

**BEFORE THE HARYANA REAL ESTATE REGULATORY
AUTHORITY, GURUGRAM**

Complaint no. : 2458 of 2024
Date of complaint : 31.05.2024
Date of order : 12.09.2025

Ms. Sweta Sant D/o Sh. Ashok Kumar
R/O: Flat no. 5/B14, F-07, Janhvi Enclave, Awadh Vihar
Yojna, Near Shaheed Path, Arjunganj, Lucknow
U.P-226002

Complainant

Versus
M/s. RMG Developers Private Limited
Registered office Address: - SF-05, Ninex City Mart,
Sohna road, sector-49, Gurugram.

Respondent

CORAM:

Chairman

Shri Arun Kumar

**Complainant
Respondent**

APPEARANCE:

Sh. Gaurav Rawat
None

(Advocate)
(Advocate)

ORDER

1. 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 there under or to the allottee as per the agreement for sale executed *inter se*.

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:

S. N.	Particulars	Details
1.	Name of the project	RMG Residency in Sector-37C Gurgaon
2.	Nature of the project	Affordable group housing
3.	DTCP license	12 of 2015 dated 12.10.2015
4.	RERA registered/ or not	206 of 2017 dated 15.09.2017 valid upto 31.12.2019
5.	Unit No. and size as per BBA	111, T-2, Block-E, 618.798 sq. ft. And balcony area 80.623
6.	Date of booking dated	15.02.2016
7.	Allotment letter dated	02.06.2016 [Page 24 of complaint]
8.	Date of builder buyer agreement	31.12.2016 [Page 39 of complaint]
9.	Environment clearance on	31.01.2017
10.	Approval of building plans	21.12.2015
11.	Possession clause	3. POSSESSION 3.1 <i>"Subject to force majeure circumstances, intervention of statutory authorities, and receipt of the Occupation Certificate, and"</i>



		<p><i>further subject to the Allottee having duly complied with all obligations, formalities, and documentation prescribed by the Developer—including but not limited to timely payment of instalments, other applicable charges as per the payment plan, stamp duty, and registration charges—the Developer proposes to offer possession of the said apartment to the Allottee within a period of four (4) years from the date of approval of the Building Plans or the grant of Environment Clearance, whichever is later.”</i></p>
12.	Due date of possession	<p>31.07.2021 [Note: - the possession timeline is to be calculated from the date of Environment Clearance, i.e., 31.01.2017, which results in a due date of 31.01.2021. Additionally, as per HARERA Notification No. 9/3-2020 dated 26.05.2020, an extension of six (6) months is applicable for projects having their completion date on or after 25.03.2020.]</p>
13.	Total sale consideration	<p>Rs. 25,15,504/- [Page 42 of complaint]</p>
14.	Amount paid by the complainant	<p>Rs. 26,68,023/-</p>

		[As stated by the complainant in its complaint]
15.	Occupation certificate on	N/A
16.	Offer of possession made on	N/A

B. Facts of the complaint

3. The complainant has made the following submissions: -

- That the present complaint pertains to the Affordable Housing Project titled "RMG Residency," situated on a land parcel admeasuring approximately 5 acres under License No. 12 of 2015 dated 09.10.2015, issued by the Directorate of Town and Country Planning (DTCP), Haryana, located in Sector-37C, Gurugram, Haryana.
- That the Complainant is a law-abiding citizen of India and resides at the address stated in the cause title of the present complaint. That the Complainant is an 'allottee' within the meaning of Section 2(d) of the Real Estate (Regulation and Development) Act, 2016 ("RERA Act"). The Respondent Company is a limited company incorporated under the Companies Act, 1956 and is engaged in the business of developing and selling real estate projects. That in the year 2016, while searching for a residential unit in the NCR region, the Complainant visited the office of the Respondent Company. The agents/representatives of the Respondent highly praised the

company, projected an exaggerated and misleading reputation, and assured the Complainant of their credibility by claiming that they had successfully delivered multiple projects in the National Capital Region. The Respondent provided the Complainant with brochures portraying the project as a premium development, made several presentations, and induced the Complainant to book a unit. The Complainant was thus lured and misled by the Respondent's agents.

