BEFORE THE HARYANA REAL ESTATE REGULATORY AUTHORITY, GURUGRAM

Complaint no.: 1019 of 2025
Date of complaint: 25.03.2025
Date of order: 08.09.2026

Vishal Kumar
R/O: - H.No. 21-A, Tirath Nagar, Talab Tillo, Jammu City, Jammu & Kashmir.

Complainant

Versus

M/s Renuka Traders Pvt. Ltd.
Regd. Office: A-25, Mohan Co-operative, Industrial Estate, Mathura Road, New Delhi-10044.
IIFL Home Finances Ltd.
Regd. Office at:30/30E, UGF Front Side, Shivaji Marg, Najafgarh Road, Moti Nagar

Respondents

CORAM:
Shri Arun Kumar — **Chairman**

APPEARANCE:
Shre Prateek Parasher(Advocate) — Complainant
Ms. Priya Sharma (Advocate) — 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 complainant, date of proposed handing over the possession, delay period, if any, have been detailed in the following tabular form:

S.No.	Heads	Information
1.	Project name and location	"Aashiyara II", Sector- 37C, Gurugram.
2.	Project area	5 acres
3.	Nature of the project	Affordable Group Housing Project
4.	DTCP license no and validity status	15 of 2018 dated 13.02.2018 valid upto 12.02.2025
5.	Name of licensee	Renuka Traders Private Limited
6.	RERA Registered/ not registered	Registered vide no. 53 of 2021 dated 16.09.2021
7.	RERA registration valid up to	08.12.2025
8.	Unit no.	1505, Tower- T12 [Page no. 27 of complaint]
9.	Unit measuring	645.678 sq. ft. (carpet area) [page 27 of complaint]
10.	Date of execution of buyer's agreement	10.02.2022 (page 25 of complaint)
11.	Possession clause 7.1	***Schedule for possession of the said allotted unit*** *- The Promoter agrees and understands that..... The promoter based on approved plans and specifications assures to handover possession of the unit on or before 08.12.2025...* (page 35 of complaint)
12.	Due date of possession	08.12.2025 (as per possession clause)

13.	Payment plan	Time linked payment Plan [Page no. 54 of complaint]
14.	Total consideration	Rs.26,32,598/- [page no. 54 of complaint]
15.	Total amount paid by the complainant	Rs.13,29,463/- [as per CRA at page 10 of complaint]
16.	Occupation certificate	Not obtained
17.	Offer of possession	Not offered
18.	Newspaper publication	29.10.2024 (page 90 of reply)
19.	Cancellation notice	13.11.2024 (page 70 of complaint)

B. Facts of the complaint:

3. The complainant has made the following submissions: -

I. That the complainant Vishal Kumar is the applicant of the allotted apartment, a law-abiding citizen of India and is a resident of H.No. 21-A, Tirath Nagar, Talab Tillo, Jammu City, Jammu and Kashmir, 180002 (hereinafter called the Complainant/Petitioner).

II. That the respondent Renuka Traders Private Limited is a company incorporated under the Companies Act, 1956 having its Registered Office at A-25, Mohan Co-Operative Industrial Estate, Mathura Road, New Delhi-110044 (hereinafter called the Developer/Promoter/Builder/Respondent) and the project in question is known as "AASHIYARA-II", Sector-37C, Village-Gharoli Khurd Gurugram, Haryana (hereinafter called the Project).

III. That as per Sec 2(zk) of the Real Estate (Regulation and Development) Act, 2016, the respondent falls under the category of "Promoter" and is bound by the duties and obligations mentioned in the said Act, and is under the territorial jurisdiction of this Hon'ble Regulatory Authority.

IV. That as per the Section 2(d) of the Real Estate (Regulation and Development) Act, 2016, the complainants fall under the category of "Allottee" and have rights and obligations under the Act.

V. That the complainant, in search of an affordable residential property, was drawn to the AASHIYARA-II project developed by Renuka Traders Private Limited. The project was marketed as an affordable housing option, with attractive terms and conditions, including a flexible loan facility that could be availed through the bank with which the builder had a tie-up. After reviewing the project, the Complainant decided to purchase a 3BHK unit (Unit No. 1505) in Tower T12 of the said project, paying a booking amount of ₹1,29,136/-, which represented 5% of the total consideration, on 20/05/2021. The booking amount was promptly paid to the builder, confirming the complainant's intent to proceed with the purchase.

