



HARYANA REAL ESTATE REGULATORY AUTHORITY PANCHKULA

Website: www.haryanarera.gov.in

Complaint no.:	330 of 2022
Date of filing.:	07.03.2022
First date of hearing.:	17.05.2022
Date of decision.:	30.04.2024

1. Sh. Rakesh Kumar Lakhera S/o Sh. Prem Singh Lakhera
2. Mrs. Rachna Lakhera W/o Sh. Rakesh Kumar Lakhera
Both R/o 314, Purani Haveli,
Mohalla Badeka, Kheri Kalan, Faridabad

....COMPLAINANT(S)

VERSUS

M/s BPTP Limited through its Managing Director,
Office of respondent M-11,
Middle Circle, Connaught Circus,
New Delhi- 110001

....RESPONDENT

CORAM:

Dr. Geeta Rathee Singh
Chander Shekhar

Member
Member

Present: -

Adv. Nitin Kant Setia, Learned counsel for the complainants
through VC
Adv. Hemant Saini, Learned counsel for the respondent.

Geeta Rathee

ORDER: (DR. GEETA RATHEE SINGH - MEMBER)

1. Present complaint has been filed on 07.03.2022 by complainants under Section 31 of the Real Estate (Regulation & Development) Act, 2016 (for short Act of 2016) read with Rule 28 of the Haryana Real Estate (Regulation & Development) Rules, 2017 for violation or contravention of the provisions of the Act of 2016 or the Rules and Regulations made thereunder, wherein it is inter-alia prescribed that the promoter shall be responsible to fulfill all the obligations, responsibilities and functions towards the allottee as per the terms agreed between them.

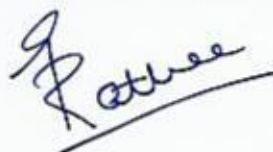
A. UNIT AND PROJECT RELATED DETAILS:

2. The particulars of the project, the details of sale consideration, the amount paid by the complainants, date of proposed handing over the possession, delay period, if any, have been detailed in the following table:

S.No.	Particulars	Details
1.	Name of the project.	Park Elite Floors, Sector 75, 82-89, Faridabad.
2.	Nature of the project.	Residential
3.	RERA Registered/not registered	Not Registered
4.	Details of allotted unit.	H6-01-FF measuring 1022 sq.ft.
5.	Builder buyer agreement executed with original buyer i.e.	22.05.2013



	Mr. Manish Aggarwal and Mrs. Shivani Aggarwal	
6.	Transferred right in favour of present complainants along with previous paid amount	01.04.2015 & ₹22,26,075/-
7.	Builder buyer agreement with present complainants	13.05.2015
8.	Due date of possession	13.05.2018
9.	Possession clause in builder buyer agreement dated 13.05.2015 (Clause 6.1 & 1.3 & 1.11)	<p>Clause 6.1- The seller/ confirming party proposes to make offer possession of the unit to purchaser(s) within the commitment period along with grace period.</p> <p>Clause 1.3- “ Commitment Period” shall mean , subject to force majeure circumstances, intervention of statutory authorities and purchaser(s) having timely complied with all its obligation, formalities and or documentation, as prescribed/requested by seller/Confirming party, under this agreement and not being in default under any part of this Agreement, including but not limited to the timely payment of all installments of the basic sale price and other charges as per the</p>



		<p>payment plan opted, the seller/confirming party shall offer the possession of the unit to the purchase(s) within a period of 36 months from the date of execution of this agreement.</p> <p>1.11- "grace period" refers to the additional period of 180 days after the expiry of the commitment period for making an offer of possession of unit.</p>
10.	Basic sale consideration	₹22,33,277.96/-
11.	Amount paid by complainant	₹22,26,075.08/-
12.	Offer of possession.	None