iii. That the Respondent widely advertised the project "RMG Residency," situated at Sector 37C, Gurugram, under the aforesaid license. In its advertisements, the Respondent made tall claims and painted a rosy and false picture of the project, thereby enticing prospective buyers. That in 2016, the Respondent issued advertisements inviting applications for the purchase of units in the said Affordable Housing Project "RMG Residency," claiming that the project had obtained the necessary Building Plan Approval from the competent authority. That the Complainant was induced by the said advertisements, tele-calls from the Respondent's brokers, and false assurances regarding the Respondent's reputation. The Respondent again provided brochures and presentations depicting the project as fully compliant, timely, and superior, thereby luring the Complainant into booking a unit.

iv. That relying upon the representations, assurances, and commitments made by the Respondent, the Complainant booked Unit No. 111, Tower-2, Block-E, having carpet area 618.798 sq. ft. and balcony area 80.623 sq. ft., by paying the requisite booking amount on 15.02.2016, which was duly acknowledged by the Respondent. That the Respondent thereafter issued a Provisional Allotment Letter dated 02.06.2016 confirming the Complainant's booking of Unit No. 111, Tower-2, Block-E for a total sale consideration of Rs. 25,15,504/-, which included basic price, car parking charges, development charges, PLC, IFMS, IBRF, club membership charges, and other components. The letter further specified the payment schedule and other terms.

v. That a Buyer's Agreement was executed between the Complainant and the Respondent on 31.12.2016. It is pertinent to mention that the allotment and the execution of the agreement took place after the enforcement of the RERA Act, 2016. However, the Respondent failed to comply with the mandatory provisions of the Act, including executing the agreement in the standard format and ensuring registration of the same. Therefore, penal action under the RERA Act is warranted against the Respondent. That as per Clause 3.1 of the Buyer's Agreement, the Respondent was obligated to hand over possession of the unit within 48 months from the date of the Building Plan Approval, subject to force majeure and timely

payment by the allottee. The Building Plan Approval is dated 21.12.2015, and accordingly, the due date for delivery of possession was 21.12.2019.

vi. That in accordance with the demands raised by the Respondent under the construction-linked payment plan, the Complainant has already paid a sum of Rs. 26,68,023/-, which is in excess of the total sale consideration of Rs. 25,15,504/. That the Complainant signed the Buyer's Agreement in the bona fide belief that the Respondent would hand over possession within the stipulated period, i.e., on or before 21.12.2019. The Complainant was supplied a construction-linked payment plan and was assured timely completion. However, the Complainant's dream of owning a home has been shattered due to the Respondent's dishonest and unethical conduct. That as per Clause 3.1 of the Buyer's Agreement, the Respondent was further entitled to a grace period of six months for applying and obtaining the Completion/Occupation Certificate. Despite this, the Respondent has failed to complete the project or deliver possession.

vii. That although the Complainant objected to the one-sided, arbitrary, and unfair clauses in the Buyer's Agreement, the Respondent refused to make any changes and insisted that the terms were standard and non-negotiable. The Agreement is heavily tilted in favour of the Respondent and is an example of an

adhesion contract. That the Respondent, being in a dominant bargaining position, drafted the Agreement entirely as per its own convenience, leaving the Complainant with no option but to sign the same. That the payment plan was deliberately designed to extract maximum money from allottees at an early stage, irrespective of the actual progress at the site. Despite repeated requests, the Respondent failed to show satisfactory progress in construction. Arbitrary demands were raised without completion of essential works, and the Respondent followed pre-RERA malpractices lacking transparency.

viii. That the Complainant made several visits to the Respondent's office requesting permission to inspect the site; however, such requests were repeatedly denied on baseless grounds. On the one occasion when the Complainant managed to visit the site, entry was refused. Despite substantial payment, the Complainant received no progress update. That the Complainant repeatedly contacted the Respondent seeking information regarding construction status and delivery timelines, but the Respondent consistently failed to provide satisfactory or definite responses. The Respondent offered vague excuses such as labour shortage and other untenable reasons.