VI. That after the booking, the complainant received an official email from Renuka Traders on 04/01/2022, confirming the allotment of Unit No. 1505, which was a 3BHK Type-C apartment in Tower T12 of the AASHIYARA-II project. The builder sent an invitation to sign the builder-buyer agreement, which was executed by both parties on 08/02/2022.

VII. That as per the agreement, the complainant was required to pay 20% of the total consideration within a stipulated period. In accordance with this, the Complainant paid ₹5,35,593/- on 08/02/2022, bringing the total payment made so far to ₹6,64,729/- (comprising the booking amount and 20% of the total consideration). This payment was made from the Complainant's personal savings, indicating full compliance with the terms of the agreement by the complainant.

VIII. That on the builder's advice, the complainant approached (Respondent No.2) IIFL Home Loans, a bank with which the builder had a tie-up for financing. On 10/05/2022, IIFL Home Loans approved a home loan of ₹15,08,704/-, which

was necessary for the complainant to meet further payment obligations as required by the builder. The loan was crucial in enabling the complainant to fulfill the remaining payment demands, as outlined in the builder-buyer agreement.

IX. That on 14/06/2022, the builder raised the first payment demand for ₹3,32,367/-, representing 12.5% of the total consideration. The complainant promptly forwarded this payment demand to IIFL Home Loans, requesting them to disburse the loan amount to clear this demand. However, IIFL Home Loans refused to release the funds, citing that the construction was incomplete, and therefore, the disbursement was not possible.

X. That despite the loan sanction, IIFL Home Loans failed to honor their obligations. Faced with the threat of penalties and interest charges imposed by the builder, the complainant was compelled to arrange personal funds to make the payment of ₹3,32,367/- on 26/09/2023, along with interest charges incurred for the delay.

XI. That in December 2022, the builder raised the second demand for ₹3,27,586/-. The complainant once again approached IIFL Home Loans for the disbursement of funds to meet the payment. However, despite repeated follow-ups, the bank did not release the loan amount for an extended period. The loan amount was only disbursed on 12/07/2023, and the bank did not include the interest accrued on the delay in disbursement.

XII. That this delay caused further financial hardship for the complainant, as they had to arrange funds once again to cover the interest costs, in addition to the principal loan amount. The failure of IIFL Home Loans (Respondent No.2) to fulfill its financial commitment created an undue burden on the complainant.

XIII. That on 26/06/2023, the builder raised the third demand of ₹3,32,363/-. As per the agreement, this demand was to be settled through the disbursement of the IIFL Home Loans sanctioned amount. However, IIFL again refused to disburse

the loan, citing that the project work was progressing slowly and deviations from approved construction plans were noted.

XIV. That despite continuous communication and requests for timely action, IIFL Home Loans remained uncooperative, and the disbursement was withheld. The complainant, left with no other choice, was once again forced to make payments from personal funds to fulfill the builder's demands, thereby incurring additional financial strain.

XV. That In July 2024, the HRERA registration of the AASHIYARA-II project expired due to Renuka Traders' failure to comply with critical regulatory requirements under Section 4(2)(l)(D) of the RERA Act. The builder failed to submit mandatory annual compliance reports for the years 2019–2023 and did not obtain approved service plans and estimates.

XVI. That this non-compliance resulted in HRERA's rejection of the builder's application for an extension of the project's registration on 07/10/2024. The builder was no longer authorized to continue with the project under RERA, leaving the Complainant with no legal recourse to demand possession or proceed with the agreed payments under the agreement.

XVII. That despite the expiration of the builder's registration and the project's non-compliance, the builder continued to raise demands. On 15/12/2023, the builder raised a final demand of ₹3,26,067/-, which included ₹37,143/- in interest charges. The IIFL Home Loans once again refused to release the funds, citing the slow pace of construction.

XVIII. That as a result of these continued issues, the complainant was left in a state of financial and emotional distress, unable to rely on the builder or the bank to fulfill their contractual obligations.

