dr. Parineeta Goswami\*\**

**ABSTRACT**

Over the past two decades, India's real estate sector has grown significantly, emerging as the third-largest contributor to the economy and a vital employer. With the rising demand for housing, builder-buyer disputes and delays in approvals, sanctioned plans, and project delivery have escalated. Historically, homebuyers relied on developers' discretion for property possession, often facing delays and contractual breaches. However, judicial intervention, consumer redressal forums, and legislative measures, including the Consumer Protection Act and the Real Estate (Regulation and Development) Act, 2016 (RERA), have strengthened consumer rights.

RERA complements the Consumer Protection Act by ensuring transparency and accountability between developers and homebuyers. It addresses issues like delays in possession, changes to project plans, and contractual breaches, empowering consumers to seek redress. The rise of social media and access to information has further fuelled consumer activism, enabling homebuyers to assert their rights effectively. This paper examines the remedies available under RERA and the Consumer Protection Act, analyzing their role in resolving real estate disputes and fostering accountability in the sector. By safeguarding consumer interests and promoting transparency, these mechanisms aim to transform India's real estate landscape.

**Keywords:** Home- buyers, Consumer, Real Estate Developer, Real Estate Property

---

\* Associate Professor of Law, Rajiv Gandhi National University of Law, Punjab.

\*\* Assistant Professor of Law, UPES Dehradun.

## **INTRODUCTION**

Over the past two decades, India's real estate sector has experienced significant growth and expansion. As the fastest-growing economy, India is positioned at the forefront of becoming the third-largest economy globally. The standard of living has consistently enhanced, as evidenced by the rise in per capita income. The populace has access to fundamental utilities like housing, education, healthcare, and food security, and persistently endeavours to attain an aspirational lifestyle. India's real estate industry encompasses four sub-sectors of the country's expanding economy: the housing sector, the commercial sector, the retail sector, and the hotel sector. Among the sub-sectors, housing continues to be an important sector, and the demand for housing is growing daily. India's real estate sector has produced approximately 40 million workforce, which makes the country the third largest employment generator after manufacturing and agriculture. Real estate is a key and vital component of the construction industry in India.

Real estate disputes, particularly builder-buyer conflicts, result in cascade impacts due to delays in obtaining approvals and non-compliance with sanctioned designs and layouts. There was a time when homebuyers had to rely on developers' whims and fancy to get their flats, but the judiciary played a crucial role, laws were enacted to protect consumers, and social media raised awareness, so now homebuyers can go to consumer redress forums to get their rights protected. Furthermore, access to material information and online networking gave a real-time hands-on knowledge of the rights available to homebuyers and encouraged them by adding a sense of vigour to consumer activism. The failure of timely possession of flats by the Developers, failure to deliver as per the developer-home buyer contract, and change of designs, maps and layout plans of the projects gave rise to consumer activism. Homebuyers who were in a bind sought assistance from defaulting developers through a consumer redressal forum before the "Real Estate Regulation and Development Act of 2016", which was passed that year.

Since the year 2016, the courts have been faced with the burdensome question of whether a statute should take precedence over the other in the event of a real estate dispute that is appropriate for the home purchasers in a particular circumstance. This dilemma has been brought about by the availability of several modes of dispute settlement. Homebuyers have access to a variety of legal options, including different authorities such as the National company law tribunal, consumer courts, competition commission, civil courts, real estate regulatory authority and alternative dispute resolution methods. There is an additional remedy that can be

utilised per the Insolvency and Bankruptcy Code, 2016, which states that the purchasers of homes are regarded to be creditors.

## **LITERATURE REVIEW**

In *Real Estate Laws in India*,<sup>1</sup> N. N. Rathi emphasizes the transformative role of the Real Estate (Regulation and Development) Act (RERA) in standardizing the Indian real estate sector, which was previously marked by inefficiencies and lack of transparency. Rathi highlights how RERA has introduced mandatory project registration, ensuring developers adhere to clear timelines, financial disclosures, and quality standards, thereby protecting consumers from fraud. A key feature of RERA is its provision for faster dispute resolution, through time-bound processes and penalties for non-compliance, significantly reducing delays in resolving grievances related to possession and construction defects. This legal framework has not only restored consumer confidence but also enforced greater accountability among developers, fostering a more transparent and consumer-friendly real estate market.

