

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

	Complaint no.: Date of complaint: Date of order:	1205 of 2023 03.04.2023 08.08.2024
 Sangram Keshari Sarangi Rashmibala Sarangi Aman Sarangi (minor - through his father) s Sangram Keshari Sarangi All R/o: - Flat No. A-401, 4th Floor, Tube Naga Bagh, Hadapsar, Pune City, Maharashtra - 411 	ar. Madhay	Complainants
Versus		
Wonder City Buildcon Private Limited Regd. Office at : - 3rd Floor, UM House, Tower No. 35, Sector 44, Gurugram (HR) - 122002	A, Plot	Respondent

Member

CORAM:

Shri Vijay Kumar Goyal

APPEARANCE:

Shri Jaswant Singh Kataria (Advocate) Shri Rohan Malik (Advocate)

Complainants Respondent

ORDER

1. The present complaint has been filed by the complainant/allottees 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 thereunder 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, delay period, if any, have been detailed in the following tabular form:

S.no.	Particulars	Details
1.	Name of the project	"Godrej 101", Sector 79 Gurugram
2.	Nature of project	Residential
3.	Unit no.	C0401, 4 th floor, Tower C
	Unit admeasuring	(page 26 of reply)
4.	Application form	219.81 sq. ft. (super area)
	Application for m	30.09.2015 (as alleged by complainant no date mentioned on application form)
5.	Allotment Letter	26.09.2016 (page 34 of reply)
6.	Date of flat buyer	21.09.2016
	agreement	(as per stamp paper on BBA page 42 of complaint)
7.	Possession clause	*Note: Unexecuted
	HA	 16. The Developer shall endeavor to complete the construction of the Apartment and to intimate you for the possession of the Apartment within 48 months from the date of issuance of Allotment Letter, along with a grace period of 12 months over and above this 48 month period ("Tentative Completion Time"). Upon the Apartment being ready for possession and occupation the Developer shall issue the Possession Notice to the Buyer of the Apartment. (page 29 of reply as per application form)
8.	Due date of possession	26.09.2021 (calculated from the date of allotment)
9.	Total sale consideration	Rs.1,66,02,510/-
10.	Total amount paid by the	(page 25 of complaint) Pc 32 95 417 (
	complainant	Rs.32,95,417/-
11.	Reminder	(page 10 of reply & page 08 of complaint) 08.03.2017, 27.03.2017, 27.04.2017, 27.05.2017, 27.06.2017, 27.07.2017 (page 40-47 of reply)



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12.	Cancellation letter	29.07.2018
		(page 104 of complaint)

B. Facts of the complaint:

- 3. The complainants have made the following submissions: -
 - I. That the respondent in the year 2015 was in the process of developing a residential complex comprising of multi-story residential buildings/towers & other amenities, facilities, services etc. under the project "Godrej 101" in Sector 79, Gurugram, Haryana.
 - II. That the complainants were allured and tempted by one of the representatives of the respondent to purchase a residential unit in the said project. The total cost of the subject unit was to the tune of Rs.1,58,61,416/including PLC, E.D.C., I.D.C. etc. excluding Rs.7,41,094 as tax (totalling Rs.1,66,02,510/-) as per application form.
 - III. That the complainants applied for the allotment of the subject unit in the above said project on 30.09.2015 and paid booking amount of Rs.51,000/- on 30.09.2015 against subject unit no. C-0401, 4th floor, tower-C admeasuring super built up area of 219.81 sq. meter (2366 sq. ft.) and having carpet area (including balcony area) of 155.33 sq. meter (1671.98 sq. ft.) along with all easements, privileges, rights and benefits attached thereto along with proportionate undivided interest in the common area and facilities and two covered car parking space in the project.
- IV. Thereafter, the complainants received the allotment letter on 26.09.2016 confirming the booking as well allotment of the subject unit in the respondent's project. Further, floor apartment buyer's agreement inter-se the parties qua the subject unit was executed on 21.09.2016 after 12 months from date of application/booking. As per the Agreement (Para No. 4.2), the possession of the unit in question was to be handed over to the



complainants within a period of 48 months from the date of the allotment letter. The complainants opted construction linked payment plan.

