

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

Complaint no.: 523 of 2025
Date of filing of complaint: 18.02.2025
Date of first hearing: 02.07.2025
Date of decision: 20.01.2026

Dhruv Sharma & Bhanu Priya

Both RR/o:- Flat no. 201, Sagar Apartment, plot no. 52,
Sector 56, Gurugram, Haryana

Complainants

Versus

M/s Signature Infrabuild Pvt. Ltd.

Regd. Office at: - 1310 at 13th floor, Dr. Gopal Das
Bhawan, 28 Barakhamba Road, New Delhi-110001

Respondent

CORAM:

Shri Arun Kumar
Shri Phool Singh Saini

**Chairman
Member**

APPEARANCE:

Sh. Yash Dutt (Advocate)
Sh. Venket Rao and Ms. Anjalika Sharma (Advocates)

**Complainants
Respondent**

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

provision of the Act or the Rules and regulations made thereunder 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 complainants, 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	Signature Global City, Sector 92, Gurugram, Haryana
2.	Nature of the project	Affordable residential plotted colony
3.	Type of unit	Independent floor
4.	DTCP License	12 of 2021 dated 12.03.2021 valid up to 11.03.2026
4.	HRERA Registered or not registered	Registered GGM/666/398/2023/10 dated 13.01.2023 Valid upto 31.03.2025
5.	Date of provisional allotment	29.08.2024 [Page 24 of complaint]
6.	Independent floor.	4F, tower M11, 4 th floor (page 21 of complaint)
7.	Area	Carpet area: 578.813 sq.ft. Balcony area: 101.39 sq.ft [Page 38 of complaint]
8.	Date of buyer developer agreement executed between parties	03.09.2024 [Page 28 of complaint]
9.	Possession clause	8.1 Schedule for possession of project- The promoter agrees and understands that timely delivery of possession is the essence of the agreement. The promoter assured to handover possession as per agreed terms and conditions on or before 31.03.2025 or such period as extended by the Authority [Page 49 of complaint]
12.	Due date of possession	31.03.2025
13.	Total sale consideration as per buyer developer agreement	Rs. 1,29,48,022 [Page 39 of complaint]
14.	Amount paid by the complainants	Rs.11,15,000/-paid till 28.10.2024 (8.61%)

		[As per customer ledger, page 30 of reply]
15.	Demand letter	16.09.2024 (page 24 of reply)
	Reminder	03.02.2025 (page 26 of reply)
16.	Pre-cancellation	07.01.2025 (page 25 of reply)
17.	Cancellation	18.04.2025
18.	Occupation certificate	Not obtained
19.	Offer of possession	Not offered

B. Facts of the complaint:

3. The complainants have made the following submissions by filing the present complaint: -
- a) That relying on various representations and assurances given by the respondent and on belief of such assurances, complainants booked a unit in the project by paying a booking amount towards the booking of the said unit bearing no. 4F, tower-M11, 4th Floor, having carpet area measuring 578.813 sq. ft. to the respondent dated 29.08.2024 and the same was acknowledged by the respondent.
 - b) That respondent sent to the complainants confirming the booking of the unit dated 29.08.2024, vide allotment letter dated 29.08.2024, allotting a unit no. 4F, tower-M11, 4th floor carpet area measuring 578.813 sq. ft. in the aforesaid project of the developer for a total sale consideration of the unit i.e. Rs. 1,22,21,783/-, which includes basic price Plus EDC and IDC, Car parking charges, PLC, IFMS and other specifications of the allotted unit and providing the time frame within which the next instalment was to be paid. At the time of booking it was specifically assured to the respondent that total sale consideration of the unit i.e. Rs. 1,22,21,783/- is inclusive of all the things, no further amount is required to be paid and over and above a credit note for worth Rs. 5,00,000/- will also be provided and adjusted against the second installment. It is pertinent to mention here that despite

repeated reminders and request till date credit note for worth Rs. 5,00,000/- has not been provided.

