HARYANA REAL ESTATE REGULATORY AUTHORITY PANCHKULA

Website: www.haryanarera.gov.in

COMPLAINT NO. 1869 OF 2023

Mr. Samrat Gaur and Mrs. Karuna Sharma ....COMPLAINANT

Versus

IRIS Plaza private limited ....RESPONDENT

Date of Hearing: 08.09.2026

Hearing: 12th

Present:- Adv. Arun Sharma, Ld. Counsel for the Complainant.

Adv. Neha for Adv. Hemant Saini, Ld. Counsel the Respondent through VC.

ORDER : DR. GEETA RATHEE SINGH -(MEMBER)

1. Today, case is fixed for the arguments.
2. Arguments heard.
3. Case **Disposed of**. Detailed order shall follow.

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DR. GEETA RATHEE SINGH

[MEMBER]

HARYANA REAL ESTATE REGULATORY AUTHORITY PANCHKULA

Website: www.haryanarera.gov.in

Complaint No.:	**1869 of 2023**
Date of Filing:	**31.08.2023**
First Date of Hearing:	**04.10.2023**
Date of Decision:	**08.09.2026**

Samrat Gaur
Tower C-1, 13th Floor, Flat No. 1201A,
SRS Peral Heights, Near Narayana E-Techno School,
Sector-87, Bhopani, Bhaskola,
Faridabad, Haryana, 121001.

Karuna Sharma
Tower C-1, 13th Floor, Flat No. 1201A,
SRS Peral Heights, Near Narayana E-Techno School,
Sector-87, Bhopani, Bhaskola,
Faridabad, Haryana, 121001. ....COMPLAINANT(S)

Versus

Iris Plaza Private Limited
Iris Plaza Private Limited, Plot No. 18,
5th Floor, Sector-44,
Gurgaon, Haryana, 122003. ....RESPONDENT

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Present: Adv. Arun Sharma, Ld. Counsel for the Complainant.

Adv. Neha, for Adv. Hemant Saini Ld. Counsel the Respondent through VC.

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 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	"Terra Lavinium", Sector-75, Faridabad, Haryana.
2.	Nature of the project.	Residential
3.	RERA Registered/Not Registered	Registered vide HRERA-PKL-FBD-8-2018 dated 21.05.2018
4.	Details of the unit	B-1404, Tower-B, 13th Floor (640.684 sq. ft.)

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5.	Date of Apartment Buyer Agreement	08.02.2019
6.	Possession clause 3.1 as per ABA dated 08.02.2019	Subject to force majeure circumstances, intervention of statutory authorities, receipt of occupation certificate and Allottee having timely complied with all its obligations, formalities or documentation, as prescribed by Developer and not being in default under any part hereof and Apartment Buyer's Agreement, including but not limited to the timely payment of installments of the other charges as per the payment plan, Stamp Duty and registration charges, the Developer proposes to offer possession of the Said Apartment to the Allottee within a period of 4 (four) years from the date of approval of building plans or grant of environment clearance, (hereinafter referred to as the "Commencement Date"), whichever is later.
7.	Due Date of Possession	04.04.2022
8.	Basic Sale Consideration	₹26,12,736/-
9.	Amount paid by the complainant	₹24,78,837/-
10.	Offer of Possession	15.05.2026

B. FACTS OF THE COMPLAINT AS MENTIONED IN THE COMPLAINT

2. That the present complaint is being instituted under Section 31 of the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred to as the "Act") read with Rule 29 of the Haryana Real Estate (Regulation and Development) Rules, 2017.
3. That the complainants, Smarat Gaur and Karuna Sharma (Co-Allottee), reside at SRS Pearl Heights, Tower C-1, 2nd Floor, Flat No. 202, Sector-87, Near SRS City, Faridabad–121001, and are "Allottees" within the meaning of Section 2(d) of the Act.
4. That the respondent, IRIS Plaza Private Limited, is a company incorporated under the Companies Act, 1956, having its registered office at SCF-136, Sector-14 Market, Faridabad, and corporate office at 5th Floor, Plot No. 18, Sector-44, Gurugram–122002. The Respondent is the "Promoter" under Section 2(zk) of the Act and is developing the residential project known as "Terra Lavinium", situated at Sector-75, Faridabad, Haryana (hereinafter referred to as the "Project"), falling within the territorial jurisdiction of this Hon'ble Authority.
5. That induced by the marketing representations, glitzy advertisements, and assurances made by the Respondent's authorized representatives regarding timely delivery and modern amenities, the Complainants booked a residential

unit in the Project. The Respondent provisionally allotted Unit No. B-1404, situated on the 14th Floor of Tower-B, having a carpet area of 640.684 sq. ft., for a total sale consideration of ₹26,12,736/-.

