

BEFORE THE HARYANA REAL ESTATE REGULATORY AUTHORITY, GURUGRAM

Complaint no. Date of filing complaint First date of hearing Order pronounced on

518 of 2024 15.02.2024 03.04.2024 09.04.2025

Complainant

Ms. Rita Sharma d/o Sh. Sanwal Singh Mudgal **Resident of:** House no. 212, Village Munirka, PO-JNU, New Delhi- 1100067

Versus

M/s Vatika Limited **Regd. office:** Flat no. 621A, 6th Floor, Devika Towers, 6, Nehru Place, New Delhi – 110019 **Corporate office:** 7th Floor, Vatika Triangle, Block A, Sushant Lok, Gurgaon-1220022

CORAM:

Shri Ashok Sangwan

APPEARANCE:

Ms. Ritu Bhalla (Advocate) Sh. C.K. Sharma and Sh. Dhruv Dutt Sharma (Advocates)

Member

Respondent

Complainant

Respondent

ORDER

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

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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:

Sr. No.	Particulars	Details
1.	Name and location of the project	"Vatika India Next", Sector 83, Gurugram
2.	Project area	182 acres
3.	Nature of the project	Primrose-Independent Floors
4.	DTCP license no. and validity status	113 of 2008 dated 01.06.2008 Valid upto 31.05.2018
5.	Name of licensee	Browz Technologies Pvt. Ltd. and others
6.	RERA registered/ not	Not Registered
7.	Date of buyer's agreement	23.03.2011 (Page 35a of complaint) Unit no. 20, 1 st floor, Sector 83, 17 th Street, Block E admeasuring 1094.21 sq. ft. (BBA at page 37 of complaint)
8.	Letter sent by respondent to complainant for change in numbering system and area change of floors	11.01.2012 Plot no. 20, Primrose, FF, ST. 83E-17, Sec- 83E, VIN (Page 59 of complaint)
9.	Allotment Letter	28.01.2013 Plot no. 33, Primrose, FF, ST. 83E-5, Sec- 83E, VIN admeasuring 1263.16 sq. ft. (Page 62 of complaint)
10.	Addendum to BBA- Change in unit of the complainant	15.01.2018 Plot no. 4, ST J-1.5, Level-2, Sector 83 admeasuring 1325 sq. ft. (Page 63 and 64 of complaint)
11.	Possession clause	 11.1 Schedule for Possession of the said independent dwelling unit "The Developer based on its present plans and estimates and subject to all just exceptions, contemplates to complete construction of the said Building/ said independent dwelling unit within a period of 3 (Three) years from the date of execution of this Agreement unless

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		there shall be delay or there shall be failure due to reasons mentioned in Clauses (11.1), (11.2), (11.3) and clause 38 or due to failure of Allottee(s) to pay in time the price of the said independent dwelling unit along with all other charges and dues in accordance with the Schedule of Payments given in Annexure-III or as per the demands raised by the Developer from time to time or any failure on the part of the Allottee(s) to abide by any of the terms or conditions of this Agreement" (BBA at page 41 of complaint)
12.	Due date of Possession	23.03.2014 (Calculated to be three years from the date of execution of agreement)
13.	Basic sale consideration	Rs.32,02,382/- (As per clause 1.2 of BBA at page 37 of complaint)
14.	Amount paid by the complainants	Rs.13,19,119/- (Page 73 of complaint and as agreed by respondent in the cancellation letter issued by it)
15.	Occupation certificate	Not obtained
16.	Offer of Possession	Not offered
17.	Legal Notice sent by complainant to either handover the physical possession or refund amount along with interest @ 24% p.a. paid by complainants	22.12.2023
18.	Termination notice	31.07.2021 (owing to GAIL pipeline issue) (Page 69 of complaint)

B. Facts of the complaint:

- 3. The complainant has made the following submissions: -
- a) That the complainant booked an independent floor in the project "Vatika India Next" being developed and promoted by the respondent on 31.05.2010 and at the time of booking, the complainant paid an amount of Rs.3,20,238/- for the independent floor. The respondent issued a priority number Primrose/FF/156 against the said payment.