B. FACTS OF THE PRESENT CASE AS STATED BY THE COMPLAINANTS IN THE COMPLAINT:

3. Facts of complaint are that a unit bearing no. H6-01-FF was booked by original allottees Sh. Manish Aggarwal and Mrs. Shivani Aggarwal in the project of the respondent namely "Park Elite Floors" situated at Sector 75-89 Faridabad, Haryana on 06.06.2009 upon payment of ₹ 2,00,000/- as booking amount. Complainants were allotted unit no. H6-01-FF, measuring 1167 sq. ft.(however complainants have stated it to be 1022 sq.ft in pleadings) First Floor, Park Elite Floors, Faridabad vide allotment letter dated 03.05.2013. A builder buyer agreement was executed between



original allottees and respondent on 22.05.2013. On not being in position to wait any longer the predecessors transferred their rights to present complainants and respondent endorsed the nomination of unit on 01.04.2015 in name of present complainants. Thereafter, respondent issued a fresh builder buyer agreement to present complainants and insisted them to sign the same. The complainants resisted but taking into account the fact that huge amount of ₹ 22,26,075/- has already been paid to the respondents, complainants under duress and undue influence had signed fresh builder buyer agreement dated 13.05.2015. It is submitted that previous owner had paid an amount of ₹ 22,26,075/- till 2013 to respondent and respondent was under an obligation to handover unit by 2015 under terms of contract executed between original allottees and respondent. Respondent has opted unfair practices by luring allottees to handover possession within 24 months with grace period of 6 months. It is further stated that till date complainants are awaiting for possession of their units. However, respondent has neither provided possession of the flat nor refunded the deposited amount along with interest. Therefore, complainants are left with no other option but to approach this Authority. Hence the present complaint has been filed.

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i. Direct the respondent to handover possession of the unit H6-01-FF in BPTP Park Elite floors, Faridabad after due completion and receipt of occupancy and completion certificates along with all the promised amenities and facilities.

iii. Declare that the amount collected towards increase in super area as illegal as there is no increase in the area from the one approved by the State Authorities and there is no approved revision in building plans thereafter from the competent authorities.

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increase in the area and no revised sanctioned plans showing increased area were ever supplied to the complainant.

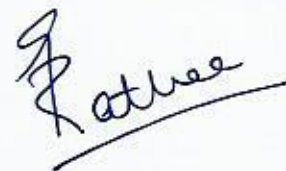
- v. Direct the respondent to pay compensation to the tune of ₹. 5,00,000/- on account of mental agony and harassment.
 - vi. Direct the respondent to compensate the complainant for loss of life of building by 10 years as the construction of the unit was completed in the year 2011-2012 and since then the unit is lying abandoned without any care or maintenance by the respondent.
 - vii. Any other relief which the applicant is entitled for under the Real Estate (Regulation & Development) Act, 2016 and the Haryana State Real Estate (Regulation and Development) Rules, 2017.
5. During course of hearing, learned counsel for complainants further submitted that he is not pressing upon the relief clause no. (iii) and (iv) with respect to increase in area and refund of amount paid in lieu of said increase. Counsel for complainants reiterated the facts mentioned above and referred to page no. 85, 51 and 136 of reply stating that respondent got signed new builder buyer agreement on 13.05.2015 with present complainants and added clause 1.3 with malafide intention to push the deemed date of possession to 13.11.2018. Further, as per payment plan opted by complainants vide agreement dated 13.05.2015, respondents



have to take only 10 % of BSP + 30% of CMC from complainants by year 2013, however respondent had already received more than 95% of amount of basic sale consideration of unit in question in year 2013 from the original allottees. Meaning thereby, respondent had taken payments from complainants as per original agreement but is shifting deemed date of possession as per new agreement. Such conduct of respondent shows clear malafide and unfair practices of respondent-promoter. Since payment was made in year 2013, respondent cannot push the deemed date of possession as per new agreement.

D. REPLY SUBMITTED ON BEHALF OF RESPONDENT

6. Respondent stated that original allottees were provisionally allotted unit no. J-05 measuring 876 sq.ft vide allotment letter dated 24.12.2009. Thereafter, on request of original allottees unit was interchanged with unit bearing no. H6-01-FF measuring 1167 sq.ft. A builder buyer agreement was executed between parties on 22.05.2013. Later on original allottees requested on 25.03.015 to transfer their unit in name of present complainants. Acting upon the request, said unit was transferred to present complainants and fresh builder buyer agreement was executed on 13.05.2015 with present complainants. As per terms and clause of said builder buyer agreement, respondent was under an obligation to handover possession within a period of 36 months from date of agreement along



with grace period of 180 days. Accordingly, deemed date of possession comes to 13.11.2018.

