



HARYANA REAL ESTATE REGULATORY AUTHORITY PANCHKULA

Website: www.haryanarera.gov.in

Complaint No.:	2286 of 2023
Date of Filing:	10.10.2023
First Date of Hearing:	09.11.2023
Date of Decision:	12.05.2026

Dilbagh Singh
H. No. 645, Sector-29,
Alpha City, Karnal

.....COMPLAINANT

Versus

INR Constructions
H. No. 17, Sector-28,
Alpha International City, Karnal

...RESPONDENT No 1

Alpha Corp Development Pvt. Ltd,
#17, Sector-28,
Alpha International City,
Karnal, Haryana.

....RESPONDENT No 2

Present: Adv. Vivek Aggarwal, Ld. Counsel for the Complainant through VC.

Adv. Sharad Gautam, Ld. Counsel the Respondent No.1.

None for Respondent No. 2 (Ex parte vide order dated 08.04.2025)

ORDER : DR. GEETA RATHEE SINGH -(MEMBER)

1. Present complaint has been filed by the complainant under Section 31 of The Real Estate (Regulation & Development) Act, 2016 (for short Act of 2016) read

Geeta Rathee

with Rule 28 of The Haryana Real Estate (Regulation & Development) Rules, 2017 for violation or contravention of the provisions of the Act of 2016 or the Rules and Regulations made thereunder, wherein it is inter-alia prescribed that the promoter shall be responsible to fulfil all the obligations, responsibilities and functions towards the allottee as per the terms agreed between them.

A. UNIT AND PROJECT RELATED DETAILS

2. The particulars of the project, details of sale consideration, amount paid by the complainants, date of proposed handing over the possession, delay period, if any, have been detailed in the following table:

S.No.	Particulars	Details
1.	Name of the project	"INR Royal Floor", Village Badli, Sector-29, Karnal, Haryana.
2.	Nature of the project.	Residential
3.	RERA Registered/Not Registered	Not Registered
4.	Details of the unit	21, SF (78 sq. mtrs)
5.	Date of Floor Buyer Agreement	03.10.2020
6.	Possession clause 18(a) as per FBA dated 03.10.2021	If the Promoter fails to deliver the possession of the said Floor within 18 months from the date of Building Plans approval (plus three months grace period, thereafter), but subject to force majeure, as per clauses no.53 then the Promoter shall pay to the Intending Purchaser compensation

Retuse

		@ Rs. 5/- (Rupees five only) per sq. ft. per month for the period of such delay.
7.	Due Date of Possession	14.10.2021
8.	Basic Sale Consideration	₹34,00,000/-
9.	Amount paid by the complainant	₹29,18,900/-
10.	Offer of Possession	27.01.2023

B. FACTS OF THE COMPLAINT AS MENTIONED IN THE COMPLAINT

- That complainant, Dilbag Singh S/o Sh. Raghbir Singh, booked a residential unit (Floor No. 21, SF) in the project "INR Royal City" in Sector 29, Karnal, under the Haryana Government's DDJAY-2016 affordable housing policy developed by INR Constructions and Alpha Corp Development Pvt. Ltd. (the respondents). The total sale consideration for the unit was ₹34,00,000/-, and respondents are classified as a "Promoter" under Section 2(zk) of the RERA Act.
- That builder buyer agreement was executed between the parties on 03.10.2020. As per the clause 18(a) of the agreement,

"18.(a) The Promoter shall hand over the Floor to the Intending Purchaser for his/her occupation and use and subject to the condition that the Intending Purchaser having complied with all the terms and conditions of this Agreement. In the event of his/her failure to take

Katuee

over and/or occupy and use the Floor provisional and/or finally allotted within thirty 30days from the date of intimation in writing by the Promoter, then the same shall lie at his/her risk and cost and the Intending Purchaser shall be liable to pay to the Promoter holding charges @ Rs.5/- (Rupees five only) per sq.ft. Per month for the entire period of such delay. If the Promoter fails to deliver the possession of the said Floor within 18 months from the date of Building Plans approval (plus three months grace period, thereafter), but subject to force majeure, as per clauses no.53 then the Promoter shall pay to the Intending Purchaser compensation @Rs. 5/- (Rupees five only) per sq. ft. per month for the period of such delay. The adjustment of holding charges or compensation shall be done at the time of convincing of the Floor and not earlier. The holding charges shall be a distinct charge in addition to maintenance charges, and not related to any other charges as provided in this Agreement."