- c) That after repeated reminders and follow ups with the respondent. Respondent finally 03.09.2024 got the agreement executed with the complainants. The said flat buyer agreement is even not as per the prescribed format provided under the RERA ACT,2016 and HRERA Rules,2017 despite after getting the project registered with the Hon'ble RERA Authority, respondent failed to get agreement executed in prescribed format. Hence, the conduct of the respondent is against the spirit and in violation of the RERA Act,2016 and necessary penal action to taken against the respondent. That it is pertinent to mention here that allotment of the unit, after coming into force of the RERA Act,2016 and as per the Act, after coming into force of the Act the respondent is under obligation to get the buyers agreement executed as per the sample agreement provided under the Act, and HARERA Rules, 2017, made thereafter, but in the present case respondent failed to comply with the same. Against the agreed terms of total sale consideration of the unit i.e. Rs. 1,22,21,783/- is inclusive of all the things in the said agreement acting arbitrarily changed the total consideration from Rs. 1,22,21,783/- to Rs. 1,29,48,022/- plus other charges. Furthermore, when complainants raised objection to the above said act of the respondent, assurance was provided to the complainants that the same is just for the formality only and vide separate email total consideration amount will be confirmed but till date no such email has been received.
- d) That furthermore, as per clause 8.1 of the agreement due date of possession was 31.03.2025 but till date the said unit is nowhere near completion. As per the demands raised by the respondent, based on the

payment plan, the complainants to buy the captioned unit already paid a total sum of Rs. 11,15,000/-, towards the said unit against total sale consideration of Rs. 1,22,21,783/-.

- e) That during the period the complainants went to the office of respondent several times and requested them to allow them to visit the site but it was never allowed saying that they do not permit any buyer to visit the site during construction period, once complainants visited the site but was not allowed to enter the site and even there was no proper approached road. The complainants even after paying amounts still received nothing in return but only loss of the time and money invested by them.
- f) That the complainants contacted the respondent on several occasions and were regularly in touch with the respondent with regard to credit memo and total sale consideration. The respondent was never able to give any satisfactory response to the complainants regarding the status of the credit memo, construction and were never definite about the delivery of the possession.
- g) That the complainants kept pursuing the matter with the representatives of the respondent by visiting their office regularly as well as raising the matter to when will they get the credit memo and why construction is going on at such a slow pace, but to no avail. Some or the other reason was being given.
- h) That complainants in order to pay the consideration amount went to the office of the respondent several times and ask for the adjustment of credit memo as assured and it was very shocking for the complainants when complainants came to know that the respondent are selling the floor of same specification as of the complainants at very low price than that of the complainants.

- i) That complainants raised objections on account of price and raising the concern/objection that on ground reality status of construction of is not the same as the demand of money raised. Furthermore, requested for the inspection of the unit as per the agreement. Thereafter complainants sent several reminders through telephone to the respondent but they were never able to give any satisfactory response regarding the aforesaid issues raised by the complainants. The respondent instead of complying as per the provisions of the Act, and obtaining the OC, sent pre-cancellation notice dated 07.01.2025, without providing any justification to same and against the spirit of the Act,2016.
- j) That complainants visited number times to the office of the respondent asking for not to cancel the unit of the complainants as the complainants is willing to make the payment. On the bases of the assurance by the respondent for revocation of the Pre-cancellation letter, complainants further request to provide the credit memo.
- k) That despite the repeated reminders respondent till date has failed to issue credit memo nor has paid provided the rectified total consideration email as per the affordable group housing policy.
- l) That though the payment to be made by the complainants were to be made based on the construction on the ground but unfortunately the demands being raised were not corresponding to the factual construction situation on ground.
- m) That the payment plan was designed in such a way to extract maximum payment from the buyers viz a viz or done/completed. The complainants approached the respondent and asked about the status of construction and also raised objections towards non-completion of the project. It is pertinent to state herein that such arbitrary and illegal practices have been

prevalent amongst builders before the advent of RERA, wherein the payment/ demands/ etc. have not been transparent and demands were being raised without sufficient justifications and maximum payment was extracted just raising structure leaving all amenities/ finishing/facilities/ common area/ road and other things promised in the brochure, which counts to almost 50% of the total project work.

- n) That the respondent despite having made multiple tall representations to the complainants, the respondent has chosen deliberately and contemptuously not to act and fulfil the promises and have given a cold shoulder to the grievances raised by the cheated allottees.
- o) That the complainants have suffered a loss and damage in as much as they had deposited the money in the hope of getting the said unit for residential purposes. They have not only been deprived of the timely possession of the said unit but the prospective return they could have got if they had invested in fixed deposit in bank. Therefore, the relief/compensation in such cases would necessarily have to be higher.
- p) That the complainants raised objections on account of non-adjustment of the amount, non-payment of credit memo and change in payment plan, price and raising the concern/objection that on ground reality status of construction of is not the same as the demand of money raised. Furthermore, requested for the inspection of the unit as per the agreement. Thereafter complainants sent several reminders through telephone to the respondent but they were never able to give any satisfactory response regarding the aforesaid issues raised by the complainants.
- q) That the complainants after losing all the hope from the respondent having their dreams shattered of owning a flat & having basic necessary

facility in the vicinity of The SIGNATURE GLOBAL CITY 92-(II) project and also losing considerable amount, are constrained to approach the Authority for redressal of their grievance.