6. That a unilateral, standard-form Builder Buyer's Agreement (BBA) was executed between the parties, wherein the Respondent covenanted to complete construction and hand over possession of the subject unit within 48 months from the date of booking.
7. That the complainants faithfully adhered to the payment schedule and have duly deposited a total sum of ₹24,69,039/- (over 94% of the total sale consideration) with the Respondent up to 16.05.2023.
8. That despite receiving nearly the entire sale consideration, the Respondent has committed an inordinate delay in completing the Project and delivering lawful, physical possession of the fully constructed unit as promised under the BBA. The Respondent is now demanding an additional sum of approximately ₹3,30,000/- without completing construction.
9. That the site remains severely incomplete, with only approximately 40% to 50% of the structural work finished (construction completed only up to the 7th/8th floor against the sanctioned 14 floors). Crucial infrastructure, basic amenities, and safety measures remain non-existent, including: (a) Permanent electricity connection; (b) Permanent potable water supply and functional sewerage system; (c) Internal/access roads, proper stormwater drainage, and designated parking; (d) Fire-safety installations, developed parks/green areas,

and general site safety measures (hazardous heavy machinery, such as tower cranes, remains operational on site); (e) Valid Occupation Certificate (OC) / Part-OC from the competent authorities.

10. That the respondent has attempted an invalid offer of possession without obtaining the mandatory Occupation Certificate and without laying down essential civic infrastructure. Demanding maintenance, electricity charges, or other ancillary charges prior to the receipt of a valid Occupation Certificate is contrary to settled law and binding judicial precedents.

11. That the complainants have repeatedly sent communications and emails seeking redressal and construction updates, but the Respondent has failed to provide any concrete resolution or timeline for lawful handover and conveyance. The Respondent's failure to adhere to statutory timelines and contractual commitments constitutes a clear deficiency of service, unfair trade practice, and breach of trust, causing severe financial loss, hardship, and mental agony to the complainants.

12. That the cause of action initially arose when the respondent failed to deliver possession within the stipulated period of 48 months as per the Agreement, and it recursively arose in June 2022 and upon subsequent demands, communications, and notices. The cause of action is continuous and subsisting in nature.

13. That under Section 11(4) of the Act, the Promoter is statutorily obligated to fulfill all functions and responsibilities toward the allottees in accordance with

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the Agreement for Sale and to obtain the Occupation Certificate and execute the conveyance deed.

14. That under Section 12 of the Act, the Promoter is liable for incorrect and false statements made in advertisements/prospectus and is bound to compensate allottees who sustain loss or damage on account of such misrepresentations.

15. That under Section 18(1) of the Act, if the Promoter fails to complete or give possession of the apartment in accordance with the terms of the agreement for sale, it is liable to pay prescribed interest for every month of delay to the allottee until the handing over of valid physical possession, alongside compensation for damages.

Application dated 26.07.2024

16. Complainant seeks permission to place on record, an updated DD Form along with the Statement of Account (SOA) evidencing payment of ₹24,78,837/- made toward the total consideration.

Application dated 12.06.2026

17. The complainant seeks permission to place on record a CA-certified statement of receivables and payables (calculated up to 07.07.2026 based on the promoter's statement of account and ledger dated 29.04.2026) along with a copy of the promoter's demand email dated 15.05.2026

18. That promoter incorrectly levied delayed installment interest @ 15% p.a., whereas the statutory rate under Rule 15 of the HRERA Rules, 2017 is SBI

MCLR + 2% (8.80% + 2% = 10.80% p.a.), making the complainant's delay interest liability ₹1,78,015/- up to 07.07.2026.

19. That the total legitimate payable amount by the complainant is ₹5,20,937/- (BSP of ₹3,42,922/- plus delay interest of ₹1,78,015/-, excluding disputed possession charges).

20. That the delay compensation/interest payable by the promoter to the complainant from 04.04.2022 to 07.07.2026 @ 10.80% p.a. amounts to ₹11,41,018/-.

21. That after mutual adjustment, a net amount of ₹6,20,081/- is receivable by the complainant from the respondent as of 07.07.2026, which continues to accrue until lawful possession is handed over.

