



# BEFORE THE HARYANA REAL ESTATE REGULATORY AUTHORITY, GURUGRAM

Complaint no.:

7928 of 2022

Date of decision:

25.07.2025

1. Sohindar Mohan

2. Rita Singh

Both R/o: - BM Singh, R-265C, Ground Floor, GK

Complainants

1. New Delhi-110048

Versus

M/s Vatika Ltd.

Office address: Vatika Triangle, 4th floor, Sushant Lok, PH-1, Block-a, Mehrauli-Gurugram

road, Gurugram-122002

Respondent

CORAM:

Shri Vijay Kumar Goyal

Member

APPEARANCE:

Ms. Shivani Dang(Advocate) Mr. Harshit Batra (Advocate) Complainants Respondent

#### ORDER

1. The present complaint has been filed by the complainants/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 as provided under the provision of the Act or the Rules and regulations made there under or to the allottees as per the agreement for sale executed *inter se*.

# A. Project and unit related details.



2. The particulars of the project, the details of sale consideration, the amount paid by the complainant(s), date of proposed handing over the possession, delay period, if any, have been detailed in the following tabular form:

S.N.	Particulars	Details
1.	Name of the project	Vatika Express City, Sector 88A-88B, Gurugram.
2.	Nature of the project	Plotted Colony
3.	Project area	100.875 acres
4,	DTCP	94 of 2013 dated 31.10.2013 Valid up to 31.10.2019
5.	RERA Registration	Registered (for Vatika Express City "Expression for Phase-1", area admeasuring 38640.48 sq. mtrs.)  Vide registration no. 271 of 2017 dated 09.10.2017.  Valid up to 08.10.2022
6.	Plot no.	Plot no.22, Street no. G-14, Block G [Page 34 of complaint]
7.	Area (	301.39 sq. yds. [Page 34 of complaint]
8.	Date of builder buyer agreement	12.03.2015 [Page 32 of complaint]
9.	Possession clause as per BBA	"9. SCHEDULE FOR POSSESSION OF THE SAID RESIDENTIAL PLOT



		The Company based on its present plans and estimates and subject to all just exceptions, force majeure and delays due to reasons beyond the control of the Company contemplates to complete development of the said Residential Plot within a period of 48 (Forty-Eight) months from the date of execution of this Agreement unless there shall be delay or there shall be failure"  [Page 39 of complaint]
10.	Due date of possession	12.03.2019 [As per possession clause 48 months from the date of execution of agreement i.e., 12.03.2015]
11.	Sale consideration	Rs. 2,24,18,895 (as per BBA on page 35 of complaint) Rs. 2,34,03,065/- [As per statement of account, page 29 of reply]
12.	Paid up amount	Rs. 81,44,823/- [As per statement of account on page 29 of reply]
13.	Intimation of offer of possession	13.09.2022 [Page 73 of complaint]
14.	Occupation certificate	Not obtained



15.	Demand Letters (Final Opportunity)	02.12.2022
		[Page 78 of complaint]
16.	Cancellation letter	19.07.2024  (page 8 of application filed by complainant on 12.08.2024)

#### B. Facts of the complaint

- 3. The complainants have made the following submissions in the complaint:
  - i. That the complainants are law abiding citizens of the country who have been cheated by the malpractices adopted by the respondent as stated to be a builder and is allegedly carrying out real estate development since many years. That the complainants are "allottees" within the ambit of section 2 (d) of the Real Estate (Regulation and Development) Act, 2016.
  - ii. That the respondent, is a "promoter" as per section 2 (zk) of the act, who approached the complainants through its authorised representatives to dupe them out of their hard-earned money in the name of development by making several false promises.
  - iii. That the respondent, M/s Vatika Ltd., is a company incorporated under the provisions of the companies act 1956 and is engaged, among other things, in the construction, development, marketing, and sales of various types of real estate projects.
  - iv. That sometime in the year 2014, the respondent launched its real estate project of ultra-luxury residential plots known as "Vatika Express City Plots" in Sector 88, Gurugram, Haryana. The respondent advertised the aforesaid real estate project as a one-of-a-kind development with impeccable facilities and further promised to complete the project within a reasonable amount of time.

