

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

Date of Order: 09.12.2025

NAME OF THE BUILDER		M/s Neo Developers Private Limited.	
PROJECT NAME		"Neo Square"	
S. No.	Case No.	Case title	Attendance
1.	CR/2277/2025	Sneh Lata Singh V/S NEO Developers Private Limited	Rajinder Singh (Complainant) E. Krishna Das and Dushyant Yadav (Respondent)
2.	CR/2272/2025	Rajesh Singh V/S NEO Developers Private Limited	Rajinder Singh (Complainant) E. Krishna Das and Dushyant Yadav (Respondent)

CORAM:	
Shri Arun Kumar	Chairman
Shri Phool Singh Saini	Member

ORDER

- 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 along with assured return, waiver of fit out charges and other reliefs.
3. The details of the complaints, reply status, unit no., date of agreement, possession clause, due date of possession, total sale consideration, total paid and 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				

Sr. No.	Complaint no./title/ date of filing complaint	Unit No. and area admeasuring	Date of execution of agreement for sale and MoU	Assured return clause	Total sale consideration and amount paid by the Complainant
1.	CR/2277/2025 Sneh Iata Singh V/S NEO Developers Private Limited DOF: 09.05.2025 RR: 11.09.2025	Unit no. Priority No. 71A And 3 rd floor 300 Sq. ft. (page 32 of complaint)	BBA: 20.07.2016 (page 27 of complaint) MOU: 20.07.2016 (page 61 of complaint)	Clause 04 of MoU "The company shall pay a monthly return of Rs.27,000/- on the total amount received with effect from 20.07.2016 after deduction of Tax at Source, cess or any other levy which is due and payable by the Allottee(s) to the Company and the balance sale consideration shall be payable by the Allottees to the Company in accordance with the Payment Schedule annexed as Annexure-1. The monthly assured return shall be paid to the Allottee (s) until the commencement of the first lease on the said unit. This shall be paid from the effective date"	T.S.C: Rs. 16,20,450/- (as per payment plan at page no. 53 of complaint) A.P.: - Rs. 16,20,450/- (as per page no. 51 of reply)

				(As per pg. no. 64 of the Complaint)	
2.	CR/2272/2025 Rajesh Singh V/S NEO Developers Private Limited DOF: 09.05.2025 RR: 11.09.2025	Priority No. 71 3 rd floor And 250 Sq. ft. (page 32 of complaint)	BBA: 05.05.2016 (as per page 27 of complaint) MOU: 05.05.2015 (page 36 of complaint)	Clause 04 of MoU "The company shall pay a monthly return of Rs. 27,000/- on the total amount received with effect from 05.05.2016 after deduction of Tax at Source, cess or any other levy which is due and payable by the Allottee(s) to the Company and the balance sale consideration shall be payable by the Allottees to the Company in accordance with the Payment Schedule annexed as Annexure-1. The monthly assured return shall be paid to the Allottee (s) until the commencement of the first lease on the said unit. This shall be paid from the effective date." (As per pg. no. 60 of the Complaint)	T.S.C: Rs. 13,48,688/- (as per page no. 81 of complaint) A.P.: - Rs. 11,73,938/- (as per page no. 63 of reply)

Reliefs sought by the complainant -

1. Direct the Respondent to pay Assured Returns @Rs. 90 per sq feet per month amounting to Rs. 27,000/- (Rupees Twenty-Seven Thousand Only) for Commercial Unit Priority (Restaurant) No. 71-A on 3rd floor, since July, 2019 till handing over the possession.
2. To direct the Respondent to pay the interest/delayed possession compensation as per RERA Act along with the interest.
3. Restrain the Respondent from entering the lease deed with 3rd party without seeking the consent of the Complainant.
4. To set aside the power of the Respondent to enter into Lease Deed or handing over the possession to a third party.
5. To restrain the Respondent to charge anything not part of the MOU and BBA which includes the demand of Development Charges, FTTH, Labour Cess, Fit-out charges, interest etc. which was raised via demand letters dated 26.12.2024 or any other subsequent letter.
6. Set aside the illegal demand of VAT made by the Respondent vide letter dated 22.01.2020, 30.10.2020, 15.09.2021 and 30.09.2021.
7. To set aside the letter dated 26.12.2024 which has raised illegal demand of Fit out charges.
8. Restrain the Respondent from terminating or cancelling the Unit of the Complainant and to set aside the email dated 19.06.2022.
9. Declare that the endorsement made on pages after the Annexures in the BBA dated 20.07.2016 is illegal and void.
10. To execute the Sale Deed and convey the unit in favour of the Complainant for the Unit immediately.

Note: In the table referred above certain abbreviations have been used. They are elaborated as follows:

Abbreviation	Full form
DOF	Date of filing of complaint
BBA	Builder Buyer's Agreement
MOU	Memorandum of Understanding

AP	Amount paid by the allottee/s
TSC	Total Sale Consideration
RR	Reply received

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 the delayed possession charges, assured return, revoking illegal demands and setting aside the other charges like Fit-out charges.
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/2277/2025 titled as Sneh Lata Singh V/S 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/2277/2025 titled as Sneh Lata Singh V/S 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.	RERA Registered or not	Registered Vide no. 109 of 2017 dated 24.08.2017 valid upto 22.02.2024
5.	DTCP License no.	102 of 2008 dated 15.05.2008 valid upto 14.05.2025

6.	Buyer's agreement	20.07.2016 (As per pg. no. 27 of the Complaint)
7.	Unit no.	Commercial Unit Priority No. 71-A on the 3 rd Floor. (As per pg. no. 32 of the Complaint)
8.	Unit area admeasuring	300 Sq. Ft. (As per pg. no. 30 of the Complaint)
9.	Date of MoU	20.07.2016 (As per pg. no. 61 of the Complaint)
10.	Possession clause.	<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</i>
11.	Due date of possession	20.07.2019 (As per SC judgement)
12.	Assured return Clause	<i>Clause 4. The Company shall pay a monthly assured return of Rs.27,000/- on the total amount received with effect from 20-07-2016 after deduction of Tax at Source and service tax, cess or any other levy which is due and payable by the Allottee(s) to the Company and the balance sale consideration shall be payable by the Allottee(s) to the Company in accordance with the Payment Schedule annexed as Annexure-I. The monthly assured return shall be paid to the Allottee(s) until the commencement of the first lease on the said unit. This shall be paid from the effective date.</i> (As per pg. no. 64 of the complaint)
13.	Sale consideration	Rs.13,50,000/- (As per pg. no. 63 of the Complaint)

