

**BEFORE THE HARYANA REAL ESTATE REGULATORY AUTHORITY,
GURUGRAM****Date of Order: 23.12.2025**

NAME OF THE BUILDER		M/s Neo Developers Private Limited.	
PROJECT NAME		"Neo Square"	
S. No.	Case No.	Case title	Attendance
1.	CR/2467/2024	Nitesh Kumar Lakhlan V/S Neo Developers Private Limited	Hemant Phogat (Complainant) E. Krishna Das and Venkat Rao (Respondent)
2.	CR/2475/2024	Nitesh Kumar Lakhlan V/S Neo Developers Private Limited	Hemant Phogat (Complainant) E. Krishna Das and Venkat Rao (Respondent)

CORAM:	
Shri Arun Kumar	Chairman
Shri Phool Singh Saini	Member

ORDER

1. This order shall dispose of the aforesaid 2 complaints titled above filed before this Authority 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/MOU 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, "Neo Square" Sector 109, Gurugram being developed by the same respondent/promoter i.e., **M/s Neo Developers Pvt. Ltd.** The terms and conditions of the buyer's agreements/MoU and fulcrum of the issue involved in all these cases pertains to failure on the part of the promoter to deliver timely possession of the units in question, seeking valid offer of possession of the unit, waiver of fit out charges and other reliefs.
3. The details of the complaints, reply status, unit no., date of agreement & MoU, Possession clause, total sale consideration and total paid amount are given in the table below:

Project Name and Location	"Neo Square", Sector 109, Gurugram, Haryana
Nature of the project	Commercial Colony
Project area	3.08 acres
Occupation certificate	14.08.2024

S.no.	Complaint no./title/ date of filing complaint	Unit No. and Unit super area	Date of execution of BBA and MoU	Possession clause in the MoU	Basic sale consideration and Amount paid by the complainant
1.	CR/2467/2024 Nitesh Kumar Lakhlan V/S NEO Developers Private Limited DOF: 21.06.2024 RR: NA	Priority no. 106, 5 th Floor, 300 Sq. ft (as per page no. 27 of complaint)	BBA: 01.11.2019 (as per page no. 24 of complaint) MOU: 01.11.2019 (as per page no. 49 of complaint)	<i>Clause 3.</i> <i>"The company shall complete the construction of the said building/complex within which the said space is located within 36 months from the date of execution of this agreement or from the start of construction whichever is later and apply for grant of completion/occupancy certificate. The company on grant of occupancy/completion certificate shall issue</i>	B.S.C: Rs. 15,28,800/- (as per page no. 51 of complaint) A.P.:- Rs.9,68,320/- (as per statement of account attached with the complaint)

				<p><i>final letters to the allottee who shall within 30 days, thereof remit all dues."</i> (As per MOU on page no. 37 of complaint)</p>	
2.	<p>CR/2475/2024</p> <p>Nitesh Kumar Lakhlani V/S NEO Developers Private Limited</p> <p>DOF: 21.06.2024</p> <p>RR: NA</p>	<p>Priority no. 99, 5th Floor or similar, 900 Sq. ft (as per page no. 27 of complaint)</p>	<p>BBA: 07.01.2019 (as per page no. 26 of complaint)</p> <p>MOU: 07.01.2019 (as per page no. 50 of complaint)</p>	<p>Clause 3. "The company shall complete the construction of the said building/complex within which the said space is located within 36 months from the date of execution of this agreement or from the start of construction whichever is later and apply for grant of completion/occupancy certificate. The company on grant of occupancy/completion certificate shall issue final letters to the allottee who shall within 30 days, thereof remit all dues." (As per MOU on page no. 37 of complaint)</p>	<p>B.S.C: Rs. 45,86,400/- (as per page no. 52 of complaint)</p> <p>A.P.:- Rs.50,87,206/- (as per statement of account attached with the complaint)</p>
<p>Reliefs sought by the complainant -</p> <ol style="list-style-type: none"> To direct the respondent to pay the delayed possession charges as per the terms and conditions of the MOU and Buyers Agreement dated 01.11.2019. To direct the respondent not to charge anything which is not part of the Buyers Agreement dated 01.11.2019. Direct the respondent not to charge anything which is not part of payment schedule. To direct the respondent to waive of the demands pertaining to development charges, labour cess and FTTH Charges demanded via offer of possession letter dated 06.03.2025. To direct the respondent to waive of the Fit-out Charges demanded via offer of possession letter dated 06.03.2025. To direct the respondent to waive of the interest penalty of Rs.6,98,338/- imposed in offer of possession letter dated 06.03.2025. To direct the respondent to get conveyance deed executed in favour of the applicant/complainant. 					
<p>Note: In the table referred above certain abbreviations have been used. They are elaborated as follows:</p>					

