



HARYANA REAL ESTATE REGULATORY AUTHORITY PANCHKULA

Website: www.haryanarera.gov.in

Complaint no.:	2028 fo 2024
Date of filing.:	16.01.2025
First date of hearing.:	04.03.2025
Date of decision.:	28.07.2026

MS Steel Yard

....COMPLAINANT

Versus

1. Sunbreeze Builders and Developers Private Limited
2. Anil Wadhwa
3. Vivek Narang
4. Vikas Narang
5. Summit Makka

....RESPONDENT(s)

Present: Adv. Digvijay Anand, Ld. Counsel for the Complainant
through VC.

None for the respondent.

Ratna

ORDER : DR. GEETA RATHEE SINGH -(MEMBER)

1. Present complaint has been filed by complainant under Section 31 of The Real Estate (Regulation & Development) Act, 2016 (for short Act of 2016) read with relevant rules of The Haryana Real Estate (Regulation & Development) Rules, 2017.

A. FACTS OF THE COMPLAINT AS STATED IN THE COMPLAINT

2. The complainant is a proprietorship firm engaged in the business of demolition works. It is the case of the complainant that a demolition agreement dated 27.09.2023 was executed between the M/s Sunbreeze Builders & Developers Pvt. Ltd. and M/s Steel Yard in respect of demolition of the project namely "Shubhangan" situated at Village Nizampur, Sector-40, Panipat. Pursuant to the terms of the agreement, the complainant deposited an amount of ₹30,00,000/- as security deposit and undertook the demolition work. According to the complainant, after completion of the demolition work the respondents failed to refund the security deposit despite repeated requests and legal notices. Aggrieved thereby, the complainant has approached this Authority seeking refund of the said security deposit along with interest, cost and expenses @ 18% per annum.



B. RELIEF SOUGHT

3. That complainant seeks following relief and directions to the respondent:-

(i) The respondents, may be directed to refund the security amount, of Rs.30,00,000/- (Rupees Thirty Lakh Only), along with the interest, cost and expenses @ of 18% Per Annum, after duly, fully and completely executing the project and the respondents have illegally not refunded the security amount to the complainant.

(ii) The respondents may be held liable for involving in illegal, unfair & fraudulent practices, irregularities for not refunding the security amount, as defined under Real Estate (Regulation and Development) Act, 2016, which has caused undue harassment and wrongful loss, to the complainant.

(iii) The respondents may be directed to refund the security amount, of Rs.30,00,000/- (Rupees Thirty Lakh Only), along with the interest, cost and expenses @ of 18% Per Annum, from the Current Account No. 675320110000043, Bank of India, Panipat, as the respondents, have illegally forfeited and not refunded the security amount to complainant,



(iv) Any other order or direction as this Hon'ble Authority may deem fit under the facts and circumstances of the matter;

C. REPLY SUBMITTED ON BEHALF OF RESPONDENT

4. In their reply filed on 25.02.2025, the respondents resisted the complaint on the ground of maintainability, contending that the subject dispute stems exclusively from a standalone demolition contract, which operates independently of any transaction or agreement for sale under the Real Estate (Regulation and Development) Act, 2016. The respondents submitted that the complainant lacks *locus standi* to invoke the provisions of the RERA Act, as it is neither an "allottee" nor a "homebuyer" within the statutory framework governing the project. Additionally, the respondents alleged non-performance and breach of contractual obligations on the part of the complainant under the demolition agreement, asserting that the controversy is a purely commercial/civil dispute falling strictly within the jurisdiction of a competent Civil Court.

D. ARGUMENTS OF LEARNED COUNSEL FOR THE COMPLAINANT

5. Learned counsel for the complainant submitted that present complaint is maintainable under the provisions of the Real Estate (Regulation and



Development Act, 2016. He contended that the activities undertaken by the respondent falls within the ambit of "development" as defined under Section 2(s) of the act which includes redevelopment. He further contended that the complainant, being an "aggrieved person", has rightly invoked the jurisdiction of the Authority by filing the present complaint under Section-31 of the Act.