14.	Amount paid by the complainant	Rs. 13,52,438/- (As per demand letter pg. no.88 of the Complaint)
15.	Occupation certificate	14.08.2024 (As per DTCP site)
16.	Offer of possession	26.12.2024 (As per pg. no. 92 of the Complaint)
17.	Reminders for payment/VAT/Fit-outs of Rs. 12,39,000/-	14.02.2025, 26.12.2024, 22.03.2025 (As per pg. no. 58 of the reply)

B. Facts of the complaint.

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

- i. That the director and employees of the company finally induced the complainant to purchase the unit in their assured return plan wherein the company would make the payment at the rate of Rs. 90 per sq. ft. per month for the area purchased if full payments towards the unit are made by the complainant at the time of booking or at the time of execution of memorandum of understanding (MOU). Mr. Ashish Anand, director of the company, assured the complainant that there would be no delay in making payment towards the assured return under any circumstances whatsoever. under the circumstances, the complainant booked a unit in the project after making the entire payment towards basic sale price and taxes. The Respondent send a letter dated 14.07.2016 confirming the receiving of booking and amount paid by the complainant to the tune of Rs. 14,10,750/- and where the Respondent states that the balance is Nil.
- ii. That complainant entered into memorandum of understanding and builder buyer agreement on 20.07.2016. Mr. Ashish Anand, Director of the company explained the site plan wherein it was provided that the third floor of the building consists of restaurant and food court, which is above the floors consisting of retail stores. it was explained that the 3rd floor would be solely

dedicated to modern restaurants, lounge and food court. Mr. Ashish Anand, director of the company again assured that there will be no delay in making payment towards the assured return under any circumstances and the property would be constructed and delivered within 36 months period from entering of the mou since company has already entered into agreements with big brands such as pizza hut, McDonald's, kfc, nike, inox cinema etc.

- iii. That the assured return would be paid till the property is not leased out. Mr. Ashish Anand, director, and its employees assured the complainant that the project would be state-of-the-art and that the company had obtained all the mandatory permissions/clearances to construct the project, which would be constructed strictly in conformity with the sanctioned plan. In view of the above assurance an impression was given to complainant that since the project covers retails, food court, office, restaurant, cinema and hyper market, the footfall would be higher in number than any other place which would increase the value of the restaurant in future. Based on the above inducement and assurance of Mr. Ashish Anand, Director and the employees of the company, the complainant purchased a space for restaurant on the third floor and executed the memorandum of understanding and builder buyers agreement dated 20.07.2016, having area admeasuring 300 sq. ft. super built-up area at the rate of Rs. 4500/- per sq. ft. wherein commercial unit priority (restaurant) no. 71-A was assigned on 3rd floor.
- iv. That complainant paid a sum of Rs. 14,10,750/- (rupees fourteen lakh ten thousand seven hundred fifty only) towards consideration of the Commercial Unit Priority (Restaurant) No. 71-A, through two cheques i.e., cheque bearing no. 333215 dated 14.07.2016 (drawn on SBI bank) amounting to Rs. 10,00,000/- and cheque bearing no. 232447 dated 14.07.2016 (drawn on SBI bank) amounting to Rs.4,10,750/-. which were duly accepted by the company.

it was agreed under the MOU that a monthly return of Rs. 27,000/- (Rupees Twenty-Seven thousand only) shall be payable as assured return from 20.07.2016.

- v. The relevant clause of the MoU dated 27.04.2015 is reproduced hereunder for the reference of this Hon'ble Tribunal:

"The Company shall pay a monthly assured return of Rs.27,000 (Rupees Twenty-Seven Thousand Only) on the total amount received with effect from 20.07.2016 after deduction of Tax at Source and service tax, cess or any other levy which is due and payable by the Allottee(s) to the Company and the balance sale consideration shall be payable by the Allottee(s) to the company in accordance with the Payment Schedule annexed as Annexure 1. The monthly assured return shall be paid to Allottee(s) until the commencement of the first lease on the said unit. This shall be paid from the effective date."

- vi. The respondent on 09.05.2017 sent an email and raised the cumulative demand of Rs. 1,42,200/- towards EDC and IDC for commercial unit priority (restaurant) no. 71-A on 3rd floor of the project.
- vii. The complainant made the payment vide cheque bearing No. 333219 (drawn on SBI) dated 22.05.2017. The respondent issued a receipt dated 05.07.2017.
- viii. The respondent raised the demand towards VAT amounting to Rs. 67,500/- on 30.03.2017 for commercial unit priority (restaurant) no. 71-A. The complainant has paid a sum of Rs. 67,500/- (Rupees Sixty-Seven Thousand Five Hundred Only) through cheque bearing No. 333223 (drawn on SBI) dated 10.05.2017. Subsequently, the respondent again raised demand towards vat from complainant on several occasion for the same unit despite the fact that the same was paid at the time of very first demand in 2017.
- ix. That the mala fide intentions of the company also became conspicuous when the company stopped paying any assured return as per mou and bba. this unilateral decision of the respondent was sent to the complainant vide letter dated 18.12.2019. such a unilateral decision made by the respondent is per-se

illegal and against the terms and conditions of the agreement entered between the parties since the payment towards the assured return was integral part of the agreement. the said stopping of assured return was made citing restrictions under the rera act and guidelines. it was stated by the respondent that 70% of the amount received from buyers must be deposited in a separate account for construction and land costs, making it illegal for them to withdraw funds for monthly interest cheques and therefore the assured return would be adjusted at the time of possession. the respondent also sent a letter dated 16.01.2020 wherein the respondent has unilaterally acknowledged that the assured return has been stopped and that the respondent would pay and adjust the assured return of Rs. 27,000/- at the time of possession.

