IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated : 22.03.2024

CORAM

THE HON`BLE MR.JUSTICE N.SATHISH KUMAR

C.S.No.284 of 2020

Pritha Ratnam
Rep. by her Power Agent Mr.Narasimhan .. Plaintiff

Vs.

1. V.Saravanan
2. V.Balamurugan .. defendantss

Civil Suit filed under Order VII Rule 1 CPC read with Order IV Rule 1 of Original Side Rules praying for the following judgment and decree against the defendantss :

a) Direct the defendants jointly and severally to pay the plaintiff a sum of Rs.2,47,37,753/- (Rupees Two Crores Forty Seven Lakhs Thirty Seven Thousand Seven Hundred and Fifty Three only) i.e.Rs.2,10,00,000/- under Demand Promissory Notes 15.09.2019/24.09.2019 dated 30.12.2019 and 01.02.2020 executed by the defendants in favour of the Plaintiff and Rs.37,37,753/- (Rupees Thirty Seven Lakhs Thirty Seven Thousand Seven

Hundred and Fifty Three Only) towards interest at the rate of 24 percent p.a. from the respective dates of the Demand Promissory Notes till 16.09.2020.

[b] direct the defendantss jointly and severally to the plaintiff future interest at he rate of 24% p.a. on the Demand Promissory Notes of Rs.2,10,00,000/- [Rupeestwo crores ten lakhs only] from the date of the plaint till the realization of the payment

[c] direct the defendantssto pay costs of the suit

For Plaintiff : Mr.George Cheriyan

For defendantss : Mr.P.L.Narayan, Senior Counsel for Mr.V.Praveen Kumar

JUDGMENT

This suit has been filed for recovery of a sum of Rs.2,47,37,753/- i.e.Rs.2,10,00,000/- under Demand Promissory Notes dated 30.12.2019 and 01.02.2020 executed by the defendants in favour of the Plaintiff and Rs.37,37,753/- towards interest at the rate of 24 percent p.a. from the respective dates of the Demand Promissory Notes till 16.09.2020.and Rs.37,37,753/- towards interest at the rate of 24 percent p.a. from the respective dates of the Demand Promissory Notes till 16.09.2020 along with future interest at the rate of 24% per annum on Rs.2,10,00,00,000/-and for costs.

2. It is the case of the plaintiff that the defendants had agreed to sell their property to an extent of 4972 sq.ft. and entered into an agreement on 24.09.2019 for sale of the property for sale consideration of Rs.9 crores and received an advance of Rs.50 lakhs on the same day. The material terms of the contract is that the defendants shall rectify and produce the corrected patta before 06.11.2019. On production of such document, the plaintiff agreed to pay the balance sale consideration on or before 06.11.2019 after deduction the TDS. It is the case of the plaintiff that the plaintiff wanted to complete the sale transaction out right without paying the advance. However, the defendants after receipt of the advance had executed a promissory noted dated 24.09.2019. It is also agreed in the contract that in the event the defendants did not execute and complete the sale on or before 06.11.2019, they are liable to pay damages of Rs.5 lakhs and the defendants are liable to refund the advance received. The defendants had not obtained

the corrected patta in terms of Clause 4 of the agreement on or before 06.11.2019. As the defendants committed material breach of the agreement, the defendants represented the plaintiff not to cancel the agreement and requested further advance of Rs.50 lakhs on entering into a supplemental agreement dated 30.12.2019. In the supplemental agreement, the sale consideration also confirmed as Rs.8,50,00,000/- as the defendants wanted a sum of Rs.50 lakhs from the sale consideration and paid to the defendants towards amenities, fixtures and fittings. In respect of the further advance amount, the defendants also executed a promissory note on 30.12.2019 and also issued a cheque for a sum of Rs.1,10,00,000/-. Thereafter, the defendants requested the plaintiff to pay a sum of Rs.one crore and the plaintiff paid a sum of Rs.99 lakhs on 01.02.2020 and also executed a promissory note and had given a cheque on the same day. Accordingly, the plaintiff has paid a sum of Rs.1,99,00,000/- lakhs to the defendants. In the supplemental agreement, it was agreed to complete the sale transaction before 24.02.2020. Unfortunately, the plaintiff's 6 months old grand daughter, who had come to India from USA and was admitted in the Appollo Hospital in the first week of Febraury 2020 and consequently, became critical and had to be air lifted to Singapore by air ambulance to Singapore on ventilator support. The plaintiff had to travel along with his grand daughter at that point of time and the same was informed to the defendants. Thereafter, the plaintiff and the defendants had met on 16.03.2020 at Starbucks Cafe to mutually fixed the date of registration of the sale deed. However, the defendants demanded additional sale consideration for which the plaintiff did not accede. However, the defendants did not come forward to execute the sale deed. Thereafter, legal notice was issued by the defendants to the plaintiff for which a reply notice was issued by the plaintiff. Hence, the plaintiff has filed the present suit for refund of the advance amount.

