



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

**Order pronounced on: 23.05.2023**

Name of the Builder	Vatika Limited		
Project Name	Vatika INXT City Centre		
1.	CR/1861/2022	GS Johar & Sons (HUF) V/s Vatika Limited	Mr. Sonal Anand Ms. Ankur Berry
2.	CR/1902/2022	Shaheena Chadaa & Anr.V/s Vatika Limited	Mr. Sonal Anand Ms. Ankur Berry
3.	CR/1910/2022	Shani Johar & Anr.V/s Vatika Limited	Mr. Sonal Anand Ms. Ankur Berry

<b>CORAM:</b>	
Sh. Ashok Sangwan	Member
Sh. Sanjeev Kumar Arora	Member

**ORDER**

1. This order shall dispose of all the complaints titled as above filed before this authority in form CRA under section 31 of the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred as "the Act") read with rule 28 of the Haryana Real Estate (Regulation and Development) Rules, 2017 (hereinafter referred as "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 its obligations, responsibilities and functions to the allottees as per the agreement for sale executed inter se between parties.
2. The core issues emanating from them are similar in nature and the complainant(s) in the above referred matters are allottees of the project, namely, INXT City Centre (commercial complex) being developed by the same respondent/promoter i.e., Vatika Ltd. The



terms and conditions of the application form fulcrum of the issue involved in all the cases pertains to failure on the part of the promoter to deliver timely possession of the units in question, seeking award, assured return and the execution of the buyers' agreement.

3. The details of the complaints, unit no., date of application, total sale consideration, amount paid up, and relief sought are given in the table below:

Project: Vatika INXT City Centre, Gurugram, HR-122012						
1.	2.	3.	4.	5.	6.	7.
Sr.no	Complaint no./title/reply status	Unit no. & area admeasuring	Allotment letter	Date of Buyer's agreement	Total sale consideration/ Amount paid	Relief sought
1.	CR/1861/2022 GS Johar & Sons (HUF)  V/s Vatika Limited	1635, 16 <sup>th</sup> floor, tower A admeasuring 500 sq.ft.	N/A	14.08.2010	Rs.20,00,000/- Rs.20,00,000/-	-Assured return
2.	CR/1902/2022 Shaheena Chadaa & Anr.  V/s Vatika Limited	1712, 17 <sup>th</sup> tower A admeasuring sq.ft.	N/A	15.07.2010	Rs.30,00,000/- Rs. 30,00,000/-	Assured return
3.	CR/1910/2022 Shani Johar & Anr. V/s Vatika Limited	1544, 15 <sup>th</sup> , tower A Admeasuring sq.ft.	N/A	15.07.2010	Rs. 20,00,000/- Rs. 20,00,000/-	Assured return
<p><b>Note: In the table referred above certain abbreviations have been used. They are elaborated as follows:</b>  <b>Abbreviation Full form</b>                      TSC Total Sale consideration                      AP Amount paid by the allottee(s)</p>						

4. The aforesaid complaints were filed by the complainants against the promoter on account of violation of the application form executed between the parties *inter se* in respect of said unit for not handing over the possession by the due date, seeking award of delayed possession charges, assured return and the execution of buyer's agreement.



5. It has been decided to treat the said complaints as an application for non-compliance of statutory obligations on the part of the promoter /respondent in terms of section 34(f) of the Act which mandates the authority to ensure compliance of the obligations cast upon the promoters, the allottee(s) and the real estate agents under the Act, the rules and the regulations made thereunder.
6. The facts of all the complaints filed by the complainant(s)/allottee(s) are also similar. Out of the above-mentioned case, the particulars of lead case **CR 1861/2022 titled as G.S. Johar Vs. M/s Vatika Limited** is being taken into consideration for determining the rights of the allottee(s) qua delay possession charges, assured return, execution of conveyance deeds.