- x. It aspires that the payment towards VAT which was made by buyers in 2017 has not been deposited with the concerned authorities by the respondent-company and due to the said reason, the respondent-company is demanding vat again and again from the buyers with the sole intent of cheating the buyers and gaining wrongfully from them. The respondent issued a letter dated 22.01.2020 to deposit the VAT amounting to Rs. 1,18,854/- for the unit. Neither any explanation was given as to why the said amount was not included earlier in March, 2017 when the payment was made towards the VAT nor any explanation was provided. Hence, the demand for the VAT raised subsequently are illegal per-se and liable to be set aside. The respondent also sent reminder -1 letter dated 30.10.2020 for VAT payment of Rs. 1,29,431/- without any explanation as to the previous reminder and VAT payment made by the complainant. The respondent again on 15.09.2021 send reminder-2 letter wherein again a different demand of Rs. 1,09,687/- was demanded from the complainant. yet another reminder -3 letter dated 30.09.2021 for VAT payment of Rs. 1,09,687/- without any explanation was sent to the

complainant. It is submitted that all these demands are bad in law as the payment towards the VAT demand in 2017 was already duly made by the complainant.

- xi. That on 01.10.2020 the respondent sent an email of notice of registration of BBA and MOU. that the respondent also sent an email for invitation for starting the proceeding for assignment of lease dated 01.10.2020. It is submitted that no lease assignment could have been entered into, as the Project was incomplete at the relevant time, and the Unit could not have been leased out prior to obtaining the completion certificate and occupation certificate, which the respondent had not received at the time of sending the email dated 01.10.2020. Furthermore, the respondent's claim that the unit has been leased to a third party responsible for making assured return payments is highly unbelievable. It is inconceivable that a third party, who had not received possession of the unit, would have entered into an agreement with the respondent for a project lacking a completion certificate and would begin making payments to the buyer without first generating rental income from the unit.
- xii. The complainant again felt cheated by the respondent after the offer of possession vide dated 25.02.2025, as in that notice it was falsely mentioned that possession was offered dated 26.12.2024, whereas no such notice of offer was ever sent by the respondent. the respondent is merely trying to cheat the complainant with malafide intention and against the law. it is pertinent to mention that the complainant wrote emails to the respondent vide dated 09.03.2025 and 19.03.2025, but there was no response from the respondent's end.
- xiii. That further, the respondent on 29.06.2022 sent a letter of outstanding dues reminder wherein an amount of Rs. 1,38,931/- was demanded from the

complainant wherein the respondent also stated that it will cancel the allotment as, if the payment is not made on or before 15.07.2022 and the amount claimed was without stating the nature or basis of such outstanding dues. the vague and baseless nature of this demand violates the law of the land and thus is illegal and needs to be set aside. It is submitted that threatening the complainant by stating that if the payment alleged due to the respondent is not paid then the respondent would cancel and terminate the allotment of the unit purchased by the complainant is also an attempt by the respondent to use its dominant position. it is submitted that the payment towards the unit has already been done by the complainant and therefore the respondent cannot cancel and or terminate the allotment of the unit.

- xiv. The company has issued a demand notice and offer of possession via letter dated 26.12.2024 stating that the occupation certificate (OC) has been received and possession is now being offered, subject to clearance of outstanding dues which is to the tune of Rs. 5,55,770/- and required documentation. Despite previously committing to assured returns, the company unilaterally stopped monthly payments and is now demanding full payment for possession, warning that delays will incur holding charges, CAM charges, and interest per the builder buyer agreement. The notice mandates execution of a common area maintenance agreement before possession and lists required documents, including identity proof, PAN card, NOC (if financed), and Power of Attorney (if applicable). Possession will only be granted after payment of stamp duty, registration charges, and other applicable fees, raising concerns over the company's adherence to its financial commitments. The company also sent reminder letter – 1 dated 14.02.2025 to the complainant for payment of the alleged amount due against the complainant.

- xv. That the original Annexure-1 for payment, annexed with the MoU dated 20.07.2016, explicitly stated that at the time of offer of registration, the company would charge IFMS, Registration, Stamp Duty, Other Charges as applicable, and EDC+IDC (as and when demanded). However, the new demand raised via email dated 26.12.2024 is not in consonance with the original Annexure-1 of the payment plan and is therefore illegal, null and void as the company respondent cannot charge as to what is not included in the mou and BBA. It is also submitted that the interest which is levied is bad in law as no explanation with respect to the interest is not provided by the respondent as to why such interest is being imposed on the complainant. This email is nothing but an attempt to unlawfully coerce the complainant into making an illegitimate payment, which is contrary to the terms and conditions of the BBA and the mou executed between the parties as these payments are nowhere mentioned in the agreements signed.
- xvi. Despite receiving the OC, the respondent failed to handover the possession as well as convey the title of the property in favour of the complainant. Further, without paying the assured return pending since July, 2019, the respondent is illegally demanding the money such as development charges, FTTH charges by way of annexure- 1 of the demand letter dated 26.12.2024.
- xvii. Besides these illegal demands are raised by the respondent vide letter dated 26.12.2024 wherein the builder without first conveying the property in the name of the complainant proposed to lease out the unit to a third party without the permission of the complainant and without even seeking the consent on terms of the conditions for such lease deed. Illegal demand of fitout charges of Rs. 12,39,000/- has been raised @Rs.3500/- per square ft. in order to set off the assured return due and payable by the Respondent. Neither date of commencement of the lease has been provided in order to enable the

complainant to take the lease amount from the prospective lessee. Thus, it is apparent that builder is exploiting its dominant position and without fulfilling its promises directing the Complainant to obey by the reciprocal promises so made, which can be avoided by the complainant. The respondent cannot force its decision to direct the complaint to pay the fitout charges, since the same are payable by the lessee who would install and get the interior done as per its choice. The MoU and BBA does not compel the Complaint to make any such payment. Hence, the lease deed as well as the fitout charges demanded by the Respondent are liable to be set aside being illegal and beyond the terms and conditions of the agreement.