22. That the respondent's pendente lite demand email dated 15.05.2026, insisting on the execution of a conveyance deed and threatening 15% p.a. interest plus ₹5,000/- monthly penalties retrospectively from the OC date (31.12.2025), is illegal, unilateral, and premature, as physical delivery of possession is a condition precedent to executing a conveyance deed and mere issuance of an OC does not equate to a valid offer of possession under RERA.

C. RELIEF SOUGHT

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

i. The respondent party may kindly be directed to pat [pay] delay payment interest under sections 11(4), 12, 18 & 19(4) of the RERA Act, 2016 and the HARERA rules and regulations thereunder.

ii. Respondents may kindly directed to give possession of unit in question without further delay.

iii. The respondent party may kindly be directed to pay the litigation cost of Rs. 1,00,000/- (One Lakh).

iv. The respondent party may kindly be directed to refrain from giving unfair and unjust Demands.

v. The respondent party may kindly be directed to refrain from giving effect to unfair clauses unilaterally incorporated in the Builder Buyer Agreement.

vi. Any other relief/direction which the Hon`ble Authority deems fit and proper in the facts & circumstances of the present complaint.

D. REPLY ON BEHALF OF RESPONDENT

24. Learned counsel for the respondent filed detailed reply on 06.05.2024 pleading therein:

25. That the respondent denies all allegations made by the complainant for want of supporting documents, unless specifically admitted, and contends that the complaint is an abuse of the process of law, without any cause of action, as the

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respondent has neither violated the provisions of the Real Estate (Regulation and Development) Act, 2016, nor breached any agreed terms.

26. That the License No. 79/2017 dated 04.10.2017 was granted by the DTCP, Haryana, for developing an Affordable Group Housing Colony over an area measuring 5.925 acres in Sector-75, Faridabad, Haryana, strictly governed by the Haryana Affordable Housing Policy, 2013, notified on 19.08.2013 under Section 9A of the Haryana Development and Regulation of Urban Areas Act, 1975 (Annexure R-2). As per Clause 1(iv) of the Policy, the project is required to be completed within 4 years from the date of approval of building plans or the grant of Environmental Clearance, whichever is later, which constitutes the deemed 'date of commencement of project'. In the present case, the Environmental Clearance was granted by the SEIAA, Haryana, on 13.02.2018 (Annexure R-3), and the building plans were approved by the competent authority vide Memo dated 03.04.2018 (Annexure R-4). Consequently, taking 03.04.2018 as the date of commencement, the prescribed four-year completion period expired on 03.04.2022/04.04.2022.

27. That the project was registered with the Authority under Registration No. HRERA-PKL-FBD-8-2018 dated 21.05.2018, with the declared completion date being 03.10.2022. Accounting for the general 9-month extension granted by the Authority on account of the COVID-19 pandemic/lockdown period, the revised completion date stood extended to 02.06.2023. Additionally, construction bans

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imposed periodically by the National Green Tribunal in the NCR region, particularly during October–November 2019 (Annexure R-6), constituted force majeure events beyond the respondent's control, contributing to unavoidable delays.

28. That regarding the specific allotment, the complainant booked Unit No. B-1404 on the 14th floor of the project "Terra Lavinium Residency" for a basic cost of ₹26,12,736/- calculated on a super area basis, along with applicable statutory charges, EDC/IDC, and other levies under a fixed payment plan. The complainant executed the Builder-Buyer Agreement but committed defaults by delaying payments by up to one year.

29. That the offer of possession made to the complainant was solely a 'fit-out' or 'soft' possession to enable the carrying out of interior works while the application for the grant of Occupation Certificate was pending with the DTCP (Annexure R-7), which is distinct from a regular offer of possession and does not permit residential occupancy. It is submitted that since regular possession has not been offered prior to the receipt of the Occupation Certificate, the complaint is premature and liable to be dismissed.

E. ARGUMENTS OF LEARNED COUNSEL FOR COMPLAINANT AND RESPONDENT

30. During oral arguments, both parties reiterated their arguments as were submitted in complaint.

F. ISSUES FOR ADJUDICATION

31. Whether the complainants 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?

G. FINDINGS ON THE PRELIMINARY OBJECTIONS RAISED BY THE RESPONDENT

a) Objection raised by the respondent that no cause of action exists in favour of the complainants to institute the present complaint.