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- v. That based on the respondent's attractive advertisements, assurances, representations, and promises, and thus believing the same to be correct and true, the complainants agreed to book a plot in the project and paid a booking amount of Rs. 11,00,000/- pursuant to which a receipt dated June 11, 2014 was issued by the respondent acknowledging the booking request of the complainants.
- vi. That subsequent to the aforesaid payment made by the complainants, the respondent allotted a plot bearing no. 22, street no. G-14, Sector 88B, admeasuring 301.39 sq. yd., via an allotment letter.
- vii.Based on the respondent's representations and assurances that the respondent would honour its commitments, the complainants agreed to pay the respondent Rs. 40,92,876/- against the total sale consideration including EDC and IDC of Rs. 2,24,18,895/-. Pursuant to the payment of the aforesaid amount by the complainants, the complainants and the respondent entered into a builder buyer agreement dated 12.03.2015, and the payment made by the complainants was duly acknowledged by the respondent in the builder buyer agreement.
- viii. As per clause 9 of the builder buyer agreement, the possession of the plot was to be delivered within 48 months without any grace period from the date of the execution of the agreement, hence possession of the plot was to be delivered by march 2019.
- ix. That the complainants have diligently followed the payment plan and made all the payments to the respondent, as and when the demands for the payments were raised by the respondent, and till date the complainants have paid an amount of Rs. 81,44,823/- towards the total sale consideration. However, when the complainants went to the project site on November 12th and 15th, 2022, to check the progress of the project along with the authorised representatives of the respondent, to



their utter shock and dismay, they found out that the project is far from completion.

- x. It is submitted that even after a lapse of more than 3 years from the date of proposed possession, the roads in the project are not ready, and as a result, the complainants did not even have the chance to see their plot as the road to their plot was not ready. There are no gates at the entrance to the estate, and there are goats grazing on the project site. It is submitted that even the electric cables and water pipes for the basic amenities and supplies are not available in the project. However, a few high-voltage cables running overhead can be seen in the project, and it was assured to the complainants that the said wires would be shifted underground due to the complainants' safety concerns. It is further submitted that the complainants were not even provided with an approved zoning plan of the project along with all the approvals. Furthermore, it is pertinent to mention here that, to date, the respondent has not even received the part completion certificate for the plotted project, which clearly establishes the fact that the respondent is in no position to offer possession to the complainants in the near future.
- xi. To the complainant's disbelief, the respondent issued a possession letter dated 13.09.2022, to the complainant, offering the possession with the condition that the complainant pay the remaining sale consideration. However, the said offer of possession is not a valid offer of possession as the same has not been given to the complainants in consonance with the terms and conditions of the builder buyer agreement. What is pertinent to mention is that the respondent has changed the name of the project without bringing the same to the knowledge of the complainants namely Vatika India Next. Such mal-practices adopted by the respondent would amount as unfair trade practices as per the provisions of the RERA Act, 2016.





xii.Moreover, it is important to note that during the entire process, the complainant had changed his residence in Singapore, which was duly informed to the respondent; however, despite this knowledge, the respondent sent the possession letter to the complainant's previous address. Further, via the same possession letter, the respondent asked the complainant to pay the remaining sale consideration along with interest for the delay. Upon getting knowledge of the said possession letter, the complainant immediately wrote a letter dated September 30, 2022, to the respondent, seeking clarification on the illegal/invalid possession offered by them and seeking time to extend the deadline to pay the remaining consideration. Moreover, the recent demand letter issued by the respondent is not as per the terms and conditions of the plot buyer agreement as the project is delayed by more than 4 years and the respondent should have adjusted the delayed possession amount to that of the demand letter sent to the complainants dated 02.12.2022.

through various correspondences, emails, meetings, and telephonic conversations with their authorised representative, expressing their grievances with respect to the delay in construction of the project and delivery of possession of the said plot, however, to no avail. At the time of selling the plot, the respondent painted a flowery picture of the project "Vatika Express City" in sector 88. However, the complainants only received false promises and now feel cheated by the respondent.

xiv. That in spite of numerous attempts made by the complainants to contact the respondent, the complainants have not received any positive response.

xv.That the complainants being aggrieved person filing the present complaint under section 31 before the Hon'ble Authority for





violation/contravention of provisions of this act as mentioned in the preceding paragraph.