The implementation of RERA, according to *K. P. Tripathi*,<sup>2</sup> has introduced a shift towards transparency and accountability, significantly improving consumer protection in the real estate sector. The review also highlights how the Consumer Protection Act extends its applicability to real estate buyers, ensuring faster dispute resolution through the Consumer Forum.

Studies, including *S. Sharma*<sup>3</sup> in *Consumer Protection in Indian Real Estate*, illustrate how the Act has enhanced buyers' rights and introduced new remedies for unfair practices by builders and developers. This review focuses on the consumer protection mechanisms available under the Consumer Protection Act, 2019, particularly in real estate disputes.

In *Real Estate and the Consumer Forum: Redressal of Disputes*,<sup>4</sup> R. S. Verma focuses on the crucial role played by the National Consumer Disputes Redressal Commission (NCDRC) in resolving high-profile real estate disputes. Verma discusses how the NCDRC has become an essential platform for consumers seeking justice in real estate matters, particularly in cases involving delays in possession, defective construction, or non-compliance with contractual terms by developers. By providing an expedited process for addressing such grievances, the NCDRC has significantly reduced the burden on traditional courts, offering consumers quicker

---

<sup>1</sup> N. N. Rathi, *Real Estate Laws in India*, New Delhi, LexisNexis, 2020.

<sup>2</sup> K. P. Tripathi, *RERA and its Impact on Real Estate Disputes*, Journal of Property Law, 2019.

<sup>3</sup> S. Sharma, *Consumer Protection in Indian Real Estate*, Legal Solutions Journal, 2021.

<sup>4</sup> R. S. Verma, *Real Estate and the Consumer Forum: Redressal of Disputes*, Indian Journal of Law, 2020.

relief. Verma further emphasizes that the NCDRC's decisions in landmark cases have shaped the legal framework for consumer protection in real estate, influencing subsequent rulings and contributing to a growing sense of accountability within the sector.

In *Role of RERA and Consumer Protection Act in Real Estate Disputes*,<sup>5</sup> P. Agarwal and S. Singh explore how consumer protection measures under the Consumer Protection Act, 2019, complement the provisions of the Real Estate (Regulation and Development) Act (RERA) to expedite the resolution of consumer grievances. They analyze how both legal frameworks work in tandem to ensure faster dispute resolution and provide more effective remedies for real estate consumers. Agarwal and Singh highlight that while RERA addresses issues related to project registration, builder accountability, and timeline enforcement, the Consumer Protection Act strengthens these measures by offering an accessible platform for grievances related to fraud, misrepresentation, and delays. Their analysis reveals that together, RERA and the Consumer Protection Act create a robust mechanism for consumer rights protection, providing consumers with multiple avenues for redress and encouraging greater compliance from developers.

*M. Gupta and A. Shah*<sup>6</sup> in their paper *Impact of RERA on Real Estate Disputes* analyze case studies of disputes resolved under RERA's jurisdiction, noting a marked reduction in the delay of resolving disputes related to possession and project registration. They conclude that RERA has become a pivotal mechanism for consumer protection. This literature examines empirical studies assessing the effectiveness of the Real Estate (Regulation and Development) Act (RERA) in resolving disputes in the Indian real estate sector.

*P. K. Kumar*<sup>7</sup> points out how the establishment of Real Estate Regulatory Authorities (RERAs) has provided a much-needed infrastructure for dispute resolution outside the traditional court system.

*A. K. Mishra*<sup>8</sup> in *Judicial Role in Real Estate Dispute Resolution* highlights the key judgments that have shaped the enforcement of RERA and Consumer Protection Act provisions. It discusses cases where courts have taken proactive steps to enforce orders from the Real Estate Regulatory Authorities and Consumer Forums. This literature focuses on the judicial interpretation of remedies available under the Real Estate (Regulation and Development) Act and the Consumer Protection Act.

