

**.BEFORE THE HARYANA REAL ESTATE APPELLATE TRIBUNAL**

**Appeal No. 137 of 2025**

**Date of decision: August 02,2025**

M/s Signature Global (India) Limited (formerly known as Signature Global (India) Private Limited), Registered office: 13<sup>th</sup> Floor, Dr. Gopal Das Bhawan, 28-Barakhamba Road, New Delhi-110001 through its authorized representative Niyati, aged 27 years

Appellant.

Versus

Chandra Mohan Upadhyay S/o Mahesh Chand, R/o Behind City Middle School, Nagar Bharatpur, Rajasthan-321205

Respondent

Argued by : Ms. Tanika Goyal, Advocate along with  
Ms. Ankita Chaudhary, Advocate for the appellant.

**CORAM:**

**Justice Rajan Gupta  
Rakesh Manocha**

**Chairman  
Member (Technical)  
(Joined through VC)**

**ORDER:**

**RAJAN GUPTA, CHAIRMAN**

Present appeal is directed against order dated 22.11.2024, passed by the Authority<sup>1</sup>. Operative part thereof reads as under:

*“25. 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):*

<sup>1</sup> Haryana Real Estate Regulatory Authority, Gurugram

*i. The respondent is directed to pay delayed possession charges at the prescribed rate of interest i.e. 11.10% p.a. for every month of delay on the amount paid by the complainant to the respondent from the due date of possession i.e. 21.02.2022 till the expiry of two months from the date of offer of possession plus two months i.e. 28.05.2023.*

*ii. 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.*

*iii. The complainant is directed to pay outstanding dues, if any, after adjustment of interest for the delayed period.*

*iv. The rate of interest chargeable from the allottees by the promoter, in case of default shall be charged at the prescribed rate i.e. 11.10% 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.*

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

*26. Complaint stands disposed of.*

*27. File be consigned to registry.”*

2. It appears that allottee applied for a unit in Affordable Group Housing Project “The Millennia”, Sector 37D, Gurugram. Licence for this project was granted vide order dated 02.02.2017. FBA<sup>2</sup> was executed on 20.11.2017. Environmental clearance of the project was granted on 21.08.2017. Due date of possession was 21.02.2022. The promoter received Occupation Certificate on 25.01.2023 and

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<sup>2</sup> Flat Buyer's Agreement

made offer of possession on 28.03.2023. The allottee being aggrieved by delay in handing over possession, approached the Authority for delay possession compensation.

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. On account of constraints, such as absence of labour and availability of material, the promoter suffered loss and could not deliver the project well in time. The promoter, thus, claimed that it be given at least six months grace period due to out-break of Covid-19 pandemic.

4. After hearing rival contentions, the Authority allowed the complaint and directed the promoter to pay delay compensation @ 11.10% p.a. for every month of delay from due date of possession i.e. 21.02.2022 till offer of possession plus two months i.e. 28.05.2023 which included six months' grace period to the promoter on account of Covid-19 pandemic.

5. The appellant has, however, preferred the appeal with the plea that for entire period in question i.e. from 21.02.2022 till 28.05.2023, the allottee is not entitled to any delay compensation as that period has to be counted as Covid-19 pandemic thus, order needs to be suitably modified.

6. Though entitlement to six months' grace period due to Covid-19 is doubtful, yet this Bench does not wish to interfere as there is no appeal by the other side i.e. allottee(s).

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<sup>3</sup> 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 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

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<sup>3</sup> The Real Estate (Regulation and Development) Act, 2016

of the impugned order also shows that the Authority has already 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***<sup>4</sup>, 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.

10. In the instant case, the Authority has granted six months' grace period to the appellant on account of Covid-19 pandemic. However, no challenge has been posed to the impugned order by the allottee. Thus, this Court does not intend to upset the order on this account. The Authority would keep in mind the ratio of the judgment in ***M/s Pragatej Builders and Developers Pvt. Ltd.'s case (supra)*** in other cases, if any, pending before it.

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

12. The amount of pre-deposit made by the promoter 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 subject to tax liability, if any.

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

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<sup>4</sup> 2024 Supreme (Online) (Bom) 1822

14. File be consigned to records.

Justice Rajan Gupta,  
Chairman,  
Haryana Real Estate Appellate Tribunal

Rakesh Manocha  
Member (Technical)  
(Joined through VC)

August 02,2025  
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