3. Admitting the sale agreement entered between the parties and execution of promissory notes and issuance of the cheques, it is the case of the defendants in the written statement that that only because they are in urgent need of funds to meet their liabilities and for purchase of another property, they had entered in to an agreement with the plaintiff. The amended patta from the Tahsildar was obtained in the second week of

January, 2020 and also intimated to the plaintiff. The plaintiff agreed to complete the sale before 31.01.2020. But she failed to do so. It is the further contention of the defendants that mere one month delay in getting the patta cannot be construed as material breach of the agreement by the defendants. Even after obtaining the amended patta on 07.01.2020, the plaintiff committed breach in not completing the sale on or before 29.02.2020. Therefore, it is his contention that when the second defendant met the plaintiff on Star Buyg on 16.03.2020 and asked for compensatory payment for the delay which has already been demanded as additional sale consideration, the plaintiff agreed to compensate for the delay caused making a decent payment which has been suppressed by the plaintiff in the plaint. The main contention of the defendants in the written statement is that the fact delay is on the part of the subsequent failure by the plaintiff in purchasing the property and caused irreparable loss to the defendants as they were planning to sell the suit property due to urgent need of funds and agreed to sell the property to the plaintiff for a sum of Rs.9 crores, which was one crore lesser than the market value of the suit property. The defendants blindly believing that the plaintiff will purchase the property, assented to all the preconditions, including signing of promissory notes which is not an usual practice in sale of a property. Due to non purchase of the property by the plaintiff, the defendants were not able to find any party to buy their property after covid crisis and the value of the property has further gone down by one crore to Rs.8 crores. The plaintiff after paying initial sum of Rs.2,10,00,000/-, balance sum of Rs.7,90,00,000/- has not been paid. Therefore, the defendants have claimed counter claim Rs.2,79,00,000/- as compensation with interest at the rate of 18% per annum from the date of the written statement till the date of realisation.

4. On the basis of the pleadings, the following issues have been framed for consideration in the suit :

1. Whether the plaintiff is entitled to get a sum of Rs.2,47,37,753/- with interest @ 24% per annum as sought for in the plaint?

2. Whether the plaintiff is entitled to get a sum of Rs.2,10,00,000/- with interest @ 24% per annum?

3. Whether the defendants are jointly and severally liable to pay a sum of Rs.2,47,37,753/- to the plaintiff with interest @ 24%?

4. Whether the defendants are jointly and severally liable to pay a sum of Rs.2,10,00,000/- to the plaintiff with interest @ 24%?

5. Whether the defendants are entitled to get the counter claim of Rs.2,79,00,000/- from the plaintiff?

6. Whether the plaintiff is entitled for the costs of the suit?

7. Whether the defendants are entitled to get the costs of the counter claim?

8. To what other relief the plaintiff is entitled for?

9. To what other relief the defendants are entitled for?

5. On the side of the plaintiff P.W.1 has been examined and Ex.P.1 to Ex.P.14 have been marked. On the side of the defendants, D.W.1 was examined and Ex.D1 to Ex.D3 were marked.

List of witness on the side of the Plaintiff :

P.W.1 – Mr.R.Narasimhan

List of documents on the side of the Plaintiff :

S.No.	***Date***	***Description of documents***	***Exhibit***
1.	11.09.2020	Original Power of Attorney	P-1
2.	15.09.2019 & 24.09.2019	Demand Promissory Notes executed by the defendants in favour of the plaintiff	P-2
3.	30.12.2019	Cheque bearing No.000224 issued by the defendants to the plaintiff	P-3
4.	30.12.2019	Demand promissory Note executed by the defendants in favour of the plaintiff	P-4
5.	01.02.2020	Cheque bearing No.000216 issued by the plaintiffs to the defendants	P-5
6.	01.02.2020	Demand Promissory Note executed by the defendants in favour of the plaintiff	P-6
7.	15.09.019/ 24.09/2019	Sale agreement entered between the parties	P-7
8.	30.12.2019	Supplemental Agreement entered between the parties	P-8
9.	01.02.2020	Copy of the letter sent by the plaintiff to the defendant	P-9