**A. Project and unit related details**

7. The particulars of the project, the details of sale consideration, the amount paid by the complainant(s), date of proposed handing over the possession, delay period, if any, have been detailed in the following tabular form:

**CR 1861/2022 titled as G.S. Johar Vs. M/s Vatika Limited**

S. No.	Heads	Information
1.	Name and location of the project	Vatika INXT City Centre, Gurgaon
2.	Nature of the project	Commercial complex
3.	Area of the project	10.48 acres
4.	DTCP License	258 of 2007
	valid upto	13.06.2016
	Licensee name	Trishul Industries
5.	RERA registered/ not registered	Not registered
6.	Allotment letter	NA
7.	Date of buyer's agreement	14.08.2010 (Page 15 of complaint)



8.	Unit no.	1635, 16 <sup>th</sup> floor, tower no. A admeasuring 500 sq.ft.
9.	Assured return clause	A. Till completion of the building Rs. 71.50/- Per sq.ft. B. After completion of the building Rs. 65/- per sq.ft.
10.	Total consideration	Rs. 20,00,000/-
11.	Total amount paid by the complainants	Rs. 20,00,000/-
12.	Date of offer of possession to the complainants	<b>Not offered</b>
13.	Occupation certificate	<b>Not obtained</b>

**B. Facts of the complaint**

8. That sometime in 2010, the respondent approached the complainants and offered to sell them a commercial unit in the project, further on which they promised "guaranteed and assured return" on the money/substantial amount for the said unit that would be the complainant. The respondent would allot the commercial units to the complainant, immediately upon payment and pursuant to that, they would pay monthly assured return to him in the form of interest on the money realized.
9. That believing upon the assurances and commitments made by the respondent, the complainant agreed to part with his money. Subsequently, from 2010 onwards, the complainant forwarded a total amount of Rs. 20,00,000/- to the respondent towards the basic sale considerations.
10. Therefore, as per the agreed terms, a sum of Rs. 32175/- from 2010 to 2016 and from 2016 onwards have to pay Rs. 29,250/- which was payable by the respondent to the complainant, every month for the unit. A letter dated 27.07.2011 for re-location of the commercial project was sent by the respondent to the complainant informing her that they are



shifting the project to a different location. Further it was orally informed that all the clause, agreements and amount will remain same. Thereafter, a letter dated 17.09.2013 was sent by the respondent to the complainant informing shifting of the unit no. 1635, 16<sup>Th</sup> floor to 423, 4rd floor, block B, India City Centre, NH-8, Sector-83, Gurugram. Thereafter, a letter dated 29.03.2016 was sent by the respondent to the complainant informing them about the completion of construction for block B, Vatika INXT, Gurugram, however even after repeated requests by the complainant, the respondent failed to provide the occupation certificate/completion certificate.

11. That subsequently, an intimation email dated 07.09.2018 for leasing out the unit space to M/s Bhandari Const. & Devp Pvt Ltd was sent by the respondent to the complainant. However, no further communication of signing of lease agreement of the property was received and the complainant never received 3 months security deposit. Therefore, the complainant kept on raising the monthly invoices for the assured committed return.
12. That as per the terms and conditions of the agreement the respondent did not remit the promised amount. Upon asking, the officials, the complainants were told that the respondent is undergoing some internal transition and there are some formalities with regards to RERA that need to be complied by the respondent, thus, there shall be some delay in the payments. However, the same would be resumed in some time.
13. That the respondent kept on delaying the payment of the assured committed to returning to the complainant on some pretext or another, despite various meetings/discussions and visits by the complainants. The respondent has failed in their commitments as per agreed terms.



14. That the respondent made last payment of assured return on till July 2018. Thereafter the respondent arbitrarily stopped the payment to the complainants, despite the fact that they were bound by the terms of the above-mentioned buyer agreement which in full force and thus, the respondent is duty-bound to pay the assured return on a monthly basis to the complainant.
15. The complainant has been under tremendous mental stress and agony due to the conduct of the respondent. None of the commitments of the respondent have come true. In these facts and circumstances, the complainants is now left with no option but to file this present complaint for which, after seeking of legal advice the complainant approached the Authority, seeking justice and relief inter-alea in terms of the time-bound assured return from the date of completion certificate is granted by the authority along with interest as the Authority may deem deserving in the present case and its circumstances and also seeking justice, which, the Complainant so urgently and ardently deserved.