7. Respondent objected to the maintainability of present complaint by referring to builder buyer agreement executed with complainants which was 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.
8. Regarding relief pertaining to refund of amount paid by complainants on ground of increased area, it is submitted that super area of the floor shall be subject to the change/amendment i.e. increase or decrease in terms of clause 4.2 of the BBA. Initially allotted area was tentative and the same was subject to change/alteration/modification/revision.
9. Since the BBA constitutes the sole basis of subsisting relationship of parties, both the parties are lawfully bound to obey the terms and conditions enunciated therein. Respondent had raised each specific demand strictly in consonance with the payment plan opted and agreed at the stage of booking as well as within the ambit of the clauses agreed and accepted by the complainants at the time of execution of BBA. Complainants after thorough reading and understanding of the terms and conditions mentioned in BBA signed the agreement that too without any protest and demur.



10. Construction of the project was affected due to the circumstances beyond control of the respondent such as NGT order prohibiting construction activity, ban on construction by Supreme Court of India in M.C Mehta v. Union of India, ban by Environment Pollution (Prevention and Control) Authority and Covid-19 etc. After lifting of the ban it took some time to mobilise the resources and begin construction of the project. Thereafter, the construction of the unit was going on in full swing, however, due to the sudden outbreak of the coronavirus (COVID 19) all the activities across the country including the construction of the projects came to a halt. Given the premise, the possession timeline has been diluted due to reasons beyond the control of the respondent builder.
11. During hearing, learned counsel for respondent stated that occupation certificate for unit in question has yet not been received by respondent, however complainants are willing to wait for the same. For computing the delay period, deemed date of possession be taken as per agreement dated 13.05.2015, as complainants nowhere in their relief clause had challenged the authenticity of new builder buyer agreement. He further stated that in case, first payment is taken into consideration for computation of deemed date of possession, then there remains no sanctity of agreement executed between complainant and respondent especially when the agreement dated 13.05.2015 was signed in English by complainants voluntarily and in full knowledge of the content. Thus, both parties are bound by the

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terms of agreement. Learned counsel for the respondent further relied upon a judgment passed by **Hon'ble Apex Court in case of Bharathi Knitting Company vs DHL Worldwide Express Courier year 1996** which provides for enforcement of agreement in totality.

E. FINDINGS AND OBSERVATIONS OF THE AUTHORITY

12. Objection regarding execution of BBA prior to the coming into force of RERA Act,2016.

One of the averments of respondents is that provisions of the RERA Act of 2016 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 the 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 is 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 flat-buyer agreements. After RERA Act of 2016 coming into force the terms of agreement are not re-written, the Act of 2016 only ensure that whatever were the obligations of the promoter as per agreement for sale, same may be fulfilled by the promoter within the stipulated time agreed upon between the parties. Issue regarding opening



of agreements executed prior to coming into force of the RERA Act, 2016 was already dealt in detail by this Authority in complaint no. 113 of 2018 titled as **Madhu Sareen v/s BPTP Ltd** decided on 16.07.2018. Relevant part of the order is being reproduced below:

"The RERA Act nowhere provides, nor can it be so construed, that all previous agreements will be re-written after coming into force of RERA. Therefore, the provisions of the Act, the Rules and the Agreements have to be interpreted harmoniously. However, if the Act or the Rules provides for dealing with certain specific situation in a particular manner, then that situation will be dealt with in accordance with the Act and the Rules after the date of coming into force of the Act and the Rules. However, before the date of coming into force of the Act and the Rules, the provisions of the agreement shall remain applicable. Numerous provisions of the Act saves the provisions of the agreements made between the buyers and seller."

Further, as per recent judgement of Hon'ble Supreme court in Newtech Promoters and Developers Pvt. Ltd Civil Appeal no. 6745-6749 of 2021 it has already been held that the projects in which completion certificate has not been granted by the competent Authority, such projects are within the ambit of the definition of on-going projects and the provisions of the RERA Act, 2016 shall be applicable to such real estate projects, furthermore, as per section 34(e) it is the function of the Authority to ensure compliance of obligation cast upon the promoters, the allottees and the real estate agents under this Act, and the rules and



regulations made thereunder, therefore this Authority has complete jurisdiction to entertain the captioned complaint.