- V. That the complainants had paid Rs.32,95,417/- which has been duly received and acknowledged by the respondent. The complainants have also purchased some properties/units from the respondent in the projects of the respondent in Pune. Hence, the complainants requested to the respondent to adjust the above amount i.e. Rs.32,95,417/- in the projects of the respondent in Pune.
- VI. That the respondent also agreed and assured the complaint to adjust the above received amount from the complaints in the projects in Pune. But, on the other hand, the respondent kept on sending demand notices (with 15% interest thereon) to the complainants to fulfil its ulterior and deceptive motives so that the respondent may forfeit the hard-earned money of the, complainants. When the complainants questioned on the demand notice, the representative of the respondent replied that the demand notices are sent in bulk. Hence, if the complainants receive demand notice then they don't need to worry.
- VII. Thereafter, the complainants received notice of cancellation/termination from the respondent on 29.06.2018 with regard to forfeiting the hard-earned money of the complainants amounting to Rs.32,95,417/- in the name of defaulting payments and interest thereon.
- VIII. That even after termination/cancellation, the respondent kept the complainants in dark by alluring promises and by assuring to adjust the above received/forfeited amount in the other properties of the complainant in the project of the respondent in Pune. But later on, the respondent cleverly and deceitfully denied to adjust the forfeited amount of Rs.32,95,417/- of the complainants.



- IX. That the complainants also sent email to the respondent on 30.05.2022 even after termination/cancellation of the unit either to adjust the above amount or to refund the same to the complainants. But the respondent denied for refund or adjusts. Initially the respondent also promised the complainants to refund the entire amount with interest but latter on postponed the matter taking lame excuses.
- X. That the terms and conditions of the application form of the respondent are one sided and in the interest of the respondent. The complainants herein have been repeatedly and continuously expressing discontent and objecting to the malafide attitude of the respondent towards its allottees. The complainants have been requesting to the respondent and has made numerous requests and efforts seeking redressal of their grievance.
- XI. That being highly aggrieved and frustrated by the entire circumstances and faced by the miserable attitude of the respondent, which needless to mention, has rendered the complainants completely shattered, the complainants left with no other option but to approach the Authority for issuance of the refund of the amount paid till date to the respondent along with applicable interest till realization and compensation

C. Relief sought by the complainants:

- 4. The complainants have sought following relief(s):
 - I. Direct the respondent to refund the entire paid-up amount with interest.
 - II. Direct the respondent to pay litigation cost of Rs.1,50,000/-.
 - III. Direct respondent to pay sum of Rs.5,50,000/- for causing mental, physical harassment, frustration & grievance to the complainant and miserable attitude of the respondent and deficiency in service.
- 5. 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.



D. Reply by the respondent.

- 6. The respondent has contested the complaint on the following grounds:
 - i. That the complaint is wholly misconceived, erroneous, unjustified and ridden with wilful concealment of facts to mislead and abuse the process. Also, the complaint is barred by limitation. The present complaint is not maintainable in view of the settled principle of law "commodum ex injuria sua nemo habere debet", i.e., that the complainants cannot be allowed to take advantage of their own wrongs. The complainants have not discharged their obligations under the contract, wherein they failed to make the payment towards the agreed total sale consideration of the subject unit. This resulted in lawful termination of the allotment and also forfeiture of the amount paid by the complainants towards booking of the subject unit.
 - ii. That the complainants vide application form dated 30.09.2015 applied for allotment of a residential unit i.e., C-0401 in the project. The total consideration of the unit was Rs.1,66,02,510/- (inclusive of taxes). At the time of booking, the complainants opted for a construction linked plan and the same was appended to the Schedule III of the application form.
- iii. As, per the opted payment plan, the respondent raised an invoice dated 10.02.2016 (pre-RERA Act) of Rs.30,74,342/- (including EDC/IDC and other charges). The due date for payment of the said invoice was 28.02.2016. The complainants failed to make timely payments and in various instalments made the complete payment on 20.09.2016 i.e. with a delay of almost 7 months. Thereafter, the respondent allotted the subject unit to the complainants vide allotment letter and thereafter executed the apartment buyer's agreement.
- iv. Thereafter, in terms of the second milestone, the respondent issued invoice letter dated 27.01.2017 requesting the complainants to make payment of Rs.33,61,014/-. The due date of payment of the aforesaid invoice was



14.02.2017. The complainants miserably defaulted and thereafter completely evaded from fulfilling their payment obligation as agreed in the opted payment plan.

