



HARYANA REAL ESTATE REGULATORY AUTHORITY PANCHKULA

Website: www.haryanarera.gov.in

Complaint no.:	486 of 2024
Date of filing:	28.03.2022
First date of hearing:	09.09.2024
Date of decision:	29.09.2025

Prem Chand,

S/o Sh. Sardari,

R/o B-54, Rattan Bag Colony, Veena Enclave, Nangloi, Near Metro Station,
Delhi, 110041

.....COMPLAINANT

Versus

Housing Board Haryana

C-15, Awas Bhawan,

Sector-6, Panchkula, Haryana

.....RESPONDENT

Present: - None present for the complainant.

Adv.Rajesh Kaul, learned counsel for the respondent.

ORDER (NADIM AKHTAR-MEMBER)

1. Present complaint is filed by the complainant under Section 31 of the
'Real Estate (Regulation & Development) Act, 2016' (hereinafter

referred as RERA, 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 fulfil all the obligations, responsibilities and functions towards the allottee as per the terms agreed between them.

A. UNIT AND PROJECT RELATED DETAILS

2. The particulars of the project, the details of 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 table:

S.No.	Particulars	Details
1.	Name of the project	Built up multi storeyed flats for industrial workers at Barhi, Sonipat
2.	Name of the promoter	Housing Board Haryana
3.	RERA registered/not registered	Unregistered
4.	Unit no.	93-B
5.	Date of builder buyer agreement	Not executed
6.	Due date of offer of possession	Not available

7.	Possession clause in BBA	Not available
8.	Total sale consideration	₹15,40,309/- as per allotment letter
9.	Amount paid by complainant	₹1,99,000/-
10.	Offer of possession given on	Not given

B. FACTS OF THE PRESENT COMPLAINT

3. That Housing Board Haryana issued an advertisement in the prospectus inviting applications for purchase of built up multi storeyed flats for industrial workers's and industrial units/ entrepreneurs in the project located at Barhi, District Sonipat (Annexure P/1). That complainant applied under the above scheme of Housing Board Haryana through application form and deposited an amount of Rs.79,000/- through demand draft as 10% for advance deposit for booking the flat. Copy of demand draft is annexed at page no. 26 of complaint.
4. That respondent issued registration no.55 and further asked for depositing additional amount of Rs.1,20,000/-. Complainant deposited the said amount for confirming his booking on 26.08.2010. Copy of demand draft in favour of Housing Board Haryana is annexed with application dated 04.08.2025, annexed at page no. 27 of complaint.



5. Complainant never received any communication from the respondent for 8 long years without issuing any acknowledgment or information relating to the booked flat. On 19.02.2018, complainant received acknowledgment. However, he was shocked to know that the total cost of the flat was raised to double from the previous mentioned amount without any explanation and option to the complainant to withdraw. Copy of letter dated 19.02.2018 is annexed at page no. 28 of complaint book.
6. Respondent issued a show cause notice as the possession was not taken by the complainant on the double amount and indicated the date of hearing as 25.04.2018 to explain why his flat may not be cancelled and amount forfeited. Aggrieved by the same, complainant visited the respondent and sought explanation regarding the increase of the price to double the initial amount. He was shocked to be informed that he had no other option other than surrender and opt for cancellation or to pay the double amount. Therefore, the complainant was left with no other option but to surrender the flat as the revised rate was neither reasonable nor affordable.
7. Complainant wrote an application dated 23.04.2018 addressed to the Estate Manager, Sonipat requesting the authorities for the surrender of the flat and refund, a copy of which is annexed at page no.30.



However, the authorities did not pay any heed to the request of the complainant which left the complainant with no other option but to file the present complaint on 23.03.2024. Further, HRERA Panchkula was faced with similar facts and circumstances in **complaint number 92 of 2019** in case of **Ram Mehar Singh V. Housing Board Haryana and Suresh Tyagi versus Housing Board Haryana** wherein the Hon'ble Authority has ordered for refund to the complainants.

