



HARYANA REAL ESTATE REGULATORY AUTHORITY PANCHKULA

Website: www.haryanarera.gov.in

COMPLAINT NO. 206 of 2024

Parveen Lata

....COMPLAINANT

VERSUS

Haryana Shehri Vikas Pardhikaran

....RESPONDENT

CORAM: Nadim Akhtar

Member

Chander Shekhar

Member

Date of Hearing: 04.11.2024

Hearing: 1st

Present: None for complainant
Adv. Parmod Kumar, proxy counsel for Adv. Arvind Seth, counsel for respondent

ORDER (NADIM AKHTAR –MEMBER)

1. Complainant in his complaint has pleaded that, complainant had participated in E-auction of clinic site, sector-6, Part II, Hansi, District- Hisar, Haryana-125033 admeasuring 311.04 sq. mtr. organized by the respondent on 18.04.2023. As per terms and conditions of auction, the complainant paid refundable EMD of ₹2,61,300/- and registration fees of ₹1000/- on

16.04.2023. In the auction held on 18.04.2023, complainant was the highest bidder and deposited H1 payment amounting to ₹2,67,260/- on the same day. Later respondent cancelled the auction of clinic site without any intimation to complainant and not refunded the EMD and H1 payment which was paid by the complainant. When complainant came to the knowledge that the unit has been cancelled, he made repeated reminders and requests for refund of his paid amount. After some time, HSVP refunded EMD of ₹2,61,000/- and H1 of ₹2,67,260 on 05.01.2024 which is almost after the delay of 9 months without any interest. Therefore, complainant is seeking relief of payment of interest of ₹41,478/- at the reasonable rate of 10.85% p.a. on unjustified delayed payment, penalty of ₹5,28,560/- to be levied on HSVP and be compensated to appellant for cancelling the auction after winning. Lastly appellant prays that cost of ₹5000/- be compensated by the HSVP to the appellant.

2. After perusing the files, Authority observes that the complainant participated in the auction conducted by the respondent on 18.04.2023. The complainant deposited the requisite Earnest Money Deposit (EMD) and other fees, meeting the conditions required to enter the bidding process. As the highest bidder, the complainant proceeded to make the necessary H1 payment as per



auction protocols. However, the auction was subsequently cancelled by the respondent. Complainant claims to have made multiple requests for refund in compliance of which the complainant's EMD and H1 payment were refunded by the respondent after a delay of approximately nine months, without any accompanying interest for the delayed payment. Therefore, complainant is seeking reliefs mentioned above from the Authority.

3. Authority is of the view that Haryana Real Estate Regulatory Authority (HRERA), 2016 clearly stipulates that only an "allottee" is eligible to seek relief from the Authority under the RERA Act and rules and regulations.
4. Perusal of file reveals that complainant has miserably failed to annex documents which establishes the allottee- builder relations of the complainant and the respondent in his complaint book. Complainant has not even filed the terms and conditions of auction which were agreed upon before participating in the e-auction. No copies of correspondence claims to have been made with the respondent have been attached with the complaint.
5. Under the Real Estate (Regulation and Development) Act, 2016 (RERA), Section 2(d) of RERA defines an allottee "*as a person to whom the developer has agreed to sell a unit through an agreement for sale, conferring certain rights and protections to the buyer under the Act*". For an individual to



qualify as an "allottee" and seek protections and remedies under RERA, they must demonstrate a legal commitment from the developer, such as copy of allotment letter, an executed builder-buyer agreement or a similar formal contract that binds both the parties. In captioned complaint, the complainant has not provided any evidence or documentation that proves a formal agreement was executed between them and the respondent pre or post-auction. Without such an agreement, there is no legal basis to substantiate that the complainant was formally allotted the clinic site. The initial bid and the payments made do not automatically result in an enforceable contract under RERA. RERA's protections and relief mechanisms apply specifically to "allottees" who have entered into a legally binding builder-buyer agreement, which is not the case here.

6. In addition, merely being the highest bidder in an auction does not automatically make a person an "allottee" under the Real Estate (Regulation and Development) Act, 2016 (RERA). The auction process is simply an invitation for offers, and the highest bid is an offer that the auctioning authority can accept, reject, or further negotiate. The relationship of "allottee" is generally recognized only after a successful bid is formally accepted by the competent authority, and a written contract or agreement (such as an

A handwritten signature in blue ink, appearing to read 'had', with a horizontal line underneath it.