H. OBSERVATIONS OF THE AUTHORITY

14. As per facts and circumstances, complainants in the present case are subsequent allottees who had purchased a unit in the project in question through open market from original allottees in the year 2013. The unit in question i.e H4-10-SF, admeasuring 1022 sq. ft was booked by the original allottees on 06.06.2009 and subsequent thereupon a floor buyer agreement was signed between the original allottee and the respondent promoter on 22.05.2013. Thereafter, the unit was endorsed in the name of complainant by the respondent vide endorsement letter dated 01.04.2015. Thereafter, a fresh builder buyer agreement was executed between the complainants and the respondent on 13.05.2015. As per clause 6.1 of the agreement, possession of the unit was to be delivered within a period of 36 months from the signing of the agreement along with a grace period of 180 days for making an offer of possession. However, no offer of possession has been issued to the complainants till date. Respondent has miserably failed to complete construction of the project and handover possession of the purchased unit.
15. The facts set out in the preceding paragraph demonstrate that the construction of the project has been delayed beyond reasonable period of time. The original allottees due to their own compulsion could not wait



for delivery of possession beyond the due date and were compelled to sell the unit in the year 2013. The complainants stepped into the shoes of the original allottees in the year 2013 and have waited for possession ever since. Even now, the respondent is yet to receive occupation certificate for the unit in question and deliver possession to the complainants. Complainants on the other hand wish to continue with the project and are willing to wait for possession of the unit after receipt of occupation certificate.

16. The main point of contention between the parties is only with regard to the period for which interest for the delay caused in delivery of possession is admissible to the complainants. It is the principle argument of the learned counsel for the complainants that since complainants are subsequent allottee who stepped into the shoes of the original allottees, they are entitled to delay possession charges as per the terms of the first builder buyer agreement dated 22.05.2013 itself.
17. Complainants in the present complaint had stepped into the shoes of the original allottee in the year 2015. At the time, the complainants had made the purchase after verifying the status of the unit to their satisfaction and were thoroughly acquainted with the terms and conditions. Complainants were very well aware of the fact that the construction of the project is not in accordance with the agreed timeline due to which the delivery of possession of the unit shall be delayed. There were clear apprehensions

that the possession of the unit will be further delayed. Keeping these facts in mind, complainants executed a fresh builder buyer agreement with the respondent on 13.05.2015. As per clause 6.1 of the agreement possession of the unit was to be handed over within a period of 36 months from the date of signing of the agreement with a further grace period of 180 days. Complainants had willfully made payment of the total paid amount of ₹ 22,26,075/- to the original allottees for purchase of the unit in question and thereafter made subsequent payments to the respondent in the year 2016 furthering their interest in the purchased unit. No communication or objection has been raised by the complainants since year 2015 wherein the validity of the fresh builder buyer agreement has been challenged. Complainants were very well aware of the fact that they will have to wait for a considerable period of time before the construction of the unit got completed and possession of the unit would subsequently be delivered. Complainants have submitted before the Authority that the fresh builder buyer agreement was executed under duress since the complainants had already invested a huge amount of ₹ 22 lakh with the respondent. Mere verbal arguments of the complainants that the agreement was signed under duress cannot be entertained without material proof supporting that the complainants had indeed challenged the signing of the fresh builder buyer agreement dated 13.05.2015. Therefore, the contention of the



complainants that they are entitled to delay interest as per the terms of builder buyer agreement dated 22.05.2013 cannot be entertained.

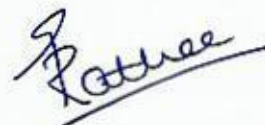
18. A builder buyer agreement is a core document for determining the rights and obligations of both the parties. An agreement duly executed between the parties with their consent cannot be ignored in totality. Also, the terms of agreement attained finality only when the builder buyer agreement was signed by both the parties. Therefore, the terms of contract between the complainants and the respondent were cemented by the builder buyer agreement dated 13.05.2015. As per said agreement, possession of the unit should have been delivered within a period of 36 months from the date of signing of the said agreement which worked out to 13.05.2018. Further, the respondent was also allowed a grace period of 180 days for issuing offer of possession. It is an admitted fact that the respondent has not issued an offer of possession till date. Since the respondent has failed to issue an offer of possession, respondent cannot be allowed to take benefit of grace period and thus the period from which the complainants are entitled for delay possession charges begins after 36 months from the date of execution of the builder buyer agreement dated 13.05.2015. Said period works out to 13.05.2018.