C. Relief sought by the complainants:

4. The complainant has sought the following relief(s):
 - I. Direct the respondent is directed to refund the entire amount paid by the complainants to the respondent along with interest till the date of its realization.
 - II. Direct the respondent not to create any third-party rights in the said unit till final realization.
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.

D. Reply by the respondent.

6. The respondent has contested the complaint on the following grounds by way of reply dated 25.07.2025: -
 - a) That the complainant in the year 2024, being in search of an apartment learned about the Affordable housing project titled as '*Signature Global City 92- (II)*' at Sector 95, Gurugram being developed by the Respondent in terms of the Affordable Housing Policy and the same was advertised in 2024.
 - b) That on 29.08.2024, the complainant vide application no. SG-202408-42330 applied for booking a unit in the project of the respondent, post being impressed with the specifications of the project with a desire to secure the allotment of an apartment/unit in the aforesaid project.
 - c) That pursuant to the application and in terms of the policy, that an independent floor bearing no. 92 II- M11-T3-4F in block/tower M-11 on 4th floor having a carpet area of 578.813 sq. ft. and balcony area of 111.62

sq. ft. with the two-wheeler open parking site and pro rata share on common areas was allotted to the complainant via allotment letter dated 29.08.2024.

- d) That on 03.09.2024 a flat buyer's agreement, was executed for the said unit having sale price of Rs. 1,29,48,022.51/- excluding all other charges, taxes etc. as mentioned and agreed by the complainant under the agreement. It is to note, that the said agreement was signed by the complainant voluntarily with free will and consent without any demur. The complainant had applied for the unit only after the due diligence, verification done and post being fully satisfied with project. As per the provision clause 1.3, schedule C of the agreement, the complainant had agreed and undertaken to pay sale consideration in terms of the payment schedule. Further, as per the clause 10.3 of the agreement, in case of any delay in making timely payment of amounts in terms of the payment plan or otherwise payable in the agreement the promoter was allowed to cancel the grant of possession of the flat to the allottee(s), subjected the allottee has failed to make the outstanding payment even the notice beyond the required period.
- e) That the complainant has only made the payment of booking amount of Rs. 11,15,000/- towards the said floor on 27.08.2024. The allottee herein has failed to make further timely payments in reference to the total sale consideration amount i.e., 1,29,48,022.51/- according to the prescribed payment plan under the agreement even after multiple reminders by the promoter/respondent. These repetitive defaults on the part of the allottee, the right of the promoter to cancel the possession of the unit/flats is initiated, as per clause 10.3 of the agreement. Several reminders and pre-cancellation notices were sent to the complainant raising the demands,

whereas the complainant paid no heed and remained in default. The promoter was forced to cancel the unit due to non-payment of the outstanding amount by the complainant. It is to note that a pre-intimation notice, i.e., FIRST-DEMAND PRE-INTIMATION LETTER-SG/8.2.1/F49/R0 was sent to the complainant dated 16.09.2024, to pre-intimate the complainant to arrange the required funds for the further payments. Thereafter, pursuant to that, a pre-cancellation notice dated 07.01.2025 was sent. The respondent further sent two reminders and after receiving no payment, cancelled the unit vide cancellation letter dated 18.04.2024. The dates on which the reminders were sent, raising the demand, are mentioned as below in a tabular form for ready reference:

DATE	REMINDERS	OUTSTANDING AMOUNT
16.09.2024	FIRST-DEMAND PRE-INTIMATION LETTER-SG/8.2.1/F49/R0	Rs. 21,22,004.00/-
07.01.2025	PRE-CANCELLATION NOTICE - SG/8.2.1/F54/R0	Rs. 2,187,970.64/-
03.02.2025	REMINDER - SG/8.2.1/F57/R0	Rs. 2,212,686.21/-
24.02.2025	REMINDER 2 - SG/8.2.1/F57/R0	Rs. 2,231,909.42/-
18.04.2025	CANCELLATION NOTICE - SG/8.2.1/F46/R0	Rs. 2,280,425.19 /-
The cancellation was done as per the terms of the agreement.		

- f) That further, as per the Section 19 clause 6-7 of the Act, 2016, the allottee(s) as per the law applicable has the duty to make timely payment to get the possession of the unit/flat and in case of the delay allottee(s) is also liable to pay interest to the promoter.
- g) That the complainant herein had defaulted in making the payment at various instances as per the affordable housing policy and the schedule of



payment as agreed under the agreement. The majority of times, the payment from the complainant was received after the lapse of stipulated time period which led to levying of late payment charges on the complainant as per the policy. The same can be verified from the statement of account wherein the payment entries are showing that at various occasions, the complainant had paid late payment charges due to default in making timely payments.