xviii. That, respondent sent a letter dated 22.03.2025 wherein final reminder has been given to the complainant to pay the amount of Rs. 5,69,098/- which is allegedly due against the complainant failing which the complainant has to pay holding charges @Rs.10/- per Sq. Ft. per month. It is further averred in the same letter that the respondent would cancel the allotment of the complainant if the complainant fails to clear the outstanding amount.

xix. That the complainant is constrained to file the present complaint seeking the payment of assured return at the rate of Rs. 90 per sq. feet amounting to Rs. 27,000 for Commercial Unit Priority (Restaurant) No. 71-A on 3rd floor admeasuring 300 sq. feet, since July, 2019 till the handing over the possession/ Lease out of the property after the completion of the construction. The respondent may be directed to complete the project as promised to the complainant and execute the sale deed in favour of the complainant with respect to the restaurant space purchased by him. to set aside the illegal demand of VAT by the respondent and compensation towards the delay in completing the project. further, to set aside illegal demands which include development charges, FTTH, Labour Cess, Fit-out charges, interest etc., raised

in contravention of Annexure -1 of the MOU dated 20.07.2016 signed by the parties. Also to set aside the Fit-Out charges which is illegally been demanded from the complainant. The complainant reserves the right to amend the submission made herein, to produce documents and alter the prayer as and when deem necessary or on the direction of this Hon'ble tribunal.

C. Relief sought by the complainant

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

- 1) To direct the Respondent to pay the interest/delayed possession compensation as per RERA Act along with the interest.
- 2) Direct the Respondent to pay Assured Returns @ Rs. 90 per sq feet per month amounting to Rs. 27,000/- (Rupees Twenty-Seven Thousand Only) for Commercial Unit Priority (Restaurant) No. 71-A on 3rd floor, since July, 2019 till handing over the possession.
- 3) Restrain the Respondent from entering the lease deed with 3rd party without seeking the consent of the Complainant.
- 4) To set aside the power of the Respondent to enter into Lease Deed or handing over the possession to a third party.
- 5) To restrain the Respondent to charge anything not part of the MOU and BBA which includes the demand of Development Charges, FTTH, Labour Cess, Fit-out charges, interest etc. which was raised via demand letters dated 26.12.2024 or any other subsequent letter.
- 6) Set aside the illegal demand of VAT made by the Respondent vide letter dated 22.01.2020, 30.10.2020, 15.09.2021 and 30.09.2021.
- 7) To set aside the letter dated 26.12.2024 which has raised illegal demand of Fit out charges.
- 8) Restrain the Respondent from terminating or cancelling the Unit of the Complainant and to set aside the email dated 19.06.2022.

- 9) Declare that the endorsement made on pages after the Annexures in the BBA dated 20.07.2016 is illegal and void.
- 10) To execute the Sale Deed and convey the unit in favour of the Complainant for the Unit immediately.

D. Reply by the respondent

9. The respondent has contested the complaint on the following grounds:

- a) That the complainant with an intention of earning a lease rental and assured return invested in the instant project, requested the respondent to allot a unit/space, admeasuring 300 sq. ft. super area in the project "neo square".
- b) That, considering the request of the complainant, the respondent booked a unit bearing priority no. 71A, on 5th floor, admeasuring 300 sq. ft. super area.
- c) Thereafter, the respondent made multiple requests to the complainant to visit the office of the respondent for executing the builder buyer's agreement and other agreements/documents with respect to lease rental, assured return etc. however, the complainant failed to come forward to do the needful.
- d) That after much persuasion by the respondent, the complainant came forward and executed the builder buyer's agreement on 20.07.2016.
- e) Since, the complainant has invested in the project to earn assured returns and lease rental by getting the unit leased out through respondent, therefore a memorandum of understanding dated 20.07.2016 was executed between the parties, recording the lease grant rights in favour of respondent, terms and conditions of payment of assured return and lease rental, fit-out charges, etc.

- f) That since the building was completed way before the grant of the occupation certificate, therefore, prospective lessees were approaching the respondent for taking the units in the project.
- g) That the respondent was anticipating that the occupation certificate would be granted by the competent authority shortly, and leased out the subject unit vide letter dated 01.10.2020, requested the complainant to forward to complete the formalities with respect to leasing of the unit.
- h) The occupation certificate of the project was granted by the competent authority on 14.08.2024.
- i) Thereafter, the respondent sent an offer of possession letter dated 26.12.2024, wherein the respondent requested the complainant to clear the outstanding amounts payable against the unit.
- j) Despite receiving the offer of possession, the complainant failed to come forward to complete the formalities of possession and payment of outstanding dues. Therefore, the respondent was constrained to issue reminders dated 14.02.2025, 25.02.2025 and 22.03.2025 requesting the complainant to do the needful.
- k) That the respondent vides letters dated 30.10.2020, 15.09.2021 and 30.09.2021 requested the complainant to make payment of vat charges as per the agreed terms and conditions of the MOU.
- l) That the respondent vide letter dated 26.12.2024, requested the complainant to make payment of the fit-out charges as per the agreed terms and conditions of the MOU.
- m) That the respondent vide letter dated 24.04.2025, requested the complainant to make payment of the maintenance charges as per the agreed terms and conditions of the MOU.