Possession was promised within 18 months from the date of building plan i.e. 29.01.2018, plus a three-month grace period, effectively setting the deadline for October 2019. Despite the respondents later verbally promising possession by April 2021 and January 2022, they have failed to deliver the unit to date.

5. That the complainant has paid ₹29,18,900/- toward the total sale price. Additionally, due to the respondent's inability to provide materials, the complainant spent ₹70,000/- on floor tiles and ₹80,000/- on POP/false ceiling work at the respondent's request. The complainant is also regularly servicing a home loan from HDFC. The respondents admitted the payment of ₹29,18,900/- via demand letter dated 08.07.2022.
6. That due to alleged financial crises, the respondents induced the complainant to personally fund flooring and POP work, promising cost adjustments that never

[Handwritten Signature]

occurred. Furthermore, the construction fails to meet the quality specifications of "Annexure-II," utilizing inferior materials and omitting promised features like modular kitchens specific false ceiling designs, resulting in an estimated loss of ₹10,00,000/- in value and utility.

7. That the respondents unilaterally reduced the floor area from the agreed 179.33 Sq. Yards to 165 Sq. Yards without the complainant's consent. This is a direct violation of Section 14 of the RERA Act, 2016, which prohibits alterations to sanctioned plans and specifications without the allottee's prior consent.
8. That despite Clause 12 stating the price is "escalation-free," respondents issued a letter on 04.03.2022 demanding an additional ₹3,90,000/- as "price escalation." This demand is arbitrary, lacks any government notification or legal basis, and is a breach of the contractual terms.
9. That the respondents have conditioned the delivery of the second floor upon the withdrawal of legal complaints filed by the complainant's wife regarding the Ground and First floors. This constitutes a restrictive and unfair trade practice intended to suppress the complainant's legal rights.
10. That the respondents have failed to obtain a completion certificate for the project, rendering the current development status illegal and in violation of the statutory obligations under the RERA Act.



11. That the respondent promoter has failed to abide by the contractual obligations cast upon it and the complainant has discharged all their obligations.

C. RELIEF SOUGHT

12. In view of the facts mentioned above, the complainant has prayed for the following relief(s):-

- i. That the present complaint in the favour of complainant and against the OPs/respondents.
- ii. To direct the respondents to deliver the possession of the said flat/floor i.e. 21/Second Floor immediately to the complainant along with area i.e. 179.33 sq. Yards instead of reduced area i.e. 165 sq. Yards, in view of Allotment Letter (Annexure C-1) and Agreement (Annexure C-2).
- iii. That to accept the present complaint and to issue direction to respondents to withdraw the demand letter dated 04.03.2022 (Annexure C-4) vide which the respondents demanded escalation price of ₹3,90,000/- qua the floor/flat in question and to direct the respondents to deliver the possession of the said flat/floor immediately to the complainant as per allotment letter and agreement and criminal proceedings against the opposite parties may kindly be launched and appropriate action may kindly be



taken against opposite parties and respondents be directed to provide the area of the flat as per Annexure C-2.

That during the pendency of this complaint, the demand letter dated 04.03.2022 (Annexure C-4) may kindly be ordered to be stayed.

