

# HARYANA REAL ESTATE REGULATORY AUTHORITY PANCHKULA

Website: www.haryanarera.gov.in

Complaint no.:	288 of 2024
Date of filing:	21.02.2024
Date of first hearing:	28.05.2024
Date of decision:	11.09.2025

#### Floridaa Development Association through its President

Ashwini Kumar Shukla S/o S.N. Shukla R/o Flat No. H 407, Floridaa Apartment, Sector-82, Faridabad, (Haryana) 121002.

....COMPLAINANT

#### **VERSUS**

M/S S3 Buildwell LLP,

Registered Office at 109, Choudhary Complex 9, Veer Savarkar

Block, Shakarpur, Laxmi Nagar,

Delhi: 110092

.... RESPONDENT

CORAM: Parneet S Sachdev

Chairman

Nadim Akhtar

Member

Present: -

Mr. Satish K Birla, counsel for the complainant through VC.

None for the respondent.

#### ORDER (PARNEET S SACHDEV- CHAIRMAN)

Present complaint has been filed on 21.02.2024 by the complainant under Section 31 of the Real Estate (Regulation & Development) Act,

2016 (for short Act of 2016) read with Rule 28 of the Haryana Real Estate (Regulation & Development) Rules, 2017 for violation or contravention of the provisions of the Act of 2016 or the Rules and Regulations made thereunder, wherein it is inter-alia prescribed that the promoter shall be responsible to fulfill all the obligations, responsibilities and functions towards the allottee as per the terms agreed between them.

### A. FACTS OF THE CASE AS STATED IN THE COMPLAINT

- 2. That the complainant is an association of apartment owners duly registered under Section 9(1) of the Haryana Registration and Regulation of Societies Act, 2012 and is further authorised by the apartment owners to act, plead and appear in the present proceedings on behalf of all of the owners of the society. A copy of the registration certificate of the complainant is annexed as **Annexure P-1**.
- 3. That the respondent has constructed a Group Housing Project in the name and style of "Floridaa Society" comprising of eight high rise towers (Λ to II) consisting of 823 apartments under the Affordable Group Housing Policy, 2013 notified under the Haryana Development and Regulation of Urban Areas Act, 1975. The said policy specifically provides for five years' free maintenance by the developer from the date of receiving occupation certificate, which has further been clarified by the Director General, Town and Country Planning Department,

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- Haryana, vide public notice bearing no. PF-27A/2023/5300 dated 22.02.2023. A copy of the said public notice along with the approved site plan is annexed as **Annexure P-2 and P-3**.
- 4. That during the period October 2018-2019, the complainants came across advertisements and brochures issued by the respondent company (formerly known as M/s S3 Buildwell Pvt. Ltd.), wherein the respondent claimed itself to be a renowned developer and represented that it was launching a project under the name "Floridaa" at Sector 82, Faridabad, Haryana, assuring free maintenance for a period of five years. Based on such representations, presentations and assurances of the respondent's agents and officials that the project would be developed in accordance with the Builder Buyer Agreement, the complainants booked their apartments in the said project.
- 5. At the time of booking, the complainants paid the complete consideration amount towards the cost of apartments. However, the respondent insisted upon further payments in the name of Interest Free Security Deposit of ₹25,000/- by cheque and ₹40,000/- in cash towards installation of electricity meters and refused to handover possession until such amounts were paid. Left with no other option, the complainants made the said payments and took possession. A copy of cheque showing the payment of ₹25,000/- is annexed as **Annexure P-4.**