**C. Relief sought by the complainants:**

The complainant has sought following relief(s):

- i. Direct the respondent to pay the monthly assured returns.
  - ii. Direct the respondent to pay interest at prevailing rate on the amount paid by the complainant.
13. On the date of hearing, the authority explained to the respondents/promoters 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 respondents**

The respondents have contested the complaint on the following grounds.



- a. That the complainant has got no locus standi or cause of action to file the present complaint. The present complaint is based on an erroneous interpretation of the provisions of the Act as well as an incorrect understanding of the terms and conditions of the builder buyers' agreement dated 14.08.2010, as would be evident from the submissions made in the following paras of the reply.
- b. That at the very outset it is submitted that the complaint is not maintainable or tenable in the eyes of law. The complainant has misdirected himself in filing the above captioned complaint before the Ld. Authority as the reliefs being claimed by the him cannot be said to fall within the realm of jurisdiction of the Authority. It is humbly submitted that upon the enactment of the Banning of Unregulated Deposit Schemes Act, 2019, (hereinafter referred as BUDS Act) the 'assured return' and/ or any "committed returns" on the deposit schemes have been banned. The respondent having not taken registration from SEBI board cannot run, operate, continue an assured return scheme. The implications of enactment of BUDS Act read with the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014, resulted in making the assured return/committed return and similar schemes as unregulated schemes as being within the definition of "Deposit".
- c. That as per Section 3 of the BUDS Act all Unregulated Deposit Scheme have been strictly banned and deposit takers such as builders, cannot, directly or indirectly promote, operate, issue any advertisements soliciting participation or enrolment in; or accept deposit. Thus, the section 3 of the BUDS Act, makes the



assured return schemes, of the builders and promoter, illegal and punishable under law. Further as per the Securities Exchange Board of India Act, 1992 (hereinafter referred as SEBI Act) Collective Investment Schemes as defined under section 11 AA can only be run and operated by a registered company. Hence, the assured return scheme of the respondent has become illegal by the operation of law and the respondent cannot be made to run a scheme which has become infructuous by law.

- d. That it is pertinent to mention that the present complaint is not maintainable before the Authority as it is apparent from the prayers sought in the complaint. Further it is crystal clear from reading the complaint that the complainant is not an 'allottee', but purely is an 'investor', who is only seeking physical possession/delay possession charges from it, by way of present petition, which is not maintainable as the unit is not meant for personal use rather it is meant for earning rental income.
- e. That it is also relevant to mention here that the commercial unit of the complainant is not meant for physical possession as the said unit is only meant for leasing the said commercial space for earning rental income. Furthermore, as per the agreement, the said commercial space would be deemed to be legally possessed by the complainant. Hence, the commercial space booked by the complainant is not meant for physical possession.
- f. That in view of the judgment and order dated 16.10.2017 passed by the Maharashtra RERA Authority in the complaint titled ***Mahesh Pariani vs. Monarch Solitaire order,***





**Complaint No: CC00600000000078 of 2017** wherein it has been observed that in case where the complainant has invested money in the project with sole intention of gaining profits out of the project, then the complainant is in the position of co-promoter and cannot be treated as 'allottee'. Thus, in view of the aforesaid decision, the complainant could not and ought not have filed the present complaint being a co-promoter.

- g. That in the matter of *Brhimjeet &Ors vs. M/s Landmark Apartments Pvt. Ltd.* (Complaint No. 141 of 2018), this Hon'ble Authority has taken the same view as observed by Maharashtra RERA in Mahesh Pariani (supra). Thus, the RERA Act, 2016 cannot deal with issues of assured return. Hence, the complaint deserves to be dismissed at the very outset.
- h. That further in the matter of *Bharam Singh &Ors vs. Venetian LDF Projects LLP* (Complaint No. 175 of 2018), the Hon'ble Real Estate Regulatory Authority, Gurugram upheld its earlier decision of not entertaining any matter related to assured returns.
- i. That the complainant has come before the Authority with unclean hands. The complaint has been filed by the complainant just to harass the respondent and to gain unjust enrichment. The actual reason for filing of the complaint stems from the changed financial valuation of the real estate sector, in the past few years and the allottee malicious intention to earn some easy buck. The covid pandemic has given people to think beyond the basic legal way and to attempt to gain financially at the cost of others. The complainant has instituted the present false and vexatious complaint against the respondent who has



