

**BEFORE SHRI BINOD KUMAR SINGH, MEMBER
REAL ESTATE REGULATORY AUTHORITY, PUNJAB**

Complaint No.0365 of 2023
Date of Institution : 05.10.2023
Date of Decision: 07.07.2025

Maninderjit Singh Pabla, son of Shri Harnam Singh, resident of Village Lasara,
Chak Da Rah, Tehsil Phillour, District Jalandhar, Punjab, Pin Code 144415

....Complainant

Versus

KCB Infra, SCO 61-62, Level-1, Sector-82, Sahibzada Ajit Singh Nagar
(Mohali), Punjab, PIN Code 160055

....Respondent

Present: Shri Suresh Kumar, Advocate for the complainant
Shri Vaibhav Narang, Advocate with Shri Subhash Chand,
Advocate for the respondent

ORDER

This complaint in Form 'M' under Section 31 of the Real Estate (Regulation and Development) Act, 2016, (hereinafter referred to as the Act of 2016) read with Rule 36(1) of the Punjab State Real Estate (Regulation and Development) Rules, 2017 (hereinafter referred to as the Rules of 2017) was instituted on 05.10.2023 by complainant as an individual against respondent seeking interest for the period of delay in handing over possession of the Unit.

2. The brief facts as submitted by complainant are summarized below:

2.1 Complainant was allotted Commercial Unit No.OS-589 (Office Space) having carpet area of 212.59 square feet on 5th floor in the project 'HLP GALLERIA' (Registration No.PBRERA-SAS81-PC0100) situated at Sector-62, Tehsil and District SAS Nagar, Punjab-160062 vide allotment letter dated 13.2.2020 against the consideration of Rs.38,21,126/- after discount of Rs.7,38,559/- out of Rs.42,97,337/-, the original cost of the unit and an agreement for sale was executed on this date also.

- 2.2 As per Clause 7.1 of this agreement, possession was to be handed over to complainant on or before 31.12.2022 after obtaining the Occupancy Certificate as mentioned in Clause 7.4 of it. Thereafter, vide addendum dated 23.2.2020 to Agreement for Sale respondent added that complainant has consented a further grace period of 6 months to respondent after the last date of offer of possession thus the due date for delivery of possession was fixed as June 2023 instead of 31.12.2022.
- 2.3 Till date complainant has paid Rs.32,09,840/- out of the sale consideration of Rs.38,21,126/-. However, respondent failed to offer possession in the month of June 2023 as agreed. When complainant approached, respondent through email dated 20.8.2023, advisory for extension by Govt. of India dated 13.5.2020 and the Circular dated 13.5.2020, taken the shelter of Covid-19 and stated that construction-schedule for project got delayed and the concerned Regulatory Authorities granted six months extensions for all the real estate projects in their completion schedule.
- 2.4 Vide email dated 23.09.2023 followed by email dated 30.09.2023 complainant has requested respondent for interest for the delayed period w.e.f. 1.7.2023 till the delivery of possession, but not responded to by respondent. Due to this complainant has suffered huge financial loss as well as mental agony.
- 2.5 Apart from imposing penalty upon respondent for violating various provisions of the Act of 2016, it is the prayer of complainant to direct respondent to pay interest for the period of delay in handing over possession of the Unit w.e.f. 01.07.2023 on the amount of Rs.32,09,840/- till the delivery of valid possession.

3. Upon notice, respondent appeared through Shri Subhash Chand, Advocate and also submitted Power of Attorney of Shri Vaibhav Narang, Advocate and reply dated 21.11.2024.
4. In the reply, respondent admitted payment of Rs.32,09,840/- out of Rs.38,21,126/- but submitted that complainant has delayed in making payment of approximately Rs.12.00 lakhs which was to be made in December 2021 and the delay is of about six months as against this demand complainant paid the same in June 2022. Respondent also submitted that due to Covid-19 pandemic, the construction was delayed but respondent restarted the construction despite unfavourable conditions. It is submitted that this authority has also granted six months vide Notification dated 28.10.2022 and the last date to deliver possession comes out to be 31.12.2023. It is further submitted that on this score the complaint is pre-mature as the same has been filed before 31.12.2023. It is averred that the work is in full swing and even for Block nos. 1, 2 and 3 Occupancy Certificate has been granted to respondent and the money so invested by complainant is in safe hand.
5. Counsel for complainant submitted rejoinder reiterating the contents of his complaint and controverted the contents of the reply.
6. The undersigned heard the arguments of both the counsels for the parties on the stipulated date.
7. Counsel for complainant submitted written arguments dated 03.07.2025 to the effect that complainant was allotted Commercial Unit No. OS-589 in the project 'HLP GALLERIA' vide allotment letter dated 13.02.2020 for Rs.38,21,126/- and an agreement for sale was also executed on this date. As per Clause 7.1 of the agreement, possession was to be handed over to complainant on or before 31.12.2022 which was further extended by six months vide addendum dated 23.2.2020 to Agreement for Sale i.e in June 2023. Complainant paid Rs.32,09,840/-. Counsel for complainant relied upon Section 18(1) of the Act of 2016 to claim interest. He has also cited judgement

of the Hon'ble Supreme Court titled "*Pioneer Urban Land and Infrastructure Limited Vs. Govindan Raghavan*" (2019) 5 SCC 725, wherein it has been held that a buyer cannot be made to wait indefinitely for possession. The promoter is liable to refund or pay interest, if possession is not offered within the stipulated period. He has also cited Section 19(4) of the Act of 2016. It is the prayer of complainant to direct respondent to pay interest for the period of delay in handing over possession w.e.f. 01.07.2023 till the delivery of valid possession as respondent has not obtained Completion Certificate/Occupancy Certificate so far.