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- 6. That possession of apartments was handed over in April 2019 to the complinants. However, the respondent failed to comply with the provisions of free maintenance as per the Builder Buyer Agreements as well as the Affordable Group Housing Policy, 2013, and unilaterally started charging ₹1,500/- per month as Common Area Maintenance charges by clubbing the same with electricity prepaid meters of all 823 apartments, including those of the complainants, since April 2019. The respondent also charged electricity consumption at ₹9 per unit, while at the same time refusing to issue any statement of accounts for the prepaid meters or receipts against online or cash payments.
- 7. It is pertinent to mention that Clause 4(v) of Annexure-A of the Affordable Group Housing Policy, 2013, provides for five years' free maintenance from the date of occupation certificate. Further, information obtained under the RTI Act, 2005 revealed that the respondent was being charged by DHBVN only at the rate of ₹6.20 per unit for the single point connection but was charging from the residents @₹9 per unit, in addition to deducting other unexplained amounts from the prepaid meter accounts. Copies of the Builder Buyer Agreement, Policy 2013, Operational Agreement, and electricity bill of the single point connection are annexed as Annexure P-5, P-6, P-7 and P-8.
- 8. That further through RTI information, it came to light that the respondent failed to implement the UBS Software (Unified Billing

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- System) despite repeated reminders from DIIBVN, thereby preventing monitoring of billing done for prepaid meters. A copy of RTI dated 22.08.2023 is annexed as **Annexure P-9**.
- 9. That as per Sales Circular No. D-16/2017 issued by DHBVN, the respondent was required to ensure sanctioned load of 4 KW per apartment. However, RTI revealed that the respondent had only acquired 1950 KW against the required sanctioned load of 3651 KW, thereby leaving the residents to face shortage of electricity. A copy of the sales circular D-16/2017 is annexed as **Annexure P-10**.
- 10. That despite notices issued by DHBVN dated 30.08.2022 and 22.06.2023, directing the respondent to implement UBS software and not to club maintenance charges with electricity charges, the respondent has failed to comply. Copies of these notices are annexed as **Annexure P-11** and **P-12**.
- 11. That the respondent has further failed to construct the outer boundary wall of the society as well as the partition wall of the community centre as per the approved site plan. Moreover, the lifts and Sewage Treatment Plant are not functioning properly and the Annual Maintenance Contract for lifts has not been renewed, as a result of which residents frequently get stuck in lifts.
- 12. That several complaints were made by the complainants to the local police, District Town Planner and higher district authorities, and



meetings were also conducted with the respondent along with the District Town Planner. The matter was also reported in the local press, but despite all this, the respondent has refused to comply with the law governing Affordable Group Housing projects. Left with no other efficacious remedy, complainants have been constrained to approach this Hon'ble Authority for redressal of their grievances. Copies of complaints to Police Station, BPTP and DTP Faridabad along with newspaper reports are annexed as **Annexure P-13** and **P-14**.

#### B. RELIEFS SOUGHT

- 13. The complainants in their complaint have sought following reliefs:
  - i. To direct respondent to not disconnect electricity of apartments until issuance of monthly electricity consumption invoice/bill or statement of account for the electricity prepaid meters of each apartment.
  - ii. To direct the respondent builder/developer to acquire 4KW load for each apartment;
  - iii. To direct the respondent builder/developer to refund ₹25,000/and ₹40,000/- charged as IFSD and electricity connection charges respectively;
  - iv. To direct the respondent builder/developer to handover the maintenance works of society/project to RWA.

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- v. To direct the respondent builder/developer to acquire AMC for all lifts in all towers in society;
- vi. To direct the respondent builder/developer to ensure proper functioning of sewage treatment plant before handover;
- vii. To direct the respondent builder/developer to complete construction in society ain accordance with approved map before handover.

#### C. REPLY SUBMITTED ON BEHALF OF RESPONDENT

14. Notice in the present complaint was duly issued to the respondent on 20.12.2024, however the same was returned undelivered. Thereafter, vide order dated 28.05.2024, this Authority directed the complainant to furnish the alternate/correct address of the respondent so that fresh notice could be effected prior to the next date of hearing. On 20.03.2025, ld. counsel Neeraj Goel, appeared and accepted notice on behalf of the respondent and was granted four weeks' time to file the reply. However, even up to the subsequent date of hearing, i.e., 10.07.2025, no reply was filed on behalf of the respondent. Despite being granted sufficient and repeated opportunities, the respondent has failed to place its reply on record till date. In view of the persistent default on the part of the respondent and keeping in view the summary nature of proceedings, the Authority deems it appropriate to strike off

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the respondent's defense and proceed to decide the present complaint ex-parte on the basis of record available in the file.