- iv. To issue directions to the respondents to deliver the possession of the flat/floor in question to the complainant as per order dated 20.03.2023 (Annexure C-6) passed in identical matter.
- v. To pay the compensation of ₹10,00,000/- for mental harassment and agony etc., and also direct the respondents to pay the litigation expenses i.e. ₹33,000/-, in the interest of justice. The whole claim of the complainant is limited and within the pecuniary jurisdiction of this Hon'ble Authority.
- vi. To direct the OPs to adjust the expenses of ₹80,000/- incurred by the complainant on the purchase and work of floor tiles and plastic of paris work qua this flat/floor.
- vii. That it is further prayed that the registration of the respondent/promoter and others under the Real Estate (Regulation and Development) Act 2016, may kindly be ordered to be revoked as the violation is serious one and against the sanction granted by the competent authority as well as the Policy of the Government launched by Hon'ble Prime Minister of India to provide houses.



- viii. That to revoke the registration of the respondent/promoter and others under the Real Estate (Regulation and Development) Act 2016, as the violation is serious one and against the sanction granted by the competent authority as well as the Policy of the Government launched by Hon'ble Prime Minister of India to provide houses.
- ix. That to pay interest at the rate of 24% per annum to the complainant on the amount deposited by the complainant from the respective dates of deposit of amount to the respondents.
- x. That to issue any other relief or direction as this Hon'ble Authority may deem fit in view of facts and circumstances of present case.

D. REPLY ON BEHALF OF RESPONDENT NO. 1

13. Learned counsel for the respondent no. 1 filed detailed reply on 02.02.2024 pleading therein:
14. That the complainant has approached this Authority with "unclean hands" and misrepresented the project's nature. While the complainant alleges the project is part of a large-scale affordable housing scheme under the Deen Dayal Jan Awas Yozna, the respondent clarifies that INR Royal Floors is an independent, small-scale project consisting of only one unit (G+2 floors) on a plot of 149.94 sq. mtrs., constructed under the self-certification provision of the Haryana Building Code 2017. The project is distinct from the larger "INR Royal City" colony


Rattner

developed by Alpha Corp Development Pvt. Ltd. (Annexure R-2 & R-3). The building plans for this specific unit were duly sanctioned on 14.01.2020 (Annexure R-1).

15. That as per Clause 18(a) of the floor buyer's agreement dated 03.10.2020, the possession was due within 18 months of building plan approval (plus a 3-month grace period), placing the deemed date at 03.10.2021. However, construction was severely impacted by the COVID-19 pandemic, subsequent lockdowns, labor migration, and NGT-imposed construction bans in the NCR/Karnal region. Despite these Force Majeure events and the 9-month extension granted by HIRERA Panchkula (Resolution dated 26.05.2020), the respondent completed the unit and obtained the occupation certificate on 25.01.2023 (Annexure R-5).
16. That the respondent contends that a valid offer of possession was issued on 27.01.2023 (Annexure R-5A), but the complainant, who is primarily an investor has wilfully failed to take possession or clear the outstanding dues of ₹10,10,044/-. The complainant stopped making payments in March 2021, despite receiving eight demand/reminder letters (Annexure R-4 Colly) between November 2020 and October 2022. It is submitted that the complainant's default in payments hindered construction, and the present complaint is merely an "afterthought" filed nine months after the offer of possession to evade liability



for balance payments, holding charges, and escalation costs as per Clause 12 of the agreement.

17. That the respondent further objects to the maintainability of this complaint on two grounds:

i. Under Clause 55 of the Agreement and Section 8 of the Arbitration & Conciliation Act, the dispute should be referred to arbitration.

ii. Clause 56 vests exclusive jurisdiction in the Courts at Karnal.

18. That the unit is complete, and the respondent has fulfilled its obligations. The complainant is in violation of Section 19(10) and (11) of the RERA Act, which mandates allottees to take possession within two months of the occupation certificate. Therefore, the respondent prays for the dismissal of this frivolous complaint with costs, as there is no deficiency in service or violation of the RERA Act on the part of the promoter.