8. On the other hand, Counsel for respondent reiterated the contents of his reply and stated that the work is in full swing and the money of the complainant is in safe hand. It is further argued that complainant has still to pay remaining amount for the allotted unit. He has argued that the delay was due to Covid-19 and respondent be exempted for payment of interest for this period.

9. The undersigned has considered the rival contentions of the parties and have also perused the available record on the file.

10. There is no dispute between the parties about allotment of office space, execution of agreement for sale, issuance of addendum to agreement for sale whereby extending the time of handing over possession by six months, and payments made by complainant to respondent.

11. The undersigned perused the addendum to agreement for sale which is duly signed by both the parties i.e. respondent's authorized Partners Sh. Pardeep Kumar Bansal and Sh. Tarsem Chand Bansal, and complainant giving consent to the extension of six months' grace period to respondent pursuant to Clause 23 of Agreement for Sale.

12. Thus, from the above facts, it is held that the grace period of six months after the last date of offer of possession was agreed to by complainant himself

by signing the addendum with his free consent. Accordingly, the undersigned is of the considered view that the date of possession mentioned in the original agreement for sale which was further revised by six months as per addendum to agreement for sale is in order i.e 01.07.2023 and I order accordingly.

13. In view of above discussion, accordingly complainant is entitled for payment of interest **from the revised date of possession as per addendum to agreement for sale i.e w.e.f 01.07.2023** till valid possession is delivered to him.

14. Regarding the delay due to Covid-19 argued by respondent, it is noteworthy that this Authority has allowed an extension of 6 months to all promoters for all obligations under the Act of 2016 arising after 15.03.2020. It is noteworthy that the impact of Covid-19 pandemic was immediate after the execution of agreement for sale dated 13.02.2020 and further addendum to agreement for sale 23.02.2020.

15. It is a matter of record that Hon'ble Real Estate Appellate Tribunal, Punjab vide its order dated 22.08.2022 Appeal No 100 of 2021 titled as "*Hero Realty vs Arun Premdhar Dubey*" held that due to *force majeure* on account of Covid-19, a period of 4 months was to be excluded from period of total delay in offer of possession. In view of above position the period of 4 months of *force majeure* has to be excluded from the period commencing from 01.07.2023.

16. The next contention of the respondent is that complainant made payment in June 2022 instead of December 2021 and there is thus delay of six months in making payment. It is also submitted by respondent that the remaining payments made by complainant were on time. Perusal of Annexure R-1 (a letter dated 12.10.2021 written by complainant to respondent mentioning the medical conditions of his wife due to which he has sought time to make payment thereof in June 2022) attached by respondent himself with his reply dated 21.11.2024. Considering this ailment, there was further no

reminder/communication/rebuttal placed on record by respondent to complainant regarding the demand of this payment. Thus, the complainant is not liable to pay any interest on this delayed payment for the period of six months i.e from December 2021 to June 2022.

17. As a result of the above discussion, this complaint is accordingly allowed and respondent is directed:

17.1 To pay interest under Section 18(1) of the Act of 2016 at the rate of **11.10%** per annum (today's State Bank of India highest Marginal Cost of Lending Rate of **9.10%** plus two percent) prescribed in Rule 16 of the Rules of 2017 on the amount paid by complainant with effect from the revised date of possession i.e w.e.f 01.07.2023 minus four months as discussed in para 15 above till the date of this order in the first instance.

17.2 To pay the arrear of interest till the date of this order within the statutory time i.e ninety days stipulated under Rule 17 of the Rules 2017 from the date of receipt of this order.

17.3 To pay further interest under Section 18(1) of the Act at the rate of **11.10%** per annum (today's State Bank of India highest Marginal Cost of Lending Rate of **9.10%** plus two percent) prescribed in Rule 16 of the Rules of 2017 on the amount paid by the complainant from the date of this order till the date of delivery of valid possession of the Unit and submit the compliance report.

18. It may be noteworthy that in case compliance report is not submitted by respondent after the expiry of above stated period and further any failure to comply with or contravention of any order, or direction of Authority may attract penalty under Section 63 of this Act of 2016.

19. The complainant is also directed to submit report to this Authority that he has received the amount of interest as directed in this order.

20. Further, complainant is bound to pay the outstanding amount, if any, before taking the possession of the Unit as per Section 19(10) of the Act of 2016 which reads as under:-

"(10) Every allottee shall take physical possession of the apartment, plot or building as the case may be, within a period of two months of the occupancy certificate issued for the said apartment, plot or building, as the case may be".

21. File be consigned to the record room after due compliance.


(Binod Kumar Singh)
Member, RERA, Punjab