# D. <u>ARGUMENTS OF LEARNED COUNSEL FOR COMPLAINANT</u> <u>AND RESPONDENTS</u>

During oral arguments in the previous hearings, learned counsel for the complainants reiterated the submissions as stated in the complaint. Learned counsel for the respondent did not mark his appearance on the date of hearing due to which Authority decides to proceed in the matter ex-parte.

## E. ISSUES FOR ADJUDICATION

16. Whether the complainant is entitled to the relief claimed in the present complaint in terms of provisions of RERA Act of 2016.

# F. OBSERVATIONS AND FINDINGS OF THE AUTHORITY

- 17. The present complaint has been instituted by an association of apartment owners registered under Section 9(1) of the Haryana Registration and Regulation of Societies Act, 2012, duly authorised by its members to act, plead and appear on their behalf. A copy of the registration certificate has been placed on record as Λnnexure P-1.
- 18. The project in question is "Floridaa" situated at Sector-82, Faridabad, comprising eight high-rise towers (A to H) with 823 apartments, developed under the Affordable Group Housing Policy, 2013 framed under the Haryana Development and Regulation of Urban Areas Act,

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1975. The complainant alleges, inter alia, levy of common area maintenance charges despite the policy mandate of five years' free maintenance from the date of the occupation certificate; over-recovery of electricity charges through a prepaid system; non-implementation of the Unified Billing System (UBS); shortfall in sanctioned electrical load; absence of AMCs for lifts; non-functional STP; and incomplete works (boundary wall, partition wall of community centre) contrary to the approved plans.

- 19. As to the status of statutory approvals, there is no documentary evidence on record demonstrating issuance of the Occupation Certificate (OC) for the project. Likewise, no licence particulars or licence copy granted under the 1975 Act stand produced on the file. The existence or otherwise of the OC is a foundational and determinative fact for adjudicating several of the reliefs sought which are dealt one-by-one as follows:-.
  - a) Relief No. (iv)- prayer for direction to hand over the maintenance of the society/project to the RWA: On the material presently available, there is no documentary proof on record to show whether the OC has been issued for the project. The OC is a pivotal document because (a) under the Affordable Group Housing Policy, 2013, the five-year free-maintenance obligation of the developer is triggered "from the date of receiving

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occupation certificate"; (b) under the Real Estate (Regulation and Development) Act, 2016, handover of common areas/maintenance to the association of allottees is linked to completion/occupancy and conformity with sanctioned plans and standards; and (c) OC evidences that essential services and safety-critical installations (including lifts, fire-fighting, STP, electrical systems) meet the competent authorities' requirements. In the absence of clarity on the OC, the Authority cannot, at this stage, record a conclusive finding directing handover.

- b) The certificate of registration of the complainant-association (Annexure P-1) establishes that the RWA is a duly registered entity under the Haryana Registration and Regulation of Societies Act, 2012. However, mere registration of the RWA does not, by itself, answer the pre-conditions for handover. Neither the complainant nor the respondent has produced any evidence to show that the OC has been granted. As the OC status is not known, the relief cannot be adjudicated upon at present.
- c) Relief No. (iii)- refund of ₹25,000/- (IFSD) and ₹40,000/(electricity connection charges): The said prayer seeks
  enforcement of individual monetary claims that are fact-specific
  to each allottee (quantum paid, mode/date of payment, receipts,
  adjustments). Such rights in personam are not amenable to

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adjudication in a representative complaint filed by an association for collective rights and issues. Authority, therefore, observes that Relief (iii) is in the nature of individual claims; the affected allottees are at liberty to pursue appropriate individual proceedings/claims in accordance with law, along with their respective evidence, in the proper forum.