Allotment Letter or Builder-Buyer Agreement) is signed. Until such formal acceptance and agreement, the highest bidder has only a contingent right to be considered for allotment, not a right to demand it.

7. Furthermore, in the judgment given by the Punjab and Haryana High Court titled as *Ajit Singh vs. State of Haryana* (CWP No. 24762 of 2021),, it is clearly established that *an auction participant, even as the highest bidder, does not acquire an automatic right to allotment unless the bid is explicitly accepted by the authority and formalized through a contractual agreement. This decision established that the competent authority reserves the discretion to accept or reject bids and, if necessary, cancel auctions entirely, especially when conditions or policies permit such actions without creating contractual obligations (such as an executed Letter of Intent or Sale Agreement) between the parties involved*". The court also emphasized that public auction participants only have the right for their bids to be considered. However, the final decision rests with the authority to accept the bid based on internal evaluations like reserve prices, which may remain confidential. Since the complainant's participation in the auction did not establish a legally binding agreement with the respondent, the authority's cancellation of the auction did



not violate any legal obligations under RERA or other laws, making a claim for damages or penalties unsustainable in such cases.

8. Authority is of the view that complainant in his pleadings has acknowledged that the respondent has already refunded the payments made, including the Earnest Money Deposit (EMD) of ₹2,61,300/- and the H1 payment of ₹2,67,260/- on 05.01.2024. This admission is crucial as it means the complainant has already received a full refund of the principal amounts paid during the auction process. Since the amounts in question have been refunded, the central issue now pertains only to the complainant's reliefs for additional compensation, such as interest for the delayed refund and damages for the cancellation of the auction (relief no. 1 and 2 on page no. 5 of the complaint book). However, without a formal allotment, agreement or contract between the complainant and the respondent, these additional claims lack a contractual basis. As previously discussed, under RERA, a binding legal relationship and status as an "allottee" are typically established only through a formal allotment or agreement which are not available in the captioned complaint.
9. Authority is also of the view that respondent's cancellation of the auctioned unit, given in the absence of any allotment or builder buyer agreement with the complainant, is within its legal rights. In real estate transactions governed




by RERA, a binding contract typically requires a formal agreement to sell or allot the property. Until such an agreement is executed and signed by both parties, neither party is legally obligated to fulfill the terms of sale. In captioned complaint, no such agreement was finalized, meaning thereby that respondent retained the right to cancel the auction of the clinic site. This cancellation does not constitute a breach of contract or a violation of RERA provisions because, in the absence of a formal agreement, no enforceable contractual relationship was ever established.

10. Furthermore, the complainant has submitted only the basic pleadings in this case without attaching any supporting documents or annexures to substantiate the claims. In legal proceedings, supporting documents are essential to validate the facts presented in the pleadings and to provide concrete evidence of any contractual or financial transactions, especially in claims related to real estate under the RERA Act. Without annexed documents, such as payment receipts, communication records with the respondent, or any formal agreement or allotment letter, the complainant's assertions remain unverified. The lack of annexure weakens the complainant's case, as it fails to provide the evidence necessary to prove a binding contractual relationship with the respondent or to establish eligibility for relief under RERA.



11. Lastly, the complainant is also seeking compensation of ₹5000/- by the respondent. It is observed that Hon'ble Supreme Court of India in Civil Appeal Nos. 6745-6749 of 2027 titled as "*M/s Newtech Promoters and Developers Pvt. Ltd. V/s State of U.P. & Ors.*" (supra,), has 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 learned Adjudicating Officer as per section 71 and the quantum of compensation & litigation expense shall be adjudged by the learned 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. Therefore, the complainant is advised to approach the Adjudicating Officer for seeking the relief of compensation.
12. Authority decides to dispose of the captioned **complaint as dismissed** on the ground mentioned above. Hence, the complaint is accordingly **disposed of** in view of above terms. File be consigned to the record room after uploading of the order on the website of the Authority.


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CHANDER SHEKHAR
[MEMBER]


.....
NADIM AKHTAR
[MEMBER]