In this regard it is observed that a cause of action arises the moment a legal right is violated and damages occur. It generally occurs when a person possessing a right recognized under law suffers damages due to breach of duty by the person who owes him a legal duty. In the present case, as per apartment buyer agreement executed between the parties on 08.02.2019, respondent was under an obligation to hand over the possession of the unit within 4 years i.e by 04.04.2022. But he failed to do so. The moment there is a breach of duty on respondent's part to handover the possession within stipulated time as per the agreed terms, the cause of action arises in favour of the complainant and he is thus entitled to file complaint. Hence, the objection of the respondent that no cause of action exists in favour of the complainant stands rejected.

H. FINDINGS AND OBSERVATIONS OF THE AUTHORITY

32. 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 complainants booked a unit in the project "Terra Lavinium" being developed by the respondent/promoter namely Iris Plaza Private Limited and accordingly complainants were allotted unit no. B-1404, Tower- B, 13th floor in the said project located at Sector-75, Faridabad, Haryana. The apartment buyer agreement was executed between the parties on 08.02.2019. Complainants had paid a total sum of ₹24,78,837/- against the total sale consideration price of ₹26,12,736/-. As per clause 3.1 of the apartment buyer's agreement dated 08.02.2019 respondent/developer was under an obligation to hand over the possession to the complainants within 4 year period from the date of approval of building plans or grant of environmental clearance, whichever is later. Possession clause 3.1 of the apartment buyer's agreement dated 08.02.2019 is reproduced here for ready reference:

> *"Subject to force majeure circumstances, intervention of statutory authorities, receipt of occupation certificate and Allottee having timely complied with all its obligations, formalities or documentation, as prescribed by Developer and not being in default under any part hereof and Apartment Buyer's Agreement, including but not limited to the timely payment of installments of the other*

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charges as per the payment plan, Stamp Duty and registration charges, the Developer proposes to offer possession of the Said Apartment to the Allottee within a period of 4 (four) years from the date of approval of building plans or grant of environment clearance, (hereinafter referred to as the "Commencement Date"), whichever is later."

33. Respondent in his reply has admitted approval of building plan and the grant of environmental clearance, that the respondent/developer received approval of building plans vide Memo No. ZP1199/SD(BS)/2018/10970 dated 03.04.2018 and environmental clearance vide letter no. SEIAA/1IR/2018/110 dated 13.02.2018, meaning thereby that as per possession clause, a period of 4 year is to be computed from the date of approval of building plan i.e., 03.04.2018. 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 4 year 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 apartment buyer agreement under Section 18 of RERA Act, 2016.

34. Perusal of the payment plan at annexure "A" of the apartment buyer agreement dated 08.02.2019 reveals that both the complainants and respondent agreed to time linked payment plan according to which payments were to be made at periodic intervals, for ready reference payment plan is reproduced as under:

Payment Plan	
At The Time of Application	*5% of Total Cost (Approx.)*
At the Time of Allotment i.e. (05/12/2018)	*20% of Total Cost*
Within 6 Months from The Date of Allotment i.e. (05/05/2019)	*12.5 % of Total Cost*
Within 12 Months from The Date of Allotment i.e. (05/11/2019)	*12.5 % of Total Cost*
Within 18 Months from The Date of Allotment i.e. (05/05/2020)	*12.5 % of Total Cost*
Within 24 Months from The Date of Allotment i.e. (05/11/2020)	*12.5 % of Total Cost*
Within 30 Months from The Date of Allotment i.e. (05/05/2021)	*12.5 % of Total Cost*
Within 36 Months from The Date of Allotment i.e. (05/11/2021)	*12.5 % of Total Cost*

35. Respondent has averred that the completion date of the project as declared during registration was 03.10.2022, which, upon the grant of a general 9-month regulatory extension by this Authority on account of the COVID-19 pandemic, stood revised to 02.06.2023. The respondent contends that the benefit of an extended completion timeline on account of the COVID-19 pandemic be allowed to the promoter as per the Clause 3.1 of the apartment buyer's agreement dated

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08.02.2019, which expressly provides that the offer of possession is subject to *"force majeure circumstances"*.