Abbreviation	Full form
DOF:	Date of filing of complaint
BBA:	Builder Buyer's Agreement
MOU:	Memorandum of Understanding
TSC:	Total Sale Consideration
AP:	Amount paid by the allottee/s
RR:	Reply received by the respondent

4. The aforesaid complaints were filed by the complainant-allottee(s) against the promoter on account of violation of the builder buyer's agreement/MoU executed between the parties in respect of subject unit for not handing over the possession by the due date, seeking delay possession charges, revoking illegal demands and respondent not doing conveyance deed in favour of the complainant.
5. The facts of all the complaints filed by the complainant-allottee(s) are similar. Out of the above-mentioned cases, the particulars of lead case **CR/2467/2024 titled as Nitesh Kumar Lakhlan VS NEO Developers Private Limited.** are being taken into consideration for determining the rights of the allottee(s) qua the relief sought by them.

A. Project and unit related details.

6. 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/2467/2024 titled as Nitesh Kumar Lakhlan VS NEO Developers Private Limited.

S. N.	Particulars	Details
1.	Name of the project	Neo Square, Sector-109, Gurugram
2.	Project area	3.08 acres
3.	Nature of the project	Commercial colony
4.	Unit no.	Priority no. 106, 5 th Floor, 300 sq.ft. area

		(as per page no. 27 of complaint)
5.	Date of MoU	01.11.2019 (As on page no. 49 of complaint)
6.	Date of execution of apartment buyer's agreement	01.11.2019 (As on page no. 24 of complaint)
7.	Possession clause as per MoU	3. <i>"The company shall complete the construction of the said building/complex within which the said space is located within 36 months from the date of execution of this agreement or from the start of construction whichever is later and apply for grant of completion/occupancy certificate. The company on grant of occupancy/completion certificate shall issue final letters to the allottee who shall within 30 days, thereof remit all dues."</i>
8.	Date of start of construction	The Authority has decided the date of start of construction as 15.12.2015 which was agreed to be taken as date of start of construction for the same project in other matters. In CR/1329/2019 it was admitted by the respondent in his reply that the construction was started in the month of December 2015.
9.	Due date of possession	01.05.2023 (Calculated from date of agreement being later + 6 months as per HARERA notification no. 9/3-2020 dated 26.05.2020 for the projects having completion date on or after 25.03.2020)
10.	Basic sale consideration	Rs.15,28,800/- (As on page no. 51 of complaint)
11.	Amount paid by the complainant	Rs.09,68,320/- (As per CRA at page no. 14 of complaint)
12.	Occupation certificate	14.08.2024 (as per DTCP website)

13.	Demand Notice and Offer of possession with fit-outs charges on leasing	06.03.2025 (as annexed with application dated 13.03.2025)
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B. Facts of the complaint.

