

.BEFORE THE HARYANA REAL ESTATE APPELLATE TRIBUNAL

Appeal No.603 of 2024

Date of Decision: 23.07.2025

Signature Global Homes Pvt. Ltd., 13th Floor, Dr. Gopal Das Bhawan, 28 Barakhamba Road, Connaught Place, New Delhi, Delhi, India-110001

Appellant.

Versus

1. Shiv Dayal Arora

2. Ms. Kiran Arora,

Residents of 14/444, Near Pushpankali X-Ray, Sikka Colony, Sonapat-131001

Respondent

Argued by : Mr. Yashvir Singh Balhara, Advocate along with
Mr. Hashit Batra, Advocate,
for the appellant.

Respondent No.1-Shiv Dayal Arora in person.

CORAM:

Justice Rajan Gupta
Rakesh Manocha

Chairman
Member (Technical)
(joined through VC)

O R D E R:

RAJAN GUPTA, CHAIRMAN

CM Nos. 1503 & 1502 of 2024

These are applications seeking condonation of 236 days delay in filing and 34 days in refiling of the appeal. Same are supported by affidavits of Mr. Mintu Kumar, Authorised Representative of the appellant-company.

Respondent No. 1 has opposed the prayer for condonation of delay.

On perusal thereof, this Bench is satisfied that sufficient grounds are made out for condoning the delay. Besides, pre-deposit amount of Rs.2,38,983/- has been made along with appeal by the appellant-promoter. Accordingly, the applications (CM Nos.1503 and 1502 of 2024) are allowed. Delay of 236 days delay in filing and 34 days in refiling of the appeal is hereby condoned.

Main Appeal

Present appeal is directed against order dated 26.10.2023, passed by the Authority¹. Operative part thereof reads as under:

“32. Hence, the Authority hereby passes this order and issue the following directions under Section 37 of the Act to ensure compliance of obligations cast upon the promoter as per the function entrusted to the authority under section 34(f):

i. The respondent is directed to pay delayed possession charges at the prescribed rate of interest i.e. 10.75%p.a. for every month of delay on the amount paid by the complainants to the respondents from the due date of possession 30.07.2022 till offer of possession i.e. 01.12.2022 plus two months i.e. upto 01.02.2023.

ii. The respondent is directed to issue a revised account statement after adjustment of delay possession charges as per above within 30 days and thereafter the complainants are directed to pay outstanding dues, if any, within next 30 days and the respondent shall hand over the possession of the allotted unit complete in all aspects as per specifications of the buyer's agreement within next 10 days and if no dues remain outstanding, the possession shall be handed over within four weeks from the date of this order.

¹ Haryana Real Estate Regulatory Authority, Gurugram

iii. The rate of interest chargeable from the allottees by the promoter in case of default shall be charged at the prescribed rate i.e. 10.75% by the respondent/promoter which is the same rate of interest which the promoter shall be liable to pay the allottees, in case of default, i.e. the delayed possession charges as per section 2(za) of the Act.

iv. The respondent is directed to pay arrears of interest accrued within 90 days from the date of order of this order as per rule 16(2) of the rules.

v. The respondent shall not charge anything from the complainant which is not the part of the flat buyer's agreement.

33. Complaint stands disposed of.

34. File be consigned to registry."

2. It appears that allottees applied for a unit in project "Signature Global Park-IV, Village Hariyahara, Sector 36, Gurugram floated by the appellant-promoter for total sale consideration of Rs.42,69,631/-, out of which the allottees remitted amount of Rs.43,62,524/-. Licence for this project was granted on 12.09.2019. BBA² was executed on 28.09.2021. Due date of possession was 30.07.2022. The promoter made offer of possession on 01.12.2022. The allottees being aggrieved by delay in handing over possession, approached the Authority for delay possession charges along with interest.

3. In its reply, the promoter refuted the claim and stated that unavoidable delay has taken place due to on-set of Covid-19 pandemic. The promoter, thus, claimed that it be given at least six months grace period due to out-break of Covid-19 pandemic.

² Builder Buyer's Agreement

4. After hearing rival contentions, the Authority allowed the complaint and directed the promoter to pay delay possession charges @ 10.75% for every month of delay from due date of possession i.e. 30.07.2022 till offer of possession i.e. 01.12.2022 plus two months i.e. 01.02.2023.

5. The appellant has, however, preferred the appeal with the plea that in terms of Clause 7 of the agreement, six months grace period has not been granted by the Authority as that period has to be counted as *force majeure* on account of Covid-19 pandemic and NGT ban. Thus, order needs to be suitably modified.

6. We have heard learned counsel for the appellant and respondent No. 1 in person and given careful thought to the facts of the case.

7. We feel that the concept of “*force majeure*” has to be understood strictly in legal terms. In legal parlance “*force majeure*” refers to natural calamity such as war, flood, drought, fire, cyclone, earthquake, etc. Extending scope of the concept of “*force majeure*” would not be appropriate in view of the fact that the term has been defined in the Act itself (Section 6). In case a wider interpretation is given to the term, it would unduly benefit the promoter and be detrimental to the allottee. Section 6 of the Act is reproduced hereunder for ready reference:

“6. Extension of registration.

The registration granted under section 5 may be extended by the Authority on an application made by the promoter due to force majeure, in such form and on payment of such fee as may be prescribed.

Provided that the Authority may in reasonable circumstances, without default on the part of the promoter, based on the facts of each case, and for reasons to be recorded in writing, extend the registration granted to a project for such time as it considers necessary, which shall, in aggregate, not exceed a period of one year.

Provided further that no application for extension of registration shall be rejected unless the applicant has been given an opportunity of being heard on the matter.

Explanation:- For the purpose of this section, the expression “force majeure” shall mean a case of war, flood, drought, fire, cyclone, earthquake or any other calamity caused by nature affecting the regular development of the real estate project.”

8. In view of the above, it is evident that plea of the appellant for grant of six months grace period on account of ban by National Green Tribunal on construction activities, second wave of Covid-19 etc. is mis-conceived as “force majeure” conditions are clearly defined in Section 6 of the Act. A perusal of the impugned order also shows that the Authority has not granted benefit of six months’ grace period on account of Covid-19 pandemic.

9. In ***M/s Pragatej Builders and Developers Pvt. Ltd. V. Mr. Abhishek Anuj Shukhadia and another***³, Bombay High Court has denied the benefit of grace period on account of Covid-19 pandemic holding that the original agreement needs to be adhered to and Covid-19 pandemic would not exempt the promoter from interest liability.

³ 2024 Supreme (Online) (Bom) 1822

10. In view of above, we find no merit in this appeal. The same is hereby dismissed.

11. The amount of pre-deposit made by the promoter in appeal in terms of proviso to Section 43(5) the Act along with interest accrued thereon, be remitted to the Authority for disbursement to the respondent-allottee(s) subject to tax liability, if any.

12. Copy of the order be sent to the parties/ their counsel and the Authority.

13. Files be consigned to records.

Justice Rajan Gupta,
Chairman,
Haryana Real Estate Appellate Tribunal

Rakesh Manocha
Member (Technical)
(Joined through VC)

July 23, 2025
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