- n) That the complainant is an investor who had approached the respondent for investing in the project of the respondent to earn maximum returns on their investment by way of receiving an assured return and lease rental benefits.
- o) That the relief of assured return is not maintainable before the Authority upon enactment of the BUDS Act.
- p) That any direction for payment of assured return shall be tantamount to violation of the provisions of the BUDS Act.
- q) That under the scheme of the RERA Act 2016 there is no provision for examining and deciding the issues relating to the provisions of assured return, also the Authority has no jurisdiction to entertain an application for enforcement of an agreement of assured return on investment, which is separate from the agreement of sale or allotment, which grants right in immovable property.
- r) That assured return is not a matter contemplated under any provision of RERA 2016 and thus the assumption of jurisdiction by the authority is wholly illegal and unsustainable in the eyes of law. In this regard the provisions of Section 11 highlight the scope of the functions of the Promoter, as envisaged under the Act. The same also, so do not impose any obligations in relation to returns of investment.
- s) That in exercise of powers under section 84 of the Act, the Government of Haryana has enacted the "Haryana Real Estate (Regulation and Development) Rules, 2017". The Rules in Rules 3 and 4 specifically provide the matters in respect of which disclosures are to be made by the promoter and in particular the promoter in relation to an ongoing project. The rules also keep "assured return" out of their scope. Rule 8 provides a clear indication as to the matters which are to be covered under the Agreement

of Sale. The Authority has no jurisdiction to enlarge a matter which is duly provided for by statute.

- t) That even in case of a newly registered project, assured return is not a matter which would be included in the agreement of sale. The rule clearly indicated the extent to which the rights of the allottees are protected, is the matters contained in the agreement, form of which is provided under the rules. That even this agreement does not contain any condition governing assured returns. Thus, any order of payment of assured return would go beyond the statute and assumed jurisdiction in a wholly illegal manner.
- u) In this regard the aims and object and the obligations and compliances required to be made by a promoter as enshrined in the act, 2016 may be examined. The assured return is an independent commercial arrangement between the parties which sometime a promoter/developer offer, in order to attract buyers/investors or users who may invest either in under construction or pre-launched/new launched projects. The commercial effect would generally involve transactions having profit as their main aim. Piecing the threads together, therefore, so long as an amount is 'raised' under a real estate agreement, which is done with profit as the main aim. Such agreement between the developer and home buyer would have the "commercial effect" as both the parties have "commercial" interest in the same- the real estate developer seeking to make a profit on the sale of the apartment, and the flat/apartment purchaser profiting by the sale of the apartment. Whereas the object of promulgation of Act 2016 aims to create and ensure sale of immovable property in efficient and transparent manner and to protect the interest of the consumers in the real estate sector and not for the profit purposes.

- v) On the basis of the above, it may be considered that there is no provision under the scheme of act 2016 for examining and deciding the issues relating to the provisions of assured return in an allotment letter/builder buyer agreement for purchase of flat/apartment/plot.
- w) Also, a perusal of the section 2(d) defining allottee as well as section 2 (zk) which defines "Promoter" does not include any transaction regarding "assured return". Therefore, the Assured Return scheme is beyond the scope of the Act, 2016 and jurisdiction of the Authority.
- x) That as per the provisions of the act, 2016, the Authority is dressed with the jurisdiction to adjudicate upon all the complaints arising out of failure of either party to fulfil the terms and conditions of the agreement for sale (buyer's agreement). However, in the present matter the complainant is relying upon the terms of mou which is a distinct agreement than the Buyer's agreement and thus, the MOU is not covered under the provisions of the Act, 2016. The said complaint is not maintainable on this basis that there exists no relationship of builder-allottee in terms of the MOU, by virtue of which the complainant is raising their grievance.
- y) That the buyer's agreement and the assured return agreement both contain rights and obligations of parties which are not identical of each other. Therefore, both these documents cannot be treated as a single document enumerating the same rights and obligations. The reliance is place on the judgement of the Hon'ble High Court of Delhi in the matter of **M/s Serenity Real Estate Private Limited Vs. Blue Coast Infrastructure Development Pvt. Ltd. (Arb. P. 796/2016)** wherein the Hon'ble High Court held as under:

"11. It is apparent from the above that the Arbitration clause in the Assured Return Agreement is materially different from the Arbitration clause contained in the Space Agreement. Although the Agreements are

connected the rights and obligations of the parties under the said agreements are not identical. Thus, it is difficult to accept the Respondent's contention that the arbitration clause in the space agreement would prevail over the Arbitration clause in the later agreement.

z) Thus, in view of the above, the present complaint is arising out of the MOU which is not maintainable before the authority and thus, the present complaint is liable to be dismissed.

aa) That on 21.02.2019 the Central Government passed an ordinance "Banning of Unregulated Deposits, 2019", to stop the menace of unregulated deposits and payment of returns on such unregulated deposits.

bb) Thereafter, an act titled as "The Banning of Unregulated Deposits Schemes Act, 2019" (hereinafter referred to as "the BUDS Act") notified on 31.07.2019 and came into force. That under the said Act all the unregulated deposit schemes have been banned and made punishable with strict penal provisions. That being a law-abiding company, the Respondent upon the introduction of BUDS Act, cease to make further payments pertaining to Assured Return to the Allottees/Complainant due above said prevailing confusion/anomaly. The preamble of the act reads as under:

"An Act 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."

cc) That on bare reading of above preamble it is clear that the intention behind notifying the act is to ban the unregulated deposit schemes to protect the interest of depositor.

dd) Further, the BUDS Act provides two forms of deposit schemes, namely Regulated Deposit Schemes and Unregulated Deposit Schemes. Thus, for any deposit scheme, for not to fall foul of the provisions of the BUDS Act,

must satisfy the requirement of being a 'Regulated Deposit Scheme' as opposed to Unregulated Deposit Scheme. Hence, the main object of the BUDS Act is to provide for a comprehensive mechanism to ban Unregulated Deposit Scheme.