- h) That the complainant in the present complaint has raised an issue of delay in possession of the project by concealing the very fact that the possession is delayed which now stands cancelled due to reason that the complainant was unable to comply by its contractual obligations and multiple defaults. Therefore, the contention of the complainant that the possession is delayed is *non est* in the eyes of law and shall not be considered while adjudicating the present complaint.
- i) That the entire case of the complainant is nothing but a web of lies, false and frivolous allegations made against the respondent. It is brought to the knowledge of the Authority that the complainant is trying to hoodwink the Authority by placing untrue facts and are attempting to hide the true colour of intention.
- j) That there exists no cause of action as much as in favour of the complainant or against the respondent and the complaint under reply is liable to be dismissed as per the facts and averments as explained hereinabove.
- k) Hence, the present complaint under reply is liable to be dismissed with cost for wasting the precious time and resources of the Authority. The complaint is an utter abuse of the process of law and hence deserves to be dismissed.

7. All other averments made in the complaint were denied in toto.
8. 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 submissions made by the parties.

E. Jurisdiction of the authority

9. The authority has complete territorial and subject matter jurisdiction to adjudicate the present complaint for the reasons given below.

E.I Territorial jurisdiction

10. As per notification no. 1/92/2017-1TCP dated 14.12.2017 issued by Town and Country Planning Department, the jurisdiction of Real Estate Regulatory Authority, Gurugram shall be entire Gurugram District for all purpose with offices situated in Gurugram. In the present case, the project in question is situated within the planning area of Gurugram District. Therefore, this authority has complete territorial jurisdiction to deal with the present complaint.

E.II Subject matter jurisdiction

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

12. So, in view of the provisions of the Act quoted above, the authority has complete jurisdiction to decide the complaint regarding non-compliance of obligations by the promoter leaving aside compensation which is to be decided by the adjudicating officer if pursued by the complainant at a later stage.

F. Findings on Relief sought by the complainant.

F.I Direct the respondent to refund the entire amount paid by the complainants to the respondent along with interest till the date of its realization.

F.II Direct the respondent not to create any third-party rights in the said unit final realization of the total amount paid along with interest.

13. In the present case, the complainant booked a unit in the project of the respondent namely "Signature Global City" situated at Sector- 92, Gurugram and a provisional allotment letter dated 29.08.2024 was issued in his favour. Subsequently, a builder buyer agreement was executed between the parties on 03.09.2024, wherein residential independent floor no. 4F, tower M11, 4th floor, admeasuring 578.813 sq. ft. carpet area and 101.39 sq. ft. balcony area was allotted to the complainant.

14. Further, the Authority has gone through the possession clause of the agreement and observed that the respondent-developer proposes to handover the possession of the allotted unit by 31.03.2025. Therefore, the due date of handing over possession comes out to be 31.03.2025. The complainant has paid an amount of Rs. 11,15,000/- against the sale consideration of Rs. 1,29,48,022 /-.

15. The respondent raised a plea that the unit allotted to the complainant had already been cancelled by the respondent vide notice of termination dated 18.04.2025 on account failure of the complainant to make payment of the outstanding dues. To corroborate further, the respondent placed on record

demand letter dated 16.09.2024, pre-cancellation letter dated 07.01.2025 and reminder dated 03.02.2025 followed by notice of termination dated 18.04.2025 being sent by the respondent to the complainant to make payment of the outstanding dues. Now, the question before the authority is whether the cancellation letter dated 18.04.2025 is valid or not, in the eyes of law?

16. Perusal of customer ledger dated 09.07.2025 placed on record the complainant made last payment towards the allotment of the said unit on 28.10.2024. The respondent has issued a pre-cancellation notice dated 07.01.2025 was sent to the complainant giving an opportunity to make outstanding payments amounting to Rs.21,87,970/- with interest within 15 days failing which the agreement and allotment will stand cancelled. But the complainant did not pay any heed to the notices. Thereafter, a reminder letter dated 03.02.2025 followed by the cancellation letter dated 18.04.2025 was issued and give last and final opportunity to deposit the overdue amount of Rs. 22,80,425/- within a period of 15 days. The respondent also sent an email to the complainant and intimated the complainant about the cancellation letter issued on 18.04.2025.
17. The Authority has gone through the payment plan (Schedule 'C') of the buyer's agreement executed between the parties. Further, on considering the documents available on record as well as submissions made by both the parties, it can be ascertained that the complainant had paid an amount of Rs.11,15,000/- (which is less than 10% of the sale consideration). The respondent has sent pre-cancellation letter dated 07.01.2025 to make payment of the outstanding amount. The Authority is of considered view that the respondent is right in raising demands as per payment plan agreed between the parties. However, the complainant continued with their default

and again failed to make payment even after pre-cancellation letter dated 07.01.2025 leading to cancellation of unit vide letter dated 18.04.2025.