C. RELIEF SOUGHT

8. Complainant sought following relief:

- (i) That the deposit of complainant of ₹1,99,000/- shall be refunded with interest @24%P.A. which becomes ₹6,53,340/-. Total amount becomes ₹8,52,340/-.
- (ii) ₹50,000/- as cost of legal and other expenses.
- (iii) Complainant be compensated with harassment and mental trauma ₹ 50,000/-
- (iv) Any other order that the authority deems fit.

D. REPLY SUBMITTED ON BEHALF OF RESPONDENT

9. Respondent had filed its reply on 04.07.2025, wherein it is pleaded that:-



- i. That each averment made or contention raised in the petition filed by the petitioner, is contrary or inconsistent with the true facts of the case or submissions made herein, be taken to be denied in its entirety by the respondent. The respondent seek to reserve its right to make any such additional submissions in writing, place additional documents on record and raise further issues, as may be required.
- ii. That the grievance of the petitioner is misconceived and erroneous, besides being based on grounds that are ill-founded and vacuous, which would become evident on a perusal of the facts as also the submissions that the respondents have sought to place on record vide the present reply.
- iii. That the main objective of Housing Board Haryana is to construct houses for allotment to the public in accordance with the guidelines issued by the State Government in a prescribed procedure. The emphasis is to construct houses for socially and economic weaker sections and the like. The number of flats were pending in the inventory due to surrender of applications of applicants and the various govt. schemes launched simultaneously. The huge amount has already been invested on construction of houses after borrowing the same from the banks as per govt. guidelines and bare minimum charged as levied on costing of flats as per pricing policy of the Board.



It is further, stated that no fund is provided by the Govt. to the Board and due to this reason the existence of the board is also in question.

- iv. That the complainant has mentioned wrong facts in his complaint. After completion of flats, the draw was held and demand letter was issued on 27.07.2010 and the allotment letter was issued on 19.02.2018 and the possession was offered to the complainant.
- v. That it is the complainant who failed to deposit the money and to take possession the flat, even the show cause notice was also issued to the complainant regarding the surrender of the flat and it was specifically mentioned in the allotment letter (condition 2) that 50% of the amount from earnest money will be forfeited and balance deposited amount will be returned without any interest. The complainant himself has surrendered the flats and hence received the amount as per the terms and conditions of as stipulated in clause-13 of Haryana Housing Board Act (Allotment Management and Sale of Tenements Regulation, 1972). Clause 13 is reproduced as under:

Clause 13 Refund of amount of initial payment:

"Where any applicant is allotted a tenement under those regulation but he fails to take possession of the same within a period of 30 days from the date of receipt of the allotment letter issued to him/her or surrenders the same at any time his/her name shall be removed from the allotment register and 50% of the amount deposited with the



application at the time of registration shall be forfeited to the Board and balance refunded to him/her without interest"

A copy of Housing Board Haryana (Allotment, Management and Sale of Tenements) Regulation 1972 is annexed as Annexure R-1.

- vi. That as per provisions contained in above regulations, an amount of Rs.1,59,500/- has been refunded by respondent to the complainant vide RTGS No. 1925 Dated 14.05.2024.
- vii. That it was mentioned in the brochure that the price mentioned has been worked out on the basis of rough cost estimates. The price is tentative and subject to revision after completion of construction of flats and will be worked out as per pricing policy of the Board on the basis of actual expenditure and flats be allotted or possession handed over at that price.
- viii. Further, due to technical reasons and default in payments made by various allottees, leads to financial burden in carrying out the project in timely manner. Moreover overall business of the Real Estate Sector has been abysmal and the industry as a whole has suffered because of the same during that time.
- ix. That increase in the cost of the project is directly proportional to the cost of material and services available in the market. As such the prices are susceptible to change. The construction of the flats was



delayed and was completed in the year 2014. Thereafter the development works were completed in the year 2017 and accordingly the possession was offered to the allottee on the cost calculated on the basis of actual expenditure. Hence, the Respondent is at no fault and acted genuinely, fairly, un- arbitrarily based on uniform approach and natural justice.

- x. That it is also mentioned in the Brochure (condition 'e') that the Board reserves the right to withdraw/amend/cancel the scheme at its discretion without assigning any reason.
- xi. That the present petition is barred by limitation. The petitioner had invoked the jurisdiction of this Hon'ble Authority after a lapse of sufficient period as prescribed under the law and hence the complaint is not maintainable.
- xii. That the complainant has himself given a letter to the department whereby he has stated that the price is subject to the revision and further stated that to refund my amount is applicable. The complainant was well aware regarding the refund of deposited amount as per terms and conditions of the respondent.