---

<sup>5</sup> P. Agarwal & S. Singh, *Role of RERA and Consumer Protection Act in Real Estate Disputes*, Indian Journal of Consumer Law, 2022.

<sup>6</sup> M. Gupta & A. Shah, *Impact of RERA on Real Estate Disputes*, Journal of Real Estate Management, 2021.

<sup>7</sup> P. K. Kumar, *RERA and Dispute Resolution Mechanisms*, Real Estate Law Review, 2022.

<sup>8</sup> A. K. Mishra, *Judicial Role in Real Estate Dispute Resolution*, Indian Judiciary Review, 2020.

R. Malhotra<sup>9</sup> further emphasizes the interplay between civil and consumer law in the enforcement of remedies, especially in disputes involving possession delays and payment defaults.

Authors like S. R. Jain<sup>10</sup> in *Challenges in Real Estate Dispute Resolution* highlight delays, legal loopholes, and the lack of adequate infrastructure as major barriers. This review discusses the challenges faced by consumers and developers in utilizing the available remedies under RERA and the Consumer Protection Act.

L. V. Prasad<sup>11</sup> notes the limitations in the implementation of RERA, particularly in states where regulatory authorities are still in their nascent stages. The review also points to consumer apathy in engaging with formal dispute resolution mechanisms due to the perceived complexity and costs involved in the process.

## **REAL ESTATE (REGULATION AND DEVELOPMENT) ACT 2016- AN OVERVIEW**

To provide relief to allottees and home buyers from the malpractices committed by builders during the building and delivery of the project, the “Real Estate (Regulation and Development) Act 2016” has been adopted to provide relief. Specifically, it demands that real estate transactions be conducted in an open and accountable manner. Among the provisions of the Act is a provision that allows for the establishment of an Appellate Tribunal and a Real Estate Authority for each state, or for two or more states together, to resolve any complaints that may be lodged by property buyers.

The promoter is not allowed to accept more than 10 per cent of the entire value of a real estate project before entering into a sales agreement with the home buyer<sup>12</sup>. Also, the promoter needs to file a declaration along with the affidavit which must be signed by himself or an authorised person. This declaration must state that the promoter will keep a separate bank account, which is referred to as the escrow account, in a scheduled bank. Seventy per cent of the funds for the proposed project are to be deposited in the account.<sup>13</sup> The deposited funds must encompass both the building expenses and the land acquisition costs. Only on certification by an engineer,

---

<sup>9</sup> R. Malhotra, *Enforcement of Real Estate Remedies: A Critical Analysis*, Journal of Civil Law, 2021.

<sup>10</sup> S. R. Jain, *Challenges in Real Estate Dispute Resolution*, Real Estate Law Journal, 2022.

<sup>11</sup> L. V. Prasad, *Limitations in the Implementation of RERA*, Indian Real Estate Law Review, 2023

<sup>12</sup> Section 13, “Real Estate (Regulation and Development) Act”, 2016

<sup>13</sup> Section 4, “Real Estate (Regulation and Development) Act”, 2016

an architect, and a practising chartered accountant, confirming that the withdrawal corresponds to the project's percentage of completion withdrawals can be made from the separate account by the promoter. If the allottee reports any structural defect or other deficiency in workmanship, quality, or service obligations of the promoter, as mentioned in the agreement within 5 years from the date of possession, the promoter is obligated to remove that discrepancy or defect within 30 days of reporting. For this purpose, no additional cost will be charged by the promoter from the allottee. If the promoter is unable to correct such flaws within the specified time frame, the allottees who have been disappointed are entitled to obtain adequate compensation.<sup>14</sup> Under the Act, all Real Estate Projects must be registered with the “Real Estate Regulatory Authority”.<sup>15</sup> In the absence of the Project’s registration, the promoter is not permitted to book, sell, or invite any individual to acquire the project. The application under the Section must be submitted to the Real Estate Regulatory Authority along with the following:

- A brief project details,
- Authority approvals,
- Commencement certificates provided by competent authorities,
- Development and layout plans,
- Location details such as carpet area of apartment,
- Allotment letter,
- Agreement for sale,
- Conveyance deed,
- Contact details of concerned persons such as real estate agents, architects, structural engineers,
- pro forma of the allotment letter,
- agreement for sale, and
- A declaration along with the affidavit.

