

**BEFORE THE HARYANA REAL ESTATE REGULATORY AUTHORITY,  
GURUGRAM**

Complaint no.	2353 of 2024
Date of filing:	05.06.2024
Date of first hearing:	25.09.2024
Date of decision	28.05.2025

Pradeep Yadav

**R/o:** - Ladhuwas Ahir, Saharanwas,  
District Rewari (HR) - 123401

**Complainant**

Versus

M/s Sternal Buildcon Private Limited  
**Regd. Office at:** - 12<sup>th</sup> Floor, Dr.  
Gopal Das Bhawan, 28 Barakhamba  
Road, New Delhi-110001

**Respondent**

**CORAM:**

Shri Ashok Sangwan

**Member**

**APPEARANCE:**

Sh. Jaswant Katariya (Advocate)  
Sh. Mintu Kumar (Advocate)

Complainant  
Respondent

**ORDER**

1. The present complaint has been filed by the complainant/allottee under Section 31 of the Real Estate (Regulation and Development) Act, 2016 (in short, the Act) read with Rule 28 of the Haryana Real Estate (Regulation and Development) Rules, 2017 (in short, the Rules) for violation of Section 11(4)(a) of the Act wherein it is inter alia prescribed that the promoter shall be responsible for all obligations, responsibilities and functions under the provision of the Act or the rules and regulations made there under or to the allottee as per the agreement for sale executed inter se.

**A. Unit and project related details.**

2. The particulars of unit details, sale consideration, the amount paid by the complainant, date of proposed handing over the possession, have been detailed in the following tabular form:

Sr. No.	Particulars	Details
1.	Name of the project	"Signature Global City 81", Village Nakhdola, Sector- 81, Sohna, Gurugram
2.	Nature of project	Affordable Residential Plotted Colony (DDJAY)
3.	RERA registered/not registered	Registered 45 of 2021 dated 27.07.2021 valid up to 30.06.2023 Further extended upto 28.06.2025
4.	DTPC License no.	7 of 2021 dated 05.03.2021
	Validity status	Valid upto 04.03.2026
	Name of licensee	Logical Developers Private Limited
	Licensed area	11.9778 acres
5.	Unit no.	81-D57-B-3F, block B, 3 <sup>rd</sup> Floor built upon Plot no. B38 (as per BBA page 52 of complaint)
6.	Unit admeasuring	546.122 sq. ft. (carpet area) (as per BBA page 52 of complaint)
7.	Welcome Letter	07.12.2022 (Page no. 20 of complaint)
8.	Agreement for sale (BBA)	12.01.2023 (Page no. 42 of complaint)
9.	Possession clause	<b>7. Possession of the Residential Independent Floor</b> "7.1 Schedule for possession The Promoter agrees and understands that timely delivery of possession is the essence of the Agreement. The Promoter assures to handover possession by 30 <sup>th</sup> June 2023 for the plot nature of project and 28 <sup>th</sup> February 2024 for floor nature of project unless there is delay due to "force majeure", Court orders, Government policy/guidelines, decisions, etc. affecting the regular development of the real estate project....." <b>(Emphasis supplied)</b>
10.	Due date of possession	28.02.2024 (In terms of clause 7.1 of the BBA)

11.	Total sale consideration	Rs. 87,33,700/- (SOA dated 28.03.2025 placed on record by complainant on 21.04.2025)
12.	Total amount paid by the complainant	Rs. 83,76,134/- (SOA dated 28.03.2025 placed on record by complainant on 21.04.2025)
13.	Occupation certificate	Not obtained
14.	Offer of Possession	Not offered