S.No.	Date	Description of documents	Exhibit
10.	14.07.2020	Served Copy of the notice sent by the plaintiff to the defendants	P-10
11.	14.07.2020	Copy of the notice sent by the plaintiff to the defendants	P-11
12.	--	Acknowledgment card	P-12
13.	07.08.2020	Copy of the legal notice sent by the plaintiff to the defendants.	P-13
14.	18.08.2020	Served copy of the legal notice sent by the plaintiff to the defendants	P-14

List of witness on the side of the defendants :

D.W.1 - Mr.V.Balamurugan

List of documents on the side of the defendants :

S.No.	Date	Description of documents	Exhibit
1.	30.01.2024	Valuation report given by the Engineer	Ex.D1
2.	29.01.2024	Copy of email along with certificate under section 65B of Evidence Act, 1872	Ex.D.2
3.	31.01.2024	Letter from ACTC Studio Pvt Ltd. to the defendants	Ex.D.3

6. Since the issues are over lapping, the issues are recasted as follows :

1. Whether the plaintiff is entitled to recover the suit amount with interest as prayed for?

2. Whether the plaintiff has committed breach of the terms of the contract which enabled the defendants to claim counter claim?

3. Whether the defendants have established the loss sustained by them to claim counter claim?

4. What other reliefs the parties are entitled to?

Since the evidence is already on record, merely because the issues have been recasted, this Court is of the view that no further evidence is required in this regard as the evidence has been adduced in those aspects.

7. The execution of the original agreement and supplemental agreement and promissory notes and issuance of cheques are not disputed. The receipt of the advance amount is also not disputed. The agreement for sale itself clearly stipulates that in the event of breach by either side, the

parties are entitled to liquidated damages. According to the learned counsel appearing for the plaintiff, as per the time stipulated, the defendants have not obtained rectified patta. Therefore, the supplemental agreement came to be executed. According to the plaintiff, when the plaintiff was about to pay the remaining sale consideration and register the sale deed, the plaintiff's grand child suffered brain hemorrhage and therefore, she has to be air lifted to Singapore. Therefore, there was a delay and immediately, within 15 days, when the plaintiff met the second defendant and sought for registration of the sale deed, they demanded compesatory cost. Therefore, in such a situation, it cannot be held that the defendants are entitled to claim any counter claim. As far as refund of the advance amount is concerned, the advance amount has been received by the defendants and the second defendant himself has admitted in the chief examination to refund the advance amount with reasonable interest. Therefore, the issue which has to be decided in this suit is the counter claim. According to the plaintiff, he is entitled to recover the suit claim and the counter claim pleaded by the defendants has to be dismissed.

8. Whereas, the learned Senior Counsel appearing for the defendants mainly argued on the counter claim. As far as the refund of the advance amount is concerned, he has fairly stated before this Court that at reasonable bank interest, they will refund the amount. As far as the counter claim is concerned, the defendants have pleaded hardship due to breach on the part of the plaintiff. As per the supplemental agreement, the defendants have infact obtained amended patta even before the stipulated time. Even thereafter, the plaintiff has not come forward to pay the remaining sale consideration of Rs.7,90,00,000/- and completed the sale. Therefore, when the time was essence of the contract, when the plaintiff has breached the conditions and thereafter refused to purchase the property after COVID and the value of the property has also drastically come down and the defendants are certainly entitled to damages as claimed in the written statement. It is his contention that the terms governing the parties in agreement is unconscionable. The defendants were forced to sell the property due to urgent need of money to clear their liabilities. Therefore, at this stage, the contract restricting liquidated damages alone is unconscionable. Hence, it is

his contention that the defendants have established his loss and they are entitled to damages. Ex.D.1 and Ex.D.2 clearly prove the fact that the value of the property has drastically come down. Hence the defendant is entitled to the counter claim as pleaded in the written statement. It is also submitted by the defendants that as far as the claim of interest and balance sale consideration consideration, they are not pressing their claim. Further, it is his contention that as per Ex.P.7 sale agreement, total sale consideration is fixed as Rs.9 crores. Whereas, due to non purchase of the property, the value of the property has been drastically reduced to Rs.5 crores as per Ex.D.1 and Ex.D.2. Therefore, there is reduce in value of the property for atleast Rs. 3, 4 crores. Despite the same, the defendants have restricted their claim only to Rs.2 crores. Even now the defendants are willing to sell the property for the contracted price of Rs.9 crores. But the plaintiff has refused to accept the offer and the reason is due to diminishing value of the property. Hence, it is his contention that the terms of the contract restricting liquidated damages is unconscionable and not enforceable. The plaintiff as a company was in dominating position when the defendants were in dire need of funds. Therefore, prescribing penalty to one of the contracting parties is not enforceable. Hence, the defendants are entitled to the counter claim as prayed for. In support of his submissions, he relied on the following judgments :