### ***Remedies under Real Estate Regulation and Development Act, 2016***

On behalf of any promoter allottee or real estate agent, a complaint can be submitted to the “Real Estate Regulatory Authority” if any breach or infraction of the provisions of the Act or the rules and regulations enacted under can be brought against them.<sup>16</sup> Every complaint that is received by the Authority is to be addressed as quickly as feasible, and the Authority is to

---

<sup>14</sup> Section 14(3), “Real Estate (Regulation and Development) Act”, 2016

<sup>15</sup> Section 3, “Real Estate (Regulation and Development) Act”, 2016

<sup>16</sup> Section 31(1), “Real Estate (Regulation and Development) Act”, 2016

dispose of the complaint within sixty days beginning on the date that the application was received.<sup>17</sup> Within sixty days of receiving a copy of the direction or order, the appellate tribunal can hear appeals against the decision that was made by the authority examined.<sup>18</sup> Any appeal from the Appellate tribunal must be filed with the High Court within sixty days of the decision being made. The High Court is the court that hears appealing decisions.

## **CONSUMER PROTECTION ACT, 2019 (CPA)- AN OVERVIEW**

The Consumer Protection Act was passed into law to fulfil the purpose of providing a straightforward and expedient resolution to consumer complaints regarding any deficiencies in service or faults in goods. Complaints can only be submitted by customers by this Act. Within two years from the date on which the cause of action arose, the consumer can register a complaint with the consumer forum if the product or services in question are defective or lacking in some way.<sup>19</sup> The consumer forums have a pecuniary jurisdiction, and the complaint is resolved within three months from the date that the complainant received the notice from the consumer forums<sup>20</sup> The Act gives the forums the authority to award punitive damages and compensation for losses that have been sustained in instances that are deemed suitable.

The term 'Consumer' is defined under Section 2(7) of the Act, which says "any person who buys goods for consideration but doesn't include a person who obtains such goods for commercial or resale purposes". It is essential to have a clear understanding of the fact that homebuyers are regarded to be consumers per the Consumer Protection Act of 2019, if they have purchased the property for their personal use. Those homebuyers who are considered to be customers can file a consumer complaint if the builder or developer fails to maintain satisfactory levels of service.<sup>21</sup> *In the case of Morgan Stanley Mutual Fund v. Kartick Das*<sup>22</sup>, "A person who consumes is referred to as a consumer, a person who purchases things for personal use or consumption is considered to be a consumer, according to the definition. According to the definition presented above, the term "consumer" refers to anyone who consumes goods or services at the final stage of the production chain. This definition is broad enough to encompass a wide range of individuals. With this all-encompassing definition, the

---

<sup>17</sup> Section 29(4), "Real Estate (Regulation and Development) Act", 2016

<sup>18</sup> Section 44, "Real Estate (Regulation and Development) Act", 2016

<sup>19</sup> Section 69(1), "Consumer Protection Act", 2019

<sup>20</sup> 38(7), "Consumer Protection Act", 2019

<sup>21</sup> *Lilavati Kirtilal Mehta Medical Trust vs M/S Unique Shanti Developers & Ors.*, 2019 SCCOnLine SC 1466

<sup>22</sup> (1994 (4) SCC 225)

goal is to encompass every single individual who pays monetary value as the price or cost of goods and services. Consumers have a right to receive what they paid for, which should be of genuine quantity and genuine quality. In every society, the customer continues to be the focal point of all commercial and industrial endeavours. He requires protection from the wholesaler, retailer, wholesaler, and wholesaler, as well as the manufacturer and producer.”.