XIX. On 13/11/2024, the builder issued a cancellation notice, unilaterally terminating the complainant's allotment of Unit No. 1505. This cancellation occurred despite the Complainant's willingness to comply with the demands and

make further payments. The builder's actions were completely unjustified, especially in light of the ongoing non-compliance, failure to meet RERA requirements, and HRERA's findings against them.

XX. That the complainant has invested a substantial amount in the project, including ₹1,29,136/- as the booking amount, ₹5,35,593/- as the 20% payment, and additional personal funds of approximately ₹9,00,000/- to meet the builder's demands, including interest charges and penalties. Despite fulfilling all obligations, the complainant has been deprived of possession and is now facing the loss of all their investments due to the builder's failure to comply with both contractual and statutory obligations under RERA.

XXI. Furthermore, the Complainant has endured significant emotional and financial distress, having dealt with repeated delays, unjustified demands, and the unlawful cancellation of their unit.

C. Relief sought by the complainant:

4. The complainants have sought following relief(s):

I. **Grant an immediate stay on the cancellation notice dated 13/11/2024, ensuring that the allotment of Unit No. 1505 remains intact and preventing the builder from further alienating, reallocating, or transferring the unit to any third party until the resolution of this complaint.**

II. **Reinstate the allotment of Unit No. 1505 and direct Renuka Traders Private Limited to hand over possession of the unit without any further penalties or charges, or in the alternative, to refund the entire amount paid by the Complainant (including the booking amount and subsequent payments) along with interest at the rate of 18% per annum from the date of payment until the date of refund.**

III. **Order IIFL Home Loans to immediately release the pending loan amount of ₹15,08,704/-, including all accrued interest, without further delay, and compensate for the financial losses incurred due to the delay in disbursement.**

IV. **Award compensation for delay in possession under Section 18(1)(a) of the RERA Act, including interest from the original due date of possession until the actual date of possession or refund.**

V. **Order Renuka Traders Private Limited to compensate the Complainant for the mental agony, harassment, and financial distress caused by the builder's failure to meet statutory obligations, delayed project progress, and unlawful cancellation of the allotment.**

VI. **Award legal expenses of ₹2,00,000/- incurred by the Complainant for pursuing this complaint, including costs for legal advice, filing the complaint, and other related expenses.**

VII. **Direct the builder to resolve all outstanding issues concerning the Complainant's unit, including any discrepancies in construction, compliance with the RERA Act, and ensuring the unit is fit for possession as per the Builder-Buyer Agreement.**

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 filed by the respondent.

6. The respondent contested the complaint on the following grounds:.

a. That the allegations made by the complainant regarding expiry of license and registration are entirely false, misleading, and based on an incorrect understanding of facts. The Complainant has attempted to mislead the Authority by placing on record documents that do not even pertain to the present project. It is submitted that the order annexed by the complainant pertains to the Aashiyara–I project, whereas the unit booked by the complainant is situated in Aashiyara–II. The two are distinct projects, each having separate licenses, approvals, and RERA registrations. It is further submitted that the Aashiyara–II project stands duly registered under Section 5 of the Real Estate (Regulation and Development) Act, 2016, vide Certificate dated 16.09.2021, issued by the Hon'ble Haryana Real Estate Regulatory Authority. The said registration is valid and is strictly in accordance with the statutory timeline prescribed under the RERA Act.

b. That the captioned complaint arose out of an allotment made to the complainant under the project Aashiyara II which is governed and regulated as per the

Affordable Housing Policy, 2013, notified by the Government of Haryana vide Notification No. PF-27/4821 dated 19.08.2013, and amended vide Memo No. ZP-1238/AD(RA)/2018/28705 dated 08.10.2018. The respondent, M/s Renuka Traders Pvt. Ltd., is the licensed promoter of an affordable group housing project titled "AASHIYARA II", situated in Sector 37-C, Gurugram, and has undertaken the said development strictly in compliance with the policy framework, licensing conditions, and approvals granted by the competent authorities.

c. That it is most pertinent to mention that the complainant, desiring to purchase a house, approached the respondent and only after being fully aware of the nature, category, and regulatory regime governing the project, submitted the application Form no. 15327 seeking allotment of a residential flat in the said project.