7. The complainant has made following submissions in the complaint:

- i. That, after going through the advertisement published by respondent in the newspapers and as per the brochure /prospectus provided by it, the Complainant had booked a commercial space for Food Court/ Office/ Entertainment/ Retail bearing No. 106, on Fifth Floor, in the area designated for the Food Court & Entertainment Space having its Super Area 300 Sq. ft. in the upcoming project of the respondent named “NEO SQUARE” situated in Sector-109, Dwarka Expressway, Gurugram for a total Basic Sale Consideration of Rs.15,28,800/- (Rs. Fifteen Lakhs Twenty-Eight Thousand Eight Hundred only) and total sale price of Rs. 19,39,020/- (Rs. Nineteen Lakhs Thirty-Nine Thousand Twenty only), which includes the GST, IFMS, IDC, EDC and the Complainant had paid a sum of Rs.14,68,320/- (Rs. Fourteen Lakhs Sixty-Eight Thousand Three Hundred Twenty only) including EDC/IDC of Rs.1,42,200/- and GST @ 12% to the tune of Rs. 157,320/- However, the complainant was re-allotted/shifted to the unit/space No.39, on 13th Floor, measuring area of 300 Sq. ft/- in the same project.
- ii. The respondent is in right to exclusively develop, construct and build commercial building, transfer or alienate the unit’s floor space and to carry out sale deed, agreement to sell, conveyance deeds, letters of allotments.
- iii. The Buyer’s Agreement and Memorandum of Understanding were executed between the respondent and the Complainant on 01.11.2019.
- iv. That, as per clause 3 of the mou dated 01.11.2019, the respondent was/is under legal obligation to complete the construction of the project within 36

- months from the date of execution of mou but the respondent has failed to complete the project and handover the possession of the unit within the committed time period and the respondent has delayed the project.
- v. That the complainant has abided by all the terms of MOU and Builder Buyer Agreement dated 01.11.2019 and has made all the payments/installments in a timely manner, as and when demanded by the respondent and there are no dues pending in respect of the unit as per the (Annexure-1) possession link payment plan of the Builder Buyers Agreement.
- vi. That despite of making all the payments well in time and abiding by all the terms of BBA and MOU dated 01.11.2019, the respondent has miserably failed to complete the construction of the project and handover the unit of the complainant which has caused a great financial loss to the complainant and has further led to mental and physical harassment of the complainant without any fault on his part.
- vii. That the complainant on several occasions has tried to get an update from the respondent about the completion of the project but despite of his several communications, the respondent has not provided any satisfactory reply to the complainant about the completion date of the project and date on which the respondent will offer physical possession of the unit to the complainant.
- viii. That the respondent has caused great monetary loss as well as further caused great physical and mental agony by not providing and delaying the possession of the unit to the complainant despite of receiving almost entire basic sale price of the unit from the complainant.
- ix. The Respondent has committed grave deficiency in services by not completing the construction of the project within the commitment period as per the terms of MOU and by causing delay in offering the possession to the complainant which amounts to unfair immoral and illegal trade practice.

- x. The cause of action accrued in favour of the Complainant and against the Respondent, when Complainant had booked the said Unit and it further arose when Respondent failed/neglected to offer possession as per the terms of MOU dated 01.11.2019. The cause of action is continuing and is still subsisting on day-to-day basis.

C. Relief sought by the complainant

8. The complainant has sought the following relief(s):

- 1) To direct the respondent to pay the delayed possession charges as per the terms and conditions of the MOU and Buyers Agreement dated 01.11.2019.
- 2) To direct the respondent not to charge anything which is not the part of Buyers Agreement dated 01.11.2019.
- 3) Direct the respondent not to charge anything which is not part of payment schedule.
- 4) To direct the respondent to waive of the demands pertaining to development charges, labour cess and FTTH Charges demanded via offer of possession letter dated 06.03.2025.
- 5) To direct the respondent to waive of the Fit-out Charges demanded via offer of possession letter dated 06.03.2025.
- 6) To direct the respondent to waive of the interest penalty of Rs.6,98,338/- imposed in offer of possession letter dated 06.03.2025.
- 7) To direct the respondent to get conveyance deed executed in favour of the applicant/complainant.