The Act also defines “product seller” under Section 2(37) to a product means “a person who, during their business, imports, sells, distributes, leases, installs, prepares, packages, labels, markets, repairs, maintains, or otherwise is involved in placing such product for commercial purpose”. This definition also includes a service provider, but it does not include a seller of immovable property unless that person is engaged in the sale of a constructed house or the construction of homes or flats within the premises. As a result, we can assert that the term product seller in the Act encompasses both real estate brokers and builders.

### ***Seeking remedy under Consumer Protection and RERA***

If a statute provides more than one judicial forum to enforce a duty obligation or put a right into effect, then this is an example of the remedial possibilities that the state gives to ensure that individuals have effective access to justice. In the process of interpreting legislation that provides a variety of remedies, it is the responsibility of the court to harmonise the provisions constructively. This is a requirement for the courts. Before the passage of the Real Estate (Regulation and Development) Act, 2016, the Consumer Forum was responsible for addressing issues that were associated with allottees. Following the Act’s implementation, the Consumer Forum's authority to deal with the concerns of allottees was not restricted in any way. Additionally, the standing committee made it clear that the establishment of the Real Estate Tribunal did not result in the loss of the jurisdiction that was previously held by the Consumer Forums. In addition, the consumer can withdraw the complaint that is currently being considered by the Consumer Forum, provided that the forum grants permission for the consumer to do so, and additionally apply to the adjudicating officer per RERA for consideration.<sup>23</sup> One of the most important principles of evidentiary law is known as the doctrine of election. This theory is applicable in situations where the party that is being wronged can choose between multiple remedies for the same cause of action, and the party has the discretion to select between the available remedies. It is only possible to make use of this situation when remedies are concurrent.

---

<sup>23</sup> Section 71, “Real Estate (Regulation and Development) Act”, 2016



The essence of this idea can be broken down into three components: (i) the presence of two or more remedies; (ii) inconsistencies within the remedies; and (iii) the option to make use of one of the remedies. It has been determined that to implement this theory, it is necessary to satisfy every one of these components. If an individual decides to pursue one of the remedies, they forfeit the ability to pursue the other remedy at the same time. Furthermore, when the two remedies' scope and ambit differ, it is not drawn to the situation because this could lead to more unfairness and inconsistent outcomes. It is grounded in the idea of equitable estoppel, signifying that an individual will be barred from claiming a right if they elect to keep silent by their actions or inaction when it was incumbent upon them to communicate.

The doctrine was first addressed by the Supreme Court in *A.P. State Financial Corporation vs. M/s GAR Re-Rolling Corporation*<sup>24</sup>, which determined that the doctrine does not apply in circumstances where the scope and nature of the two remedies are fundamentally distinct.

In *L.R. vs. P. Savithramma*<sup>25</sup>, the Supreme Court expressed a differing perspective, asserting that estoppel cannot be applied against a statute, thereby allowing for the pursuit of concurrent statutory remedies.

### ***Whether Real Estate Regulation Act reduce the scope of the Consumer Protection Act?***

The Real Estate Regulatory Act was enacted to regulate real estate transactions that took place before the year 2016, as these transactions were typically favourable to developers. Because of this, homebuyers were frequently taken advantage of; there were instances of one-sided agreements and misuse of dominant position, and numerous complaints were brought before the Competition Commission of India for the same reason. Therefore, a law needed to be enacted to improve accountability and transparency, as well as to lessen the likelihood of builders defaulting on their obligations or engaging in fraudulent activity. Similarly, the Consumer Protection Act offers relief; however, it does not offer consumers any time-bound or inexpensive remedy, and it was deliberately limited to the real estate sector. Moreover, it does not provide any relief at all.