d. That in pursuance to the application, the complainant was allotted a unit in T-12, Unit – 1505, and were informed about the same vide letter dated 14.01.2022, wherein it was mentioned that the complainant has been allotted the unit having area 645.678 sq. ft. for a total sale consideration amount of Rs. 26,32,598/- which was exclusive of applicable taxes. Accordingly, the total sale consideration, after including applicable taxes, amounts to Rs. 26,58,923/-. Moreover, the complainant was also intimated to get the agreement for sale registered vide letter dated 04.01.2022.

e. That the respondent, in compliance with the applicable provisions of RERA and the Affordable Housing Policy, 2013, made consistent efforts to ensure the timely execution of the Agreement to Sale (hereinafter referred to as the "Agreement"). Consequently, the said agreement was duly executed between the parties on 10.02.2022. It is respectfully submitted that the agreement clearly defines the rights and obligations of both parties. In particular, Clause 1.2 of the Agreement stipulates that the total price of the unit is Rs. 26,58,923/- inclusive of the applicable taxes.

f. That in order to facilitate timely payment of the due installments, the complainants opted to avail a home loan facility from IIFL Home Loans. Accordingly, a Tripartite Agreement was executed between the complainants, the respondent, and respondent no. 2. Under the said agreement, the complainants voluntarily acknowledged respondent No. 1 as their chosen developer and agreed to procure the said unit through a mortgage arrangement with respondent no. 2. Further, the same was duly acknowledged by respondent no. 2 vide letter dated 22.06.2022, wherein respondent no. 1 granted its consent for creation of a mortgage in respect of the said unit allotted to the complainant.

g. That in strict adherence to the Payment Plan prescribed under the Haryana Affordable Housing Policy, 2013, the respondent has been raising demand notices, in accordance with the stages of construction and progress of work, with the objective of ensuring timely execution and completion of the project within the stipulated time frame as approved by the competent authorities.

h. That the respondent, raised a demand upon the complainant vide demand notice dated 14.06.2022 for an amount of Rs. 3,32,367/-, towards the consideration payable for the allotted unit, based on the stage-wise progress of construction.

i. That despite the issuance of the said demand notice, the complainant failed to make the payment within the stipulated time. Consequently, the respondent issued reminder letters dated 06.09.2022 and 22.09.2022, explicitly calling upon the complainant to clear the overdue amount.

j. That further, in continuation of the payment schedule, another demand letter dated 13.12.2022 was issued to the Complainant. However, the Complainant again failed to comply. In view of the persistent default, the respondent issued additional reminders dated 21.02.2023 and 07.04.2023, providing the complainant further opportunity to regularize the default. These reminders reflect the Respondent's bona fide efforts and cooperative approach.

k. That thereafter, a fresh demand letter dated 26.06.2023 was issued in accordance with the payment plan, which also went responded. Accordingly, a follow-up reminder dated 09.10.2023 was sent to the complainant.

l. That subsequently, another demand dated 15.12.2023 was raised, which again remained unpaid and necessitated further reminders on 05.02.2024, 01.03.2024, and 17.05.2024.

m. That Most recently, a demand dated 14.06.2024 was issued in continuation of the payment schedule, followed by multiple reminders dated 31.07.2024, 29.08.2024, 01.10.2024, and 17.10.2024.

n. That the complainant has been persistently defaulting in making the requisite payments since the very beginning, despite being afforded multiple opportunities and repeated reminders by the respondent to clear the outstanding dues. The respondent in adherence to the contractual terms has consistently extended opportunities to the complainant to regularize the default, but the complainant has willfully failed to comply with the agreed payment obligations under the agreement.

o. That in view of the complainant's continued non-compliance with the agreed payment schedule and as per the Clause 9.3 the Agreement, the respondent issued a Final Notice dated 25.10.2024, calling upon the complainant to discharge all his pending financial obligations under the agreement within the stipulated period. The said notice was issued as a last opportunity to the complainant.

p. That after providing the complainant with ample opportunities, the respondent had no alternative but to cancel the allocation of the said unit, as communicated vide letter dated 13.11.2024. It is further submitted that subsequent to such cancellation, third-party rights have also been created in respect of the said unit.