### B. Facts of the complaint.

3. The complainant has made the following submissions:
- a) That the complainant applied by making a booking amount for Independent Floor bearing unit no. 81-D57-B-3F in Block B having a carpet area of 546.122 Sq. Ft. on 3<sup>rd</sup> floor upon the plot no. B38 admeasuring 101.120 sq. mtrs. along with stilt/basement parking on 07.12.2022. The said unit was offered for a total sale consideration of Rs. 86,19,614/- including taxes.
  - b) That the complainant received a welcome letter of unit no. 81-D57-B-3F in the project "Signature Global City 81", Village Nakhdola, Sector 81, Gurugram, Haryana on 07.12.2022 from the respondent.
  - c) That the complainant made payments to the respondent to the tune of Rs. 64,64,710/- as and when demanded by the respondent. The statement of account dated 25.01.2024 provided by the respondent also confirms the same.
  - d) That the agreement for sale (hereinafter referred to as 'the agreement' for brevity) inter-se the parties qua the unit in question was duly executed on 12.01.2023. As per the agreement (para no. 7.1), the possession of the unit in question was to be handed over to the complainant by 30.06.2023. The payment plan opted was time linked payment plan.
  - e) That thus, as per the assurances and even as per clause 7.1 of the agreement to sale, the possession of the unit in question was to be handed over by 30.06.2023.
  - f) That initially the respondent kept the complainant in dark and regularly ✓ informed the complainant that the respondent will hand over the

possession by 30.06.2023 for plot nature or 28.02.2024 for floor nature of the project as per agreement. The respondent has thus failed to deliver possession of the unit on or before the due date of possession. There was delay in the construction as per assurance and plan of the respondent.

- g) That the complainant is ready to pay the balance amount of the sale consideration but respondent is threatening the complainant to charging interest on the delayed payment on the part of the compliant instead paying to complainant for delay possession charges.
- h) That even after receiving the payments on time from the complainant, the respondent did not give possession by the due date of possession i.e. 30th June 2023 for plot nature or 28th February, 2024 for floor nature of the project.
- i) That respondent is carrying its business within territorial jurisdiction of this Authority and the entire cause of action also accrued between the parties at Gurugram; therefore, this Authority has got the jurisdiction to entertain and try the present complainant.

**C. Relief sought by the complainant(s):**

- 4. The complainants herein are seeking the following relief(s):
  - I. Restrain the respondent to pay the complainant delay possession charges.
  - II. Direct the respondent to deliver the possession of unit as far as possible with compensation.
  - III. Direct the respondent not to charge late payment charges from the complainant.
  - IV. Direct the respondent to pay litigation expenses of Rs.1,50,000/-.
  - V. Direct the respondent to pay a sum of Rs.5,50,000/- for causing mental, physical harassment, frustration and grievance to complainant.

**D. Reply by the respondent.**

- 5. The respondent has contested the complaint on the following grounds
  - I. That the delivery of the possession of unit and execution of the conveyance deed is subject to the subject force majeure, court orders, Government

policy guidelines decision etc. affecting the regular development of the real estate project. Further, the complainant also agreed and confirmed that if the delay is caused due to above said reasons in that case the respondent shall be entitled to the extension of time for delivery of possession of the residential independent floor in clause 7.1 of the agreement. Hence, the respondent is not liable to pay the delay possession charges to the complainant. Further, the complainant cannot be permitted to rely upon selected clauses/covenants of the buyer's agreement. The covenants incorporated in the agreement are to be cumulatively considered in their entirety to determine the rights and obligations of the parties.

- II. That Covid 19 Pandemic was an admitted force majeure event which was beyond the power and control of the respondent. That infact, almost the entire world had struggled in its grapple with the coronavirus menace. The novel coronavirus had been declared as a pandemic by World Health Organisation. In fact, on 14th of March 2020 the Central Government had declared the pandemic as a "notified disaster" under the Disaster Management Act, 2005. The same had been recognized as a disaster threatening the country, leading to the invocation of The Disaster Management Act, 2005 for the first time on a national level. The 21-day national lockdown imposed by the Central Government to combat the spread of first wave of Covid-19, was the first time provisions of the National Disaster Management Act, 2005, had been invoked on Pan India basis after the year 2004 when Tsunami had hit the eastern coast of India killing about 10,000 people.
- III. That for all real estate projects registered under the Act, 2016 where completion date, revised completion date or extended completion date was to expire on or after 15th of March, 2020, the period of validity for registration of such projects had been ordered to be extended by the ✓



Haryana Real Estate Regulatory Authority vide order dated 27.03.2020. The Haryana Real Estate Regulatory Authority, Gurugram had issued order/direction dated 26.05.2020, whereby the Authority had been pleased to extend the registration and completion date of real estate projects by 6 months, due to outbreak of Covid-19.

