

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

Complaint No. 0066 of 2025

Date of Institution: 01.02.2025

Date of Decision: ..17..03.2026

1. Deepa Jaret and
 2. Parveen Singha
- Both at Kotgarh (34/1), Shimla, Himachal Pradesh, 172031

....Complainants

Versus

Sushma Buildtech Limited,

Pardeep Kumar Director of Sushma Buildtech Limited

Prateek Mittal Executive Director of Sushma Buildtech Limited

Bharat Mittal Director of Sushma Buildtech Limited

Binder Pal Mittal Director of Sushma Buildtech Limited

All at B-107, Ist Floor, Business Complete, Elante Mall, Industrial Area,
Phase-1, Chandigarh – 160002

....Respondents

Present: Shri Jasdeep Singh, Advocate for the complainant
Shri Sanjeev Sharma, and Shri Vishal Singal, Advocates
for 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 01.02.2025 by complainants as individuals against respondent seeking possession of the allotted unit and interest for the period of delay in handing over valid possession.

2. The brief facts of the complaint as submitted by complainants are summarized below: -
- 2.1 Complainants has book Unit O-1006, in the project namely 'Sushma Crescent' having carpet area of 1062.00 Sq Ft and super area of 1705 Sq Ft type, 3BHK, on 10th Floor in Tower "O" with one car parking admeasuring 98 Sq. ft located at Kishanpura, Hadbast No 54, Sub Tehsil Zirakpur, Tehsil Derabassi, District S.A.S Nagar, Punjab. Agreement to sell was executed on dated 11.11.2020 and it was promised by respondent to hand over possession on 11.11.2022. The complainant had availed the facility of loan from Punjab National Bank for amounting of Rs.36,00,000/- and the bank has also executed the agreement with the complainant on dated 11.11.2020. Total sale consideration of the flat was Rs.45,00,000/- against which the complainant had paid amounting Rs.37,81,525 (excluding GST). As per the clause 7.1 of the agreement, due date to handover the possession of the Unit was 11.11.2022. Till date no possession has not been handed over to complainants. The complainant is paying heavy EMI's against the said unit to the bank.
- 2.2 The builder is in active default of the project and as on date his RERA license has also been expired which was valid till 19.07.2022 as shown on the RERA Portal.
3. Prayer of complainants is that the respondents be directed to handover the possession of the unit with all assured amenities, fitting and fixtures and also the respondent be directed to pay the interest as per the provision of Act for the delay caused till valid handing over the possession of unit. Further, the demand raised by the respondent Builder to the complainant for the amount of Rs.1,66,215/- be quashed being illegal and against the provisions of the RERA Act.

4. Upon notice, respondent appeared through Shri Sanjeev Sharma, Advocate and submitted reply dated 13.10.2025 which is summarized below: -

4.1 It is respectfully submitted by respondent that the delay in construction and consequent offer of possession to the Complainants has been significantly caused by the complainant's own default in making timely payments as per the payment schedule stipulated under the Agreement for Sale. Owing to the continuous defaults in payment of installments and other dues by the Complainants, the Respondent was left with no option but to terminate the allotment of Flat/Unit No. O/ 1006, 10th Floor, in the residential project "Sushma Crescent", Zirakpur, SAP Nagar, Mohali, Punjab. The Respondent, after following the due contractual process, issued a Termination Letter dated 31.12.2020 thereby lawfully cancelling the allotment of the aforesaid unit (Annexure-R-5).

4.2 Respondent stated that due to global outbreak of Covid-19 it was difficult for the developers to carry on construction activities. Counsel for the respondent also relied upon Advisory dated 13.05.2020 issued by the Ministry of Housing and Urban Affairs. He also relied upon order passed by the Hon'ble State Consumer Dispute Redressal Commission, Chandigarh and Hon'ble National Consumer Disputes Redressal Commission, New Delhi wherein they have acknowledged delays in project timelines due to COVID-19 as legally justifiable force majeure events. Counsel for the respondents further relied upon the judgement of the Hon'ble Supreme Court in its Suo Moto Writ Petition (C) No.3 of 2020 whereby vide its order dated 10.01.2022 made observations regarding the extension of limitation periods in the light of Covid-19 and stressed that these are applicable to the present case.

4.3 The respondent stated that the complainant had opted for construction

linked plan and accordingly the allotment was made in favour of the complainant. The complainant has paid a sum of 42,35,311/ (including GST) of total sale price of Rs.45,00,000/-(excluding GST).

5. Complainant filed his rejoinder controverting the allegations of the written reply filed by Respondent No.1 is wholly incorrect and misconceived, and reiterated the contents of their complaint under Section 31 of the RERA Act, denying all statements contrary thereto.
6. Both the Counsel for the complainant as well as respondent addressed their respective arguments on 27.02.2026. The undersigned considered the rival contentions of both the parties and also perused the pleadings along with documents annexed by both the parties:
7. The respondent also argued that pandemic of Covid-19 occurred with effect from March 2020 onwards and possession as claimed by complainants was to be handed over on 11.11.2022 and this Authority had itself granted 6 months reprieve to the promoters. It is further stated that the case of respondent that during the intervening period of March 2020 to July 2021 due to Covid-19, the construction was at snail's pace and respondent could not meet the dead line and prayed for six months exemption from payment of interest for the period of delay. He has also relied upon various orders of the competent Authorities in this regard.
- 7.1 It is a matter of record that Hon'ble Real Estate Appellate Tribunal, Punjab vide its order dated 22.08.2022 in 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 benefit of at least 4 to 5 months on account of force majeure should be afforded to the developer to absolve him of the liability of completing the projects within the timeline prescribed*". In view of above position the period of 4 months of *force majeure* has to be

excluded from the period of delay in handing over possession to the complainant, order accordingly.

