



HARYANA REAL ESTATE REGULATORY AUTHORITY PANCHKULA

Website: www.haryanarera.gov.in

COMPLAINT NO. 06 of 2020

Harsh Verma

....COMPLAINANTS(S)

VERSUS

BPTP Ltd.

....RESPONDENT(S)

**CORAM: Rajan Gupta
Dilbag Singh Sihag**

**Chairman
Member**

Date of Hearing: 04.05.2022

Hearing: 7th

Present: Shri Arun Sharma, Counsel for the Complainant
Shri Hemant Saini and Shri Himanshu Monga, Counsel for the Respondent.

ORDER: (RAJAN GUPTA-CHAIRMAN)

1. In this case, complainant has sought relief of refund of the amount paid by him to respondents along with applicable interest. Authority had not been hearing the matters in which relief of refund was sought for the reasons that its jurisdiction to deal with such matters was subjudice first before Hon'ble High Court and later before Hon'ble Supreme Court.

2. Now the position of law has changed on account of verdict of Hon'ble Supreme Court delivered in similar matters pertaining to the State of Uttar Pradesh in lead SLP Civil Appeal No. 6745-6749 titled as M/s. Newtech Promoters and Developers Pvt. Ltd. v. State of Uttar Pradesh & Ors. Etc. Thereafter, Hon'ble High Court of Punjab and Haryana has further clarified the matter in CWP No. 6688 of 2021 titled as Ramprastha Promoters and Developers Pvt. Ltd. v. Union of India and Ors. vide order dated 13. 01.2022.

3. Consequent upon above judgement passed by Hon'ble High Court, this Authority has passed a Resolution No. 164.06 dated 31.01.2022 the operative part of which is reproduced below:

“ 4. The Authority has now further considered the matter and observes that after vacation of stay by Hon'ble High Court vide its order dated 11.09.2020 against amended Rules notified by the State Government vide notification dated 12.09.2019, there was no bar on the Authority to deal with complaints in which relief of refund was sought. No stay is operational on the Authority after that. However, on account of judgment of Hon'ble High Court passed in CWP No. 38144 of 2018, having been stayed by Hon'ble Supreme Court vide order dated 05.11.2020, Authority had decided not to exercise this jurisdiction and had decided await outcome of SLPs pending before Hon'ble Apex Court.

Authority further decided not to exercise its jurisdiction even after clear interpretation of law made by Hon'ble Apex Court in U.P. matters in appeal No(s) 6745-6749 of 2021 - M/s Newtech Promoters and Developers Pvt. Ltd. Versus State of UP and others etc. because of continuation of the stay of the judgment of Hon'ble High Court.

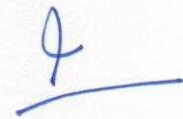


It was for the reasons that technically speaking, stay granted by Hon'ble Apex Court against judgment dated 16.10.2020 passed in CWP No. 38144 of 2018 and other matters was still operational. Now, the position has materially changed after judgment passed by Hon'ble High Court in CWP No. 6688 of 2021 and other connected matters, the relevant paras 23, 25 and 26 of which have been reproduced above


5. Large number of counsels and complainants have been arguing before this Authority that after clarification of law both by Hon'ble Supreme Court as well as by High Court and now in view of judgment of Hon'ble High Court in CWP No.(s) 6688 of 2021, matters pending before the Authority in which relief of refund has been sought should not adjourned any further and should be taken into consideration by the Authority.

Authority after consideration of the arguments agrees that order passed by Hon'ble High Court further clarifies that Authority would have jurisdiction to entertain complaints in which relief of refund of amount, interest on the refund amount, payment of interest on delayed delivery of possession, and penal interest thereon is sought. Jurisdiction in such matters would not be with Adjudicating Officer. This judgment has been passed after duly considering the judgment of Hon'ble Supreme Court passed in M/s Newtech Promoters and Developers Pvt. Ltd. Versus State of UP and others etc.

6. In view of above interpretation and reiteration of law by Hon'ble Supreme Court and Hon'ble High Court, Authority resolves to take up all complaints for consideration including the complaints in which relief of refund is sought as per law and pass appropriate orders. Accordingly, all such matters filed before the Authority be listed for hearing. However, no order will be passed by the Authority in those complaints as well as execution complaints in which a specific stay has been granted by Hon'ble Supreme Court or by Hon'ble High Court. Those cases will be taken into consideration after vacation of stay. Action be initiated by registry accordingly."