E. ARGUMENTS OF LEARNED COUNSEL FOR COMPLAINANT AND RESPONDENT

10. During the course of hearing on 04.08.2025, Id counsel for the complainant reiterated the facts of the complaint and requested the Authority to grant the relief of refund of ₹1,99,000/- along with interest. On the other hand, Id counsel for respondent stated that respondent had refunded an amount of ₹1,59,500/- on 14.05.2024 to the complainant as per terms and conditions of the allotment letter and policy of the respondent.

11. When the case was called up, no one put in appearance on behalf of both the parties. However, later on Adv. Rajesh Kaul appeared on behalf of respondent and requested to mark his presence.

F. ISSUE FOR ADJUDICATION

12. Whether the complainant is entitled to refund of the amount deposited by him along with interest in terms of Section 18 of Act of 2016?

G. OBSERVATIONS OF THE AUTHORITY

13. Respondent has taken a plea that complaint is barred by limitation, therefore, present complaint is not maintainable. Reference in this regard is made to the judgement of Hon'ble Apex court Civil Appeal No. 4367 of 2004 titled as "M.P Steel Corporation v/s Commissioner



of Central Excise". Relevant part of the said judgment is reproduced here under:-

"It seems to us that the scheme of the Indian Limitation Act is that it only deals with applications to courts, and that the Labour Court is not a court within the Indian Limitation Act, 1963." 20. In Kerala State Electricity Board v. T.P"

The promoter has till date failed to fulfill his obligations because of which the cause of action is re-occurring. RERA is a special enactment with particular aim and object covering certain issues and violations relating to housing sector. Provisions of the Limitation Act 1963 would not be applicable to the proceedings under the Real Estate Regulation and Development Act, 2016 as the Authority set up under that Act being quasi-judicial and not Courts.

14. After taking into consideration the facts and circumstances of the case and arguments put forth by both the parties and judgements referred by the complainant, Authority observes that complainant had applied for Type-1 flat under a scheme "Industrial Workers Housing Scheme" at Barhi, Sonipat, Haryana floated by respondent by paying an amount of ₹79,000/- and same is acknowledged by the respondent vide acknowledgment dated 19.03.2010. Thereafter, respondent issued letter dated 27.07.2010, mentioning that application of the



complainant is accepted and issued provisional registration no. 55. Further, respondent demanded an amount of ₹1,20,000/- on account of amount payable after draw of lots on or before 31.09.2010. In compliance of that, complainant paid an amount of ₹1,20,000/- vide demand draft dated 26.08.2010. Thereafter, no communications/correspondences took place between the complainant and respondent. On 19.02.2018, respondent issued allotment letter and allotted Type 1 flat bearing no. 93B at Barhi, Sonipat to the complainant at the enhanced sale consideration of ₹15,40,309/-.

15. As per pleading of complainant, respondent issued allotment to the complainant at enhanced price, i.e., ₹15,40,309/-, whereas at the time of advertisement respondent stated that price of the unit will be around ₹7.90 lacs. Due to inability and financial conditions, complainant was unable to pay for the allotment of flat at the enhanced price, therefore, he surrendered the flat to the respondent and requested for refund of the paid amount along with interest. Contention of the respondent is that price of the flat was tentative and subject to revision after completion of construction of flats and that to be worked out as per pricing policy of the Board on the basis of actual expenditure and flats be allotted or possession handed over to the allottees. Further, it is the



complainant who failed to deposit the requisite amount and therefore, complainant is at default not the respondent.