E. REPLY ON BEHALF OF RESPONDENT NO. 2 :- NO REPLY

19. In the captioned complaint, notice dated 13.10.2023 was delivered to respondent no. 2 on 19.10.2023. However, despite being granted multiple opportunities to file reply vide order dated 09.11.2023, 06.02.2024, 23.04.2024, 27.08.2024, 07.01.2025 & 08.04.2025, respondent no. 2 remained non-compliant. Noting the summary nature of these proceedings and the fact that sufficient reasonable opportunity has been afforded upon three consecutive non


J. K. Jaiswal

appearances and non-filing of reply, the Authority vide its order dated 08.04.2025, struck off the right of defence of respondent no. 2 and the respondent no. 2 was ordered to be proceeded ex-parte.

F. ARGUMENTS OF LEARNED COUNSEL FOR COMPLAINANT AND RESPONDENT NO. 1

20. During arguments Id. counsel for the complainant submitted that the possession was promised within 18 months from the date of building plan i.e. 29.01.2018, plus a three-month grace period, effectively setting the deadline for October 2019. He contended that he had paid almost 85% of the total sale price. Despite of paying that much amount the respondents have failed to discharge its reciprocal obligation to deliver possession. The respondent vide letter dated 04.03.2022 has demanded ₹3,90,000/- on account of price escalation and the price escalation dated 04.03.2022 is arbitrary and legal unsustainable.
21. In rebuttal, to aforesaid submissions, Id. counsel for the respondent no. 1 submitted that the building plan for the floors were approved on 14.01.2020, building plans for this specific unit are annexed as Annexure R-1, whereas the document dated 29.01.2018, referred by the complainant pertains to the revised layout plan of the larger project namely, 'INR Royal City' project. Accordingly, the due date of possession should be calculated from 14.01.2020, which works out to be 14.10.2021. Further, I.d. counsel for the respondent contended that a valid offer of possession was issued on 27.01.2023 (Annexure R-5 & 5A), but



the complainant has wilfully failed to take possession or clear the outstanding dues of ₹10,10,044/-. With regards to price escalation, I.d. counsel for respondent no. 1 relies upon Clause 12 of the floor buyer agreement dated 03.10.2020. It has been specifically mentioned in the clause 12, that in case of escalation as a result of any notice, rule, order, notification etc or reasons beyond the control, the promoter shall be entitled to a reasonable escalation.

G. ISSUES FOR ADJUDICATION

22. Whether the complainant in the above captioned complaint is entitled to delay interest on the amount deposited by them along with interest in terms of Section 18 of RERA Act of 2016?
23. Whether the respondents are liable to be penalized for reducing the area of flat in question from 179.33 square yards to 165 Sq. Yards. Which is against the terms and conditions mentioned in the floor buyer's agreement.
24. Whether the payments incurred by complainant for the purchase of floor tiles and for purchase of raw material of Plaster of Paris, iron bars, etc. and labour thereon for fixing the artificial roofs and POP work for a total amount of ₹80,000/- on asking of respondents are to be adjusted against the total value of said flat?

II. FINDINGS ON THE PRELIMINARY OBJECTIONS RAISED BY THE RESPONDENT NO. 1



25. Authority observes that the respondent no. 1 in reply dated 02.02.2024 has raised preliminary objections with respect to the maintainability of the captioned complaints. The Authority has considered the objection that the complaint is not maintainable in view of the Arbitration Clause 55 of the Floor Buyer Agreement. The presence of such a clause does not divest this Authority of the jurisdiction expressly conferred under the Real Estate (Regulation and Development) Act, 2016. The Hon'ble Supreme Court in Imperia Structures Ltd. vs. Anil Patni (2020) SC 822, held that statutory remedies under special legislations like RERA cannot be ousted by an arbitration clause. Accordingly, the Authority holds that it is competent to hear and decide the present matter and this objection of the respondent is rejected.