### C. Relief sought by the complainants: -

- 4. The complainants have sought following relief(s)
  - i. Direct the respondent to grant possession to the complainant.
  - Direct the respondent to give the delayed possession interest from due date of possession till the actual date of possession.
  - iii. To restrain the respondent from charging more than the agreed price as per the agreement.
- 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 contested the complaint on the following grounds:
  - i. That the complainant is not an "allottee" but an investor who has booked the said unit in question as a speculative investment in order to earn rental income/profit from its resale. The apartment in question has been booked by the complainant as a speculative investment and not for the purpose of self-use as his residence.
  - ii. That the original allottees (Sohinder Mohan Singh and Rita Singh) approached the respondent and expressed interest in the booking of a residential plot in the group housing colony developed by respondent known as "Vatika Express City" situated in Sector 88B, Gurugram, Haryana. Prior to the booking, the original allottees conducted extensive and independent enquiries with regard to the project, only after being fully satisfied on all aspects, that it took an independent and informed decision, uninfluenced in any manner by the respondent, to book the unit in question.





iii.That the complainant with his own free will has booked a residential plot unit bearing no. plot no. 22, street no. G14, Sector-88B, admeasuring 301.39 sq. yards. Thereafter, a buyer's agreement dated 12.03.2015 was executed between the complainant and the respondent. It is pertinent to mention that the buyer's agreement was consciously and voluntarily executed between the parties and the terms and conditions of the same are binding on the parties.

iv.That it is submitted that the remittance of all amounts due and payable by the complainant under the buyer's agreement as per the schedule of payment incorporated in the buyer's agreement was of the essence. It has also been provided therein that the date for delivery of possession of the unit would stand extended in the event of the occurrence of the facts/reasons beyond the power and control of the respondent. It is pertinent to mention that it was categorically provided in clause 16 of buyer's agreement that in case of any default/delay by the allottees in payment as per the schedule of payment incorporated in the buyer's agreement, the date of handing over of possession shall be extended accordingly, solely on the respondent's discretion till the payment of all outstanding amounts to the satisfaction of the respondent. It is pertinent to mention here that the complainant is a chronic defaulter and till date the complainant have paid an amount of Rs. 81,44,823/- towards the total sale consideration of Rs. 22,70,0913/-.

- v. In the present case, there has been a delay due to various reasons which were beyond the control of the respondent and the same are enumerated below:
  - Decision of the Gas Authority of India Ltd. to lay down its gas
    pipeline from within the duly pre-approved and sanctioned project
    of the respondent which constrained it 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 it was forced to re-evaluate its construction plans which caused a long delay.

- Delay caused by the Haryana Development Urban Authority in acquisition of land for laying down sector roads for connecting the project. The matter has been further embroiled in sundry litigations between HUDA and land-owners.
- Re-routing of High-Tension lines passing through the land resulting in inevitable change in the lay out plans and causing unnecessary delay in development.
- The Hon'ble National Green Tribunal /Environment Pollution Control Authority issued directives and measures to counter deterioration in Air Quality in the Delhi NCR region, especially during winter months. Among these measures were bans imposed on construction activities for a total period of 70 days between November, 2016 to December, 2019.
- Due to the implementation of MNREGA Schemes by the Central Government, the construction industry as a whole has been facing shortage of labour supply, due to labourers regularly travelling away from Delhi-NCR to avail benefits of the scheme. This has directly caused a detrimental impact to the respondent, as it has been difficult to retain labourers for longer and stable periods of time and complete construction in a smooth flow.
- Disruptions caused in the supply of stone and sand aggregate, due to orders passed by the Hon'ble Supreme Court and the Hon'ble High Court of Punjab and Haryana prohibiting mining by



contractors in and around Haryana. Disruptions caused by unusually heavy rains in Gurgaon every year.

- Due to the slum in real estate sector, major financial institutions are facing difficulty in providing funding to the developers. As a result, developers are facing financial crunch. Disruptions and delays caused in the supply of cement and steel due to various large-scale agitations organized in Haryana.
- Declaration of Gurgaon as a Notified Area for the purpose of Groundwater and restrictions imposed by the state government on its extraction for construction purposes. Delayed re-routing by DHBVN of a 66KVA high-tension electricity line passing over the project.

vi. That it was due to the aforesaid reasons which were beyond the control of the respondent the unit of the complainants became non-deliverable.