- IV. That even the UPRERA Authority at Gautam Budh Nagar has provided benefit of 116 days to the developer on account of various orders of NGT and Hon'ble Supreme Court directing ban on construction activities in Delhi and NCR, 10 days for the period 01.11.2018 to 10.11.2018, 4 days for 26.70.2019 to 30.10.2019, 5 days for the period 04.11.2019 to 08.11.2019 and 102 days for the period 04.17.2019 to 74.02.2020. The Authority was also pleased to consider and provided benefit of 6 months to the developer on account of effect of covid also.
- V. That the Hon'ble UP REAT at Lucknow while deciding appeal No. 541 of 2011 in the matter of Arun Chauhan Versus Gaur sons Hi- Tech Infrastructure Pvt Ltd vide order dated 02.11.2021 has also granted the extension of 116 days to the Developer/Promoter on account of delay in completion of construction on account of restriction/ban imposed by the Environment Pollution (Prevention & Control) Authority as well vide order of Hon'ble Supreme Court Dated 14.11.2019.
- VI. That the complainant has intentionally distorted the real and true facts in order to generate an impression that the respondent has reneged from its commitments. No cause of action has arisen or subsists in favour of the complainant to institute or prosecute the instant complaint. The complainant has preferred the instant complaint on absolutely false and extraneous grounds in order to needlessly victimize and harass the respondent.

VII. That without prejudice to the rights of the respondent, delayed interest if any has to be calculated only on the amounts deposited by the allottee/complainant towards the sales consideration of the unit in question and not on any amount credited by the respondent, or any payment made by the allottees/complainant towards delayed payment charges (DPC) or any taxes/statutory payments, etc.

6. All other averments made in the complaint were denied in toto
7. On the date of hearing, the authority explained to the respondent/promoter about the contraventions as alleged to have been committed in relation to Section 11(4) (a) of the Act to plead guilty or not to plead guilty.
8. Copies of all the relevant documents have been filed and placed on the record. Their authenticity is not in dispute. Hence, the complaint can be decided on the basis of those undisputed documents and submissions made by the parties.

**E. Written Submissions of Complainant:**

9. The complainant herein has made following additional submission on 21.04.2025:
  - a) That the complainant made complete payment of Rs.87,62,958/- to the respondent but the respondent is threatening the complainant to charging interest on delayed payments by the complainant instead of paying the complainant delay possession charges.

**F. Jurisdiction of the authority.**

10. The authority observes that it has territorial as well as subject matter jurisdiction to adjudicate the present complaint for the reasons given below.

**E.I Territorial jurisdiction**

11. As per notification no. 1/92/2017-1TCP dated 14.12.2017 issued by Town and Country Planning Department, the jurisdiction of Real Estate Regulatory Authority, Gurugram shall be entire Gurugram District for all ✓

purpose with offices situated in Gurugram. In the present case, the project in question is situated within the planning area of Gurugram District. Therefore, this authority has complete territorial jurisdiction to deal with the present complaint.

### **E.II Subject matter jurisdiction**

12. Section 11(4)(a) of the Act, 2016 provides that the promoter shall be responsible to the allottee as per agreement for sale. Section 11(4)(a) is reproduced as hereunder:

***"Section 11(4)(a)***

*Be responsible for all obligations, responsibilities and functions under the provisions of this Act or the rules and regulations made thereunder or to the allottees as per the agreement for sale, or to the association of allottees, as the case may be, till the conveyance of all the apartments, plots or buildings, as the case may be, to the allottees, or the common areas to the association of allottees or the competent authority, as the case may be;*

***Section 34-Functions of the Authority:***

*34(f) of the Act provides to ensure compliance of the obligations cast upon the promoters, the allottees and the real estate agents under this Act and the rules and regulations made thereunder."*

13. So, in view of the provisions of the Act quoted above, the authority has complete jurisdiction to decide the complaint regarding non-compliance of obligations by the promoter leaving aside compensation which is to be decided by the adjudicating officer if pursued by the complainants at a later stage.

