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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ W.P.(C) 4545/2022 & CM APPL. 13620/2022

DALLBIR SINGH & ANRPetitioners

Through: Ms. Lisha, Advocate

versus

UCO BANK & ORSRespondents

Through: Ms. Nisha Chauhan proxy for Mr. I S Chauhan, Advocate for UCO Bank.
Ms. Mahima Ahuja and Ms. Varsha Banerjee, Advocates for R-2.

CORAM:

HON'BLE THE ACTING CHIEF JUSTICE

HON'BLE MR. JUSTICE TUSHAR RAO GEDELA

ORDER

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01.08.2024

1. Learned counsel for the petitioners fairly admits that the present matter has to be governed by the order dated 11th August, 2023 passed in W.P.(C) 6774/2021. The said order reads as under:-

*“1. The petitioners have filed the present petitions, inter alia, praying that the proceedings instituted by the respective banks (hereafter ‘**respondent banks**’) before the learned Debts Recovery Tribunal (hereafter ‘**the DRT**’) be stayed.*

2. The petitioners are homebuyers and are, essentially, aggrieved by the actions instituted by the respondent banks for recovery of the debts due, on account of financial assistance extended for purchase of the residential flats allotted to the respective petitioners.

*3. The petitioners had booked respective residential flats being developed by the concerned builders (who are also arrayed as respondent(s) in the respective petitions (hereafter ‘**the builders**’). The builders had issued*



allotment letters in respect of residential flats allotted to the concerned petitioners and had also entered into separate Builder Buyer Agreements with the petitioners in respect of the respective flats allotted to them. In terms of the said agreements, the possession of the said flats was required to be handed over to the concerned petitioners within a stipulated period.

4. The petitioners claim that the builders had introduced them to officials of the respondent banks for availing finance facilities. Thereafter, the parties (the flat buyers, the builders and the respondent banks) had entered into separate Tripartite Agreements for financing purchase of the residential flats. In terms of the said agreements, the respondent banks had disbursed amounts directly to the builders. The petitioners are, essentially, aggrieved as the builders have neither handed over possession of the flats nor refunded any of the amounts paid by them or the respondent banks.

5. According to the petitioners, the disbursement of loan amounts by the respondent banks in favour of the builders is contrary to the guidelines issued by the Reserve Bank of India (RBI) and in most cases, funds were disbursed in complete disregard to the status of the construction of the residential flats at the material time.

6. In most of the present petitions, the petitioners claim that in terms of the Tripartite Agreements, the builders were required to service the loans prior to handing over the respective residential units, however, have failed to do so.

7. The builders had undertaken to hand over the residential units within a stipulated period of time. The petitioners claim that the builders have been unable to complete the construction of the residential flats and in the given circumstances, the petitioners are not liable to repay any amount to the concerned bank.

8. The petitioners claim that no amounts can be recovered from them, as the respondent banks had disbursed the amounts directly to the builders. The petitioners contend that in terms of the Tripartite Agreement, they are not liable to repay the amounts as the possession of the respective residential flats allotted to them has not been delivered to them.

9. This Court is of the view that it would not be apposite for this Court to entertain the present petitions as the petitioners have the right to urge the grounds as advanced, before the learned DRT. The question whether the respondent banks are entitled to recover any amount from the petitioners is required to be addressed by the learned DRT in the first instance in the proceedings instituted under the Recovery of Debts and Bankruptcy Act, 1993



10. In view of the above, the present petitions are disposed of. It is clarified that all rights and contentions of the parties are reserved. The petitioners are not precluded from raising such contentions as may be advised, before the learned DRT.

11. It is clarified that this Court has not expressed any opinion on the merits of the claims made by the petitioners.”

2. Accordingly, the present petition is disposed of with liberty to the petitioners to urge all their contentions and submissions before the learned DRT. The interim order, if any, stands vacated. The rights and contentions of all the parties are left open.

3. It is clarified that this Court has not expressed any opinion on the merits of the claims made by the petitioners.

ACTING CHIEF JUSTICE

TUSHAR RAO GEDELA, J

AUGUST 1, 2024

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