E. FINDINGS AND OBSERVATIONS OF THE AUTHORITY

6. The Authority has gone through material available on record. The complainant who alleged, to be an "aggrieved person", has instituted the present complaint under section 31 of the Real Estate (Regulation and Development) Act, 2016, seeking refund of the security deposit amounting to ₹30,00,000/- along with interest, costs and litigation expenses. The principal relief claimed by the complainant is the refund of security deposit along with interest. Authority observes that relief of refund along with interest and compensation is provided under Section 18 of the Real Estate (Regulation and Development) Act, 2016. Therefore, before examining the entitlement of the complainant to the relief claimed, it is necessary to determine whether the present dispute falls within the scope and ambit of Section 18 of the Act. Section 18 of the RE(R&D) Act, 2016 is reproduced herein below;



"Section 18- Return of amount and compensation. (1) *If the promoter fails to complete or is unable to give possession of an apartment, plot or building.*

(a) in accordance with the terms of the agreement for sale or, as the case may be, duly completed by the date specified therein, or (b) due to discontinuance of his business as a developer on account of suspension or revocation of the registration under this Act or for any other reason, he shall be liable on demand to the allottees, in case the allottee wishes to withdraw from the project, without prejudice to any other remedy available, to return the amount received by him in respect of that apartment, plot, building, as the case may be, with interest at such rate as may be prescribed in this behalf including compensation in the manner as provided under this Act:

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.

(2) The promoter shall compensate the allottees in case of any loss caused to him due to defective title of the land, on which the project is being developed or has been developed. in the manner as provided under this Act, and the claim for compensation under this subsection shall not be barred by limitation provided under any law for the time being in force

(3) If the promoter fails to discharge any other obligations imposed on him under this Act or the rules or regulations made thereunder or in accordance with the terms and conditions of the agreement for sale, he shall be liable to pay such compensation to the allottees, in the manner as provided under this Act."

A careful reading of Section 18 reveals that the statutory remedy of refund along with interest and compensation is available only when the following essential ingredients are fulfilled:

G. Rathore

(i) there must exist an "agreement for sale" executed between the promoter and the allottee in respect of an apartment, plot or building, as the case may be

(ii) the promoter must have failed to hand over possession

a. In accordance with the terms of the agreement for sale.

b. Due to discontinuance of his business as a developer on account of suspension or revocation of the registration under this Act or for any other reason

(iii) When the promoter fails to handover possession as per conditions mentioned in point (ii) that promoter shall be liable on demand to the allottees, in case the allottee wishes to withdraw from the project, **to return the amount.**

The applicability of Section 18 is dependent upon the claimant being an "allottee" and "execution of agreement for sale". Therefore in order to claim refund along with interest under section 18 of the Act there has to be an agreement for sale between promoter and allottee. It is apposite to reproduce Section 2(c) and 2 (d) of the Act.

Section 2(c)- "agreement for sale" means an agreement entered into between the promoter and the allottee;

Section 2(d)- "allottee" in relation to a real estate project, means the person to whom a plot, apartment or building, as the case may be, has been allotted, sold (whether as freehold or



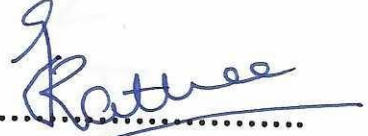
leasehold) or otherwise transferred by the promoter, and includes the person who subsequently acquires the said allotment through sale, transfer or otherwise but does not include a person to whom such plot, apartment or building, as the case may be, is given on rent;

7. A conjoint reading of Sections 18, 2(c) and 2(d) manifestS that the legislature has consciously restricted the remedy of refund along with interest under Section 18 only to persons who qualify as “allottees” under the Act and whose rights arise out of an “agreement for sale”. In the present case, the relationship between the parties is admittedly governed by a demolition agreement dated 27.09.2023. The complainant was engaged as a demolition contractor for execution of demolition work and had deposited ₹30,00,000/- as a contractual security deposit under the said agreement. Admittedly, the complainant has neither booked, purchased nor been allotted any apartment, plot or building in the respondent’s project. There is also no agreement for sale executed between the parties. Thus, the complainant does not fall within the definition of an “allottee” under Section 2(d) of the Act, nor does the dispute arise from an “agreement for sale”. The refund sought pertains exclusively to a contractual security deposit furnished under a demolition agreement. Such a claim is governed by the terms of the contract and the general law of contracts and does not constitute a dispute envisaged under Section 18 of the Real Estate (Regulation and



Development) Act, 2016. Merely because the demolition work was undertaken in relation to a real estate project does not, by itself, confer jurisdiction upon this Authority to adjudicate disputes arising from an independent works contract.

8. Accordingly, this Authority holds that the present complaint is **not maintainable** under the provisions of the Real Estate (Regulation and Development) Act, 2016 and **is liable to be dismissed**, with liberty to the complainant to avail such remedy as may be available under relevant law


.....
DR. GEETA RATHEE SINGH
[MEMBER]