16. Authority observes that scheme launched by the respondent was aimed at providing houses to industrial workers. The price of the flat in the advertisement given by the respondent was Rs.7.90 lacs. A person applying under the scheme was required to pay 10% of the total price as booking amount. The complainant after adjudging his own financial position and capability to purchase flat at the quoted price, had applied in response to respondent's advertisement. The respondent within a reasonable time of booking was expected to disclose the exact price of house to the complainant and also to complete all necessary steps for delivering possession of the purchased flat. However, respondent did not communicate anything to the complainant till 2018. After collecting money from the complainant, the respondent was not expected to prolong the completion of the project unreasonably or even to demand double the sale price of the house because such conduct on his part was bound to frustrate the very benevolent purpose with which the scheme was formulated for industrial workers. The government provides flats under such schemes at subsidized rates and also facilitates arrangement of loan on subsidized rate to allottees of such scheme. The whole idea is to squeeze the sale price of flats to a



level within the reach of industrial workers. How can the respondent then be allowed to render the allottees of such a scheme to face a situation where it becomes practically impossible for them to purchase the house at the rate double than for which they had agreed to purchase it. Therefore, for the reasoning given above, the contention of the respondent is rejected.

17. The respondent in present case has not completed the project within a reasonable time and has disclosed the exact price of the house to the complainant after 8 years of the launching of the project. The respondent has been utilizing an amount of Rs.1,99,000/- lacs, already paid by the complainant, for all these years without paying any interest. Such conduct of the respondent being unreasonable and unconscionable cannot be legally sustained. The only submission made by respondent counsel is that due to technical reasons and allottees default in payments lead to financial burden in carrying out the project in timely manner. The construction of the flats was delayed and construction work was completed in the year 2014. Thereafter the development works were completed in the year 2017 and accordingly the possession was offered to the allottee on the cost calculated on the actual expenditure. In this regard, respondent had not submitted any documentary evidence to substantiate the claim that allottees defaulted



in payments. Furthermore, the timely completion of the construction work was solely the obligation of the respondent. The respondent cannot absolve themselves of this responsibility or shift the burden onto the complainant. Therefore, the argument of the respondent is rejected. The respondent cannot evade their liability by attempting to place the blame on the allottees.

18. Another contention raised by the respondent is that allotment of the complainant was governed by the terms and conditions of the brochure advertised by the respondent and it was specifically mentioned in the allotment letter (condition 2) that 50% of the amount from earnest money will be forfeited and balance deposited amount will be returned without any interest in case allottee fails to execute the agreement and to take possession of the flat within 30 days of the issue of allotment letter. As complainant himself has surrendered the flat and hence respondent had refunded the amount of ₹1,59,500/- to the complainant vide RTGS No. 1925 Dated 14.05.2024 as per clause-13 of Haryana Housing Board Act (Allotment Management and Sale of Tenements Regulation, 1972). Therefore, respondent is not liable to refund any amount alongwith interest as per the provisions RERA Act of 2016. Authority observes that no doubt that there are bye laws of the respondent board which provides for deduction of 50% of the



amount paid at the time of registration, in case an allottee wants to withdraw from the project/does not take possession within 30 days of offer of possession, but the principle so enshrined in bye laws, in considered opinion of the Authority, will be applicable only in those cases where there is no default on the part of respondent board in discharging its obligation towards allottees. The respondent Board cannot be allowed to take shelter of such bye laws for deduction of 50% of said amount in case of an allottee for whom the respondent himself has created circumstances rendering him practically unable to bear the cost of the flat. The present case falls in this category because the respondent due to his own negligent act has created such circumstances. So, the Authority finds it a fit case for refund of paid amount without any deduction.

19. Further, Hon'ble Supreme Court in the matter of "*Newtech Promoters and Developers Pvt. Ltd. versus State of Uttar Pradesh and others* " in Civil Appeal no. 6745-6749 of 2021 has highlighted that the allottee has an unqualified right to seek refund of the deposited amount if delivery of possession is not done as per terms agreed between them. Para 25 of this judgement is reproduced below:

"25. *The unqualified right of the allottee to seek refund referred under Section 18(1)(a) and Section 19(4) of the Act*



is not dependent on any contingencies or stipulations thereof. It appears that the legislature has consciously provided this right of refund on demand as an unconditional absolute right to the allottee, if the promoter fails to give possession of the apartment, plot or building within the time stipulated under the terms of the agreement regardless of unforeseen events or stay orders of the Court/Tribunal, which is in either way not attributable to the allottee/home buyer, the promoter is under an obligation to refund the amount on demand with interest at the rate prescribed by the State Government including compensation in the manner provided under the Act with the proviso that if the allottee does not wish to withdraw from the project, he shall be entitled for interest for the period of delay till handing over possession at the rate prescribed."