ix. That despite being bound under Clause 3.1 to deliver possession on or before 21.12.2019, the Respondent failed to complete

construction. The Complainant personally approached the Respondent to ascertain the status but was misled with false assurances of imminent completion. That despite multiple false representations, the Respondent has wilfully failed to complete the project, honour its commitments, or address the concerns of allottees, thereby demonstrating deliberate misconduct and negligence. That the Respondent has breached its obligations under the brochure, Buyer's Agreement, advertisements, RERA Act, 2016, and Haryana RERA Rules, 2017. That the Respondent has committed fraud, misrepresentation, and cheating by inducing the Complainant to invest, despite having no intention or ability to complete the project within the stipulated period. The Respondent has also failed to comply with the Buyer's Agreement.

x. That the Complainant has suffered financial loss, mental agony, and hardship due to non-delivery of the unit. The amount invested could have otherwise yielded substantial returns had it been placed in fixed deposits or other financial instruments. Hence, compensation higher than the contractual rate is justified. That the Respondent is guilty of deficiency in service under the RERA Act, 2016 and the Haryana RERA Rules, 2017, and is liable to rectify the deficiencies and compensate the Complainant accordingly. That the present complaint highlights several deficiencies in services, unfair trade practices, lack of transparency, breach of contract, and

misleading conduct on the part of the Respondent. The Respondent's modus operandi reflects complete disregard for accountability and statutory compliance, thereby causing severe hardship to the Complainant. That the Complainant invested his hard-earned savings in the project with the dream of owning a home, but the Respondent has cheated him, misused the invested amount, and failed to fulfil its contractual and statutory obligations.

C. Relief sought by the complainant:

4. The complainant has sought following relief(s):
 - I. Direct the Respondent to hand over possession of Unit in complete and habitable condition along with all promised amenities, specifications, common areas, facilities, and services, without any further delay.
 - II. Direct the Respondent to execute the Conveyance Deed in favour of the Complainant without any additional or illegal charges.
 - III. Direct the Respondent to pay interest at the prescribed RERA rate on the entire amount deposited by the Complainant, from the due date of possession till the actual date of handing over physical possession.
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.
6. The Authority issued a notice dated 31.05.2024 to the Respondent by speed post as well as through the registered email address at

rmg@gmail.com. The delivery reports have been placed on record. Despite due service of notice, the Respondent neither appeared nor filed a reply to the complaint within the stipulated period. Despite being given ample opportunity, Respondent has failed to submit a response. Accordingly, the defence of Respondent is hereby struck off.

7. Copies of all the relevant documents have been filed and placed on the record. Their authenticity is not in dispute. Hence, the complaint can be decided on the basis of these undisputed documents and submission made by the parties.

D. Jurisdiction of the authority

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

D.I Territorial jurisdiction

9. 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.

D.II Subject matter jurisdiction

10. 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 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.

11. 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.

E. Findings on the relief sought by the complainant.

- E.I Direct the Respondent to hand over possession of Unit in complete and habitable condition along with all promised amenities, specifications, common areas, facilities, and services, without any further delay.
- E.II Direct the Respondent to execute the Conveyance Deed in favour of the Complainant without any additional or illegal charges.
- E.III Direct the Respondent to pay interest at the prescribed RERA rate on the entire amount deposited by the Complainant, from the due date of possession till the actual date of handing over physical possession.

12. The above-mentioned reliefs sought by the complainant are being taken together as the findings in one relief will definitely affect the result of the other relief and the same being interconnected.
13. In the present complaint, the complainant intends to continue with the project and is seeking delay possession charges as provided under the proviso to section 18(1) of the Act. Sec. 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, —

.....
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."

14. Clause 3 of the apartment buyer agreement (in short, agreement) provides for handing over of possession and is reproduced below:

3. POSSESSTON

3.1 "Subject to force majeure circumstances, intervention of statutory authorities, and receipt of the Occupation Certificate, and further subject to the Allottee having duly complied with all obligations, formalities, and documentation prescribed by the Developer—including but not limited to timely payment of instalments, other applicable charges as per the payment plan, stamp duty, and registration charges—the Developer proposes to offer possession of the said apartment to the Allottee within a period of four (4) years from the date of approval of the Building Plans or the grant of Environment Clearance, whichever is later."