- v. That the complainants failed to make any payments towards the second milestone, the respondent issued various reminder letter dated 08.03.2017, 27.03.2017, 27.04.2017, 27.05.2017,27.06.2017. Despite various reminders and in utter disregard to the opted payment plan, the complainants failed to fulfil their payment obligations.
- vi. That the complainants was struggling to keep pace with the opted payment plan and continuously failing to discharge their financial obligations, thereby in effect defeating the concept of the construction linked plan. Out of total sale consideration of Rs.1,66,02,510/- only a meagre sum of Rs.32,95,417/was paid by the complainants as on 20.09.2016 and no further payments were made.
- vii. That the respondent being a customer centric organization and to save the hard-earned money of the complainants also issued a pre-termination letter on 27.07.2017, giving another opportunity to the complainants for fulfilling their payment obligations even after the lapse of payment schedule as stipulated in the opted payment plan and several reminder letters. The said pre-termination letter clearly mentioned that in case of any default in fulfilling payment obligation, the respondent shall be entitled to terminate/cancel the allotment of the unit and initiate forfeiture process in pursuance of the agreed terms of the contractual documents.
- viii. That the complainants were miserably lagging behind in making the payments, even then the construction at the project was in full swing. The complainants failed to come forward to fulfil their payment obligation within the stipulated timeline. Having left with no other option, the respondent eventually after fourteen months proceeded to terminate the allotment of Page 7 of 16



the unit vide termination letter dated 29.06.2018. As aforesaid, the right was only exercised by the respondent as a last option and in view of the regular defaults performed by the complainants in fulfilling their payment obligation, despite multiple reminders and extended timelines.

- That at the time of termination of the allotment in question, there was an ix. accrued interest of Rs.16,06,007/- in making the payments. The complainants regularly defaulted in adhering to their payment obligations despite multiple reminders. Whereas the respondent being a customer centric organization, kept pace with the construction obligations in a timely manner. Further, it is clear that the present complaint has been filed to take an arbitrary exit from the project due to financial incapability of the complainants. The complainants had booked another unit bearing no. B 1401 in project "Godrej 101" of the respondent, even in that booking the complainants failed to meet their financial obligations which led to termination of that unit vide termination letter dated 27.06.2018. All this shows that the complainants seek to unilaterally withdraw from the project without any consequence by way of the present complaint.
- That in terms and conditions agreed in the application form dealing with X. circumstances in detail and does not prescribe any sort of a refund on account of default on the part of the complainant. The Act does not provide for refund of booking amount in the circumstances where no default is attributable to the developer. Thus, the complainants are bound by the law of the land and the terms and conditions of willingly executed the application form and ATL. Furthermore, the complainants have given consent to the said application form on their own free will and accord, without any influence or coercion and thus cannot renege from the same.
- That the present complaint is also barred by law of limitation as the xi. respondent had already terminated the provisional allotment of the unit in Page 8 of 16



question of the complainants on 29.06.2018. After a gross delay of about 5 years from the date of termination of the unit, the complainants have filed the present complainants on 03.04.2023 allegedly claiming the refund of the non-refundable booking amount which is in itself an abuse of the process of law and highly delayed.

- xii. The complaint is also liable to be dismissed for want of cause of action. The terms and conditions of the application form were signed and agreed by the complainants which clearly shows that the respondent had the right to forfeit the booking amount and terminate the allotment of the unit for any reason not attributable to the respondent. The respondent as a customer centric organization has already acted in the best interest of its customer i.e., the complainants in the present complaint. The present complaint is ridden with false statements, non-disclosures, and concealments, thus amounts to abuse of process of law. Hence, the present complaint is liable to be dismissed on this count alone.
- xiii. That the complainants have wrongfully stated a concocted fact in his complaint that the respondent had agreed to transfer/adjust the booking amount paid by him into another unit being purchased by the complainants in Pune, Maharashtra. No such assurance was given by the respondent
- 7. All other averments made in the complaint were denied in toto.
- 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 these undisputed documents and submissions made by the parties.

E. Jurisdiction of the authority

9. The authority has complete territorial and subject matter jurisdiction to adjudicate the present complaint for the reasons given below.

E.I Territorial jurisdiction



10. 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

11. 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) The promoter shall-

(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.

12. 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 more adda the second s

by the adjudicating officer if pursued by the complainant at a later stage.

F. Findings on the objections raised by the respondent

F.I Objection raised by the respondent regarding the complaint being nonmaintainable on ground of being barred by limitation.