already fulfilled its obligation as defined under the buyers' agreement dated 18.08.2010. It is pertinent to mention here that for the fair adjudication of grievance as alleged by the complainant, detailed deliberation by leading the evidence and cross-examination is required, thus only the civil court has jurisdiction to deal with the cases requiring detailed evidence for proper and fair adjudication.

- j. It is submitted that the complainant entered into an agreement i.e., builder buyers' agreement dated 18.08.2010 with respondent owing to the name, good would and reputation of the respondent. It is a matter of record that the respondent duly paid the assured return to the complainant till September, 2018. Due to external circumstance which were not in control of the respondent, construction got deferred. Even though the respondent suffered from setback due to external circumstances, yet it managed to complete the construction.
- k. The p complaint of the complainant has been filed on the basis of incorrect understanding of the object and reasons of enactment of the RERA, Act, 2016. The legislature in its great wisdom, understanding the catalytic role played by the Real Estate Sector in fulfilling the needs and demands for housing and infrastructure in the country, and the absence of a regulatory body to provide professionalism and standardization to the said sector and to address all the concerns of both buyers and promoters in the real estate sector, drafted and notified the RERA Act, 2016 aiming to gain a healthy and orderly growth of the industry. The Act has been enacted to balance the interests of consumer and promoter by



imposing certain responsibilities on both. Thus, while section 11 to section 18 of the Act, 2016 describes and prescribes the function and duties of the developer, section 19 provides the rights and duties of allottees. Hence, the Act, 2016 was never intended to be biased legislation preferring the allottees, rather the intent was to ensure that both the allottee and the developer be kept at par and either of the party should not be made to suffer due to act and omission of part of the other.

- l. That in matter titled **Anoop Kumar Rath Vs M/S ShethInfraworld Pvt. Ltd.** in appeal no. AT00600000010822 vide order dated 30.08.2019 the Maharashtra Appellate Tribunal while adjudicating points be considered while granting relief and the spirit and object behind the enactment of the Act, 2016 in para 24 and para 25 discussed in detail the actual purpose of maintaining a fine balance between the rights and duties of the promoter as well as the allottee. The Ld. Appellate Tribunal vide the said judgment discussed the aim and object of the Act, 2016.
- m. That the complainant is attempting to seek an advantage of the slowdown in the real estate sector, and it is apparent from the facts of the present case that the main purpose of the present complaint is to harass the respondent by engaging and igniting frivolous issues with ulterior motives to pressurize the respondent. Thus, the complaint is without any basis and no cause of action has arisen till date in favour of the complainant and against the respondent and hence, the complaint deserves to be dismissed.



- n. That it is brought to the knowledge of the Authority that the complainant is guilty of placing untrue facts and is attempting to hide the true colour of the intention of the complainant. Before buying the property, the complainant was aware of the status of the project and the fact that the commercial unit was only intended for lease and never for physical possession.
- o. That, it is evident that the entire case of the complainant is nothing but a web of lies and the false and frivolous allegations made against the respondent are nothing but an afterthought, hence the complaint filed by the complainant deserves to be dismissed with heavy costs.
- p. That the various contentions raised by the complainant is fictitious, baseless, vague, wrong and created to misrepresent and mislead the Authority, for the reasons stated above. It is further submitted that none of the relief as prayed for by the complainant is sustainable, in the eyes of law. Hence, the complaint is liable to be dismissed with imposition of exemplary cost for wasting the precious time and efforts of the Authority. The complaint is an utter abuse of the process of law, and hence deserves to be dismissed.
13. 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.