The notion of election is inapplicable where available remedies are cumulative, consistent and concurrent. Subsequently, by examining the inconsistencies of remedies court has determined if it merely seeks further relief or suggests the selection of one which does not constitute a deliberate abandonment of others then it is deemed inconsistent. In *M/S Emar MGF Land Ltd.*

---

<sup>24</sup> (1994) 2 SCC 674

<sup>25</sup> Appeal (Civil) 5477 of 2004

*vs. Aftab Singh*<sup>26</sup>, the Supreme Court determined “that the remedy under the Consumer Protection Act, 1986 is limited to complaints lodged by consumers regarding flaws and deficiencies attributable to the service provider. The presence of an arbitration agreement did not serve as a basis to prevent the consumer from pursuing the issue”.

In some circumstances law permits recourse to additional remedies and is not limited to the remedy that is available under any particular enactment, the theory does not apply.<sup>27</sup> *Ireo Grace Realtech Pvt. Ltd. vs. Abhishek Khanna & Ors.*<sup>28</sup> was the case in which the Supreme Court of India ruled that “Section 88 of the Right to Information Act does not prohibit the applicability of other laws and that it must be interpreted in addition to and not in derogation of the provision of any other piece of legislation”. As a result, the remedies that are made available by the RERA and the Consumer Protection Act are complementary to one another and do not contradict one another in any way.

In the case of *Today Homes and Infrastructure Pvt Ltd vs Ajay Nagpal*<sup>29</sup> in addition to being a supplementary statute, the Consumer Protection statute does not contradict any other laws. By making a complaint per the Consumer Protection Act of 1986, any consumer who feels that they have been adversely affected by any kind of deficiency in service or fault in goods, as well as by unfair commercial practices, can contact the consumer forum. Moreover, a class action complaint (sometimes known as a lawsuit) is acceptable. Following the Consumer Protection Act, the consumer forum that is established is not the civil courts. Following the provisions of section 14 of the Act, consumer protection legislation can offer remedies.

It is not appropriate for a consumer to pursue two different remedies for the same issue, and simultaneously filing any complaint under two different statutes is not permitted. The mere fact that a complainant has the right to seek redress for the problems they have encountered under any other statute does not prevent someone from accessing a consumer forum by this Act.<sup>30</sup>

Taking into consideration Sections 14, 15, 18, and 19 of the Real Estate Regulatory Act, as well as several other provisions that have been made to be followed by the builder, and even though the act expressly mentions the rights and duties of a home-buyer, this does not limit the right

---

<sup>26</sup> 2017 SCC Online NCDRC 1614

<sup>27</sup> Election Of Remedies, <<https://www.mondaq.com/india/dodd-frank-consumer-protection-act/1117696/election-of-remedies>> accessed on 23<sup>rd</sup> May, 2024

<sup>28</sup> 2021 SCC OnLine SC 14

<sup>29</sup> Special Leave Petition, 23386/2019

<sup>30</sup> Parikh H and Vora R, ‘Consumer Court, RERA or NCLT: Can a Home Buyer Approach All These Forums Simultaneously?’ (*Housing.com*, 1 July 2022) <<https://housing.com/news/consumer-court-rera-or-nclt-can-a-home-buyer-approach-all-these-forums-simultaneously/>> accessed 21 May 2024

of an aggrieved home-buyer to only approach the authorities under RERA; the home-buyer can also approach the Consumer forum. The provisions of the Consumer Protection Act are not barred from being invoked by any individual, either explicitly or implicitly, according to Section 71 of the RERA. Additionally, it grants the home buyer the ability to withdraw the complaint from the Consumer Forum and file it with the RERA independently.

In the case of *M3M India Private Limited & Anr v. Dr Dinesh Sharma & Anr*<sup>31</sup>, petitions were grouped to challenge the order that was issued by the National Consumer Redressal Commissioner (National Commission) in the case of *Ajay Nagpal v. Today Homes and Infrastructure Private Limited*<sup>32</sup>. In that case, the National Commission ruled that “the remedies provided under the Consumer Protection Act and RERA are concurrent and that the jurisdiction of the forums/commissions constituted under the Consumer Protection Act is not displaced by RERA, particularly Section 79 of the RERA”. There were around 62 petitions filed by various Real Estate Developers.