The decision of the Hon'ble Supreme Court settles the issue regarding the right of an aggrieved allottee such as in the present case seeking refund of the paid amount along with interest on account of delayed delivery of possession. The complainant wishes to withdraw from the project of the respondent, therefore, Authority finds it to be fit case for allowing refund in favour of complainant.

20. The definition of term 'interest' is defined under Section 2(za) of the Act which is as under:



(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;

21. Complainant in its complaint has sought refund of paid amount with interest @24%. It is pertinent to mention here that the legislature in its wisdom in the subordinate legislation under the provisions of Rule 15 of the Rules, 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.

22. Rule 15 of IIRERA Rules, 2017 provides for prescribed rate of interest which is 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 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. Consequently, as per website of the State Bank of India, i.e., <https://sbi.co.in>, the highest marginal cost of lending rate (in short MCLR) as on date respective dates, i.e., 29.09.2025 is 8.85% and 14.05.2024 is 9.10%. Accordingly, the prescribed rate of interest will be MCLR + 2% ,i.e., 10.85% and 11.10%.

24. From above discussion, it is amply proved on record that the respondent has not fulfilled its obligations cast upon him under RERA Act, 2016 and the complainant is entitled for refund along with interest. Thus, respondent will be liable to pay the complainant, interest from date of payments till the date of refund, i.e., 14.05.2024. Further, as respondent had already refunded an amount of ₹1,59,500/- to the complainant on 14.05.2024, thus, respondent is liable to refund



the balance principal amount, i.e., 39,500/- and interest w.r.t said amount from date of refund till the actual realization of the amount. Authority has got calculated the total amount along with interest as per detail given in the table below:

Sr.no.	Principal amount	Date of payments	Date of refund	Interest from date of payments till date of refund
1.	₹79,000/-	19.03.2010	14.05.2024	₹1,24,232/-
2.	₹1,20,000/-	26.08.2010	14.05.2024	₹1,82,867/-
	Total= ₹1,99,000/-			Total= ₹3,07,099/-

Sr.no	Balance principal amount (principal amount - refunded amount)	Date of refund	Date of order	Interest from date of refund till date of order
1.	₹39,500/-	14.05.2024	29.09.2025	₹5918/-

Total amount to be refunded to the complainant

$$= ₹3,07,099/- + ₹39,500/- + ₹5918/- = ₹3,52,517/-$$

25. It is pertinent to mention that vide order dated 07.07.2024, complainant was directed to file either receipt of paid amount ₹1,20,000/- or affidavit of paid amount alongwith interest. In compliance of same, complainant vide application dated 04.08.2025, complainant filed a copy of demand draft dated 26.08.2010 of paid amount of ₹1,20,000/-.



26. Further, the complainant is seeking compensation on account of mental harassment caused to the complainant and litigation expenses. 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 complainants are advised to approach the Adjudicating Officer for seeking the relief of litigation expenses.

J. DIRECTIONS OF THE AUTHORITY

27. Hence, the Authority hereby passes this order in the present complaint and issues following directions under Section 37 of the Act to ensure compliance of obligation cast upon the promoter as per the function entrusted to the Authority under Section 34(f) of the Act of 2016:



- (i) Respondent is directed to pay interest of ₹3,07,099/- on paid amount of ₹1,99,000/- as per calculations given on page no. 20 of this order. As respondent had already refunded an amount of ₹1,59,500/- to the complainant on 14.05.2024, thus, respondent is liable to refund the balance principal amount of ₹39,500/- alongwith interest from date of refund till the actual realization of the amount. However, for the purpose of calculation interest of ₹5918/- has been calculated by the Authority on balance amount of ₹39,500/- from 14.05.2024 till the date of this order.
- (ii) A period of 90 days is given to the respondent to comply with the directions given in this order as provided in Rule 16 of Haryana Real Estate (Regulation & Development) Rules, 2017 failing which legal consequences would follow.

28. Disposed of. File be consigned to the record room after uploading of the order on the website of the Authority.


.....
NADIM AKHTAR
[MEMBER]