**E. Jurisdiction of the authority**

14. The respondent has raised preliminary objection regarding jurisdiction of authority to entertain the present complaint. The authority observes

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

### **E. I Territorial jurisdiction**

15. As per notification no. 1/92/2017-1TCP dated 14.12.2017 issued by Town and Country Planning Department, Haryana 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**

16. 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)(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;*

*The provision of assured returns is part of the builder buyer's agreement, as per clause 15 of the BBA dated..... Accordingly, the promoter is responsible for all obligations/responsibilities and functions including payment of assured returns as provided in Builder Buyer's Agreement.*

#### **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.*

17. So, in view of the provisions of the Act of 2016 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 the relief sought by the complainant:**

**F.I Assured return**

18. While filing the petition besides delayed possession charges of the allotted unit as per addendum to the agreement, the claimant has also sought assured returns on monthly basis as allotment letter at the rates mentioned therein till the completion of the building. It is pleaded that the respondent has not complied with the terms and conditions of the allotment letter. Though for some time, the amount of assured returns was paid but later on, the respondent refused to pay the same by taking a plea of the Banning of Unregulated Deposit Schemes Act, 2019 (herein after referred to as the Act of 2019). But that Act does not create a bar for payment of assured returns even after coming into operation and the payments made in this regard are protected as per section 2(4)(iii) of the above-mentioned Act. However, the plea of respondent is otherwise and who took a stand that though it paid the amount of assured returns upto the year 2018 but did not pay the same amount after coming into force of the Act of 2019 as it was declared illegal.
19. The Act of 2016 defines "agreement for sale" means an agreement entered into between the promoter and the allottee [Section 2(c)]. An agreement for sale is defined as an arrangement entered between the promoter and allottee with freewill and consent of both the parties. An agreement defines the rights and liabilities of both the parties i.e., promoter and the allottee and marks the start of new contractual relationship between them. This contractual relationship gives rise to

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future agreements and transactions between them. The different kinds of payment plans were in vogue and legal within the meaning of the agreement for sale. One of the integral part of this agreement is the transaction of assured return inter-se parties. The “agreement for sale” after coming into force of this Act (i.e., Act of 2016) shall be in the prescribed form as per rules but this Act of 2016 does not rewrite the “agreement” entered between promoter and allottee prior to coming into force of the Act as held by the Hon’ble Bombay High Court in case ***Neelkamal Realtors Suburban Private Limited and Anr. v/s Union of India & Ors., (Writ Petition No. 2737 of 2017) decided on 06.12.2017.*** Since the agreement defines the buyer-promoter relationship therefore, it can be said that the agreement for assured returns between the promoter and allottee arises out of the same relationship. Therefore, it can be said that the real estate regulatory authority has complete jurisdiction to deal with assured return cases as the contractual relationship arise out of agreement for sale only and between the same parties as per the provisions of section 11(4)(a) of the Act of 2016 which provides that the promoter would be responsible for all the obligations under the Act as per the agreement for sale till the execution of conveyance deed of the unit in favour of the allottee. Now, three issues arise for consideration as to:

- i. Whether the authority is within its jurisdiction to vary its earlier stand regarding assured returns due to changed facts and circumstances.
- ii. Whether the authority is competent to allow assured returns to the allottee in pre-RERA cases, after the Act of 2016 came into operation,

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iii. Whether the Act of 2019 bars payment of assured returns to the allottee in pre-RERA cases