7.2 Learned Counsel for the complainant argued that they were allotted a residential Unit No. O-1006 on 10th floor having carpet area of 1062 Sq Ft and super area of 1705 Sq Ft with one car parking in the project 'Sushma Crescent' vide Allotment letter dated 11.11.2020 by respondents. Thereafter, an agreement was also entered into between the parties on 11.11.2020 and as per Clause 7.1 of the said Agreement, possession was to be delivered on 11.11.2022 subject to force majeure conditions, but the respondent failed to do so. The complainants have paid Rs.42,35,311/- (including GST) against the agreed price of Rs. 45,00,000/- (including IFMC charges Rs.51,150/-). Thus, failure to hand over possession on time by respondent, the complainant is entitled for interest for the period of delay as per Section 18 of the Act of 2016.

7.3 There is no dispute about the issuance of allotment letter, entering into agreement by the complainants with respondents no.1, receipt of payment by respondent and as per Clause 7.1 of the agreement the date of possession is 11.11.2022. It is established on record that till today possession of unit has not been handed over to the complainant. Further, in his submission the respondent stated that they have cancelled the allotment vide termination letter dated 31.12.2020. On perusal of the letter dated 31.12.2020, content of letter includes that in case of balance amount Rs.21,85,235/- is still pending and as per terms and conditions of the apartment buyer agreement the allotment of the residential unit shall automatically stands cancel. There is no specifically termination letter from the respondent to the complainant. Further, on perusal of annexure R-6, it noticed that the complainant has paid amounting Rs.42,35,311/- (including GST) out of total outstanding amount Rs.50,33,866/- (including GST) as on 11.11.2025 means that

the respondent has accepted the payment after 30.12.2020 and above said unit was not cancelled by the respondent.

7.4 Thus, it is held that the complainant is entitled for interest to be paid by respondent for the period of delay in handing over possession of the above said Unit.

9 As a result of the above discussion, this complaint is accordingly accepted. The undersigned is of the considered view that complainant is entitled for the receipt of interest from the respondent for the period of delay in handing over possession of the above said unit as provided in section 18(1) of the Act.

Provisions of the Section 18(1) of the Act is reproduced as under:

"18. (1) If the promoter fails to complete or is unable to give possession of an apartment, plot or building, —

(a) in accordance with the terms of the agreement for sale or, as the case may be, duly completed by the date specified therein; or

(b) due to discontinuance of his business as a developer on account of suspension or revocation of the registration under this Act or for any other reason,

he shall be liable on demand to the allottees, in case the allottee wishes to withdraw from the project, without prejudice to any other remedy available, to return the amount received by him in respect of that apartment, plot, building, as the case may be, with interest at such rate as may be prescribed in this behalf including compensation in the manner as provided under this Act:

Provided that where an allottee does not intend to withdraw from the project, he shall be paid, by the promoter, interest for every month of delay, till the handing over of the possession, at such rate as may be prescribed."

10. As a net result of the above discussion, this complaint is accordingly allowed and respondents are directed to:

10.1 To issue offer of possession letter in writing to the complainant within the time stipulated as per term and condition mentioned in

- column 7.2 of the 'agreement for sale' dated 11.11.2020 after obtaining completion certificate from the competent authority.
- 10.2 To pay interest under Section 18(1) of the Act of 2016 at the rate of 10.80% per annum (today's State Bank of India highest Marginal Cost of Lending Rate i.e. 8.80% plus two percent) prescribed in Rule 16 of the Rules of 2017 on the amount of Rs.39,86,174/- paid by complainant, with effect from 11.11.2022 till date of order in the first instance(minus four months being force majeure event as discussed in para 7.1 above) and in respect of payment received after due date of possession i.e.11.11.2022, from the date of receipt of payment till date of this order within ninety days from the date of receipt of this order and submit a compliance report to this Authority about releasing the interest amount as directed.
- 10.3 Further, respondent is also directed to pay interest on an amount of Rs.42,35,311/- @ 10.80% per annum (today's State Bank of India highest Marginal Cost of Lending Rate i.e. 8.80% plus two percent) prescribed in Rule 16 of the Rules of 2017 from date of issue of order to actual date of possession or two months after getting the completion certificate by competent authority whichever is earlier.
- 10.4 Further, the respondent is also entitled to charge interest at the rate of 10.80% per annum only (today's State Bank of India highest Marginal Cost of Lending Rate i.e. 8.80% plus two percent) prescribed in Rule 16 of the Rules of 2017 in respect of the payment paid delayed by the complainant in compliance to payment schedule 'C' of agreement till due date of possession. The respondent is not entitled to charge any delayed interest after due date of possession.
11. It may be noteworthy that in case compliance report is not submitted by the respondents after the expiry of above stated

period of ninety days and further any failure to comply with or contravention of any order, or direction of this Authority may attract penalty under section 63 of this Act of 2016.

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

Binod
17/3/28

(Binod Kumar Singh)
Member, RERA, Punjab

Rera, Punjab