13. The respondent further contends that the complaint is not maintainable as it is barred by limitation, citing that the complainants did not raise any grievance

from 2018. The authority is of the view that the provisions of Limitation Act,

1963 does not apply to Act, 2016. The same view has been taken by Hon'ble Page 10 of 16



Maharashtra Real Estate Appellate Tribunal, Mumbai in its order dated 27.01.2022 in Appeal no. 00600000021137 titled as *M/s Siddhitech Homes*

Pvt. Ltd. vs Karanveer Singh Sachdev and others which provides as under:

"Agreeing entirely with the allottee, it is observed that RERA nowhere provides any timeline for availing reliefs provided thereunder. A developer cannot be discharged from its obligations merely on the ground that the complaint was not filed within a specific period prescribed under some other statutes. Even if such provisions exist in other enactments, those are rendered subservient to the provisions of RERA by virtue of non obstante clause in Section 89 of RERA having overriding effect on any other law inconsistent with the provisions of RERA. In view thereof, Article 54 of Limitation Act would not render the complaint time barred. In the absence of express provisions substantive provisions in RERA prescribing time limit for filing complaint reliefs provided thereunder cannot be denied to allottee for the reason of limitation or delay and laches. Consequently, no benefit will accrue to developers placing reliance on the case law cited supra to render the complaint of allottee barred by any limitation as alleged in Para 10 above. Hence, no fault is found with the view held by the Authority on this issue."

14. Thus, the contention of promoter that the complaint is time barred by provisos of Limitation Act stands rejected.

G. Relief sought by the complainants

- G.I Direct the respondent to refund the entire paid-up amount with interest.
- 15. The complainants applied for the allotment of unit no. C-0401, 4th floor apartment in tower-C on 30.09.2015, and paid a booking amount of Rs.51,000/-. The complainants opted for a construction-linked payment plan, under which possession of the unit was to be delivered within 48 months from the date of the allotment letter, with an additional 12-month grace period. Over time, the complainants paid Rs.32,95,417 /- towards the subject unit.
- 16. The complainants took a plea that they later requested the respondent to adjust this payment against their investments in another project of the respondent in Pune and the respondent agreed to this request but respondent subsequently began sending demand notices for further payments, despite having allegedly agreed to the adjustment. Thereafter, on 29.06.2018, the respondent issued a termination letter, citing non-payment as the reason for



- 17. cancelling the allotment and forfeiting the entire amount of Rs.32,95,417/-. Despite this termination, the complainants claim that the respondent continued to make promises of adjusting the forfeited amount.
- 18. On contrary respondent contested that the termination was lawful due to the complainants' repeated defaults in making the required payments. The respondent emphasized that the complainants had failed to meet their obligations under the agreed payment plan, leading to the rightful forfeiture of the booking amount. Moreover, the terms of the agreement did not entitle the complainants to a refund under these circumstances and the complaint is an attempt to unfairly exit the project due to the complainants' financial difficulties.
- 19. The authority has gone through the payment plan (Schedule III) of the application form executed between the parties, same is extracted below for ready reference: -

S.no.	Instalment	Value
1	On booking	Booking Amount
1.1	Within 60 days from Booking	10% of COP* - Booking Amount
1.2	Within 4 months from Booking	10% of COP*
2	On completion of Superstructure	20% of COP*
3	On completion of Finishing (Brickwork and internal plaster)	40% of COP*
4	On intimation of Possession	20% of COP*

20. On considering the documents available on record as well as submissions made by both the parties, it can be ascertained that the complainant has only paid an amount of Rs.32,95,417/- against the subject unit. The respondent has sent various reminder letters dated 08.03.2017, 27.03.2017, 27.04.2017, 27.05.2017, 27.06.2017 to make payment of the outstanding amount. The authority is of considered view that the respondent is right in raising demands as per payment plan agreed between the parties. However, the complainants continued with their default and again failed to make payment even after pre-



termination letter dated 27.07.2017 leading to cancellation of unit vide letter dated 29.06.2018.

21. As, per clause 21 of the application form, the respondent/promoter have right to cancel the unit and forfeit the earnest money where an allotment of the unit is cancelled due to default of complainant to make timely payments as per the agreed payment plan. Clause 21 of the application form is reproduced under for ready reference:

21.

If there is any delay in payment of any installment due from the Applicant(s), then the Applicant(s) shall be liable to pay simple interest on such delayed payments at the rate of 15% per annum from the due date till the date of such payment is actually received by the Developer In case of Applicant(s) fails to pay the due installment together with interest payable thereon within a period of 60 days from the payment due date, the same shall be construed as default and the Developer may, at its sole discretion, cancel the allotment and/or terminate the apartment buyer's agreement and be entitled to forfeit the Earnest Money or the entire amount paid by the Applicant(s) to the Developer till that date, whichever is less, and balance money (if any) will refunded by the Developer, be after deducting/adjusting the interest on overdue payments calculated at the rate of 15% per annum, without any interest or any compensation for any consequences thereof, and the Applicant(s) shall have no other claim whatsoever against the Developer. However, the Developer may, at its sole discretion, decide not to terminate the apartment buyer's agreement and condone the delay in payment of the particular installment, subject to terms and conditions that may be imposed by the Developer on the Applicant(s) at that particular point of time together with liability to pay interest on the unpaid amounts at an enhanced rate which the Developer may deem fit and appropriate. Such discretion to condone the delay and not cancel the allotment shall vest exclusively with the Developer and all decisions taken by the Developer in this regard shall be final and the Applicant(s) agrees that all such decisions of the Developer shall be binding on and acceptable to him.