26. Another objection raised by the respondent no. 1 is that the floor buyer agreement Clause 56 confers exclusive jurisdiction upon courts at Karnal, rendering the present proceedings not maintainable. It is observed that as per notification no. 1/92/2017/TCP dated 14.12.2017 issued by Town and Country Planning Department, the jurisdiction of Real Estate Regulatory Authority, Panchkula shall be entire Haryana except Gurugram District for all purposes. In the present case the project in question is situated within the planning area of Karnal district. Therefore, this Authority has complete territorial jurisdiction to deal with the present complaint.

I. FINDINGS AND OBSERVATIONS OF THE AUTHORITY



27. The Authority has gone through the documents on record and submission made by both parties. In light of the background of the matter, Authority observes that complainant booked a unit (floor) in the project "INR Royal Floors" being developed as independent floors (consisting only three floors (G+2)) jointly by the respondents/promoters namely INR Constructions and Alpha Corp. Development Pvt. Ltd. and accordingly complainant was allotted unit no. 21, SF, in the said project located at Village Baldi, Sector-29, Karnal, Haryana. The floor buyer agreement was executed between the parties on 03.10.2020. Complainant had paid a total sum of ₹29,18,900/- against the total sale consideration price of ₹34,00,000/-. As per clause 18(a) of the floor buyer's agreement dated 03.10.2020 respondents/developers were under an obligation to hand over the possession to the complainant within 18 months plus a 3-month grace period from the date of approval of building plans. Respondent no. 1 in his reply has admitted approval of building plan annexed as R-1, that the respondent/developer received approval of building plans on 14.01.2020 meaning thereby that as per possession clause, a period of 21 months is to be computed from 14.01.2020, that comes to 14.10.2021. After paying his hard-earned money, legitimate expectations of the complainant would be that possession of the unit will be delivered within a reasonable period of time. Authority observes that period of 21 months is a reasonable time to complete development works in the project and to handover possession to the allottee. However, apparently respondents failed to hand over possession to the



complainant within the stipulated time. Consequently, complainant has exercised his right to seek delay interest on account of default on the part of respondent to offer legally valid possession within the time frame as per builder buyer agreement as per Section 18 of RERA Act,2016.

28. Perusal of the payment plan at annexure "C-1" of the floor buyer agreement reveals that both the complainant and respondent(s) agreed to construction linked payment plan according to which payments were to be made at periodic intervals, ₹5,00,000/- was to be paid at the time of application, ₹1,80,000/- within 30 days of the booking, ₹5,10,000/- to be paid on commencement of construction, ₹3,40,000/- to be paid on casting of ground floor, ₹3,40,000/- to be paid on casting of first floor, ₹3,40,000/- to be paid on casting of second floor, ₹3,40,000/- to be paid on completion of internal plaster, ₹3,40,000/- to be paid on completion of external plaster, ₹3,40,000/- to be paid on completion of flooring & ₹1,70,000/- to be paid at the time of possession.

29. However, respondent has averred that the completion date of the project as per clause 18(a) was 14.10.2021 and after grant of 9 months general extension granted by this Authority same was revised to 14.08.2022. In this regard, Authority is of the view that the time period for handing over the possession to the allottee is committed by the builder as per the possession clause 18(a) of floor buyer's agreement dated 03.10.2020. Perusal of the payment plan reveals that the payment plan agreed between the complainant and respondent(s), is a