19. While taking up the cases of *Brhimjeet & Anr. Vs. M/s Landmark Apartments Pvt. Ltd. (complaint no 141 of 2018)*, and *Sh. Bharam Singh & Anr. Vs. Venetain LDF Projects LLP*" (supra), it was held by the authority that it has no jurisdiction to deal with cases of assured returns. Though in those cases, the issue of assured returns was involved to be paid by the builder to an allottee but at that time, neither the full facts were brought before the authority nor it was argued on behalf of the allottees that on the basis of contractual obligations, the builder is obligated to pay that amount. However, there is no bar to take a different view from the earlier one if new facts and law have been brought before an adjudicating authority or the court. There is a doctrine of "prospective overruling" and which provides that the law declared by the court applies to the cases arising in future only and its applicability to the cases which have attained finality is saved because the repeal would otherwise work hardship to those who had trusted to its existence. A reference in this regard can be made to the case of *Sarwan Kumar & Anr Vs. Madan Lal Aggarwal Appeal (civil) 1058 of 2003 decided on 06.02.2003* and wherein the hon'ble apex court observed as mentioned above. So, now the plea raised with regard to maintainability of the complaint in the face of earlier orders of the authority is not tenable. The authority can take a different view from the earlier one on the basis of new facts and law and the pronouncements made by the apex court of the land. It is now well settled preposition of law that when payment of assured returns is part and parcel of builder buyer's agreement (maybe there is a clause in that document or by way of addendum , memorandum of understanding or





terms and conditions of the allotment of a unit), then the builder is liable to pay that amount as agreed upon and can't take a plea that it is not liable to pay the amount of assured return. Moreover, an agreement for sale defines the builder-buyer relationship. So, it can be said that the agreement for assured returns between the promoter and an allottee arises out of the same relationship and is marked by the original agreement for sale. Therefore, it can be said that the authority has complete jurisdiction with respect to assured return cases as the contractual relationship arises out of the agreement for sale only and between the same contracting parties to agreement for sale. In the case in hand, the issue of assured returns is on the basis of contractual obligations arising between the parties. Then in case of ***Pioneer Urban Land and Infrastructure Limited & Anr. v/s Union of India & Ors. (Writ Petition (Civil) No. 43 of 2019) decided on 09.08.2019***, it was observed by the Hon'ble Apex Court of the land that "...allottees who had entered into "assured return/committed returns" agreements with these developers, whereby, upon payment of a substantial portion of the total sale consideration upfront at the time of execution of agreement, the developer undertook to pay a certain amount to allottees on a monthly basis from the date of execution of agreement till the date of handing over of possession to the allottees". It was further held that 'amounts raised by developers under assured return schemes had the "commercial effect of a borrowing' which became clear from the developer's annual returns in which the amount raised was shown as "commitment charges" under the head "financial costs". As a result, such allottees were held to be "financial creditors" within the meaning of section 5(7) of the Code" including its treatment in books of accounts of the promoter and for the purposes of income tax. Then, in the latest pronouncement on this aspect in case



**Jaypee Kensington Boulevard Apartments Welfare Association and Ors. vs. NBCC (India) Ltd. and Ors. (24.03.2021-SC): MANU/ SC/0206 /2021**, the same view was followed as taken earlier in the case of Pioneer Urban Land Infrastructure Ld & Anr. with regard to the allottees of assured returns to be financial creditors within the meaning of section 5(7) of the Code. Then after coming into force the Act of 2016 w.e.f 01.05.2017, the builder is obligated to register the project with the authority being an ongoing project as per proviso to section 3(1) of the Act of 2017 read with rule 2(o) of the Rules, 2017. The Act of 2016 has no provision for re-writing of contractual obligations between the parties as held by the Hon'ble Bombay High Court in case **Neelkamal Realtors Suburban Private Limited and Anr. v/s Union of India & Ors., (supra)** as quoted earlier. So, the respondent/builder can't take a plea that there was no contractual obligation to pay the amount of assured returns to the allottee after the Act of 2016 came into force or that a new agreement is being executed with regard to that fact. When there is an obligation of the promoter against an allottee to pay the amount of assured returns, then he can't wriggle out from that situation by taking a plea of the enforcement of Act of 2016, BUDS Act 2019 or any other law.