q. That it is respectfully submitted that the complainant himself has failed to adhere to the timely payment schedule as stipulated under the agreement. The

agreement between the parties is premised on a mutually enforceable understanding that timely disbursement of payments by the allottees is crucial for the uninterrupted and scheduled progress of construction activities. It is pertinent to note that even a short delay of a few months in payment by multiple allottees can severely affect the fund-flow necessary for the execution of an affordable housing project. Such projects are typically executed on a "no profit, no loss" or minimal margin basis, with financial planning intricately dependent on scheduled inflows from the allottees. Thus, any deviation from the agreed payment schedule causes a ripple effect on the working capital cycle and construction schedule of the entire project. In the present case, not only have the Complainant defaulted in making timely payments, but a number of other allottees have also failed to fulfil their respective financial obligations. In fact, the Complainant himself has been withholding a substantial amount of Rs. 11,01,738/-, the said figure is substantial and assumes a critical dimension when viewed in the context of overall project financing. When looked with the perception of approximately 700 allottees, such substantial defaults create a massive shortfall in the funds required for continuous execution of the project. These cumulative financial delays not only constrain the availability of working capital but also directly hinder the Respondent Company's ability to maintain construction schedules, procure materials, and deploy resources efficiently. Therefore, in light of the foregoing, attributing the entirety of any delay in project completion solely to the respondent is both factually incorrect and legally unsustainable. the delays, in substantial measure, have been occasioned by the complainant's own financial default, which, in combination with similar defaults by other allottees, has materially affected the respondent's capacity to execute the project in strict adherence to the pre-determined timeline.

r. That despite the continued non-payment from the complainant, the respondent has consistently acted in good faith and has diligently complied with all statutory

and regulatory obligations. In furtherance of its lawful duties, the respondent obtained the requisite environmental clearance from the Competent Authority on 24.07.2022, in full compliance with the provisions of the Environment Impact Assessment (EIA) Notification, 2006, issued under the Environment (Protection) Act, 1986. This demonstrates the respondent Company's bona fide commitment to adhere to all legal requirements and to ensure the orderly and lawful execution of the Project, irrespective of the complainant's defaults.

s. That the respondent, in compliance with applicable laws and regulations, duly submitted an application for the sanction of the building plan pertaining to the said towers prior to the commencement of any construction activity. It was only upon receiving the requisite approval from the competent authority that the respondent proceeded with the construction of the said Towers.

t. That Additionally, the respondent has also secured the fire safety no objection certificate from the competent authority on 21.12.2021, as required under the provisions of the Haryana Fire Service Act, 2009 and the National Building Code of India, 2016. The grant of this Fire NOC further affirms that the Project is compliant with all mandated fire safety norms and building codes.

u. That the present Complaint is wholly untenable, as the Complainant, instead of fulfilling his own contractual obligations, particularly the timely payment of dues, has approached the Authority. The reliefs sought in the Complaint arise solely from the complainant's own defaults and failures, and not from any act or omission on the part of the respondent. The complaint, therefore, constitutes a clear attempt to mislead this hon'ble authority and to coerce the respondent into granting concessions or reliefs that are neither contractually nor legally permissible. In essence, the complainant seeks to derive advantage from his own default, which is entirely impermissible in law and

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 submissions made by the parties.

E. Reply filed by the respondent no.2.

I. That the answering Respondent No. 2, India Infoline Housing Finance Limited ("IIFL Home Finance"), is a duly registered Housing Finance Company with the National Housing Bank (NHB), a wholly owned subsidiary of the Reserve Bank of India (RBI). The respondent is authorized to provide housing finance loans and carries out its business in accordance with the applicable laws and regulations. The present reply is filed by the authorized officer of Respondent No. 2, Mr. Raj, whose authorization is enclosed as Annexure A.

II. That the complainant approached respondent no. 2 seeking financial assistance for the purchase of unit no. 1505, Tower T12, 15th Floor, Sector 37C, Gurugram, Haryana, owned/developed by Respondent No. 1 (Renuka Traders Private Limited). After due diligence, including verification of the application, income documents, and other formalities, respondent no. 2 sanctioned a loan facility of Rs. 15,08,704/- vide Loan Agreement dated 10-05-2022, which was accepted and executed by the Complainant.

III. That the loan agreement clearly sets out the terms and conditions governing the loan including the repayment schedule, interest rate (9.41% p.a.), tenure (216 months), obligations of the borrower, and the security interest in the said property. The complainant undertook an unequivocal obligation to repay the loan as per the agreed schedule.