Srimagal and Co. Vs. Books [India] Pvt. Ltd. and others reported in **AIR 1973 Mad 49**

Indian Oil Corporation Ltd., Vs. Nilofer Siddiqui and Ors reported **in[2016] 1 MLJ 245 [SC]**

9. Issue No.1 :

It is not in dispute that originally the parties have entered into an agreement of sale dated 15.09.2019 wherein the defendants have agreed to sell the property for a total sale consideration of Rs.9 crores. On the date of the agreement itself, an advance amount of Rs.50 lakhs has been paid by way of cheque by the plaintiff. It is also agreed between the parties that the balance sale consideration shall be paid on or before 16.11.2019 to the defendants. One of the main covenant in the agreement is to the effect that the purchaser has to obtain the rectified and corrected patta before the deadline on 06.11.2019. Clause 9 of the agreement reads as follows :

"If the Vendors fail to execute and register the Sale Deed conveying the 'said property' in favour of the purchaser free of all encumbrances in terms of this agreement, at the time the purchaser is willing to pay the balance sale consideration, in terms of this agreement, the Vendors will forthwith refund the sum of Rs.50,00,000/- [Rupees fifty lacs only] paid as advance in terms of this agreement together with liquidated damages of Rs.5,00,000/- [Rupees five lacs only] without demur and without prejudice to the right of the purchaser to claim specific performance."

Similarly clause 10 of the agreement reads as follows :

"If at the time the vendors are ready and willing to execute and Register the Sale Deed in terms of this agreement, conveying the 'Said Property' in favour of the purchaser free of all encumbrances, hand over possession and the original title deeds and the purchaser fails to pay the balance sale consideration within the period stipulated in clause 3 of this

> agreement, the purchaser will forfeit a sum of Rs.5,00,000/- [Rupees five lacs only] from the advance paid by the purchaser as liquidated damages and the Vendors shall forthwith refund the balance advance sum of rs.45,00,000/- [Rupees forty five lacs only] and on receipt of the refund of Rs.45,00,000/- this agreement will stand cancelled forthwith."

The terms of contract agreed between the parties makes it very clear that in event of breach by any of the parties they are liable to pay liquidated damages of Rs.5 lakhs as against the other. The fact remains that the amended patta could not be obtained before the agreed date as per Ex.P.7. Therefore, the supplemental agreement was executed on 30.12.2019 extending time for completion of sale before 29.02.2020. Similarly, liquidated damages as extracted is also included in the supplemental contract. Execution of the documents is not disputed by both sides.

10. It is to be noted that time for obtaining amended patta is also extended under the supplemental sale agreement. As per the supplemental agreement, a sum of Rs.50 lakhs has been paid as further payment under

Ex.P.8 plaintiff. This fact is also not disputed. In respect of these payments, promissory notes and cheques have also been issued by the defendants as per Ex.P.3, Ex.P.4, Ex.P.5 and Ex.P.6, which are not disputed by the defendants. The fact that the defendants have obtained the patta in the month of January 2020 is not disputed. However, the terms of the contract for completing the sale has been extended upto 29.02.2020. Whereas, the specific case of the plaintiff is that before sale could be completed, as the plaintiff's six months old grand daughter was suffering from brain hemorrhage had to undergo emergency brain surgery and had to be air lifted to Singapore. Hence, the sale could not completed and the same was informed to the defendants. Thereafter on 16.03.2020, both the plaintiff and the second defendant had a meeting for completion of sale. On that day, the defendants demanded additional sale consideration and as the plaintiff had not agreed for additional sale consideration, sent a legal notice to the defendants and had filed the present suit for recovery of the advance amount.

11. The receipt of advance amount is not disputed by the defendants.

In the written statement also the receipt of the advance amount as referred above has been admitted. Even during the examination of P.W.1, a specific suggestion has been put to P.W.1 by the learned counsel for the defendants which reads as follows :

> Question No.65 : Are you ready to receive the advance payment made by the plaintiff to the defendants and deliver the bank keys and bring the litigation to an end?
>
> Answer of P.W.1 : We are willing to do so if the advance is refunded along with interest and cost of the suit the suit paid by the defendants.