9. The respondent-promoter were given various opportunity for filing of reply, the respondent has failed to comply with the orders of the authority. It shows that the respondent is intentionally delaying the procedure of the court by avoiding filing of the written reply. Therefore, vide proceeding dated 09.07.2025, the respondent

proceeded ex-parte. In view of the above, the respondent is hereby proceeded ex-parte. Subsequently, the Authority is deciding the complaint on the basis of these undisputed documents available on record and submissions made by the complainant.

D. Jurisdiction of the Authority

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

D.I Territorial jurisdiction

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

D.II Subject matter jurisdiction

12. 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.

13. 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.

E. Findings on the relief sought by the complainant.

- I. To direct the respondent to pay the delayed possession charges as per the terms and conditions of the MOU and Buyers Agreement dated 01.11.2019.**

E.1 DPC

14. The complainant intends to continue with the project and are seeking delay possession charges as provided under the proviso to section 18(1) of the Act. Sec. 18(1) proviso reads as under :

"Section 18: - Return of amount and compensation

18(1). If the promoter fails to complete or is unable to give possession of an apartment, plot, or building, —

.....

Provided that where an allottee does not intend to withdraw from the project, he shall be paid, by the promoter, interest for every month of delay, till the handing over of the possession, at such rate as may be prescribed."

15. Clause 3 of the MOU provides the time period of handing over possession and the same is reproduced below:

"3:

"The Company shall complete the construction of the said building/complex, within which the said space is located within 36 months from the date of execution of this Agreement or from the start of construction, whichever is later and apply for grant of completion/Occupancy Certificate.

16. Admissibility of delay possession charges at prescribed rate of interest:

The complainant is seeking delay possession charges in terms of proviso to section 18 of the Act which provides that where an allottee does not intend to withdraw from the project, she shall be paid, by the promoter, interest for every month of delay, till the handing over of possession, at such rate as may be

prescribed and it has been prescribed under rule 15 of the rules. Rule 15 has been reproduced as under:

Rule 15. Prescribed rate of interest- [Proviso to section 12, section 18 and sub-section (4) and subsection (7) of section 19]

(1) For the purpose of proviso to section 12; section 18; and sub-sections (4) and (7) of section 19, the "interest at the rate prescribed" shall be the State Bank of India highest marginal cost of lending rate +2%.

Provided that in case the State Bank of India marginal cost of lending rate (MCLR) is not in use, it shall be replaced by such benchmark lending rates which the State Bank of India may fix from time to time for lending to the general public.

17. The legislature in its wisdom in the subordinate legislation under the provision of rule 15 of the rules, has determined the prescribed rate of interest. The rate of interest so determined by the legislature, is reasonable and if the said rule is followed to award the interest, it will ensure uniform practice in all the cases.

18. Consequently, as per website of the State Bank of India i.e., <https://sbi.co.in>, the marginal cost of lending rate (in short, MCLR) as on date i.e., 23.12.2025 is 8.80%. Accordingly, the prescribed rate of interest will be marginal cost of lending rate +2% i.e., 10.80% per annum.

19. The definition of term 'interest' as defined under section 2(za) of the Act provides that the rate of interest chargeable from the allottee by the promoter, in case of default, shall be equal to the rate of interest which the promoter shall be liable to pay the allottee, in case of default. The relevant section is reproduced below:

"(za) "interest" means the rates of interest payable by the promoter or the allottee, as the case may be.

Explanation. —For the purpose of this clause—

(i) *the rate of interest chargeable from the allottee by the promoter, in case of default, shall be equal to the rate of interest which the promoter shall be liable to pay the allottee, in case of default;*

(ii) *the interest payable by the promoter to the allottee shall be from the date the promoter received the amount or any part thereof till the date the amount or part thereof and interest thereon is refunded, and the interest*

payable by the allottee to the promoter shall be from the date the allottee defaults in payment to the promoter till the date it is paid;"