- ee) That the BUDS Act is a central Act came subsequent to the Companies Act and the RERA Act, 2016, therefore, directing the respondent to pay assured returns shall be violation of the provisions of BUDS Act.
- ff) That for any kind of deposits and return over it shall be tried and adjudicated as per the relevant provisions of the BUDS Act by the Competent Authority constituted under the Act.
- gg) Further, any orders or continuation of payment of assured return or any directions thereof may tantamount to contravention of the provisions of the BUDS Act.
- hh) That the respondent has offered assured returns to the complainant in lieu of advance payments received in respect to a unit booked in the project. It is merely an offer of marketing whereby the immovable property is sold against a certain consideration and certain percentage whereof is offered as Assured Return over a period of time, which can be treated as passing on of discount as price realization against such sale through the said offers is much higher and substantial amounts are received by the respondent at one go which works as working capital for development of project.
- ii) That recently a writ petition was filed before the Hon'ble High Court of Punjab & Haryana in the matter of Vatika Ltd. Vs Union of India & Anr. - CWP-26740-2022, on similar grounds of directions passed for payment of Assured Return being completely contrary to the BUDS Act. That the Hon'ble High Court after hearing the initial arguments vide order dated 22.11.2022 was pleased to pass direction with respect to not taking

coercive steps in criminal cases registered against the Petitioner therein, seeking recovery of deposits till the next date of hearing. Further, a Civil Writ Petition bearing no. 16896/2023 titled as "NEO Developers Pvt Ltd vs Union of India and Another" has been filed by the Respondent on similar grounds as in the supra case before the Hon'ble Punjab and Haryana High Court and the same is been connected by the Hon'ble High Court with the Civil Writ Petition - 26740-2022 and is pending adjudication.

- jj) That as the complainant in the present complaint is seeking the relief of assured return/penalty, it is respectfully submitted that such a relief is not maintainable before this Ld. Authority in view of the enactment of the Banning of Unregulated Deposit Schemes Act, 2019 ("BUDS Act"). Any direction for payment of Assured Return/Penalty would amount to violation of the provisions of the BUDS Act.
- kk) A bare reading of Section 13(2) demonstrates that Assured Return/Penalty is not contemplated within the ambit of an agreement for sale. It is a separate commercial arrangement, independent of the RERA framework.
- ll) That Moreover, the present complaint is based on the terms of an mou entered into between the parties, which is distinct from the builder-buyer agreement. The jurisdiction of the Authority is confined to disputes arising from the builder-buyer agreement. Since the MOU is an independent commercial understanding, the complaint founded upon it is not maintainable. Reliance is placed on M/s Serenity Real Estate Pvt. Ltd. v. Blue Coast Infrastructure Development Pvt. Ltd. (Arb. P. 796/2016, Delhi HC), wherein it was held that different agreements between the same parties, though connected, create distinct rights and obligations.

- mm) That as per the terms of the MOU the complainant explicitly agreed to the complainant that in case of the tenant desires any infrastructural changes in form of separate sewage arrangement or the gas pipeline or any other charges which involves expense on the part of the allottee(s), then in that event the same shall be paid by the respondent, strictly within the period of 15 days from the day of written notification by the company and if the respondent fails to come forward to tender the payment as demanded by the complainant then in that event the complainant shall bear the same from its own pocket.
- nn) That the respondent is raising the VAT demands as per government regulations. The rate at which the respondent is charging the VAT amount is as per the provisions of the Haryana Value Added Tax Act 2003. Accordingly, the VAT amounts have been demanded from the complainant, as the same has been assessed and demanded by the competent Authority.
- oo) That the respondent has not availed the amnesty scheme namely, Haryana Alternative Tax Compliance Scheme for Contractors, 2016, floated by the Government of Haryana, for the recovery of tax, interest, penalty or other dues payable under the said HVAT Act, 2003. To further substantiated the same, the name of the Respondent is not appearing in the list of Builders, as circulated by the Excise & Taxation Department Haryana, who have opted for the Lumpsum Scheme/Amnesty Scheme under Rule 49A of HVAT Rules, 2003.
- pp) That the demand of VAT is done as per Clause 11 of the Buyer's Agreement. The said clause clearly states that the Allottee is liable to pay interest on all delayed payment of taxes, charges etc. The complainant is liable to pay the VAT demands as the respondent has not availed any amnesty scheme.

qq) That as per the agreement so signed and acknowledged, the completion of the said unit was subject to the midway hindrances which were beyond the control of the respondent. And, in case the construction of the said commercial unit was delayed due to such 'Force Majeure' conditions the respondent was entitled for extension of time period for completion. The development and implementation of the said Project have been hindered on account of several orders/directions passed by various authorities/forums/courts as has been delineated here in below:

S. N o.	Date of Order	Directions	Period Of Restriction	Days affected	Comments
1.	07.04.2015	National Green Tribunal had directed that old diesel vehicles (heavy or light) more than 10 years old would not be permitted to ply on the roads of NCR, Delhi. It has further been directed by virtue of the aforesaid order that all the registration authorities in the State of Haryana, UP and NCT Delhi would not register any diesel vehicles more than 10 years old and would also file the list of vehicles before the tribunal and provide the same to the police and other concerned authorities.	7 th of April, 2015 to 6 th of May, 2015	30 days	The aforesaid Ban affected the supply of raw materials as most of the contractors/building material suppliers used diesel vehicles more than 10 years old. The order had abruptly stopped movement of diesel vehicles more than 10 years old which are commonly used in construction activity. The Order had completely hampered the construction activity.
2.	19 th July 2016	National Green Tribunal in O.A. No. 479/2016 had directed that no stone crushers be permitted to operate unless they operate	Till date the order in force and no relaxation has been given to this effect.	30 days	The directions of NGT were a big blow to the real estate sector as the