36. Having gone through the facts and the contention of the respondent, Authority observes that there is a fundamental legal distinction between an administrative extension of registration granted by the Authority under Section 6 of the Act of 2016 and the statutory liability to pay delay interest arising under Section 18(1) for breach of contractual covenants. The extension granted under Section 6 is an administrative measure intended solely to prevent the lapse of RERA registration. It does not operate as a blanket statutory pardon, nor does it rewrite the bilateral terms of the apartment buyer agreement. Complainants herein filed the present complaint under Section 31 of the RERA Act specifically for violation of Section 11(4)(a) which pertains to the obligation of the promoter to deliver timely possession in accordance with the agreement executed between the parties, herein as per the clause 3.1 of the apartment buyer agreement dated 08.02.2019.

37. In the case in hand, while Clause 3.1 of the agreement does contemplate force majeure conditions, the plea of the respondent must be tested against its own contemporaneous conduct and the contractual payment structure. A perusal of the record and the payment plan (Annexure 'A' of the Agreement) reveals that the schedule of payments was strictly time-linked. This payment framework remained unaltered throughout the pandemic. The respondent never offered a corresponding "zero period", nor waived interest for allottees coping with the socio-economic distress of nationwide lockdowns. On the contrary, as per

statement of account/ledger dated 16.09.2024 issued by the respondent, the respondent actively raised demands during the peak disruption period of the pandemic, on 01.09.2020, 05.06.2021, and 30.06.2021. The record demonstrates that the respondent demanded basic installment dues of ₹3,26,592/- on each of these occasions and accepted substantial sums from the complainants (including an aggregate sum of ₹3,52,720/- on 02.09.2020 and subsequent payments which also include interest due to delay in payment raised/demanded during Covid), notably burdened with delayed interest charged by the promoter at an unconscionable rate of 15% per annum. The acceptance of substantial construction funds during the lockdown period establish beyond doubt that the respondent treated operations as viable and ongoing. Had the developer stayed its hands, halted demand notices, and extended unconditional payment waivers or grace periods to the buyers, an equitable plea of impossibility or mutual standstill could have been entertained. Having collected the allottees' hard-earned money under the threat of penal interest, the promoter remains bound by the reciprocal obligation to complete construction and deliver the subject unit within the agreed timeframe. The respondent's defense is hit by the Doctrine of Approbate and Reprobate (*allegans contraria non est audiendus*). As settled by the Hon'ble Supreme Court in ***Nagubai Ammal v. B. Shama Rao (AIR 1956 SC 593)*** and reaffirmed in ***R.N. Gosain v. Yashpal Dhir (1992) 4 SCC 683***, a party cannot accept the benefits of a transaction and disclaim its burdens; it cannot "blow hot and cold" at the same time. The respondent cannot insist on unyielding payment discipline from the allottee during COVID-19, and then turn around before this Authority to plead helplessness and seek refuge under a "COVID-19 force majeure benefit" to repudiate its own statutory delivery obligations under Section 18(1).

38. The respondent's plea is decisively defeated by the fundamental **Principles of Equity, Mutuality, and Reciprocity of Obligations**. Equity is anchored on the foundational maxims: *"He who seeks equity must do equity"* and *"He who comes to Court/Authority must come with clean hands"*. A party cannot claim equitable relief against its contractual default when its own conduct has been inequitable, unyielding, and self-serving. Equity will not allow a promoter to unilaterally enrich itself by enforcing one-sided payment discipline while simultaneously seeking immunity from its failure to deliver possession. Having failed to extend any reciprocal indulgence or relief to the complainants, the respondent is legally and equitably estopped from claiming the benefit of the COVID-19 lockdown period. Consequently, the committed due date for handing over possession remains firm and unaltered as **04.04.2022**, and the respondent is solely liable for the subsequent delay under Section 18(1) of the Act of 2016 read with Rule 15 of the HRERA Rules, 2017.

39. 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

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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.

40. Even on merits, the respondent's plea remains completely unsubstantiated. The respondent has merely raised a vague and general assertion without placing on record the specific circulars, gazette notifications, or executive orders issued by the competent statutory authorities or the environment department specifying the duration of the alleged bans. A generic plea unsupported by substantive, verifiable documentation cannot form the basis for granting an extension of time or excluding statutory liability under Section 18(1) of the Act of 2016. More crucially, this defense is defeated by the Principles of Equity, Mutuality, and Reciprocity of Obligations, as detailed in the preceding paragraphs regarding the COVID-19 period. The respondent's approach has been entirely one-sided. While the respondent seeks to invoke equity and force majeure to shield itself from delay interest, it never extended any reciprocal relief, grace period, or payment moratorium to the complainants during the alleged ban intervals. The respondent continued to enforce its time-linked payment schedule without interruption

41. Hence, the commitment period of the promoter regarding handing over of possession of the unit is taken accordingly which in the present case is 4 years

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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 apartment buyer's agreement i.e., 04.04.2022. Therefore, the delay in offering possession is attributable to the respondent.