### **F. Findings on the objection raised by the respondent.**

#### **F.I Objection regarding force majeure conditions:**

14. The respondent-promoter raised a contention that the construction of the project was delayed due to force majeure conditions such as lockdown due to outbreak of Covid-19 pandemic. But, all the pleas advanced in this regard are devoid of merit. The authority has gone through the possession clause of the agreement and observed that the respondent-developer proposes to handover the possession of the allotted unit by 28.02.2024. Further, quoting HARERA notification no. 9/3-2020 dated 26.05.2020, the



respondent requested for an extension of 6 months in lieu of Covid-19. However, it is observed by the Authority that the welcome letter had been issued by the respondent in favour of the complainant on 07.12.2022 and buyer's agreement was executed between the parties on 12.01.2023, which is much after the effect of Covid and hence, no further grace period is allowed to the respondent.

**G. Findings on the relief sought by the complainants.**

**G.I** Restrain the respondent to pay the complainant delay possession charges.

**G.II** Direct the respondent to deliver the possession of unit as far as possible with compensation.

15. The above-mentioned reliefs sought by the complainant are being taken together as the findings in one relief will definitely affect the result of other relief and the same being interconnected.

16. The factual matrix of the case reveals that the complainant booked a unit bearing no. 81-D57-B-3F, block B, 3<sup>rd</sup> floor admeasuring carpet area 546.122 sq. ft. in the project "Signature Global City 81" being developed by the respondent. The complainant has paid Rs.83,76,134/- against the sale consideration of Rs.87,33,700/-. A buyer agreement w.r.t the allotted unit was executed between the parties on 12.01.2023.

17. The complainant herein intend to continue with the project and is seeking delay possession charges as provided under the proviso to Section 18(1) of the Act. Section 18(1) proviso reads as under: -

***"Section 18: - Return of amount and compensation***

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

*.....*

*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."*

18. Further, clause 7.1 of the buyer's agreement provides the time period of handing over possession and the same is reproduced below:

***"7.1 Schedule for possession –***

*The Promoter agrees and understands that timely delivery of possession is the essence of the Agreement.*

*The Promoter assures to **handover possession by 30th June 2023 for the plot nature of project and 28th February 2024 for floor nature of project** unless there is delay due to "force majeure", Court orders, Government policy/guidelines, decisions, etc. affecting the regular development of the real estate project....."*

***(Emphasis supplied)***

**19. Admissibility of grace period:** As per clause 7.1 of buyer's agreement, the respondent promoter has proposed to handover the possession to the complainant by 28.02.2024. The respondent requested for allowing 6 months grace period in lieu of Covid-19. However, it is observed that the welcome letter had been issued on 07.12.2022 and buyer's agreement was executed on 12.01.2023 which is much after the affect of Covid and hence, no further grace period is allowed to the respondent.

**20. Admissibility of delay possession charges at prescribed rate of interest:** The complainant is seeking delay possession charges. However, proviso to Section 18 provides that where an allottee does not intend to withdraw from the project, he shall be paid, by the promoters, interest for every month of delay, till the handing over of possession, at such rate as may be prescribed and it has been prescribed under Rule 15 of the Rules, *ibid*. Rule 15 has been reproduced as under:

***"Rule 15. Prescribed rate of interest- [Proviso to section 12, section 18 and sub-section (4) and subsection (7) of section 19]***

*For the purpose of proviso to section 12; section 18; and sub-sections (4) and (7) of section 19, the "interest at the rate prescribed" shall be the State Bank of India highest marginal cost of lending rate +2%.*

*Provided that in case the State Bank of India marginal cost of lending rate (MCLR) is not in use, it shall be replaced by such benchmark lending rates which the State Bank of India may fix from time to time for lending to the general public."*

**21. The legislature in its wisdom in the subordinate legislation under the provision of Rule 15 of the Rules, *ibid* has determined the prescribed rate of**

interest. The rate of interest so determined by the legislature, is reasonable and if the said rule is followed to award the interest, it will ensure uniform practice in all the cases.

22. Consequently, as per website of the State Bank of India i.e., <https://sbi.co.in>, the marginal cost of lending rate (in short, MCLR) as on date i.e., 28.05.2025 is 9.10%. Accordingly, the prescribed rate of interest will be marginal cost of lending rate +2% i.e., 11.10%.