- 22. Further, section 19(6) of the Act of 2016 casts an obligation on the allottee to make necessary payments in a timely manner. Hence, cancellation of the unit in view of the terms and conditions of the application form is held to be valid.
- 23. The issue with regard to deduction of earnest money on cancellation of a contract arose in cases of Maula Bux VS. Union of India, (1970) 1 SCR 928 and Sirdar K.B. Ram Chandra Raj urs. VS. Sarah C. urs., (2015) 4 SCC 136,



and wherein it was held that forfeiture of the amount in case of breach of contract must be reasonable and if forfeiture is in the nature of penalty, then provisions of section 74 of Contract Act, 1872 are attached and the party so forfeiting must prove actual damages. After cancellation of allotment, the flat remains with the builder as such there is hardly any actual damage. National Consumer Disputes Redressal Commissions in CC/435/2019 Ramesh Malhotra VS. Emaar MGF Land Limited (decided on 29.06.2020) and Mr. Saurav Sanyal VS. M/s IREO Private Limited (decided on 12.04.2022) and followed in CC/2766/2017 in case titled as Jayant Singhal and Anr. VS. M3M India Limited decided on 26.07.2022, held that 10% of basic sale price is reasonable amount to be forfeited in the name of "earnest money". Keeping in view the principles laid down in the first two cases, a regulation known as the Haryana Real Estate Regulatory Authority Gurugram (Forfeiture of earnest money by the builder) Regulations, 11(5) of 2018, was farmed providing as under-

""5. AMOUNT OF EARNEST MONEY

Scenario prior to the Real Estate (Regulations and Development) Act, 2016 was different. Frauds were carried out without any fear as there was no law for the same but now, in view of the above facts and taking into consideration the judgements of Hon'ble National Consumer Disputes Redressal Commission and the Hon'ble Supreme Court of India, the authority is of the view that the forfeiture amount of the earnest money shall not exceed more than 10% of the consideration amount of the real estate i.e. apartment/plot/building as the case may be in all cases where the cancellation of the flat/unit/plot is made by the builder in a unilateral manner or the buyer intends to withdraw from the project and any agreement containing any clause contrary to the aforesaid regulations shall be void and not binding on the buyer."

24. So, keeping in view the law laid down by the Hon'ble Apex court and provisions of regulation 11 of 2018 framed by the Haryana Real Estate Regulatory Authority, Gurugram, and the respondent/builder can't retain more than 10% of sale consideration as earnest money on cancellation but that was not done. So, the respondent/builder is directed to refund the amount received from the complainant after deducting 10% of the sale consideration and return the

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remaining amount along with interest at the rate of 11% (the State Bank of India highest marginal cost of lending rate (MCLR) applicable as on date +2%) as prescribed under rule 15 of the Haryana Real Estate (Regulation and Development) Rules, 2017, from the date of cancellation letter i.e. 29.06.2018 till its realization within the timelines provided in rule 16 of the Haryana Rules 2017 ibid.

- G.II Direct the respondent to pay litigation cost of Rs.1,50,000/-.
- G.III Direct respondent to pay sum of Rs.5,50,000/- for causing mental, physical harassment, frustration & grievance to the complainant and miserable attitude of the respondent and deficiency in service.
- 25. The complainants are seeking above mentioned relief w.r.t. compensation and litigation. Hon'ble Supreme Court of India in case titled as *M/s Newtech Promoters and Developers Pvt. Ltd. V/s State of Up & rs. 2021-2022(1) RCR (C), 357* held that an allottee is entitled to claim compensation & litigation charges 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 & litigation expense 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 & legal expenses.

H.Directions of the authority.

- 26. 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 refund the paid-up amount to the complainants i.e. Rs.32,95,417/- after deducting 10% of the sale consideration being earnest money along with interest at the rate of 11%



on such balance amount from the date cancellation letter dated 29.06.2018 till its realization.

- ii. A period of 90 days is given to the respondent to comply with the directions given in this order and failing which legal consequences would follow.
- 27. Complaint stands disposed of.
- 28. File be consigned to the registry.

Dated: 08.08.2024

(Vijay Kumar Goyal)

Member Haryana Real Estate Regulatory Authority, Gurugram