4. Now the issue relating to the jurisdiction of Authority stands finally settled. Accordingly, Authority hereby proceeds with dealing with this matter on its merits.
5. Case of the complainant is that the original allottees Ms. Lalit Kumar Luthra and Mr. Nikhil Luthra executed a floor buyer agreement with respondent on 20.04.2011 for a flat bearing no. A-501, 5th floor, Tower A admeasuring super area of 1382 sq. ft in the project "Park Arena" Sector 80, Faridabad. Deemed date of possession as per agreement, in terms of clause 3.1 of the BBA vide which possession was supposed to be delivered within 36+6 months, which comes to 20.10.2014. Present complainant Mr. Harsh Verma purchased said floor from original allottee vide nomination letter dated 27.10.2014. Complainant has alleged to have paid Rs. 42,45,486/- against agreed basic sale price of Rs. 38,00,500/-.
6. Complainant has submitted a statement of accounts issued by the respondent dated 13.01.2014 in which respondent has accepted to have received payment of Rs. 40,65,398.50/- from the complainant.
7. The complainant further alleges that project is still not complete and bare structure of the project is not ready. Construction has been stopped and there is no progress taking place. Complainant has prayed for refund of the amount paid by him along with interest for the reason that respondents have



already inordinately delayed completion of project and even now there is no hope of its completion in near future.

8. The respondents have sought to defend themselves in broad and general terms without giving specific reply to the averments made by complainant. Averments made by the respondents in their reply are summarised as follows: -

- i) That Builder Buyer Agreement with complainant was executed much prior coming into force of Real Estate (Regulation and Development) Act, 2016. (RERA Act in brief). Therefore, agreement executed prior to coming into force of the Act or prior to registration of project with RERA cannot be reopened.
- ii) Respondent had offered alternate unit to the complainant vide e-mail dated 27.07.2019.
- iii) Govt. Authorities have failed to develop 24-meter road till date which has hampered and slowed down the project Park Arena.
- iv) Delay in completion of the project occasioned due to force majeure conditions. Completion of project has been affected due to reasons beyond control of the respondent. Civil structure of this project was erected on the basis of 650 planned units however later on due to withdrawal of 300 booking all the customers were relocated to 4

towers. Respondent is now focusing on the consolidation of 2 towers whose structure is complete. Respondent is ready and willing to offer alternate units in a ready to move in unit in another project.

- v) At the time of endorsement in favor of the complainant, he was aware about the facts and status of the case.
- vi) Respondent denies that an amount of Rs. 42,45,486/- has already been paid by the complainant.

9. Both parties have argued their case at length. Complainant reiterates that project is nowhere near completion and there is no hope of its completion in near future, therefore, they do not wish to continue with the project any longer. Accordingly, they press for refund of the amount paid by them along with interest as applicable under the Rules.

10. Respondents on the other hand argues that they have offered allotment of an alternate unit in one of the other projects of the respondents.

11. Authority has gone through respective written submissions as well as verbal arguments put by both the sides. It observes and order as follows: -

- i) Respondents first of all have challenged the jurisdiction of this Authority to deal with complaints in which relief of refund has been sought. This issue has been adequately dealt with and

forgoing para-No's 2 and 3 of this order. Accordingly, this objection of the respondents is no longer sustainable.

- ii) Complainant has alleged to have paid Rs. 42,45,486/-. However, no receipt has been submitted in this regard. This is 7th hearing of this case but complainant has failed to submit receipts of payment. After hearing dated 04.05.2022 office of Authority had sent an email dated 09 June 2022 to the complainant for submission of payment receipts. Still complainant has failed to file proper receipts and has sent a statement of accounts dated 13.01.2014 in which respondent has accepted to have been received Rs. 40,65,398.50/-. For the remaining amount no proof has been submitted by the complainant. In the absence of receipts Authority will decide the case on the basis of best evidence placed on record by the complainant. Accordingly, payment of Rs. 40,65,398.50/- for which proof has been submitted will be taken into account for the purpose of this complaint. Policy of Authority is that interest is allowed from date of payment till the date of order but no receipts have been submitted and therefore interest is being calculated from date of issuance of statement of accounts on 13.01.2014. However, complainant may submit the receipts of payments to respondent

and claim interest for the remaining period. Liberty will be granted to both parties to approach the Authority in the event of dispute relating to calculation of interest for the remaining period.