23. The definition of term 'interest' as defined under Section 2(za) of the Act provides that the rate of interest chargeable from the allottee by the promoter, in case of default, shall be equal to the rate of interest which the promoter shall be liable to pay the allottee, in case of default. The relevant section is reproduced below:

***"(za) "interest" means the rates of interest payable by the promoter or the allottee, as the case may be.***

***Explanation. —For the purpose of this clause—***

- (i) the rate of interest chargeable from the allottee by the promoter, in case of default, shall be equal to the rate of interest which the promoter shall be liable to pay the allottee, in case of default.***
- (ii) the interest payable by the promoter to the allottee shall be from the date the promoter received the amount or any part thereof till the date the amount or part thereof and interest thereon is refunded, and the interest payable by the allottee to the promoter shall be from the date the allottee defaults in payment to the promoter till the date it is paid;"***

24. Therefore, interest on the delay payments from the complainants shall be charged at the prescribed rate i.e., 11.10% by the respondent which is the same as is being granted to them in case of delayed possession charges.

25. On consideration of the circumstances, the evidence and other record and submissions made by the parties, the Authority is satisfied that the respondent is in contravention of the provisions of the Act. The due date of handing over possession was 28.02.2024. Occupation certificate has also not been obtained by the respondent from the concerned authority. The authority is of the considered view that there is delay on the part of the

respondent to offer possession of the subject unit and it is failure on part of the promoter to fulfil its obligations and responsibilities to handover the possession within the stipulated period. Therefore, the delay possession charges shall be payable from the due date of possession, i.e., from 28.02.2024 till the expiry of 2 months from the date of valid offer of possession or till the date of actual handing over of possession, whichever is earlier as per proviso to Section 18(1) of the Act read with Rule 15 of the Rules, *ibid*.

26. Further, as per Section 19(10) of Act of 2016, the allottees are under an obligation to take possession of the subject unit within 2 months from the date of receipt of occupation certificate. Therefore, the respondent shall handover the possession of the allotted unit as per specification of the buyer's agreement entered into between the parties, after obtaining of occupation certificate from the competent authority under Section 11(4)(b) read with Section 17 of the Act, 2016.

**G.III Direct the respondent not to charge late payment charges from the complainant.**

27. The Authority has gone through submissions made by both the parties and is of the considered view that the respondent is well within its rights to charge interest for delay in making timely payments by the complainant. However, the rate of interest chargeable from the allottee 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 allottee, in case of default as per Section 2(za) of the Act.

**G.IV Direct the respondent to pay litigation expenses of Rs.1,50,000/-**

**G.V Direct the respondent to pay a sum of Rs.5,50,000/- for causing mental, physical harassment, frustration and grievance to complainant.**

28. The complainants are seeking the above-mentioned relief(s) w.r.t compensation. The Hon'ble Supreme Court of India in civil appeal titled *as "M/s Newtech Promoters and Developers Pvt. Ltd. V/s State of UP & Ors."* (*Supra*) held that an allottee is entitled to claim compensation under sections 12, 14, 18 and section 19 which is to be decided by the adjudicating officer as per section 71 and the quantum of compensation shall be adjudged by the adjudicating officer having due regard to the factors mentioned in section 72. The adjudicating officer has exclusive jurisdiction to deal with the complaints in respect of compensation.

#### **H. Directions of the authority**

29. Hence, the authority hereby passes this order and issues 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 delay possession charges on the paid-up amount, i.e., Rs.83,76,134/- at the prescribed rate of 11.10% p.a. for every month of delay from the due date of possession i.e., 28.02.2024 till the date of offer of possession plus two months or actual handover of possession, whichever is earlier to the complainant. The arrears of interest accrued so far shall be paid to the complainant within 90 days from the date of this order as per Rule 16(2) of the Rules, *ibid*.
- II. The respondent is directed to handover the possession of the allotted unit as per specification of the buyer's agreement entered into between the parties, after obtaining of occupation certificate from the competent authority in terms of Section 11(4)(b) read with Section 17 of the Act, 2016.

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- 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 allottee by the promoter, in case of default shall be charged at the prescribed rate i.e., 11.10% by the respondents which is the same rate of interest which the promoters shall be liable to pay the allottee, 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 buyer's agreement.
30. The complaint stands disposed of.
31. File be consigned to the registry.

**Date: 28.05.2025**



**Ashok Sangwan**  
(Member)

Haryana Real Estate Regulatory  
Authority, Gurugram

**HARERA**  
GURUGRAM