#### E. Jurisdiction of the authority

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

#### E. I Territorial jurisdiction

8. 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

9. Section 11(4)(a) of the Act, 2016 provides that the promoter shall be responsible to the allottee as per flat buyer's agreement. Section 11(4)(a) is reproduced as hereunder:

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Section 11(4)(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.

- 10. 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 complainants at a later stage.
  - F. Findings on the relief sought by the complainants. F.I. Direct the respondent to grant possession to the complainant.
    - F.II. Direct the respondent to give the delayed possession interest from due date of possession till the actual date of possession.
    - F.III. To restrain the respondent from charging more than the agreed price as per the agreement.
- 11. The above-mentioned reliefs sought by the complainants are being taken together as the findings in one relief will definitely affect the result of the other relief and the same being interconnected.
- 12. In the present complaint, the complainants were allotted a plot bearing no.22, Street G-14, Block G, admeasuring 301.39 sq. yds.in the project "Vatika Express City". Thereafter, a builder buyer agreement was executed between the complainants-allottees and the respondent-promoter on 12.03.2015 for the total sale consideration of Rs. 2,34,03,065/-. As per clause 9 of the said agreement the respondent was obligated to deliver the possession of the unit within 48 months from the date of execution of this agreement. Accordingly, the due date of possession comes out to be 12.03.2019.

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- 13. The complainants-allottees have paid a total amount of Rs.81,44,823/- against the sale consideration of Rs.2,24,18,895/-(exclusion of taxes that can be added at the time of valid offer of possession), which is 40% of the basic sale consideration. The plea of the respondent is that the plot of the complainants was cancelled by the respondent vide termination letter dated 19.07.2024 on account failure of the complainants to make payment of the outstanding dues.
- 14. Herein, the complainants intend to continue with the project and are seeking quashing of notice for termination dated 19.07.2024. Now, the question before the authority is whether the notice for termination letter dated 19.07.2024 issued by the respondent to the complainants is valid or not, in the eyes of law?
- 15. It has been observed by the Authority that a buyer's agreement has been executed between the parties on 12.03.2015. The Authority has gone through the payment plan which was duly agreed between the parties and the same is reproduced below for ready reference:

ANNEXURE II: Payment Plan

Instalment	Percentage of total sale consideration
At the time of booking	5% BSP
Within 3 months from the date of booking	5% of BSP
Within 6 months from the date of booking	10% of BSP
Within 9 months from the date of booking	10% of BSP
Within 12 months from the date of booking	10% of BSP
On offer of possession	60% OF BSP + 100% OF PLC+EDC/IDC+IFMS+STP Charges + Electric Meter Charges + Gas Pipeline Charges

16. It is matter of record that the complainants booked the aforesaid plot under the above-mentioned payment plan and paid an amount of Rs.81,44,823/towards total consideration of Rs.2,34,03,065/-. However, 60% payment was payable at the time of offer of possession. The respondent has not obtained the completion certificate (CC)/ part CC in respect of the allotted



plot of the complainants till date. However, offer of possession was made by the respondent to the complainants on 13.09.2022.

- 17. It is necessary to clarify whether intimation of possession dated 13.09.2022 made to complainant-allottees tantamount to a valid offer of possession or not? The authority is of considered view that a valid offer of possession must have following components:
  - a. Possession must be offered after obtaining occupation certificate.

b. The subject unit should be in a habitable condition.

- c. The possession should not be accompanied by unreasonable additional demands.
- 18. In the present matter, the respondent has issued intimation of possession with respect to the allotted plot on 13.09.2022 i.e., before obtaining completion certificate (CC)/ part CC from the concerned department. Thus, the offer of possession dated 13.09.2022 is an invalid offer of possession as it triggers component (a) of the above-mentioned definition.
- 19. In view of the reasons quoted above and documents available on record, the Authority is of the view that the notice for termination letter dated 19.07.2024 is not valid in the eyes of law, as the demands raised by the respondent are in violation of payment plan agreed to between the parties and hence, the notice for termination letter dated 19.07.2024 is hereby set aside and the respondent is obligated to restore the allotted plot of the complainant-allottees within 30 days from the date of this order.
- 20. Further, the complainants intend to continue with the project and are seeking delay possession charges as provided 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, — in accordance with the terms of the agreement for sale or, as the case may be, duly completed by the date specified therein; or 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,





Provided that where an allottee does not intend to withdraw from the project, he shall be paid, by the promoter, interest for every month of delay, till the handing over of the possession, at such rate as may be prescribed."