construction linked payment plan and said plan remained unchanged during the covid period also. There is no understanding between the parties whereby the complainant allottee and the respondent promoter agreed to consider the force majeure period due to covid as zero period. Secondly, it is noteworthy to mention that perusal of records reveals that during covid period i.e., 25.03.2020 to 24.09.2020, the respondent had demanded and received an amount of ₹5,00,000/- towards commencement of constructions paid on 20.05.2020 from the complainant in lieu of the booked unit, subsequent to the initial booking amount of ₹5,00,000/- paid on 04.03.2020, and prior to the execution of the floor buyer agreement. The respondents cannot "blow hot and cold" by simultaneously claiming that the pandemic hindered all operations while actively demanding and accepting construction-linked payments during the COVID period. The demand and receipt of funds on 20.05.2020 serve as a constructive admission that construction activities were ongoing and viable at that time. Had the respondents refrained from soliciting and accepting such payments during the COVID-19 period, the legal landscape regarding their delay might differ, however, having accepted the consideration, they are bound by the reciprocal obligation to deliver. Having failed to extend any reciprocal relief to complainant, the respondents cannot now invoke the "COVID-19 benefit" to absolve themselves of liability. Thirdly, covid period was from 25.03.2020 to 24.09.2020, whereas, floor buyer agreement was executed on 03.10.2020. By this date, the global pandemic and the resulting lockdowns



(initiated on 25.03.2020) were not "unforeseen" or "unexpected" events. A *Force Majeure* clause typically protects parties from events that could not be anticipated at the time of contract formation. Since the pandemic was a pre-existing condition on 03.10.2020, the respondents entered into the agreement with full prior knowledge of the prevailing disruptions, labor shortages, and supply chain constraints. The respondents, being a professional entity in the real estate sector, is expected to exercise due diligence. By setting a "due date of possession" within the floor buyer agreement during the pandemic, the respondents voluntarily assumed the risk of any COVID related delays. Failure to adjust the delivery timeline to account for a known pandemic constitutes a "self-induced frustration" of the contract rather than a statutory excuse. Hence, in the above peculiar facts, benefit of covid period could not be granted.

30. Further, respondent has also taken a plea that due to various order of NGT the project could not be completed on time and therefore such period for which the construction work remained suspended should be treated as force majeure period. In this regard, Authority is of the view that NGT has regularly been passing orders suspending construction activity in the Delhi NCR region every year due to rise in pollution specially in the month of October- November. The promoters who are in the business of real estate development are aware of fact that such orders are passed every year w.r.t Delhi NCR region due to rise in pollution. Therefore, such events should be considered at the time of planning/envisaging the development works. Annual directions by statutory



agencies due to human caused reasons cannot be allowed/considered as a force majeure event. Hence, the commitment period of the promoter regarding handing over of possession of the unit is taken accordingly which in the present case is 21 months from the date of approval of building plan. The due date for possession as per the agreement remains unchanged and the promoter is liable for the consequences and obligations under section 18(1) of the Real Estate (Regulation and Development) Act, 2016 arising out of failure in handing over possession by the due date as committed by him in the floor buyer's agreement i.e., 14.10.2021. Therefore, the delay in offering possession is attributable to the respondent.

31. It is the case of the complainant that respondents offered possession vide letter dated 27.01.2023, after obtaining occupation certificate on 25.01.2023 and accompanied with illegal demands such as ₹3,90,000/- for price escalation and ₹1,01,044/- for delay payment interest.

In respect of price escalation, respondents issued letter dated 04.03.2022 demanding an additional ₹3,90,000/-. It is observed that the due date of possession in captioned complaint is ascertained as 14.10.2021. Respondents have issued an offer of possession to the complainant on 27.01.2023 after a gap of more than 1 year after obtaining occupation certificate on 25.01.2023. Cost escalation charges, though a mentioned in clause 12 of the floor buyer agreement, are unjust at this stage since there has been a huge delay in offering possession, and any cost