IV. That respondent no. 2's role is limited to financing the complainant for the purchase of the flat. The respondent no. 2 is neither a party to the agreement between the complainant and the promoter nor is it responsible for the construction, timely completion, or delivery of possession of the property. The delay in construction and non-compliance by the promoter cannot be attributed to respondent no. 2.

V. That the complainant's allegations regarding delay in disbursement of loan amount are unfounded and factually incorrect. respondent no. 2 disbursed the loan amount in accordance with the sanctioned terms and the agreed disbursement schedule, which was subject to submission of

valid demands and completion certificates by the promoter. Any delay in construction or compliance by the promoter affected the loan disbursement timelines, over which respondent no. 2 had no control.

VI. that respondent no. 2 at all times acted in good faith and in compliance with the applicable regulations including the tripartite agreement executed between the complainant, respondent no. 1, and respondent no. 2 to protect its interest. The tripartite agreement clearly demarcates the rights and responsibilities of the parties and does not impose any obligation on the respondent no. 2 regarding possession or delivery of the unit.

VII. That respondent no. 2 submits that as per the provisions of the real estate (regulation and development) act, 2016 ("rera act"), the liability and responsibility for delay in completion, possession, and any compensation thereto lies solely with the Promoter. No provision in RERA casts any such liability on the financer/lender for delay in construction or possession.

VIII. That it is respectfully submitted that the complaint is misconceived against Respondent No. 2 and is liable to be dismissed for lack of cause of action and maintainability.

IX. That the complainant has also failed to maintain the repayment schedule of the loan EMIs and is therefore in default.

X. That respondent no. 2 denies all allegations against it which are not specifically admitted herein.

F. Jurisdiction of the authority

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

F.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.

F.II Subject matter jurisdiction

10. 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.*

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 leaving aside compensation which is to be decided by the adjudicating officer if pursued by the complainant at a later stage.

G. Relief sought by the complainant.

G.I Grant an immediate stay on the cancellation notice dated 13/11/2024, ensuring that the allotment of Unit No. 1505 remains intact and preventing the builder from further alienating, reallocating, or transferring the unit to any third party until the resolution of this complaint.

G.II Reinstate the allotment of Unit No. 1505 and direct Renuka Traders Private Limited to hand over possession of the unit without any further penalties or charges, or in the alternative, to refund the entire amount paid by the Complainant (including the booking amount and subsequent payments) along with interest at the rate of 18% per annum from the date of payment until the date of refund.

G.III Order IIFL Home Loans to immediately release the pending loan amount of ₹15,08,704/-, including all accrued interest, without further delay, and compensate for the financial losses incurred due to the delay in disbursement.

G.IV Award compensation for delay in possession under Section 18(1)(a) of the RERA Act, including interest from the original due date of possession until the actual date of possession or refund.

G.V Direct the builder to resolve all outstanding issues concerning the Complainant's unit, including any discrepancies in construction, compliance with the RERA Act, and ensuring the unit is fit for possession as per the Builder-Buyer Agreement

12. The complainant states that she booked a 3BHK Type-C apartment bearing Unit No. 1505 in Tower T12 of the project AASHIYARA-II, Sector-37C, Gurugram, developed by respondent no. 1, Renuka Traders Private Limited, by paying a booking amount of ₹1,29,136/- on 20.05.2021. The allotment was confirmed on 04.01.2022, and the builder-buyer agreement was executed on 08.02.2022, pursuant to which the complainant paid Rs.5,35,593/- towards the agreed consideration. Thereafter, on the builder's advice, the complainant obtained a home loan sanction of Rs.15,08,704/- from respondent no. 2, IIFL Home Loans, for making further payments. However, despite repeated requests, IIFL failed to disburse the sanctioned loan amount in a timely manner, citing incomplete construction, slow progress and deviations from the approved building plans, compelling the complainant to arrange substantial personal funds of approximately Rs.9,00,000/- towards the builder's demands, interest and penalties. Meanwhile, respondent no. 1 failed to comply with mandatory statutory requirements under the RERA Act, resulting in the expiry of the project's registration in July 2024 and rejection of its extension application by HRERA on 07.10.2024. Despite its own statutory and contractual defaults, the builder continued raising payment demands and ultimately issued a cancellation notice dated 13.11.2024, unilaterally cancelling the complainant's allotment.