15. **Admissibility of delay possession charges at prescribed rate of interest:** Proviso to section 18 provides 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 possession, at such rate as may be prescribed and it has been prescribed under rule 15 of the rules. 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 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.

16. The legislature in its wisdom in the subordinate legislation under the provision 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.
17. Consequently, as per website of the State Bank of India i.e., <https://sbi.co.in>, the marginal cost of lending rate (in short, MCLR) as on date i.e., 12.09.2025 is 8.85%. Accordingly, the prescribed rate of interest will be marginal cost of lending rate +2% i.e., 10.85%.
18. 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;"*

19. Therefore, interest on the delay payments from the complainant shall be charged at the prescribed rate i.e., 10.85% by the respondent /promoter which is the same as is being granted to the complainant in case of delayed possession charges.

20. On consideration of the documents available on record and submissions made by both the parties, the authority is satisfied that the respondent is in contravention of the section 11(4)(a) of the Act by not handing over possession by the due date as per the agreement. By virtue of clause 3 of the apartment buyer's agreement executed between the parties on 31.12.2016, the possession of the subject apartment was to be delivered by 31.07.2021. Moreover, the Authority observes that the Respondent has not obtained the Occupation Certificate (OC) till date. Hence, this project is to be treated as on-going project, and the provisions of the Act shall be applicable equally to the builder as well as allottee.

21. Accordingly, the non-compliance of the mandate contained in section 11(4)(a) read with proviso to section 18(1) of the Act on the part of the respondent is established. As such, the allottee shall be paid, by the promoter, interest for every month of delay from the due date of possession i.e., 31.07.2021 till the valid offer of possession plus 2 months after obtaining occupation certificate from the competent authority or actual handing over of possession, whichever is earlier, as per section 18(1) of the Act of 2016 read with rule 15 of the rules.

22. The Respondent is directed to hand over possession of the subject unit to the Complainant/Allottee, within 30 days after obtaining occupation certificate from the competent authority. The complainant w.r.t. obligation conferred upon them under section 19(10) of the Act of 2016, shall take the physical possession of the subject unit within a period of two months of the occupation certificate. The Respondent shall further ensure execution of the conveyance deed in respect of the allotted unit in favour of the Complainant, in terms of Section 17(1) of the Real Estate (Regulation and Development) Act, 2016, subject to payment of applicable stamp duty and registration charges.

F. Directions of the Authority

23. 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(l):

- i. The respondent/promoter is directed to pay interest to the complainant against the paid-up amount at the prescribed rate of 10.85% p.a. for every month of delay from the due date of possession i.e., 31.07.2021 till the valid offer of possession plus two months after obtaining occupation certificate from the competent authority or actual handing over of possession, whichever is earlier, as per section 18(1) of the Act of 2016 read with rule 15 of the rules.

ii. The arrears of such interest accrued from 31.07.2021 till the date of order by the authority shall be paid by the promoter to the allottee within a period of 90 days from date of this order and interest for every month of delay shall be paid by the promoter to the allottee before 10th of the subsequent month as per rule 16(2) of the rules.

iii. The Respondent is directed to hand over possession of the subject unit to the Complainant/Allottee, within 30 days after obtaining occupation certificate from the competent authority. The complainant w.r.t. obligation conferred upon them under section 19(10) of the Act of 2016, shall take the physical possession of the subject unit within a period of two months of the occupation certificate.

iv. The Respondent shall further ensure execution of the conveyance deed in respect of the allotted unit in favour of the Complainant, in terms of Section 17(1) of the Real Estate (Regulation and Development) Act, 2016, subject to payment of applicable stamp duty and registration charges.

v. The complainant is directed to pay outstanding dues, if any, after adjustment of interest for the delayed period.

vi. The rate of interest chargeable from the allottee by the promoter, in case of default shall be charged at the prescribed rate i.e., 10.85% 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.

iv. The respondent/promoter shall not charge anything from the complainants which is not the part of the buyer's agreement.

24. The complaint and application, if any, stands disposed of.

25. File be consigned to registry.

Dated: 12.09.2025



(Arun Kumar)

Chairman

Haryana Real Estate Regulatory
Authority, Gurugram