20. Therefore, interest on the delay payments from the complainant shall be charged at the prescribed rate i.e., 10.80% p.a. by the respondent/promoter which is the same as is being granted to the complainant in case of delay possession charges. On consideration of the documents available on record and submissions made by the parties, the authority is satisfied that the respondent is in contravention of the section 11(4)(a) of the Act by not handing over possession by the due date as per the MOU executed between the parties. It is a matter of fact that MOU and agreement containing terms and conditions regarding the said unit was executed between the parties on 01.11.2019. As per the clause 03 of the Memorandum of Understanding (MOU) dated 01.11.2019, the possession of the booked unit was to be delivered within a period of 36 months from the date of execution of agreement or from the start of construction whichever is later. In the present case, the date of start of construction are not available so, the due date is calculated from the date of execution of agreement which is 01.11.2019 plus 6 months as per HARERA notification no. 9/3-2020 dated 26.05.2020 for the projects having completion date on or after 25.03.2020. Therefore, the due date of possession of the subject unit comes out to be 01.05.2023. The occupation certificate was received on 14.08.2024 however offer has been made by the respondent on 06.03.2025. The Authority is of the considered view that there is delay on the part of the respondent to offer physical possession of the subject unit and it is failure on part of the promoter to fulfil its obligations and to hand over the possession within the stipulated period.
21. Accordingly, non-compliance of the mandate contained in section 11(4) (a) read with proviso to section 18(1) of the Act on the part of the respondent is established. As such complainant is entitled to delay possession charges at the

prescribed rate of interest i.e., 10.80% p.a. for every month of delay on the amount paid by complainant to the respondent from the due date of possession i.e., 01.05.2023 till the offer of possession of the subject unit after obtaining occupation certificate from the competent authority plus two months or handing over of possession whichever is earlier as per the provisions of section 18(1) of the Act read with rule 15 of the rules.

- II. **To direct the respondent not to charge anything which is not part of the Buyers Agreement dated 01.11.2019.**
 - III. **Direct the respondent not to charge anything which is not part of payment schedule.**
 - IV. **To direct the respondent to waive of the demands pertaining to development charges, labour cess and FTTH Charges demanded via offer of possession letter dated 06.03.2025.**
 - V. **To direct the respondent to waive of the Fit-out Charges demanded via offer of possession letter dated 06.03.2025.**
 - VI. **To direct the respondent to waive of the interest penalty of Rs.6,98,338/- imposed in offer of possession letter dated 06.03.2025.**
22. The complainant has further sought relief regarding the waiver of various charges, penalties, rates, and other demands which, according to them, do not form part of either the Buyers' Agreement dated 01.11.2019 or the MoU executed on the same date. The impugned demand notice and offer of possession dated 06.03.2025 reflects components such as IFMS, development charges, FTTH charges, interest amount on dues and labour cess, which have been objected to by the complainant. The Authority of the view that:

- **Labour cess**

Labour cess is levied @ 1% on the cost of construction incurred by an employer as per the provisions of sections 3(1) and 3(3) of the Building and Other Construction Workers' Welfare Cess Act, 1996 read with Notification No. S.O 2899 dated 26.09.1996. It is levied and collected on the cost of

construction incurred by employers including contractors under specific conditions. Moreover, this issue has already been dealt with by the authority in complaint bearing no.962 of 2019 titled as **“Mr. Sumit Kumar Gupta and Anr. Vs Sepset Properties Private Limited”** wherein it was held that since labour cess is to be paid by the respondent, as such no labour cess should be charged by the respondent. The Authority is of the view that the allottee is neither an employer nor a contractor and labour cess is not a tax but a fee. Thus, the demand of labour cess raised upon the complainant is completely arbitrary and the complainant cannot be made liable to pay any labour cess to the respondent and it is the respondent builder who is solely responsible for the disbursement of said amount.