increase, was due to the respondent's failure to complete the project on time. Floor buyer agreement was executed on 03.10.2020. By this date, the global pandemic and the resulting lockdowns (initiated on 25.03.2020) were not "unforeseen" or "unexpected" events. A *Force Majeure* clause typically protects parties from events that could not be anticipated at the time of contract formation. Since the pandemic was a pre-existing condition on 03.10.2020, the respondents entered into the agreement with full prior knowledge of the prevailing disruptions, labor shortages, and supply chain constraints. The respondents, being a professional entity in the real estate sector, is expected to exercise due diligence. Further, such charges are only legally and equitably justifiable when the project is progressing within its stipulated timeline. In the present case, the due date for delivery of possession had long since passed, and the resulting delay was attributable solely to the respondents. It is a settled principle of equity that a party cannot take advantage of its own default, therefore, passing the burden of escalated costs onto the complainant for a delay caused by the respondents is inherently unfair. Furthermore, even if one were to consider the respondents' claim for price escalation specifically for the period between 03.10.2020 and 14.10.2021, the claim remains unsubstantiated. To validly impose such a financial burden, the respondent bears the requisite proof of proving that a genuine increase in construction costs occurred during that specific window. Despite this, the respondents have failed to produce any relevant documentation, such as invoices, market indices, or audited cost reports, to verify that the prices of raw materials or



labor actually rose. In the absence of such documents, the demand for escalation charges lacks a factual basis and appears to be an arbitrary attempt to increase the project cost at the complainant's expense. Therefore, demand raised by the respondents on account of price escalation charges be set aside.

32. The complainant asserts that the interest levied by the respondent on delayed payments is inconsistent with the statutory provisions of the Real Estate (Regulation and Development) Act, 2016 (RERA). The respondent contends that the interest rate of 14% per annum is contractually justified under the terms of the floor buyer agreement. The record indicates that the parties executed a construction linked payment plan, whereby the complainant's liability to remit installments was strictly contingent upon the respondent achieving specific construction milestones. As per the floor buyer agreement, the due date for delivery of possession was 14.10.2021. However, the respondent failed to fulfil this obligation, eventually obtaining the occupation certificate on 25.01.2023, followed by an offer of possession on 27.01.2023. However, due lack of substantive documents, no conclusive observation can be determined with regard to the contractual liability of both parties. However, Authority observes that the delayed interest that can be levied by the respondents/promoters on the complainant/allottee can be upto the extent of RERA rate of interest as provided under Rule 15 of RERA Rules, 2017.



33. As observed in para 29 & 30, the delay in offering possession is attributable to the respondents. It is admittedly on record that the valid offer of possession has been issued on 27.01.2023, after obtaining occupation certificate. Consequently, the complainant is entitled to delay "interest" from 14.10.2021 till the date of offer of a valid possession to the complainant after obtaining occupation certificate from the competent Authority i.e. 27.01.2023.

34. The term 'interest' is defined under Section 2(za) of the Act which is as under:

(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;

Rule 15 of RERA Rules, 2017 provides for prescribed rate of interest which is as under:



“Rule 15: “Rule 15. Prescribed rate of interest- (Proviso to section 12, section 18 and sub-section (4) and subsection (7) of section 19] (1) 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”

35. As per the website of the State Bank of India (<https://sbi.co.in>), the highest Marginal Cost of Lending Rate (MCLR) as on 12.05.2026 is 8.80%. Accordingly, in terms of RERA rules, the prescribed rate of interest for the refund shall be MCLR + 2% = 10.80% per annum.

36. The complainant has prayed for interest @18% per annum. However, the RERA Act, 2016, read with Rule 15 of the Haryana Real Estate (Regulation and Development) Rules, 2017, prescribes interest at the rate of SBI MCLR + 2%, which, as on date, works out to be **10.80% per annum**. Accordingly, the interest shall be calculated and awarded at this statutory rate.

37. Authority has got calculated the total amounts along with interest and monthly interest as per detail given in the table below:


Ramesh

Sr. No.	Amount Paid (in ₹)	Due date of Possession or date of payment whichever is later	Interest (in ₹) till
1.	25,75,500/-	14.10.2021	27.01.2023 3,58,933/-
2.	3,43,400/-	15.02.2022	35,258/-
Total	29,18,900/-		3,94,191/-

Out of the total payment of ₹29,18,900/- claimed by the complainant, ₹25,75,500/- is supported by attached receipts. Regarding the unsubstantiated balance of ₹3,43,400/-, the respondents have effectively waived the requirement of proof by acknowledging the same in their correspondence dated 15.02.2022.