		consent from the State Pollution Control Board, no objection from the concerned authorities and have the Environment Clearance from the competent Authority.			construction activity majorly requires gravel produced from the stone crushers. The reduced supply of gravels directly affected the supply and price of ready mix concrete required for construction activities.
3.	8 th Nov, 2016	National Green Tribunal had directed all brick kilns operating In NCR, Delhi would be prohibited from working for a period of 2016 one week from the date of passing of the order. It had also been directed that no construction activity would be permitted for a period of one week from the date of order.	8 th Nov, 2016 to 15 th Nov, 2016.	7 days	The bar imposed by Tribunal was Absolute. The order had Completely Stopped Construction activity.
4.	7 th Nov, 2017	Environment Pollution (Prevention and Control Authority) had directed to the closure of all brick kilns, stones crushers, hot mix plants, etc. With effect from 7 th Nov 2017 till further notice.	Till date the order has not been vacated	90 days	The bar for the closure of stone crushers simply put an end to the construction activity as in the absence of crushed stones and bricks carrying on of construction were simply not feasible. The respondent eventually ended up locating alternatives with the intent

					of expeditiously concluding construction activities but the previous period of 90 days was consumed in doing so. The said period ought to be excluded while computing the alleged delay attributed to the Respondent by the Complainant. It is pertinent to mention that the aforesaid bar stands in force regarding brick kilns till date is evident from orders dated 21 st Dec, 19 and 30 th Jan, 20.
5.	9 th Nov 2017 and 17 th Nov, 2017	National Green Tribunal has passed the said order dated 9 th Nov, 2017 completely prohibiting the carrying on of construction by any person, private, or government authority in NCR till the next date of hearing. (17 th of Nov, 2017). By virtue of the said order, NGT had only permitted the completion of interior finishing/interior work of projects. The order dated 9 th Nov, 17 was vacated vide order dated 17 th Nov, 17.		9 days	On account of passing of the aforesaid order, no construction activity could have been legally carried out by the Respondent. Accordingly, construction activity has been completely stopped during this period.
6.	29 th October 2018	Haryana State Pollution Control Board, Panchkula has passed the order dated 29 th October 2018 in furtherance of directions of	1 st Nov to 10 th Nov, 2018	10 days	On account of the passing of the aforesaid order, no construction

		Environmental Pollution (Prevention and Control) Authority dated 27 th Oct 2018. By virtue of order dated 29 th of October 2018 all the construction activities including the excavation, civil construction were directed to remain close in Delhi and other NCR Districts from 1 st Nov to 10 th Nov 2018.		activity could have been legally carried out by the Respondent. Accordingly, construction activity has been completely stopped during this period.
7.	24 th July, 2019	NGT in O.A. no. 667/2019 & 679/2019 had again directed the immediate closure of all illegal stone crushers in Mahendergarh Haryana who have not complied with the siting criteria, ambient, air quality, carrying capacity, and assessment of health impact. The tribunal further directed initiation of action by way of prosecution and recovery of compensation relatable to the cost of restoration.	30 days	Th directions of the NGT were again a setback for stone crushers operators who have finally succeeded to obtain necessary permissions from the competent authority after the order passed by NGT on July 2017. Resultantly, coercive action was taken by the authorities against the stone crusher operators which again was a hit to the real estate sector as the supply of gravel reduced manifold and there was a sharp increase in prices which consequently affected the

					pace of construction.
8.	11 th October 2019	Commissioner, Municipal Corporation, Gurugram has passed an order dated 11 th of Oct 2019 whereby the construction activity has been prohibited from 11 th Oct 2019 to 31 st Dec 2019. It was specifically mentioned in the aforesaid order that construction activity would be completely stopped during this period.	11 th Oct 2019 to 31 st Dec 2019	81 days	On account of the passing of the aforesaid order, no construction activity could have been legally carried out by the Respondent. Accordingly, construction activity has been completely stopped during this period.
9.	04.11.2019	The Hon'ble Supreme Court of India vide its order dated 04.11.2019 passed in writ petition bearing no. 13029/1985 titled as ' <i>MC Mehta vs. Union of India</i> ' completely banned all construction activities in Delhi-NCR which restriction was partly modified vide order dated 09.12.2019 and was completely lifted by the Hon'ble Supreme Court vide its order dated 14.02.2020.	04.11.2019 14.02.2020	102 days	These bans forced the migrant labourers to return to their native towns/states/villages creating an acute shortage of labourers in the NCR Region. Due to the said shortage the Construction activity could not resume at full throttle even after the lifting of ban by the Hon'ble Apex Court.
10.	3 rd week of Feb 2020	Covid-19 pandemic	Feb 2020 to till date	To date [3 months]	Since the 3 rd week of February 2020, the Respondent has also suffered

					National lockdown (own)	devastatingly because of the outbreak, spread, and resurgence of COVID-19 in the year 2020. The concerned statutory authorities had earlier imposed a blanket ban on construction activities in Gurugram. Subsequently, the said embargo had been lifted to a limited extent. However, during the interregnum, large-scale migration of labor occurred and the availability of raw materials started becoming a major cause of concern.
11.	Covid in 2021	That period from 12.04.2021 to 24.07.2021, each and every activity including the construction activity was banned in the State	12.04.2021 24.07.2021	-	103 days	Considering the wide spread of Covid-19, firstly night curfew was imposed followed by weekend curfew and then complete curfew.

rr) That a period of 582 days was consumed on account of circumstances beyond the power and control of the respondent, owing to the passing of

orders by the statutory authorities. All the circumstances come within the meaning of force majeure. Thus, the respondent has been prevented by circumstances beyond its power and control from undertaking the implementation of the project during the time period indicated and therefore the same is not to be taken into reckoning while computing the period of 48 as has been provided in the agreement. In a similar case where such orders were brought before the Hon'ble Authority in the Complaint No. 3890 of 2021 titled "Shuchi Sur and Anr vs. M/S Venetian LDF Projects LLP" decided on 17.05.2022, the Hon'ble Authority was pleased to allow the grace period and hence, the benefit of the above affected 582 days need to be rightly given to the respondent builder.

10. All other averments made in the complaint were denied in toto.
11. Copies of all the relevant documents have been filed and placed on 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

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

E.I Territorial jurisdiction

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

E.II Subject matter jurisdiction

14. 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.