18. As per clause 10.3 of the buyer's agreement executed between the parties, in case of any delay in making timely payment of amounts in terms of the payment plan or otherwise payable in the agreement the promoter was allowed to cancel the grant of possession of the flat to the allottee(s), subject the allottee has failed to make the outstanding payment even the notice beyond the required period. Clause 10.3 of the buyer's agreement are reproduced under for ready reference:

10.3

"...in case of default by allottee under the condition listed above continues for a period beyond ninety days after notice from the promoter is this regard, the promoter may cancel the allotment of the independent floor for residential independent floor along with parking in favour of the allottee and refund the money paid to him by the allottee by forfeiting the booking amount paid..."

19. Further, Section 19(6) and Section 19(7) of the Act of 2016 casts an obligation on the allottee to make necessary payments in a timely manner. The respondent has given sufficient opportunities to the complainant and finally cancelled the allotted unit of the complainant vide letter dated 18.04.2025. Hence, **cancellation of the unit in view of the terms and conditions of the buyer's agreement dated 03.09.2024 is held to be valid.**

20. Now, the second issue for consideration arises as to whether after cancellation the balance amount after deduction of earnest money of the basic sale consideration of the unit has been sent to the claimant or not. The issue with regard to deduction of earnest money on cancellation of a contract arose in cases of *Maula Bux VS. Union of India, (1970) 1 SCR 928* and *Sirdar K.B. Ram Chandra Raj Urs. VS. Sarah C. Urs., (2015) 4 SCC 136*, and wherein it was held that forfeiture of the amount in case of breach of contract must be reasonable and if forfeiture is in the nature of penalty, then provisions of section

74 of Contract Act, 1872 are attached and the party so forfeiting must prove actual damages. After cancellation of allotment, the flat remains with the builder as such there is hardly any actual damage. National Consumer Disputes Redressal Commissions in *CC/435/2019 Ramesh Malhotra VS. Emaar MGF Land Limited* (decided on 29.06.2020) and *Mr. Saurav Sanyal VS. M/s IREO Private Limited* (decided on 12.04.2022) and followed in *CC/2766/2017 in case titled as Jayant Singhal and Anr. VS. M3M India Limited decided on 26.07.2022*, held that 10% of basic sale price is reasonable amount to be forfeited in the name of "earnest money". Keeping in view the principles laid down in the first two cases, a regulation known as the Haryana Real Estate Regulatory Authority Gurugram (Forfeiture of earnest money by the builder) Regulations, 11(5) of 2018, was framed providing as under-

"5. AMOUNT OF EARNEST MONEY

Scenario prior to the Real Estate (Regulations and Development) Act, 2016 was different. Frauds were carried out without any fear as there was no law for the same but now, in view of the above facts and taking into consideration the judgements of Hon'ble National Consumer Disputes Redressal Commission and the Hon'ble Supreme Court of India, the authority is of the view that the forfeiture amount of the earnest money shall not exceed more than 10% of the consideration amount of the real estate i.e. apartment/plot/building as the case may be in all cases where the cancellation of the flat/unit/plot is made by the builder in a unilateral manner or the buyer intends to withdraw from the project and any agreement containing any clause contrary to the aforesaid regulations shall be void and not binding on the buyer."

21. It is important to note that the amount paid by the complainant i.e., Rs. 11,15,000/- constitutes to only 8.61% of the sale consideration of Rs. 1,29,48,022/-. So, keeping in view the law laid down by the Hon'ble Apex court and provisions of Regulation 11 of 2018 framed by the Haryana Real Estate Regulatory Authority, Gurugram, the respondent can forfeit the entire amount paid by the complainant i.e., Rs.11,15,000/- against the allotted unit as it is less than the earnest money as well as 10% of the consideration

amount. Accordingly, upon cancellation, the said amount was forfeited by the respondent as earnest money, and no refund was found to be due.

22. In view of the above, the Authority is of the considered view that the complainant is not entitled to any refund, as the amount paid was less than 10% of the sale consideration, and the unit was cancelled in 2025. Thus, the complaint is hereby dismissed.

23. Complaint stands disposed of.

24. File be consigned to the registry.



Phool Singh Saini
(Member)

Haryana Real Estate Regulatory Authority, Gurugram

Dated: 20.01.2026



Arun Kumar
(Chairman)