- **Development charges**

The undertaking to pay the development charges was comprehensively set out in the buyer agreement in clause 11. The said clause of the agreement is reproduced hereunder: -

Clause 11

*“That the Allottee agrees to pay all taxes, charges, Levies, cesses, applicable as on dated under any name or category heading and or levied in future on the land and or the said complex and/or the said space at all times, these would be including but not limited to GST. **Development charges**, Stamp Duties, Registration Charges, Electrical Energy Charges, EDC Cess, IDC Cess, BOW Cess, Registration Fee, Administrative Charges, Property Tax, Fire Fighting Tax and the like. **These shall be paid on demand** and in case of delay, these shall be payable with interest by the Allottee”*

In light of the aforementioned facts, the Authority is of the view that the said demand for development charges is valid since these charges are payable to various departments for obtaining service connections from the concerned departments including security deposit for sanction and release of such connections in the name of the allottee and are payable by the allottee. Hence, the respondent is justified in charging the said amount. In case instead of paying individually for the unit if the builder has paid composite payment in

respect of the development charges, then the promoter will be entitled to recover the actual charges paid to the concerned department from the allottee on pro-rata basis i.e. depending upon the area of the unit allotted to the complainant viz- à-viz the total area of the particular project. The complainant will also be entitled to get proof of all such payment to the concerned department along with a computation proportionate to the allotted unit, before making payment under the aforesaid head.

- **FTTH Charges**

The Authority further observes that clause 11, as discussed hereinabove, does not contain any stipulation regarding levy or recovery of FTTH charges from the complainant. In the absence of any specific contractual consent or agreed term between the parties, such charges cannot be imposed by the respondent. Accordingly, the respondent is directed to raise demands strictly in accordance with the terms mutually agreed under the executed agreement and MoU.

- **Interest on delay penalty**

The Authority has perused the offer of possession letter dated 06.03.2025, wherein an amount of Rs.6,98,338/- has been levied towards interest on delayed payment. Upon examination of the MoU on record, it is noticed that the complainant has already paid a sum of Rs.9,68,320/-, which is less than the basic sale consideration of Rs.15,28,800/- as reflected in the payment plan annexed with the MoU. Further, as per the statement of account cum demand 06.03.2025, it is reflected that an amount of Rs.9,68,320/- has already been paid by the complainant, which stands duly acknowledged and accepted by the respondent as the same is issued by the respondent. However, the same statement of account records the total sale consideration of the unit as Rs.21,65,410/-. Hence, in terms of the MoU, it is stipulated that the

complainant is liable to pay the outstanding amount towards IFMS, EDC/IDC, registration charges, stamp duty, and other applicable charges at the time of issuance of the offer of possession. It is evident from the record that the offer of possession of the said unit was issued to the complainant on 06.03.2025. In view of the provisions of Section 19(7) of the Act, 2016, an allottee is under a statutory obligation to make timely payment of all charges as agreed under the MoU. Accordingly, the complainant is liable to pay the remaining applicable charges, as agreed between the parties, along with interest, if any, on delayed payment attributable to the allottee.

23. The respondent shall not charge anything from the complainant which is not part of the MoU or buyers' agreement dated 01.11.2019.
24. It is pertinent to note that prior to the filing of the present complaint, demand towards fit-out charges had been raised by the respondent dated 06.03.2025, wherein the demand for fit-out charges of Rs.8,85,000/-, which is on record. Vide proceedings dated 23.12.2025 the counsel for the respondent states that as per the clause 7 of the MoU executed between the parties the complainant has agreed to pay such charges. The said clause is reiterated below for ready reference:

Clause 7(d)

"That the Allottee(s) further agrees and understands that in case the tenant desires any infrastructural changes in form of separate sewage arrangement or the gas pipeline or any other change which involves expense on the part of allottee(s), then in that event the same shall be paid by the Allottee, strictly within the period of 15 days from the day of written notification by the company on the registered e-mail address of the allottee(s). In case the allottee(s) fails to come forward to tender the payment as demanded by the Company then in that event the company shall bear the same from its own pocket and deduct the same from the rental payable to the allottee(s) with monthly interest of 2%. The allottee(s) shall not register any protest towards the deductions from the rental. The rent shall be paid to the allottee(s) in the above mentioned arrangement defined at clause 7(b) after the expense incurred by the company along with the monthly interest of 2% is recovered by the company from the rent received."