After such evidence, when the matter came up before this Court, the learned counsel appearing for the defendants on 04.01.2024, submitted that as far as the advance amount is concerned, morally, his client is prepared to pay that amount with 6% interest. However, as far as counter claim is pleaded, it has to be tested in the trial and decide on merits. His statement is also recorded on 04.01.2024. As the receipt of advance is not disputed, various documents have also been executed, when the sale has not been fructified, the terms of the contract itself clearly indicate that other than the liquidated damages agreed between the parities, the advance amount has to be refunded. The terms of the contract makes it very clear that in the event of breach by either party, Rs.5 lakhs liquidated damages is payable by the party who committed breach against the other. In such view of the matter, this Court is of the view that as the sale has not been fructified and the receipt of advance is not disputed and even the defendants are willing to pay that amount and a suggestion has been put to the plaintiff, the plaintiff is certainly entitled for recovery of the advance amount paid by the plaintiff. Though the plaintiff has claimed 24% interest, this Court restricts the interest to the rate of 7.5% from the date of payment. The issue No.1 is answered accordingly.

12. Issue Nos.2 to 4 :

It is the case of the defendants that as they are in urgent need of funds they agreed to sell the property for a sum of Rs.9 crores, which was lesser than one crore of the market value of the property However, now the value has reduced to 8 crores and the defendants have to be compensated as damages for two cores. The main submission of the learned Senior Counsel is that only the plaintiff has committed breach of the agreement. Therefore, the defendants are entitled to damages. To prove that the value of the property has been reduced after COVID, Ex.D1 to Ex.D.2 has been marked. Much reliance has been placed on Ex.D1 to D3. As far as the plea of counter claim is concerned, except stating that the defendants were planning to sell the property due to urgent need of funds, there is no material, whatsoever, pleaded in the written statement. Be that as it may.

13. The grievance of the defendants is that after COVID crises, as the plaintiff has not purchased the property, the value of the property has been reduced to the tune of Rs.2 crores. Hence, they are entitled to damages to the tune of Rs.2 crores, besides interest on the remaining sale consideration. As far as the interest claimed on the remaining sale consideration, the learned Senior Counsel has fairly conceded that such claim is not maintainable. However, he has argued only with regard to the damages said to have been suffered by the defendants.

14. Ex.D.1 Engineer report dated 30.01.2024 relied on by the

defendants to show that the present market value of the property is only Rs.5,05,21,414/-. The author of the report has not been examined. Therefore, in the absence of any proof to show that the value has been reduced, merely on the basis of the Engineer's report, the Court cannot come to the conclusion that the value of the property has been drastically reduced. Similarly, Ex.D.4 email communication said to have been sent by one Farhan Habib to the second defendant wherein, he has stated that the value of the property is only around 5 to 6 crores. Though Ex.D.2 has been filed, it is relevant to note that it has been obtained only on 16.03.2024 . Whether the actual buyer has sent such a message has not been established. Though the Court can presume that the electronic message received by the addressee, the Court cannot draw any presumption as to the person by whom such message was sent as per Section 88A of the Indian Evidence Act. Therefore, in the absence of any proof with regard to the identity of the person who has sent, whether he is actually a property dealer or not. Merely on the basis of some communication generated only for the purpose of the trial, particularly, at fag end, the contention of the defendants that the property value has been drastically reduced cannot be countenanced.

15. It is relevant to note that though the defendants have originally agreed to complete the sale on or before 06.11.2019 as per Ex.P.7, they could not obtain amended patta within the stipulated date which resulted in entering into a supplemental agreement between the parties wherein time for completion of sale has been extended up to 29.02.2020. At that time further advance amount has also been received by the defendants.

16. It is an admitted case of the parties that the amended patta has been obtained in the month of January 2020. Whereas, it is the specific case of the defendants that sale ought to have been completed before 29.02.2000. Whereas, the specific contention of the plaintiff is that they are ready to complete the sale, but due to medical emergency of her 6 months old grand child and as the child has to be air lifted to Singapore, the sale could not be proceeded. However, immediately after 16.03.2020, the plaintiff has met the second defendant and requested mutual date for completing the same. The meeting of the plaintiff and the second defendants has not been disputed. Even in the written statement in para 14, it is admitted by the

defendants.