The respondent has also averred that the delay in delivery of possession has been due to force majeure conditions. Respondent has cited circumstances beyond control of the respondent such as NGT order



prohibiting construction activity, ban on construction by Supreme Court of India in M.C Mehta v. Union of India, ban by Environment Pollution (Prevention and Control) Authority and Covid-19 etc for the cause of delay. It is observed that though the NGT order referred by the respondent pertains to year 2016, however respondent has failed to attach a copy of the said order to establish the veracity of its claim. Therefore the respondent cannot be allowed to take advantage of the delay on its part by claiming the delay in statutory approvals/directions. As per preceding paragraph, possession of the unit should have been delivered to the complainant by 13.05.2018. Whereas COVID-19 outbreak hit construction ban post 22nd March 2020 i.e two years after the deemed date of possession, therefore, as far as delay in construction due to outbreak of Covid-19 is concerned, respondent cannot claim COVID-19 as a force majeure condition. Further reliance is placed on judgement passed by Hon'ble Delhi High Court in case titled as *M/s Halliburton Offshore Services Inc. vs Vedanta Ltd & Anr. bearing OMP (1) (Comm.) No. 88/2020 and I.A.s 3696-3697/2020* dated 29.05.2020 has observed that:

"69. The past non-performance of the contractor cannot be condoned due to Covid-19 lockdown in March, 2020 in India. The contractor was in breach since septemeber, 2019. Opportunities were given to the contractor to cure the same repeatedly. Despite the same, the contractor could not complete the project.



The outbreak of pandemic cannot be used as an excuse for non-performance of a contract for which the deadline was much before the outbreak itself.

The respondent was liable to complete the construction of the project and the possession of the said unit was to be handed over by September, 2019 and is claiming the benefit of lockdown which came into effect on 23.03.2020, whereas the due date of handing over possession was much prior to the event of outbreak of Covid-19 pandemic. Therefore, Authority is of view that outbreak of pandemic cannot be used as an excuse for non-performance of contract for which deadline was much before the outbreak itself."

So, the plea of respondent to consider force majeure conditions towards delay caused in delivery of possession is without any basis and the same is rejected.

19. Facts set out in the preceding paragraph demonstrate that possession of the unit should have been delivered by the 13.05.2018. However, respondent has miserably failed to complete the project and deliver possession of the booked unit to the complainants. There has been a significant delay of more than 6 years in delivery of possession. Even now respondent is not in a position to issue a valid offer of possession to the complainants. The complainants wish to continue with the project and wait for delivery of possession after receipt of occupation certificate. Therefore, it is observed that for the delay caused in delivery of possession, complainants are to receive delayed possession charges from the date of default i.e 13.05.2018 till the date a valid offer of possession is



issued to the complainants after receipt of occupation certificate. In these circumstances, the provisions of Section 18 of the Act clearly come into play by virtue of which while exercising the option of taking possession of the unit, the allottee can also demand, and the respondent is liable to pay, interest for the entire period of delay caused at the rates prescribed. As per Section 18 of Act, interest shall be awarded at such rate as may be prescribed. The definition of term 'interest' is defined under Section 2(z) of the Act which is as under:

(za) "interest" means the rates of interest payable by the promoter or the allottee, as the case may be.

Explanation.-For the purpose of this clause-

(i) the rate of interest chargeable from the allottee by the promoter, in case of default, shall be equal to the rate of interest which the promoter shall be liable to pay the allottee, in case of default;

(ii) the interest payable by the promoter to the allottee shall be from the date the promoter received the amount or any part thereof till the date the amount or part thereof and interest thereon is refunded, and the interest payable by the allottee to the promoter shall be from the date the allottee defaults in payment to the promoter till the date it is paid;

Rule 15 of HRERA Rules, 2017 provides for prescribed rate of interest which is as under:



“Rule 15: “Rule 15. Prescribed rate of interest- (Proviso to section 12, section 18 and sub-section (4) and subsection (7) of section 19] (1) For the purpose of proviso to section 12; section 18, and sub sections (4) and (7) of section 19, the “interest at the rate prescribed” shall be the State Bank of India highest marginal cost of lending rate +2%:

Provided that in case the State Bank of India marginal cost of lending rate (NCLR) is not in use, it shall be replaced by such benchmark lending rates which the State Bank of India may fix from time to time for lending to the general public”..”