25. Upon understanding of the said clause, it is clear that Clause 7(d) of the MoU do mention about the allottee being responsible for certain additional charges, such

as when a tenant requires like a separate sewage arrangement, gas pipeline, or other infrastructural changes. However, the clause has been worded in very broad terms and does not define any extent for determining such charges. This creates a grey area. Also, the complainant should have taken note of this clause while executing the MoU, as it reflects an understanding between the parties that such additional charges may arise. The clause also refers to expenses for infrastructural changes, which may fall within the scope of fit out charges. However, the respondent cannot use the clause terms to impose demands in an excessive manner.

26. Therefore, if the respondent seeks to levy fit out charges, it must first provide a proper justification of demands by showing that the work was required for making the unit fit for lease. The fit out charges should be supported with proper details, including a break-up of expenditure and certification or report from an authorized architect, engineer or other competent professional confirming both the necessity and reasonableness of the work carried out. Only after such justification is provided respondent can charge from the complainant under the MoU.

VII. To direct the respondent to get conveyance deed executed in favour of the applicant/complainant.

27. As per Section 11(4)(f) and Section 17(1) of the Act, 2016 the promoter is under obligation to get the conveyance deed executed in favour of the complainant. Whereas as per Section 19(11) of the Act of 2016, the allottee is also obligated to participate towards registration of the conveyance deed of the unit in question.

28. The occupation/completion certificate has already been obtained by the respondent on 14.08.2024. Therefore, the respondent/promoter is directed to handover the possession of the unit to the complainant/allottee in terms of the

MoU as well as buyer's agreement executed between them on payment of outstanding dues if any, within 60 days.

F. Directions of the Authority

29. 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 is directed to pay the interest at the prescribed rate i.e. 10.80% per annum for every month of delay on the amount paid by the complainant from the due date of possession i.e., 01.05.2023 till valid offer of possession of the subject unit after obtaining occupation certificate from the competent authority plus two months or handing over of possession whichever is earlier as per the provisions of section 18(1) of the Act read with rule 15 of the rules.
- II. The respondent is directed to pay arrears of interest accrued within 90 days from the date of this order as per rule 16(2) of the rules and thereafter monthly payment of interest be paid till date of handing over of possession shall be paid on or before the 10th of each succeeding month.
- III. The respondent shall not charge anything from the complainant which is not part of the MoU or buyers' agreement.
- IV. The respondent is not entitled to charge holding charges and labour cess from the complainant/ allottee at any point of time even after being part of the builder buyer's agreement as per law settled by **Hon'ble Supreme Court in Civil Appeal nos. 3864-3889/2020 on 14.12.2020.**
- V. A period of 90 days is given to the respondent to comply with the directions given in this order and failing which legal consequences would follow.
- VI. The rate of interest chargeable from the allottees by the promoter, in case of default shall be at the prescribed rate i.e., 10.80% by the

respondent/promoter, which is the same rate of interest which the promoter shall be liable to pay to the allottee, in case of default i.e., the delayed possession charges as per section 2(za) of the Act.

VII.The respondent is directed to supply a copy of the updated statement of account after adjusting Assured Returns within a period of 30 days to the complainant.

VIII.The complainant is directed to pay outstanding dues, if any, after adjustment of Assured Returns within a period of 60 days from the date of receipt of updated statement of account.

IX.The respondent is directed to get the conveyance deed executed within a period of three months after depositing necessary payment of stamp duty and registration charges as per applicable local laws from the date of this order.

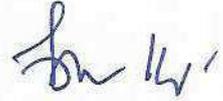
30. This decision shall mutatis mutandis apply to cases mentioned in para 3 of this order.

31. The complaints stand disposed of. True certified copy of this order shall be placed in the case file of each matter.

32. Files be consigned to registry.



Phool Singh Saini
(Member)



Arun Kumar
(Chairman)

Haryana Real Estate Regulatory Authority, Gurugram

Dated: 23.12.2025