20. It is pleaded on behalf of respondent/builder that after the Banning of Unregulated Deposit Schemes Act of 2019 came into force, there is bar for payment of assured returns to an allottee. But again, the plea taken in this regard is devoid of merit. Section 2(4) of the above mentioned Act defines the word ' deposit' as *an amount of money received by way of an advance or loan or in any other form, by any deposit taker with a promise to return whether after a specified period or otherwise, either in cash or in kind or in the form of a specified service, with or without any benefit in the form of interest, bonus, profit or in any other form, but does not include*



- i. *an amount received in the course of, or for the purpose of, business and bearing a genuine connection to such business including—*
- ii. *advance received in connection with consideration of an immovable property under an agreement or arrangement subject to the condition that such advance is adjusted against such immovable property as specified in terms of the agreement or arrangement.*

21. A perusal of the above-mentioned definition of the term 'deposit' shows that it has been given the same meaning as assigned to it under the Companies Act, 2013 and the same provides under section 2(31) includes any receipt by way of deposit or loan or in any other form by a company but does not include such categories of amount as may be prescribed in consultation with the Reserve Bank of India. Similarly rule 2(c) of the Companies (Acceptance of Deposits) Rules, 2014 defines the meaning of deposit which includes any receipt of money by way of deposit or loan or in any other form by a company but does not include.

- i. *as a advance, accounted for in any manner whatsoever, received in connection with consideration for an immovable property*
- ii. *as an advance received and as allowed by any sectoral regulator or in accordance with directions of Central or State Government;*

22. So, keeping in view the above-mentioned provisions of the Act of 2019 and the Companies Act 2013, it is to be seen as to whether an allottee is entitled to assured returns in a case where he has deposited substantial amount of sale consideration against the allotment of a unit with the builder at the time of booking or immediately thereafter and as agreed upon between them.

23. The Government of India enacted the Banning of Unregulated Deposit Schemes Act, 2019 to provide for a comprehensive mechanism to ban the



unregulated deposit schemes, other than deposits taken in the ordinary course of business and to protect the interest of depositors and for matters connected therewith or incidental thereto as defined in section 2 (4) of the BUDS Act 2019 mentioned above.

24. It is evident from the perusal of section 2(4)(l)(ii) of the above-mentioned Act that the advances received in connection with consideration of an immovable property under an agreement or arrangement subject to the condition that such advances are adjusted against such immovable property as specified in terms of the agreement or arrangement do not fall within the term of deposit, which have been banned by the Act of 2019.
25. Moreover, the developer is also bound by promissory estoppel. As per this doctrine, the view is that if any person has made a promise and the promisee has acted on such promise and altered his position, then the person/promisor is bound to comply with his or her promise. When the builders failed to honour their commitments, a number of cases were filed by the creditors at different forums such as **Nikhil Mehta, Pioneer Urban Land and Infrastructure** which ultimately led the central government to enact the Banning of Unregulated Deposit Scheme Act, 2019 on 31.07.2019 in pursuant to the Banning of Unregulated Deposit Scheme Ordinance, 2018. However, the moot question to be decided is as to whether the schemes floated earlier by the builders and promising as assured returns on the basis of allotment of units are covered by the abovementioned Act or not. A similar issue for consideration arose before Hon'ble RERA Panchkula in case **Baldev Gautam VS Rise Projects Private Limited (RERA-PKL-2068-2019)** where in it was held on 11.03.2020 that a builder is liable to pay monthly assured returns to the



complainants till possession of respective apartments stands handed over and there is no illegality in this regard.

26. The definition of term 'deposit' as given in the BUDS Act 2019, has the same meaning as assigned to it under the Companies Act 2013, as per section 2(4)(iv)(i) i.e, explanation to sub-clause (iv). In pursuant to powers conferred by clause 31 of section 2, section 73 and 76 read with sub-section 1 and 2 of section 469 of the Companies Act 2013, the Rules with regard to acceptance of deposits by the companies were framed in the year 2014 and the same came into force on 01.04.2014. The definition of deposit has been given under section 2 (c) of the above-mentioned Rules and as per clause xii (b), as advance, accounted for in any manner whatsoever received in connection with consideration for an immovable property under an agreement or arrangement, provided such advance is adjusted against such property in accordance with the terms of agreement or arrangement shall not be a deposit. Though there is proviso to this provision as well as to the amounts received under heading 'a' and 'd' and the amount becoming refundable with or without interest due to the reasons that the company accepting the money does not have necessary permission or approval whenever required to deal in the goods or properties or services for which the money is taken, then the amount received shall be deemed to be a deposit under these rules. However, the same are not applicable in the case in hand. Though it is contended that there is no necessary permission or approval to take the sale consideration as advance and would be considered as deposit as per sub-clause 2(xv)(b) but the plea advanced in this regard is devoid of merit. First of all, there is exclusion clause to section 2 (xiv)(b) which provides that unless specifically excluded under this clause. Earlier, the deposits received by the companies or the builders as advance were considered as