- b) That at the time of booking of the said independent floor, the officials of the respondent duly assured the complainant that the respondent would deliver the physical possession of the above-mentioned unit within 36 months i.e., three years.
- c) That the respondent issued an offer of allotment of unit in favour of the complainant on 20.01.2011. Thereafter, on 09.02.2011, a letter of allotment of unit no. 20, Primrose, FF, 17th street, Sector- 83E in favour of the complainant.
- d) That a builder buyer agreement was executed between the parties on 23.03.2011. Thereafter, the complainant paid all the instalments to the respondent as per the demands of the respondent.
- e) That on 11.01.2012, the complainant received a letter from the respondent in which the respondent arbitrarily without getting the consent of the complainant changed the numbering system, area and floor in Vatika India Next. The area was extended by the respondent from 1094.21 sq. ft. to 1263.16 sq. ft. The complainant did not raise any objection as she wanted her unit as soon as possible.
- f) That the respondent again issued a letter of re-allotment of unit to the complainant and after that sent an allotment letter on 04.12.2012 and reallotted the unit by sending allotment letter on 28.01.2013 where the unit no. was changed by respondent by 33, 1st floor, St. no. 83-E5. In this allotment letter, the respondent also mentioned an extra amount of Rs.3,60,000/- as PLC charges.
- g) That the respondent further executed addendum builder buyer agreement on 31.01.2013 in favour of the complainant and the respondent had received a sum of Rs.13,19,119/- against the allotted unit.
- h) That the complainant continued to enquire about the unit from respondent via e-mails. The respondent itself sent a reply where she demanded the

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possession of her unit and in reply to the same, the respondent stated that "we shall like to apprise you that currently we have option in our ready to move in project- Life Style Home and City Homes." But never gave any option to the complainant.

- i) That thereafter on 15.01.2018, the respondent further changed the floor of the unit of the complainant in an illegal and unlawful manner without obtaining any consent from the complainant and issued a new floor bearing no. 4, St. J-1.5, Level 2, Sector-83, Gurugram after 8 years from allotting the unit whereas the respondent changed the floor from 1st floor to 2nd floor. The respondent increased the area of the unit from 1263.16 sq. ft. to 1325 sq. ft. and also revised the basic sale price of the unit from Rs.36,96,839.85/- to Rs.44,11,167.85/-.
- j) That the respondent never offered the possession of the unit to the complainant. On 31.07.2021, the complainant received a notice of cancellation of the unit on part of the respondent on the pretext that the respondent is facing various unforeseen eventualities and as per the agreement, the total sale consideration of the unit is Rs.45,02,418/- and till date the complainant has paid Rs.13,19,119/- as partial consideration of the unit and the respondent also stated that the said amount will be refunded with simple interest @ 6% per annum for the period such amount was lying with the respondent.
- k) That the factum of unforeseen eventualities was duly known to the respondent in the year 2009 but despite knowing the facts, the respondent allotted the complainant, the said unit and raised demand of money and used the money of complainant for its personal use till 2021.
- That on visiting the office of the respondent, the complainant was handed over a statement of refund of Rs.22,41,955.13/- after deducting the TDS to the complainant and the officials of the respondent said that they will pay

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the said amount in instalments which is quite illegal, unlawful and against the business principles.

- m) That the respondent neither handed over any unit to the complainant nor refunded the money as promised by the officials of the respondent till date. The respondent visited the office of the respondent 31-32 times but despite receiving the bank details of the complainant through verbal or on e-mail, the respondent did not even transfer a single penny to the account of the complainant.
- n) That the complainant also filed a complaint to the ADC, Gurugram wherein the official staff Mr. Vasudev shared the zoom link with the complainant and respondent where the official of the respondent named Viren Dhar attended the online meet and assured the complainant that he will share the payment details schedule of the complainant within a day but nothing fruitful came out. Thereafter the complainant also sent the messages on 18.07.2023 through WhatsApp chat where he again assured the complainant that he will share the detail payments schedule within a day. Again on 24.07.2023, the respondent said that Mr. Sumit will share the details of payment schedule to be released to the complainant. But said Mr. Sumit did not share any detail of payment schedule to the complainant till date. The complainant visited to the office of the respondent in order for the redressal of her grievance but the requests of the complainant fell on the deaf ears and the officials of the respondent flatly refused to do so.
- o) That the complainant through her counsel sent a legal notice dated 22.12.2023 to the respondent in which the respondent was called upon either to handover the physical possession of the unit of the complainant on the agreed rates as agreed by the respondent at the time of booking or to refund the total amount paid by the complainant with interest @24% p.a. to the complainant within 15 days. A legal notice dated 22.12.2023 was duly

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served to the respondent but respondent neither paid any amount nor replied to the said legal notice sent by the complainant.

p) That the complainant had persuaded and requested the respondent to refund her amount as there is no possibility of getting the possession. The cause of action accrued in favour of the complainant and against the respondent, when complainant booked the said unit and further arose when respondent cancelled unit of the complainant and promised to pay the amount deposited by complainant with interest but failed to pay the same. The cause of action is continuing and is still subsisting on day-to-day basis.