On August 9, 2019, a three-judge bench of the Supreme Court, led by Justice Rohinton F. Nariman, issued a judgement in the case of *Pioneer Urban Land and Infrastructure Limited & Anr v. Union of India & Ors (Writ Petition)*<sup>33</sup>. In this case, it was held that “the remedies given to allottees of flats are concurrent and that they can avail themselves of remedies under the CPA, RERA, as well as the Insolvency and Bankruptcy Code, 2016. This decision was made while the petition was still pending before the High Court”.

In the case of *M/s Imperia Structures Ltd. vs. Anil Patni and Others*<sup>34</sup>, the court ruled that the remedies that are available under the provisions of the Consumer Protection Act are additional remedies that are in addition to the other remedies, including those that are made available under any special statutes; and that the availability of an alternative remedy does not prevent the court from hearing a complaint that is filed under the Consumer Protection Act<sup>35</sup>.

According to the decision made by the court in the case of *Experion Developers Pvt. Ltd. versus Sushma Ashok Shiroor*<sup>36</sup>, it is abundantly obvious that the Consumer Protection Act and the RERA Act do not exclude or contradict one other. This Court has decided that they are

---

<sup>31</sup> AIR 2020 Del 23

<sup>32</sup> *ibid*

<sup>33</sup> 2019 SCC OnLine SC 1005

<sup>34</sup> (2020) 10 SCC 783

<sup>35</sup> Network LN, ‘Rera Does Not Bar Consumer Fora from Entertaining Complaints by Allottee, Reiterates Supreme Court’ (*Live Law*, 4 December 2020) <https://www.livelaw.in/news-updates/rera-consumer-complaint-supreme-court-166816> accessed 23 May 2024

<sup>36</sup> 2022 LiveLaw (SC) 352.

concurrent remedies that independently operate and do not take precedence over one another. Thus, the Supreme Court has reaffirmed that the RERA and the Consumer Protection Act do not contradict or exclude one another in any way. They are concurrent remedies that function independently of one another and do not take precedence over one another. As a result of the Supreme Court's decision in these cases, homebuyers and allottees of real estate projects have been granted a blessing. This is because the Supreme Court acknowledges and offers a supplemental remedy to redress their concerns.

## **COMPARATIVE STUDY OF THE REAL ESTATE REGULATION ACT AND CONSUMER PROTECTION ACT**

Before the implementation of the Real Estate Regulation Act, consumers and homebuyers were required to file complaints with either the National Consumer Dispute Redressed Commission or the Competition Commission of India. However, the RERA Act has provided consumers and homebuyers with protection and welfare against the business practices of builders concerning real estate property. When it comes to satisfying the requirements of dissatisfied homebuyers, there are a few factors that indicate which forum is the most suitable. Listed below are the points in question:

### ***Period for filing application:***

The RERA does not stipulate a time limit for the filing of any complaint against the government. The Consumer Protection Act, on the other hand, stipulates that the complaint must be submitted within two years after the occurrence of the cause of action. As a result, if the real estate complaint is not filed within two years from the cause of action, then the complainant is unable to register a complaint before the Consumer Forum; the only available remedy is to file the complaint under the RERA.

### ***Complaint filing***

Anyone who feels that they have been aggrieved by the Real Estate Developer or the Builder is eligible to file a complaint by RERA. On the other hand, according to the Consumer Protection Act, the only individual who is permitted to make a complaint is themselves a consumer. Therefore, the only option available to a person who does not meet the criteria for the term “consumer” who has purchased a property for business purposes, or who is unsatisfied

with the developer, is to approach the Real Estate Regulatory Authority to have the issue resolved according to their standards.

Under the RERA, complaints are submitted through the website of the RERA. The process is streamlined, and there is little to no room for adjustment. This is because several states have different specified methods for reporting complaints under RERA, including the format. On the other hand, according to the Consumer Protection Act, the complaint must be made in writing to the relevant authorities or commissions. This entails a complicated system that includes paperwork and evidence; as a result, it appears to be a process that takes more time.