42. It is the case where the respondent offered possession vide letter dated 10.06.2024. Now, the question arises regarding the legality of the "fit-out possession" offered by the respondent on 10.06.2024. The respondent has contended that fit-out or soft possession was offered to allow the allottee to carry out interior work while the application for grant of Occupation Certificate (OC) was pending before the DTCP.

43. The Authority is of the considered view that Section 19(10) of the Act of 2016 mandates that an allottee shall take physical possession of the apartment within a period of two months of the occupancy certificate issued for the said apartment. Offering possession for "fit-outs" or "soft possession" without obtaining a valid occupation certificate is completely alien to the statutory framework of the Act of 2016 and the Haryana Affordable Housing Policy, 2013, and therefore cannot be treated as a valid offer of possession in the eyes of law and is accordingly held to be premature and bad in law. Authority placed reliance upon the judgment of the Hon'ble Supreme Court of India in ***Samruddhi Co-operative Housing***

Society Ltd. v. Mumbai Mahalaxmi Construction Pvt. Ltd. and ***Pioneer Urban Land and Infrastructure Ltd. v. Govindan Raghavan,*** wherein the Hon'ble Supreme Court has authoritatively held that a promoter cannot compel an allottee to accept possession without a valid Occupation Certificate, and any such premature offer is non-est and bad in law.

44. Record further reveals that although the respondent obtained the occupation certificate on 31.12.2025, no lawful or specific offer of possession was thereafter made to the complainants. However, the respondent relies upon an email dated 15.05.2026, captioned *"Notice regarding execution of conveyance deed – Terra Lavinium"*, to contend that, upon obtaining the occupation certificate and issuing the said communication, its liability towards delayed possession interest came to an end.

45. The Authority finds that it is not in dispute that the complainants received the email dated 15.05.2026. This is borne out from the complainants' own application dated 11.06.2026, wherein the said communication was placed on record. The complainants, therefore, had clear and unequivocal knowledge not only of the respondent's communication but also of the fact that the occupation certificate dated 31.12.2025 had been duly issued by the Director, Town & Country Planning, Haryana. A perusal of the communication dated 15.05.2026 makes it evident that the respondent called upon the allottee to clear the outstanding dues and proceed with the execution and registration of the conveyance deed in respect of the booked apartment. In the context of a real estate transaction, a request to complete the conveyance process, particularly after obtaining the requisite Occupation

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Certificate, is a significant and substantive step towards completing the transfer of the property. It demonstrates that the promoter had completed the project to the extent recognised by the competent authority and was ready and willing to complete the remaining formalities for transfer of title and possession.

An offer of possession, in substance, cannot be examined merely on the basis of the nomenclature or caption of the communication. What is relevant is the substance of the communication and the conduct of the promoter. The fact that the communication was styled as a notice for execution of the conveyance deed does not, by itself, detract from its legal effect when the project had already received the occupation certificate and the allottees were expressly called upon to clear the outstanding dues and complete the conveyance deed formalities. The execution of a registered conveyance deed is ordinarily the culmination of the process by which the allottee acquires legal title and control over the apartment and, in the circumstances of the present case, the communication necessarily contemplated completion of the possession and transfer process. Accordingly, the communication dated 15.05.2026 is held to constitute a valid and effective offer of possession. Consequently, the respondent's liability to pay delayed possession interest under Section 18(1) of the Act of 2016 shall cease to accrue from 15.05.2026.

46.Consequently, the complainants are held entitled to delayed possession interest on the amount deposited by them with the respondent, calculated with effect from the committed due date of possession, i.e., 04.04.2022, up to the date of the valid offer of possession, i.e., 15.05.2026.

47. 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 HRERA 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 (NCLR) 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"

As per the website of the State Bank of India (https://sbi.co.in), the highest Marginal Cost of Lending Rate (MCLR) as on 08.09.2026 is 8.80%. Accordingly, in terms of HRERA rules, the prescribed rate of interest shall be MCLR + 2% = 10.80% per annum. Accordingly, the interest shall be calculated and awarded at this statutory rate to date of valid offer of possession, which is yet to be issued by respondent to complainants.