D. Relief sought by the complainant:

- 4. The complainant has sought following relief(s):
 - I. Direct the respondent to refund the amount of Rs.13,19,119/- along with prevailing interest as per the provisions of the RERA Act, 2016.
 - II. Direct the respondent to pay compensation for harassment, mental pain and agony and legal expenses to the complainant with interest as per the prevailing provisions of the RERA Act, 2016.
- 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.

E. Reply by the respondent.

- 6. The respondent has contested the complaint by filing reply on the following grounds: -
- a) That from the conjoint reading of Rule 8 and Rule 15 Form and Annexure 'A' of the Haryana RERA Rules, 2017, it is evident that the 'Agreement for Sale', for the purposes of 2016 Act as well as 2017 Haryana Rules, is the one as laid down in Annexure 'A', which is required to be executed inter se the promoter and the allottee.
- b) That it is a matter of record and rather a conceded position that no such agreement, as referred to under the provisions of 2016 Act and 2017 Haryana Rules, has been executed between respondent and the complainants.

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- c) That adjudication of the complaint for possession and interest, as provided under Sections 12, 14, 18 and 19 of 2016 Act, if any, must be in reference to the agreement for sale executed in terms of the 2016 Act and the Haryana Rules, 2017 and no other agreement. Thus, no relief as claimed can be granted to the complainants.
- d) That the respondent has already terminated the unit of the complainant vide cancellation notice dated 31.07.2021 due to various reasons but not limited to change in the layout plan, intimation of GAIL corridor and non- acquisition of sector roads by HUDA. Further, it had been agreed between the parties that in the event of failure to handover the possession, the company shall be entitled to terminate the agreement and refund the amount. The respondent offered to refund the amount along with 6% interest p.a. However, it was the complainant who did not come forward to collect the money.
- e) That there has been a delay due to various reasons which were beyond the control of the respondent and same are enumerated below: -
 - (a) Decision of Gas Authority of India Ltd. (GAIL) to lay down its gas pipeline from within duly pre-approved and sanctioned project of the respondent which further constrained the respondent to file a writ petition in the Hon'ble High Court of Punjab and Haryana seeking directions to stop the disruption caused by GAIL towards the project. However, upon dismissal of the writ petition on grounds of larger public interest, the construction plans of the respondent were adversely affected, and the respondent was forced to re-evaluate its construction plans which caused a long delay.
 - (b) Delay caused by the Haryana Development Urban Authority (HUDA) in acquisition of land for laying down of the sector roads for connecting the project. The matter has been further embroiled in the sundry litigations between HUDA and landowners.



- (c) Re-routing of High-tension lines passing through lands resulting in inevitable change in the layout plans and cause unnecessary delay in development.
- 7. All other averments made by the complainant were denied in toto.
- 8. Copies of all the relevant documents have been filed and placed on record. Their authenticity is not in dispute. Hence, the complaint can be decided on the basis of those undisputed documents and oral as well as written submissions made by the parties.

F. Jurisdiction of the authority

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

F.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.

F.II Subject matter jurisdiction

11. Section 11(4)(a) of the Act, 2016 provides that the promoter shall be responsible to the allottees 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