13. On the contrary the respondent states that that the cancellation of the complainant's allotted unit was valid, justified, and in accordance with the terms and conditions of the Agreement for Sale. The complainant persistently failed to discharge his payment obligations despite repeated demand notices and reminders issued by the respondent from time to time, thereby remaining in continuous default of the agreed payment schedule. Despite being afforded

several opportunities to regularise the outstanding dues, the complainant failed to make the requisite payments. Accordingly, in compliance with Clause 9.3 of the Agreement, the respondent issued a final notice dated 25.10.2024, granting the complainant a final opportunity to clear the outstanding amount. However, upon continued failure to comply, the respondent was left with no alternative but to cancel the allotment vide letter dated 13.11.2024. The cancellation was therefore a consequence of the complainant's own persistent contractual defaults and was carried out in accordance with the agreed contractual terms, after following due procedure and providing sufficient opportunities to the complainant.

14. The respondent no. 2, india infoline housing Finance Limited (IIFL Home Finance), states that the bank had sanctioned a loan of Rs. 15,08,704/- to the complainant vide Loan Agreement dated 10.05.2022 for the purchase of Unit No. 1505, Tower T12, Sector 37C, Gurugram, Haryana, after conducting the requisite due diligence. The loan was sanctioned subject to the agreed terms and conditions, including an interest rate of 9.41% per annum and a tenure of 216 months. Respondent No. 2 submits that its role was confined to providing financial assistance and that it had no responsibility or control over the construction, completion or delivery of possession of the unit, which falls exclusively within the domain of Respondent No. 1, the promoter. It further submits that the loan amount was disbursed in accordance with the sanctioned terms and subject to fulfilment of the requisite conditions and submission of valid demands by the promoter. It is further submitted that the complainant has himself defaulted in repayment of the loan EMIs. Accordingly, the complaint, being misconceived and devoid of any cause of action against respondent no. 2, is liable to be dismissed.

15. In view of the submissions and the material placed on record, the issue which arises for consideration is whether the cancellation of the allotment by the

respondent on account of alleged non-payment of the outstanding instalments was in conformity with the provisions of the Haryana Affordable Housing Policy, 2013, and the terms and conditions of the buyer agreement executed between the parties.

16. After consideration of all the facts and circumstances, the Authority is of view that the respondent had issued several reminders/demand letters dated 14.06.2024, 31.07.2024, 29.08.2024, 01.10.2024, 17.10.2024 and final notice dated 25.10.2024, calling upon the complainant to clear the outstanding dues. After issuing several reminders, the respondent published a cancellation notice in the daily newspaper on 29.10.2024, in accordance with the Affordable policy, granting the complainant a further period of 15 days to clear the outstanding dues. However, despite the said opportunity, the complainant failed to comply, and consequently, the complainant's unit was cancelled by the respondent on 13.11. 2024. Clause 5(i) of the Affordable Group Housing Policy, 2013 provides a provision for cancellation of allotted unit and which runs as follow:

> *" if any successful applicant fails to deposit the installments within the time period as prescribed in the allotment letter issued by the colonizer, a reminder may be issued to him for depositing the due installments within a period of 15 days from the date of issue of such notice. If the allottee still defaults in making the payment, the list of such defaulters may be published in one regional Hindi news-paper having circulation of more than ten thousand in the State for payment of due amount within 15 Days from the date of publication of such notice, failing which allotment may be cancelled. In such cases also an amount of Rs. 25,000/- may be deducted by the coloniser and the balance amount shall be refunded to the applicant. Such flats may be considered by the committee for offer to those applicants falling in the waiting list".*

17. A perusal of the facts detailed earlier and the policy of 2013 shows that the respondent raised various reminders/demand letters dated 14.06.2024, 31.07.2024, 29.08.2024, 01.10.2024, 17.10.2024 and final notice dated 18.08.2021, followed by public notice in the daily newspaper on 25.10.2024. But despite that she failed to make payment of the amount due leading to

cancellation of the allotment of the unit in her favour vide letter dated 13.11.2024. Thus, all these shows that the respondent followed the prescribed procedure as per clause 5(i) of the policy of 2013 and cancelled the unit of the complainant with adequate notices. So, the cancellation of the unit is valid as per the procedure prescribed by law.