20. Consequently, as per website of the state Bank of India i.e. <https://sbi.co.in>, the highest marginal cost of lending rate (in short MCLR) as on date i.e., 30.04.2024 is 8.85%. Accordingly, the prescribed rate of interest will be MCLR + 2% i.e. 10.85%.

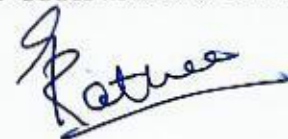
17. Hence, Authority directs the respondent to pay delay interest to the complainants for delay caused in delivery of possession at the rate prescribed in Rule 15 of Haryana Real Estate (Regulation and Development) Rules, 2017 i.e. at the rate of SBI highest marginal cost of lending rate (MCLR)+ 2 % which as on date works out to 10.85% (8.85% + 2.00%) from the date of default i.e 13.05.2018 till the date of a valid offer of possession is issued to the complainants.



18. Authority has got calculated the interest on total paid amount from due date of possession i.e. 13.05.2018 till the date of this order i.e. 30.04.2024 which works out to ₹ 14,42,558/- and further monthly of ₹ 19,852/- as per detail given in the table below:

Sr. No.	Principal Amount (in ₹)	Deemed date of possession or date of payment whichever is later	Interest Accrued till 30.04.2024 (in ₹)
1.	22,26,075.08/-	13.05.2018 (Due date of possession)	14,42,558/-
2.	Total payment- 22,26,075.08/-		14,42,558/-
Monthly interest:	22,26,075.08/-		19,852/-

19. At the time of filing of complaint, complainants have also prayed for relief with respect to increase in area and refund of amount paid in lieu of said increase vide relief clause no. iii and iv. However, at the time of hearing learned counsel for the complainants stated that he is not pressing these reliefs.
20. The complainants are seeking compensation to the tune of ₹ 5,00,000/- on account of mental agony and harassment and compensation for loss of life of building by 10 years as the construction of the unit was completed in the year 2011-12 and since then the unit is lying abandoned without any care or maintenance by the respondent. It is observed that Hon'ble



Supreme Court of India in Civil Appeal Nos. 6745-6749 of 2027 titled as "*M/s Newtech Promoters and Developers Pvt Ltd. V/s State of U.P. & ors.*" (supra,), has held that an allottee is entitled to claim compensation & litigation charges under Sections 12, 14, 18 and Section 19 which is to be decided by the learned Adjudicating Officer as per section 71 and the quantum of compensation & litigation expense shall be adjudged by the learned Adjudicating Officer having due regard to the factors mentioned in Section 72. The adjudicating officer has exclusive jurisdiction to deal with the complaints in respect of compensation & legal expenses. Therefore, the complainants are advised to approach the Adjudicating Officer for seeking the relief of litigation expenses.

F. DIRECTIONS OF THE AUTHORITY

21. Hence, the Authority hereby passes this order and issues following directions under Section 37 of the Act to ensure compliance of obligation cast upon the promoter as per the function entrusted to the Authority under Section 34(f) of the Act of 2016:

(i) Respondent is directed to pay upfront delay interest of ₹ 14,42,558/- (till date of order i.e 30.04.2024) to the complainants towards delay already caused in handing over the possession within 90 days from the date of this order and further




monthly interest @ ₹ 19,852./- till the offer of possession after receipt of occupation certificate.

(ii) Complainants will remain liable to pay balance consideration amount to the respondent at the time of possession offered to her.

(iii) The respondent shall not charge anything from the complainant which is not part of the agreement to sell.

(iv) The rate of interest chargeable from the allottees by the promoter, in case of default shall be charged at the prescribed rate i.e, 10.85% by the respondent/ Promoter which is the same rate of interest which the promoter shall be liable to pay to the allottees. **Disposed of.** File be consigned to record room after uploading on the website of the Authority.


CHANDER SHEKHAR
[MEMBER]


DR. GEETA RATHEE SINGH
[MEMBER]