38. It is observed that the complainant contends that the unit area should be delivered as 179.33 sq. yards, as allegedly stipulated in the allotment letter (Annexure C-1) and the floor buyer's agreement, rather than the reduced area of 165 sq. yards currently offered. However, Authority observes a significant discrepancy between the complainant's assertions and the documented terms of the contract. Both the allotment letter and the floor buyer's agreement, the primary governing documents of this transaction, explicitly define the unit area as 179.33 sq. yards/78 sq. meters. Beyond the written submissions contained within the complaint, the complainant has failed to produce any documentary proof to substantiate the claim that the area has been reduced to 165 sq. yards. Conversely, the occupation certificate issued by the competent authority, which serves as the definitive regulatory record of the completed construction, explicitly specifies the area of the unit in question as 99.052 sq. meters. The Authority finds a fatal discrepancy between the complainant's pleadings and the documents on record. In view of the fact that the



actual area as certified by the occupation certificate is 99.052 sq. meters, and given the total absence of documentary proof to support the complainant's specific claims of reduction, the complainant's plea is deemed meritless and unsubstantiated.

39. The complainant has sought a direction against the respondents for the reimbursement/adjustment of expenses amounting to ₹80,000/- incurred for the procurement of floor tiles and the execution of Plastic of Paris (POP) works within the subject unit. The respondent, in their written reply, has categorically denied these averments. The respondent contends that the alleged works were either not executed by the complainant or, alternatively, were not authorized under the terms of the initial agreement, thereby shifting the burden of strict proof onto the complainant. It is observed that claim is not supported by any documentary proof, such as authenticated invoices, payment receipts, labor contracts, or a valuation report from a certified architect/engineer to verify the extent of the work. In the absence of a "Paper Trail," a mere written assertion regarding financial expenditure cannot form the basis for a legal award of recovery. Relief cannot be granted on the grounds of conjectures or surmises. Therefore, relief seeking adjustment of ₹80,000/- is hereby set aside.

40. Complainant is also seeking direction to revoke the registration in relief sought at sr. nos. (vii) & (viii). However, said relief was never pressed upon by the complainant during hearing. Hence, no observation is made in this regard.



41. The complainant is seeking compensation of ₹10,00,000/- and litigation cost of ₹33,000/-. It is observed that the Hon'ble Supreme Court of India in Civil Appeal Nos. 6745-6749 of 2027, M/s Newtech Promoters and Developers Pvt. Ltd. v. State of U.P. & Ors. (supra), has held that an allottee is entitled to claim compensation and litigation charges under Sections 12, 14, 18, and 19 of the RERA Act, 2016. The Court further clarified that such claims are to be adjudicated by the learned Adjudicating Officer under Section 71 of the Act, 2016, and the quantum of compensation and legal expenses is to be determined having due regard to the factors enumerated in Section 72 of the Act, 2016. Accordingly, the Authority observes that the claim for compensation and litigation costs cannot be adjudicated in the present proceedings. The complainants are, therefore, advised to approach the learned Adjudicating Officer for seeking relief in respect of compensation and litigation expenses.

J. DIRECTIONS OF AUTHORITY

42. Hence, the Authority hereby passes this order and issues following directions under Section 37 of the Act to ensure compliance of obligation cast upon the promoter as per the function entrusted to the Authority under Section 34(f) of the Act of 2016:

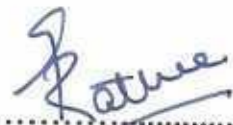
- i. That, the respondents are directed to pay upfront delay interest of ₹3,94,191/-, respectively, to the complainant towards the delay already



caused in handing over possession within a period of 90 days from the date of this order

- ii. The respondents shall not charge anything from the complainant which is not a part of builder buyer agreement.

Disposed of. Files to be consigned to record room after uploading of order on website.



DR. GEETA RATHEE SINGH
[MEMBER]