18. Now, the second question which arises for consideration is as to whether deduction made vide cancellation letter are as per the policy of 2013. While cancelling the allotment, there is nothing on record which shows that, after cancellation of the unit, the respondent refunded the balance amount to the complainant after deducting the earnest money in accordance with the applicable provisions of the affordable housing Policy. Clause 5(iii)(h) of the Affordable Housing Policy, 2013 amended on 05.07.2019 is relevant in this regard and the same is reproduced as under:

> *"In clause no. 5 (Allotment Rates; Allotment & Eligibility Criteria), of the Annexure A of notification dated 19th August 2013: -*
> *a. In clause 5(iii)h of policy dated 19.08.2013, the words "In case of surrender of flat by any successful applicant, an amount of Rs 25,000/- may be deducted by the colonizer", shall be substituted as under :- "On surrender of flat by any successful allottee, the amount that can be forfeited by the colonizer in addition to Rs. 25,000/- shall not exceed the following: -*

Sr. No.	*Particulars*	*Amount to be forfeited*
(aa)	*In case of surrender of flat before commencement of project*	*Nil;*
(bb)	*Up to 1 year from the date of commencement of the project:*	*1% of the cost of flat;*
(cc)	*Up to 2 years from the date of commencement of the project:*	*3% of the cost of flat;*
(dd)	*after 2 years from the date of commencement of the project*	*5% of the cost of flat;*

19. The authority observed that the concept of surrendering of flat by the allottee and cancellation of flat by the promoter are two different concepts under the

policy of 2013. In the present case, the respondent has deducted the amount of the complainant as per clause 5(iii)(h) bu6t the said clause 5(iii)(h) is applicable in case of surrender of flat by allottee. There is a distinction between the two i.e., surrender of flat and cancellation of flat. In case of cancellation of flat clause 5(iii)(i) of the affordable housing policy will be followed and clause 5(iii)(i) has not been amended so far and a reference to the same has already been given in earlier para no. 22 the order.

20. As per cancellation clause of the affordable housing policy the respondent can deduct the amount of Rs. 25,000/- only and the balance amount shall be refunded back to the complainant. Therefore, the respondent/promoter is directed to refund the paid-up amount of Rs. 13,29,463/- after deduction of Rs.25,000/- as per clause 5(iii)(i) of the of Affordable Housing Policy 2013 along with prescribed rate of interest i.e., @10.80% per annum from the date of cancellation i.e. 13.11.2024 till the actual realization of the amount.

G.VI Order Renuka Traders Private Limited to compensate the Complainant for the mental agony, harassment, and financial distress caused by the builder's failure to meet statutory obligations, delayed project progress, and unlawful cancellation of the allotment.

G.VII Award legal expenses of ₹2,00,000/- incurred by the Complainant for pursuing this complaint, including costs for legal advice, filing the complaint, and other related expenses

21. The complainants are seeking the above-mentioned relief w.r.t. compensation. The Hon'ble Supreme Court of India in ***Civil Appeal nos. 6745-6749 of 2021*** titled as ***M/s Newtech Promoters and Developers Ltd. V/s State of UP & Ors.(supra),*** has held that an allottee is entitled to claim compensation and litigation charges under Sections 12, 14, 18 and section 19 which is to be decided by the adjudicating officer as per Section 71 and the quantum of compensation and litigation expense shall be adjudged by the adjudicating officer having due regards to the factors mentioned in Section 72. The Adjudicating Officer has

exclusive jurisdiction to deal with the complaints in respect of compensation and legal expenses.

H. Directions of the Authority

22. 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(f):

I. The respondent/promoter is directed to refund the paid-up amount of Rs. 13,29,463/- after deduction of Rs.25,000/- as per clause 5(iii)(i) of the of Affordable Housing Policy 2013 along with prescribed rate of interest i.e., @10.80% per annum from the date of cancellation i.e. 13.11.2024 till the actual realization of the amount.

II. A period of 90 days is given to the respondent/builder to comply with the directions given in this order and failing which legal consequences would follow.

23. Complaint stands disposed of.

24. File be consigned to registry.

Arun Kumar
Chairman

Haryana Real Estate Regulatory Authority, Gurugram

Dated: 08.09.2026