- d) Relief No. (i)- direction not to disconnect electricity until issuance of monthly invoices/statements: The complainant has sought directions that electricity of the apartments should not be disconnected until proper monthly bills or statements are issued. Electricity is an essential service and must be provided as per approved service plans and estimates. Issuing proper bills and maintaining transparency in prepaid metering is necessary for lawful recovery of charges. Disconnection of electricity to force disputed payments cannot be permitted. Authority observes that the respondent is bound to provide clear billing and statements, including through UBS (unified billing system) wherever applicable, until the handover of maintenance, and must follow the directions of the competent electricity distribution company in this regard.
- e) Relief No. (ii)- direction to acquire 4 KW sanctioned load per apartment: The prayer pertains to adequacy of sanctioned load

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vis-à-vis approved service plans and estimates. Adequate sanctioned load is a pre-requisite to lawful occupation and is ordinarily examined at the time of completion/occupancy and during utility approvals. Compliance with the approved electrical scheme and sanctioned capacity must be ensured by the promoter prior to OC and maintained thereafter; the exact quantum and compliance are to be verified against the competent authority/utility records.

- f) Relief No. (v)- direction to obtain AMCs for all lifts:

  Maintenance of lifts through valid Annual Maintenance Charges
  and ensuring their safe, continuous operation are mandatory and
  safety-critical obligations. Such compliance is both a condition
  for grant/continuance of OC and an essential service pending any
  handover. The promoter is obliged to maintain functional lifts
  with subsisting AMCs in accordance with law and approved
  specifications until handover is lawfully effected.
- g) Relief No. (vi)- direction to ensure proper functioning of the STP: The Sewage Treatment Plant must be installed, commissioned and operated as per the approved service plans and environmental/municipal norms. Proper functioning of the STP is a necessary condition for occupancy and continued habitation and must stand verified at the stage of OC and

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thereafter. Until lawful handover, the promoter remains responsible to ensure its compliant operation.

h) Relief No. (vii)- direction to complete construction in accordance with the approved map before handover: The complainant has sought directions for completion of construction in accordance with the approved map before handover. Completion of the project strictly as per the approved plans and estimates is a statutory requirement and is verified by the competent authority at the stage of completion/occupation. Since there is no proof of the Occupation Certificate and no sanctioned plans/ estimates are placed on record, the Authority observes that adherence to the approved plans and correction of any deviations remain the responsibility of the promoter and are necessary conditions before any handover of maintenance can take place. In totality, all service-related reliefs at (i), (ii), (v), (vi) and (vii) are intrinsically tied to conformity with the approved service plans, estimates and regulatory standards. If an OC exists, only then can handover be undertaken to a valid and registered association under the Haryana Registration and Regulation of Societies Act, 2012, coupled with transfer of complete accounts and documentation; if an OC does not exist, the promoter continues to bear the full obligations for maintenance and

essential services, including compliance with applicable policies and utility directions, and cannot effectuate handover.

- 20. For the reasons stated above, Authority's decision on Relief (iv) regarding handover, and the related service reliefs, depends on whether an Occupation Certificate has been issued. Whether the responsibility shifts from the promoter to the RWA will be decided on the basis of the official record of the Occupation Certificate issued by the Directorate of Town and Country Planning, Haryana. Until this is clarified, the promoter remains fully responsible for providing and maintaining all essential services. However, in case essential services such as electricity or other utilities are not being provided in accordance with law, the appropriate remedy lies before the competent regulatory or utility forum, as RERA is not the appropriate forum for adjudicating such matters.
- 21. In view of the above observations, present case is <u>disposed of</u>. File be consigned to the record room after uploading of the order on the website of the Authority.

NADIM AKHTAR [MEMBER]

PARNEET S SACHDEV [CHAIRMAN]