- 21. The interest is applicable on the amount paid by allottee for the delay in handing over of the possession by the respondent from the date of possession till offer of possession and the same is balanced vide provision of Section 2(za) of the Act. The complainants cannot be made suffer due to fault of the respondent and to pay for the unit as per today's rate.
- 22. Admissibility of delay possession charges at prescribed rate of interest: The complainants are seeking delay possession charges. Proviso to Section 18 provides that where an allottee does not intend to withdraw from the project, he shall be paid, by the promoters, interest for every month of delay, till the handing over of possession, at such rate as may be prescribed and it has been prescribed 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 subsections (4) and (7) of section 19, the "interest at the rate prescribed" shall be the State Bank of India highest marginal cost of lending rate +2%.:

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

- 23. 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 ensure uniform practice in all the cases.
- 24. Consequently, as per website of the State Bank of India i.e., <a href="https://sbi.co.in">https://sbi.co.in</a>, the marginal cost of lending rate (in short, MCLR) as on date i.e., 25.07.2025 is 8.90%. Accordingly, the prescribed rate of interest will be marginal cost of lending rate +2% i.e., 10.90%. [note: during proceeding dated 25 07.2025,

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the rare of interest was inadvertently mentioned as 11.10% instead of 10.90%].

25. 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—

 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;"
- 26. Therefore, interest on the delay payments from the complainants shall be charged at the prescribed rate i.e., 10.90% by the respondent/promoter which is the same as is being granted to them in case of delayed possession charges.
- 27. On consideration of the circumstances, the evidence and other record and submissions made by the parties, the Authority is satisfied that the respondent is in contravention of the provisions of the Act. The due date of handing over possession was 12.03.2019. Completion certificate (CC)/ part CC has also not been obtained by the respondent from the concerned authority. The authority is of the considered view that there is delay on the part of the respondent to offer physical possession of the subject plot and it is failure on part of the promoter to fulfil its obligations and responsibilities to hand over the possession within the stipulated period. Therefore, the delay possession charges shall be payable from the due date of possession,





i.e., from 12.03.2019 till the expiry of 2 months from the date of valid offer of possession or till the date of actual handing over of possession, whichever is earlier as per proviso to Section 18(1) of the Act read with Rule 15 of the Rules, ibid.

#### G. Directions of the authority

- 28. 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):
  - Cancellation of the plot allotted to the complainants is set aside.
  - II. The respondent is directed to reinstate the allotment of the complainants within 30 days from the date of this order. Furthermore, in case third-party rights have been established with respect to the said unit, the respondent is directed to allot an alternative plot of equivalent dimensions within the same project and at the original price agreed with the complainants followed by execution of builder buyer agreement between the parties.
  - III. The respondent is directed to pay delay possession charges to the complainants against the paid-up amount at the prescribed rate i.e., 10.90% per annum for every month of delay on the amount paid by the complainants from due date of possession i.e., 12.03.2019 till expiry of 2 months from the date of offer of possession or actual handover, whichever is earlier as per Section 18(1) of the Act of 2016 read with Rule 15 of the Rules, ibid.
  - IV. Further, the possession of the plot shall be handed over to the complainants after obtaining of completion certificate (CC)/ part CC from the competent authority as per obligations under Section 11(4) (b) read with Section 17 of the Act, 2016 and thereafter, the complainants





are obligated to take the possession within 2 months as per Section 19 (10) of the Act, 2016.

- V. The arrears of interest accrued so far shall be paid to the complainants within 90 days from the date of this order as per rule 16(2) of the Rules, ibid.
- VI. The complainants are directed to pay outstanding dues, if any, after adjustment of delay possession charges/interest for the period the possession is delayed. The rate of interest chargeable from the allottee by the promoter, in case of default shall be charged at the prescribed rate i.e., 10.90% by the respondent/promoter which is the same rate of interest which the promoter shall be liable to pay the allottee, in case of default i.e., the delayed possession charges as per Section 2(za) of the Act.
- VII. 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.
- VIII. The respondent shall not charge anything from the complainants which is not the part of the buyer's agreement.
- 29. Complaint stands disposed of.
- 30. File be consigned to registry.

Date: 25.07.2025

Vijay Kumar Goyal (Member)

Haryana Real Estate Regulatory Authority, Gurugram