deposits but w.e.f. 29.06.2016, it was provided that the money received as such would not be deposit unless specifically excluded under this clause. A reference in this regard may be given to clause 2 of the First schedule of Regulated Deposit Schemes framed under section 2 (xv) of the Act of 2019 which provides as under:-

*(2) The following shall also be treated as Regulated Deposit Schemes under this Act namely:-*

*(a) deposits accepted under any scheme, or an arrangement registered with any regulatory body in India constituted or established under a statute; and*

*(b) any other scheme as may be notified by the Central Government under this Act.*

27. The money was taken by the builder as deposit in advance against allotment of immovable property and its possession was to be offered within a certain period. However, in view of taking sale consideration by way of advance, the builder promised certain amount by way of assured returns for a certain period. So, on his failure to fulfil that commitment, the allottee has a right to approach the authority for redressal of his grievances by way of filing a complaint.
28. It is not disputed that the respondent is a real estate developer, and it had not obtained registration under the Act of 2016 for the project in question. However, the project in which the advance has been received by the developer from the allottee is an ongoing project as per section 3(1) of the Act of 2016 and, the same would fall within the jurisdiction of the authority for giving the desired relief to the complainant besides initiating penal proceedings. So, the amount paid by the complainant to the builder is a regulated deposit accepted by the later from the former against the immovable property to be transferred to the allottee later on.
29. On consideration of documents available on record and submissions made by parties, the complainants have sought assured return on monthly basis as per one of the provisions of allotment letter at the



agreed rates till the date of completion of building. It was also agreed that as per addendum to the agreement, the developer would pay assured return to the buyer Rs. 71.50/- per sq. ft. super area of the said commercial unit. The said clause further provides that it would pay assured return to the buyer after the completion of building Rs. 65/- per sq.ft. per month on super area for upto three years from the date of completion of construction of building or the unit is put on lease whichever is earlier. Though for some time, the amount of assured returns was paid but later on, the respondent refused to pay the same by taking a plea of the Banning of Unregulated Deposit Schemes Act, 2019. But that Act does not create a bar for payment of assured returns even after coming into operation and the payments made in this regard are protected as per section 2(4)(iii) of the above-mentioned Act.

30. Accordingly, the promoter is liable to pay assured return of the unpaid period as specified under the addendum to the agreement dated 14.08.2010.

**G. Directions of the authority**

42. Hence, the authority hereby passes this order and issue 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 is directed to pay the arrears of amount of assured return at agreed rate to the complainant(s) from the date the payment of assured return has not been paid till the date of completion of construction of building. After completion of the construction of the building, the respondent/builder would be liable to pay monthly assured returns at agreed rate



of the super area up to 3 years or till the unit is put on lease whichever is earlier.

- ii. The respondent is also directed to pay the outstanding accrued assured return amount till date at the agreed rate within 90 days from the date of order after adjustment of outstanding dues, if any, from the complainant and failing which that amount would be payable with interest @8.70% p.a. till the date of actual realization.
  - iii. The respondent shall not charge anything from the complainant(s) which is not the part of the agreement of sale.
43. This decision shall mutatis mutandis apply to cases mentioned in para 3 of this order.
44. Complaints stand disposed of.
45. File be consigned to registry.

  
**(Sanjeev Kumar Arora)**  
Member

  
**(Ashok Sangwan)**  
Member

Haryana Real Estate Regulatory Authority, Gurugram

23.05.2023

**HARERA**  
**GURUGRAM**