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

Sr. No.	Amount Paid (in ₹)	Due date of Possession or date of payment whichever is later	Interest (in ₹) till offer of possession i.e., 15.05.2026
1.	₹24,69,039/-	04.04.2022	₹10,98,039/-
2.	₹9,798/-	30.06.2022	₹4,105/-
	Total		₹11,02,144/-

49. The complainant has raised an another fundamental challenge against the respondent's unilateral levy of delayed payment interest at the exorbitant rate of 15% per annum, contending that it violates the statutory framework of the Real Estate (Regulation and Development) Act, 2016 and the HRERA Rules, 2017. Conversely, the respondent seeks refuge under the standard clauses of the

Apartment Buyer's Agreement to justify enforcing penal interest of 15% per annum against the allottees.

50.Having examined the record, the Authority finds the respondent's contention to be legally untenable and contrary to the core legislative intent of the Act of 2016. One-sided clauses embedded in pre-printed, standard-form builder-buyer agreements, which penalize consumers with disproportionate interest rates ranging from 15% to 18% p.a. while restricting the builder's own delay liabilities have been unequivocally declared unconscionable and unenforceable by the Hon'ble Supreme Court of India in ***Pioneer Urban Land & Infrastructure Ltd. v. Govindan Raghavan (2019) 5 SCC 725*** and ***Ireo Grace Realtech Pvt. Ltd. v. Abhishek Valicha (2021) 3 SCC 241***.

Statutory reality under RERA establishes absolute mutuality and parity between the contracting parties. Under Section 2(za) of the Act of 2016 read with Explanation (i), the rate of interest chargeable from an allottee by the promoter in case of default must be identical to the rate of interest that the promoter is liable to pay the allottee for its default. By virtue of Section 89 of the Act of 2016, the provisions of this statute override any inconsistent or conflicting covenants contained in prior agreements.

The Authority further observes that the respondent's insistence on charging 15% interest rate fails even when tested against the very framework under which this project was sanctioned, the Haryana Affordable Housing Policy, 2013. Whereas, Clause 5(iii)(b) of the original 2013 policy did prescribe a flat 15% annual interest on delayed installments, the State Government recognized that such an arbitrary rate had become obsolete and unfair after the enactment of RERA. To bring parity and protect homebuyers from excessive financial burdens, the Town and Country Planning Department, Haryana, issued a clear amendment vide **Memo No. Misc-2307/8/26/2017-2TCP on 09.07.2018** under Section 9-A of the Haryana Development and Regulation of Urban Areas Act, 1975, explicitly modified the interest regime of the Affordable Housing Policy,2013.

The amendment directs the following substitution in Clause 5(iii)(b):

> *"In clause no. 5(iii) b of the Affordable Housing Policy, 2013, the words "Any default in payment shall invite interest @15% per annum." shall be replaced by the following words, "Any default in payment will bear penal interest as provided in Rule 15 of the Haryana Real Estate Regulatory Authority, Rules, 2017."*

The timing of this change is critical. When the parties executed their apartment buyer's agreement on 08.02.2019, the old 15% regime had already been abolished by the Government. Consequently, the contractual clause stipulating 15% interest stands superseded by operation of law. The respondent's right to claim delayed installment interest from the complainants is strictly restricted to the statutory rate as provided under Rule 15 of the HRERA Rules,2017

51. The complainant is seeking ₹1,00,000/- as litigation cost. It is observed that the Hon'ble Supreme Court of India in ***Civil Appeal Nos. 6745-6749 of 2021, 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.

I. DIRECTIONS OF AUTHORITY

52. 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:

a. That, the respondent is directed to pay upfront delay interest of ₹11,02,144/-, respectively, to the complainants towards the delay already caused in handing over possession within a period of 90 days from the date of this order.

b. Further respondent is directed to execute the Conveyance Deed within 90 days after handing over of the possession to the complainant.

c. Complainants will remain liable to pay balance consideration, if any, amount to the respondents at the time of actual possession offered to them in terms of this order of the Authority.

d. The rate of interest is chargeable from the complainants by the respondent, in case of default shall be charged at the prescribed rate i.e., 10.80% which is the same rate of interest which the respondent shall be liable to pay to the complainants. In case of any interest paid by the complainants @15%, the same shall be adjusted or refunded as the case may be.

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

Rathee

DR. GEETA RATHEE SINGH
[MEMBER]