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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 pursued by the complainant at a later stage.
- 13. Further, the authority has no hitch in proceeding with the complaint and to grant a relief of refund in the present matter in view of the judgement passed by the Hon'ble Apex Court in Newtech Promoters and Developers Private Limited Vs State of U.P. and Ors. (Supra) and reiterated in case of M/s Sana Realtors Private Limited & other Vs Union of India & others SLP (Civil) No. 13005 of 2020 decided on 12.05.2022wherein it has been laid down as under:
 - "86. From the scheme of the Act of which a detailed reference has been made and taking note of power of adjudication delineated with the regulatory authority and adjudicating officer, what finally culls out is that although the Act indicates the distinct expressions like 'refund', 'interest', 'penalty' and 'compensation', a conjoint reading of Sections 18 and 19 clearly manifests that when it comes to refund of the amount, and interest on the refund amount, or directing payment of interest for delayed delivery of possession, or penalty and interest thereon, it is the regulatory authority which has the power to examine and determine the outcome of a complaint. At the same time, when it comes to a question of seeking the relief of adjudging compensation and interest thereon under Sections 12, 14, 18 and 19, the adjudicating officer exclusively has the power to determine, keeping in view the collective reading of Section 71 read with Section 72 of the Act. if the adjudication under Sections 12, 14, 18 and 19 other than compensation as envisaged, if extended to the adjudicating officer as prayed that, in our view, may intend to expand the ambit and scope of the powers and functions of the adjudicating officer under Section 71 and that would be against the mandate of the Act 2016."

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- 14. Hence, in view of the authoritative pronouncement of the Hon'ble Supreme Court in the case mentioned above, the authority has the jurisdiction to entertain a complaint seeking refund of the amount and interest on the refund amount.
- G. Findings on the objection raised by the respondent.
- G.I Objection regarding delay owing to force majeure conditions: 15. The respondent-promoter raised a contention that the construction of the project was delayed due to force majeure conditions such as passing of GAIL pipeline through the project and non-acquisition of sector roads by HUDA. However, the pleas advanced in this regard are devoid of merits. Firstly, the unit was allotted to the complainant-allottee on 20.01.2011 and the GAIL notification regarding lying of pipeline come out in the year 2009, which is prior to the allotment, and thereafter, GAIL granted permission for reducing ROU from 30 metres to 20 metres vide letter dated 04.03.2011. GAIL notification and permission letter was prior to the execution of buyer's agreement dated 08.01.2013. If the unit in question had truly been affected by the GAIL pipeline, it is unlikely that the respondent would have allocated same to the complainant. However, there is no justification for the wait for such long period as it is well settled principle of law that a person cannot take benefit of his own wrong. Thus, no benefit of indefinite period in this regard can be given to the respondent/builder.

H. Findings on the relief sought by the complainant.

H.I Direct the respondent to refund the amount of Rs.13,19,119/- along with prevailing interest as per the provisions of the RERA Act, 2016.

16. The factual matrix of the case reveals that the complainant was allotted a unit no. 20, 1st floor, Sector 83, 17th Street, Block E admeasuring 1094.21 sq. ft.in the respondent's project "Vatika India Next" vide buyer's agreement executed between the parties on 23.03.2011. The complainant paid an amount of Rs.13,19,119/- against the total sale consideration of

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Rs.32,02,382/-. Thereafter, a letter dated 11.01.2012 was sent by the respondent to the complainant informing about change in numbering system and area of floors and thus, unit no. 20, Primrose, FF, St. 83E-17, Sec-83E, VIN was allotted to the complainant. An addendum to buyer's agreement was also executed between the parties on 15.01.2018 and the unit allotted to the complainant was again relocated to unit no. 4, ST J-1.5, Level 2, Sector 83, admeasuring 1325 sq. ft. The due date of possession had to be calculated to be three years from the date of execution of the buyer's agreement. Accordingly, the due date of possession comes out to be 23.03.2014.

17. Further, perusal of case file reveals that the plot allotted to the complainant was cancelled by the respondent by invoking clause 11.5 of the agreement vide cancellation letter dated 31.07.2021 owing to unforeseen eventualities like GAIL pipeline issue and non-acquisition of sector roads by HUDA, etc. The Authority observes that the subject plot has been cancelled vide cancellation letter dated 26.07.2021 narrating the detailed reasons for cancellation of the plot and termination of allotment of the complainant on account of inability of the promoter to develop the subject plot due to various reason precisely initiation of GAIL corridor. The GAIL notification regarding laying of pipeline came out in the year 2009 and thereafter, GAIL granted permission for reducing ROU from 30 metres to 20 metres vide letter dated 04.03.2011 as submitted by respondent in his reply. GAIL notification and permission letter was prior to the signing of allotment letter dated 20.01.2011. If the unit in question had truly been affected by the GAIL pipeline, it is unlikely that the respondent would have allocated same to the complainant. Therefore, the authority is of the view that the respondent has failed to develop the unit and cancelled the plot on account of its own fault/omission. Further, the counsel for the respondent during

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the course of proceedings dated 09.04.2025 stated that the respondent is ready and willing to refund the amount paid by the complainant.