### ***Pecuniary Jurisdiction***

According to the Consumer Protection Act, pecuniary jurisdiction and limitations have been prescribed, and they are dependent on the worth of the property. If, for instance, the value of the complainant's property is greater than one crore, then he is required to file a complaint with the State Commission. Meanwhile, if the value of the property is greater than ten crores, then the complainant is required to file a complaint with the National Commission. In contrast, the Real Estate Regulatory Act does not impose any financial restrictions on immovable property depending on its valuation. The complaint can therefore be submitted to the Regulatory Authority of the state in which the property is located, which is the state in which the property is located.

### ***Penalty***

Pecuniary compensation is the only form of compensation that can be granted by the Consumer Protection Act. It does not include any preventative actions, nor does it include any provisions for the performance or imprisonment of the party that is in default. However, the RERA is the only entity that has the authority to issue certain remedies that do not involve compensation. Additionally, it has the authority to inflict imprisonment for a period of up to three years on real estate developers and builders who have defaulted on their payments. If the consumer is just looking for compensatory relief, then the consumer forum is the appropriate place they should approach. Filing a complaint with RERA is the better choice, however, if the buyer is searching for a solution that may discourage them from purchasing the property.

### ***Commercial Disputes***

Unlike the RERA, which does not impose any restrictions on the adjudication of commercial matters, the Consumer Forum does not deal with business issues throughout its proceedings. If

an individual does not meet the criteria for the term "Consumer" as outlined in the Consumer Protection Act, the individual has the option of filing a complaint with the Real Estate Regulatory Authority as a means of redress.

### ***Period for Disposal of Complaint***

As to the RERA, the time frame for the determination of a complaint is sixty days, beginning from the date when the complaint was received. The Act stipulates that every complaint must be resolved as quickly as feasible and within three months from the day that notice was received from the other party beginning with the date that the complaint was received.

## **CONCLUSION AND SUGGESTIONS**

The Real Estate Disputes Act is a major piece of legislation that imposes time-bound requirements on developers and promoters to regulate disputes that occur within the real estate sector. This Act was a long-awaited piece of legislation that was desperately required to safeguard purchasers from being taken advantage of. Through the implementation of this legislation, consumers and homebuyers are safeguarded against the unethical business practices of developers as well as delays in the handover of possession. Additionally, this legislation offers an efficient process for the resolution of grievances. Consumers and homebuyers are the target audience for the Real Estate Regulatory Act. Since the passage of this new Act, there has been increased accountability and openness in real estate transactions. The property buyers have been able to obtain possession of their properties promptly and submit complaints against the developers if any were necessary. For home buyers, the Act has made it possible for them to seek justice from the Real Estate Authority within three months of the day on which they filed their complaint. These remedies are both prompt and equitable.

By addressing the need for openness and responsibility for house buyers and developers, the Real Estate Regulatory Act can be viewed as an extension of the Consumer Protection Act. Home buyers have access to remedies under both Acts and under those remedies, they have the option of selecting either a concurrent remedy or a single forum to address any issues that may arise. The concurrent remedy has increased the number of remedies that are available to people who are purchasing homes. Both Acts have their advantages and disadvantages when it comes to settling challenges that are faced by homebuyers. The facts of each case and the remedy that the home buyer seeks from the various forums will determine which forum is the most effective for the home buyer to contact to resolve their difficulties. The homebuyers are no longer able

to be coerced into choosing a form of resolution based on the suitability of the real estate developers. A method that is balanced has been implemented to identify the interests of the homebuyers and to balance those interests with the interests of the promoter. However, because of a recent amendment to the Consumer Protection Act, the monetary limits that are allowed to approach the consumer forum have been increased from the previous level. This, in a sense, offers a significant relief to builders who were previously restricted in their ability to stop homebuyers from having regular interactions with the consumer forum. Consequently, in a nutshell, the Real Estate Regulatory Act regime continues to be a force that must be reckoned with and, in close cooperation with the Consumer Protection Act and other laws that are now in effect, promises to deliver outstanding services in the real estate market as well as within its domain and jurisdiction.