17. It is the specific case of the defendants that they asked for compensatory payment for the delay. Whereas, the stand of the plaintiff is that the defendants demanded additional sale consideration. Therefore, it cannot be said that there was undue delay on the part of the plaintiff. P.W.1 also clearly spoken about the fact of informing the said fact to the defendants. Therefore, merely because there was some delay on the part of the plaintiff, due to medical emergency, it cannot be said that they have committed material breach. It is also relevant to note that the parties have agreed to certain terms agreed in the contract. The clauses agreed referred above makes it very clear that in the event of any breach, the parties are entitled to liquidated damages of Rs.5 lakhs. Even if the contention of the defendant is accepted that there was delay on the part of the plaintiff, even after 29.02.2020, admittedly, the plaintiff and the second defendant met on 16.03.2020. It is also admitted by the defendants that they demanded additional compensatory payment for the delay. This fact clearly indicate that the defendants had protracted the issue. If really, the defendants are

interested in executing the sale deed, they could have insisted liquidated damages as agreed between the parties. However, the demand of additional compensatory payment was the reason for rescinding the contract between the parties. Whereas, the defendants have sent a legal notice to the plaintiff under Ex.P.10, wherein he has clearly stated that the amount of advance received already expended by them and the plaintiff will have charge over the property and return of money could happen only after the sale of the property. When the parties have agreed to the terms restricting liquidated damages in the event of breach by either party and now it cannot be contended by the parties to effect that the contract is unenforceable due to economic duress.

18. The judgment relied on by the learned Senior Counsel for the defendants in Indian Oil Corporation Ltd. Vs. Nilofe Siddiqui and Others is only with regard to the termination of the distributorship contract. Therefore, the same is not applicable to the facts of the case. The other judgment Srimagal and Co. Vs. Books [India] Pvt. Ltd. and others is also not helpful to the plaintiff as the same is with regard to infringement of

copyright. When the parties entered in to an agreement, agreeing to complete the sale within the stipulated time, and also to pay liquidated damages in the event of any reach of the conditions, now it cannot be complained that such clause is unconscionable and unenforceable. Therefore, economic duress pleaded during the arguments cannot be applied to the facts of the present case. If really, the defendants had intention to sell the property and receive sale consideration, there was no reason as to why they have not agreed to complete the sale after 16.03.2020 when the plaintiff met the second defendant. The very written statement clearly indicate that the defendants have demanded compensatory payment at the relevant point of time. Such being the case, the defendants cannot contend that the property value has been reduced. Except Ex.D1 and Ex.D.2 which was obtained only prior to the trial, no other documents or guideline value, whatsoever has been filed. Hence, now it cannot be said that the value of the property has been drastically reduced. In such view of the matter, now the defendants cannot contend that the defendants are entitled for damages to the tune of Rs.2 crores and the same has no legs to stand. Utmost, even assuming that the plaintiff has failed to complete the sale as per the supplemental agreement on or before 29.02.2020, the defendants are entitled to liquidated damages of Rs.10 lakhs as stipulated Clause 10 of the supplemental agreement which reads as follows :

> "If at the time the vendors are ready and willing to execute and Register the Sale Deed in terms of this agreement, conveying the 'Said Property' in favour of the purchaser free of all encumbrances, hand over possession and the original title deeds and the purchaser fails to pay the balance sale consideration within the period stipulated in clause 3 of this agreement, the purchaser will forfeit a sum of Rs.5,00,000/- [Rupees five lacs only] from the advance paid by the purchaser as liquidated damages and the Vendors shall forthwith refund the balance advance sum of rs.45,00,000/- [Rupees forty five lacs only] and on receipt of the refund of Rs.45,00,000/- this agreement will stand cancelled forthwith."

Applying the above cause, as the plaintiff has not completed the sale within the agreement, they are liable to pay liquidated damages agreed in the contract with interest at the rate of 7.5% .

19. Accordingly, the suit is decreed with proportionate costs directing the defendants to pay a sum of Rs.2,01,21,875/- along with interest at the rate of of 6% from the date of decree till the date of realization [after deducting a sum of Rs.12,50,000/- payable by the plaintiff to the defendants towards damages along with interest at the rate of 7.5% from 01.03.2020 till th date of decree [i.e., Rs.10,00,000/- towards damages + Rs.2,50,000 towards interest].

22.03.2024

vrc

N.SATHISH KUMAR, J.

vrc

C.S.No.284 of 2020

22.03.2024