18. Thus, in the present complaint the complainant intend to withdraw from the project and sought refund of entire amount paid by them under the proviso to Section 18(1) of the Act. Section 18(1) proviso reads as under.

"Section 18: - Return of amount and compensation

- 18(1). If the promoter fails to complete or is unable to give possession of an apartment, plot or building,
 - (a) in accordance with the terms of the agreement for sale or, as the case may be, duly completed by the date specified therein; or
 - (b) due to discontinuance of his business as a developer on account of suspension or revocation of the registration under this Act or for any other reason,

he shall be liable on demand to the allottees, in case the allottee wishes to withdraw from the project, without prejudice to any other remedy available, to return the amount received by him in respect of that apartment, plot, building, as the case may be, with interest at such rate as may be prescribed in this behalf including compensation in the manner as provided under this Act......."

- 19. Keeping in view the fact that the allottee-complainant wish to withdraw from the project and seeks refund of the amount received by the promoter in respect of the unit with interest, the matter is covered under Section 18(1) of the Act of 2016. The due date of possession was 23.03.2014 and occupation certificate of the buildings/towers where allotted unit of the complainant is situated is not yet received by the respondent. Accordingly, the respondent is liable to return the amount received by it from the allottee in respect of the subject unit with interest at the prescribed rate.
- 20. Admissibility of refund along with prescribed rate of interest: The complainants are seeking refund the amount paid by them at the prescribed rate of interest as provided under Rule 15 of the Rules, ibid. Rule 15 has been reproduced as under:

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

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the State Bank of India highest marginal cost of lending rate +2%.:

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

- 21. The legislature in its wisdom in the subordinate legislation under the provision of Rule 15 of the Rules, ibid has determined the prescribed rate of interest. The rate of interest so determined by the legislature, is reasonable and if the said rule is followed to award the interest, it will ease uniform practice in all the cases.
- 22. Consequently, as per the website of the State Bank of India i.e., <u>https://sbi.co.in</u>, the marginal cost of lending rate (in short, MCLR) as on date i.e., 09.04.2025 is 9.10%. Accordingly, the prescribed rate of interest will be marginal cost of lending rate + 2% i.e., 11.10%.
- 23. The definition of term 'interest' as defined under Section 2(za) of the Act provides that the rate of interest chargeable from the allottee by the promoter, in case of default, shall be equal to the rate of interest which the promoter shall be liable to pay the allottee, in case of default. The relevant section is reproduced below:

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

Explanation. — For the purpose of this clause—

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

24. The non-compliance of the mandate contained in Section 11(4)(a) read with Section 18(1) of the Act on the part of the respondent is established. As such, the complainant is entitled to refund of the entire amount paid by

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them at the prescribed rate of interest i.e., @ 11.10% p.a. (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 each payment till the actual date of refund of the amount within the timelines provided in Rule 16 of the Haryana Rules, 2017, ibid.

- H.II Direct the respondent to pay compensation for harassment, mental pain and agony and legal expenses to the complainant with interest as per the prevailing provisions of the RERA Act, 2016.
- 25. The complainants are seeking the above-mentioned relief w.r.t. compensation. The Hon'ble Supreme Court of India in *Civil Appeal nos.* 6745-6749 of 2021 titled as "M/s Newtech Promoters and Developers Ltd. V/s State of UP & Ors." has held that an allottee is entitled to claim compensation and 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 and litigation expense shall be adjudged by the adjudicating officer having due regards to the factors mentioned in Section 72. The adjudicating officer has exclusive jurisdiction to deal with the complaints in respect of compensation and legal expenses.

I. 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 entire amount paid by the complainants, i.e., Rs. 13,19,119/- along with interest at the rate of 11.10% p.a. as prescribed under Rule 15 of the Haryana Real Estate (Regulation and Development) Rules, 2017 from the date of each payment till its realization.

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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: 09.04.2025

Ashok Sangwan

(Member) Haryana Real Estate Regulatory Authority, Gurugram

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