- iii) Respondents admits that construction of the project has not been completed. In fact, it is still going on. Further, no specific time period has been committed for its completion. The respondents further have offered an alternate unit to the complainant. Reply of the respondent in fact amounts to clear admission that the project is stalled, 300 allottees have been relocated, and they can offer an alternate unit to complainant.

Declared policy of this Authority in all such cases where the projects are not complete nor likely to be completed within foreseeable future and extraordinary delay has already been caused from the due date of offer of possession, is that the complainants would be entitled to relief of refund because they cannot be forced to wait for completion of project for endless period of time. Further, complainants cannot be forced to accept alternate unit against their wishes. Alternate unit can be offered only with the consent of the allottee.



- iv) Arguments in respect of force majeure conditions also cannot be accepted and no such conditions have been shown to be applicable. Nothing extraordinary have taken place between the date of executing the BBA and due date of offer of possession, and for that matter even till now, has been shown to have happened.
- v) One of the averments of respondents is that provisions of RERA Act will not apply on the agreements executed prior to coming into force of RERA Act, 2016. Accordingly, respondents have argued that relationship of builder and buyer in this case will be regulated by the agreement previously executed between them and same cannot be examined under the provisions of RERA Act.

In this regard Authority observes that after coming into force the RERA Act, 2016, jurisdiction of the Civil Court has been barred by Section 79 of the Act. Authority, however, is deciding disputes between builders and buyers strictly in accordance with terms of the provisions of Builder-Buyer Agreements.

In complaint No. 113 of 2018, titled 'Madhu Sareen Vs. BPTP Ltd.' Authority had taken a unanimous view that relationship between builders and buyers shall be strictly regulated by terms of agreement, however, there was a difference of view with majority



two members on one side and the Chairman on the other in regard to the rate at which interest will be payable for the period of delay caused in handing over of possession. The Chairman had expressed his view in the said complaint No. 113 of 2018 as well as in complaint No.49 of 2018 titled 'Parkash Chand Arohi Vs. Pivotal Infrastructures Pvt. Ltd.' The majority judgment delivered by Hon'ble two members still holds good as it has not been altered by any of the appellate courts.

Subject to the above, argument of learned counsel for the respondents that provisions of agreement are being altered by Authority with retrospective effect, do not hold any ground.

In the instant case, however, relief of refund has been sought. The refund in this case is admissible because respondents have neither completed the project nor have given any time frame within which it will be completed. This is a case of breach of contract by the respondents. In the case of breach of contract, argument that provisions of RERA will not apply to the agreements executed prior to coming into force of the Act cannot be applied at all. Provisions of the agreement are to be considered if the agreement was to be acted upon. Here is a case of breach of contract,



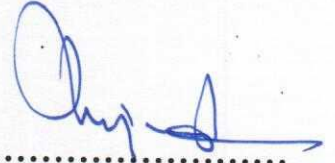
therefore, equities have to be settled so as to compensate a person who is a sufferer on account of breach of contract. Provisions of agreement will not come into play when the contract is breached. The general law of the land will regulate such situation and not provision of the agreement.

- vi) The complainant being entitled to refund of Rs. 40,65,398.50/- paid by him, Authority orders the refund of the said amount along with interest from the date of statement of accounts dated 13.01.2014 up to the date of passing this order.
- vii) The total interest for the period ranging from statement of accounts dated 13.01.2014 up to the date of passing this final order (04.05.2022) in terms of Rule 15 of HRERA Rules, 2017 i.e @ 9.40% payable by the respondents to the complainants works out to Rs. 31,76,535/-.
- viii) The Authority hereby orders that the respondents shall refund the principal amount of Rs. 40,65,398.50/- plus interest amount of Rs. 31,76,535/- to the complainant, within a period of 90 days of uploading of this order i.e. the period prescribed under Rule 16 of the RERA Rules, 2017.

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12.

Disposed of in above terms. File be consigned to record room.



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RAJAN GUPTA
(CHAIRMAN)



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DILBAG SINGH SIHAG
(MEMBER)