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

F. Findings on the objections raised by the respondent.

F. I. Objection regarding the complainant being investor.

16. The respondent has taken a stand that the complainant is investor and not an allottee/consumer. Therefore, she is not entitled to the protection of the Act and are not entitled to file the complaint under Section 31 of the Act. The Authority observes that any aggrieved person can file a complaint against the promoter if the promoter contravenes or violates any provisions of the Act or rules or regulations made thereunder. Upon careful perusal of all the terms and conditions of the buyer's agreement dated 20.07.2016, it is revealed that the complainant are buyers, and she has paid a total price of Rs.14,10,750/- to the

promoter towards purchase of a unit in its project. At this stage, it is important to stress upon the definition of term allottee under the Act, the same is reproduced below for ready reference:

"2(d) "allottee" in relation to a real estate project means the person to whom a plot, apartment or building, as the case may be, has been allotted, sold (whether as freehold or leasehold) or otherwise transferred by the promoter, and includes the person who subsequently acquires the said allotment through sale, transfer or otherwise but does not include a person to whom such plot, apartment or building, as the case may be, is given on rent;"

17. In view of above-mentioned definition of "allottee" as well as all the terms and conditions of the agreement, it is crystal clear that the complainant are allottees as the subject unit was allotted to them by the promoter. Further, the concept of investor is not defined or referred in the Act. Moreover, the Maharashtra Real Estate Appellate Tribunal in its order dated 29.01.2019 in appeal no. 0006000000010557 titled as *M/s Srushti Sangam Developers Pvt. Ltd. Vs. Sarvapriya Leasing (P) Lts. And anr.* has also held that the concept of investor is not defined or referred in the Act. In view of the above, the contention of promoter that the allottees being investor are not entitled to protection of this Act stands rejected.

F. II Objection regarding the project being delayed because of force majeure circumstances.

18. The respondent/promoter has raised the contention that the construction of the project has been delayed due to force majeure circumstances such ban on construction due to orders passed by NGT, EPCA, Courts/Tribunals/Authorities, etc. As per MoU, the due date of possession was 20.07.2019. It is observed that orders passed by NGT banning construction in the NCR region was for a very short period of time and thus, cannot be said to impact the respondent leading to such a delay in the completion. Moreover, some of the events mentioned above

are of routine in nature happening annually and the promoter is required to take the same into consideration while launching the project. Thus, the promoter/respondent cannot be given any leniency on based of aforesaid reasons and it is well settled principle that a person cannot take benefit of his own wrong.

G. Findings on the relief sought by the complainant.

- I. Direct the Respondent to pay Assured Returns @ Rs. 90 per sq. feet per month amounting to Rs.27,000/- (Rupees Twenty-Seven Thousand Only) for Commercial Unit Priority (Restaurant) No. 71-A on 3rd floor, since July, 2019 till handing over the possession.**
- II. To direct the Respondent to pay the interest/delayed possession compensation as per RERA Act along with the interest.**

G.I) Assured Returns

19. The complainant is seeking unpaid assured returns on monthly basis as per the terms of the MoU dated 20.07.2016 at the rate mentioned therein. It is pleaded that the respondent has not complied with the terms and conditions of the said MoU.
20. The respondent has submitted that the complainant in the present complaint is claiming the reliefs on basis of the terms agreed under the MoU between the parties which is a distinct agreement than the buyer's agreement and thus, the MoU is not covered under the provisions of the Act, 2016. Thus, the said complaint is not maintainable on this basis that there exists no relationship of promoter-allottee in terms of the MoU, by virtue of which the complainant is raising their grievance.
21. It is pleaded on behalf of respondent 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 the plea advanced 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.*

22. 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 an 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;*

23. 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 promoter at the time of booking or immediately thereafter and as agreed upon between them.

24. 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.
25. The money was taken by the builder as a 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.
26. The promoter 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 defines the builder/buyer relationship. So, it can be said that the agreement for assured returns between the promoter and allottee arises out of the same relationship and is marked by the addendum agreement.
27. It is not disputed that the respondent is a real estate developer, and it had 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.

28. In the present complaint, the assured return was payable as per clause 4 of the MoU dated 20.07.2016, which is reproduced below for the ready reference:

Clause 4.

"The Company shall pay a monthly assured return of Rs.27,000/- on the total amount received with effect from 20.07.2016 before deduction of Tax at Source, cess or any other levy which is due and payable by the Allottee (s) to the Company and the balance sale consideration shall be payable by the Allottee(s) to the Company in accordance with Payment Schedule annexed as Annexure- 1. The monthly assured return shall be paid to the Allottee (s) until the commencement of the first lease on the said unit. This shall be paid from the effective date."

29. Thus, as per the abovementioned clause the assured return was payable @Rs.27,000/- per month w.e.f. 20.07.2016, till the commencement of valid first lease.

30. Furthermore, the respondent promoter issued a letter on 01.10.2020 stating that the assignment of lease will be prepared and submitted to the complainant for review and signature. However, the respondent-promoter can lease out the subject unit only after obtaining the Occupation Certificate. The building cannot be considered complete or in a habitable condition until the Occupation Certificate is granted by the competent authority. In view of the above, the letter regarding the agreement for lease appears to be a mere ploy by the respondent to evade the liability of paying the assured return. The validity of the said lease can be considered only upon obtaining the Occupation Certificate, i.e., on 14.08.2024, and the liability shall extend up to the date of obtaining the Occupation Certificate

31. In light of the above, the Authority is of the view that as per the MoU dated 20.07.2016, it was obligation on part of the respondent to pay the assured return till the commencement of first lease on the subject unit. The occupation

certificate for the project in question was obtained by the respondent on 14.08.2024. Accordingly, the respondent/promoter is liable to pay assured return to the complainant at the agreed rate i.e., @Rs.27,000/- from the date i.e., 20.07.2016 till the commencement of the valid first lease on the said unit after deducting the amount already paid on account of assured return to the complainant.

G.II) Delay Possession Charges:

32. In the present complaint, the complainant intend to continue with the project and is seeking possession of the subject unit and delay possession charges as provided under the provisions of section 18(1) of the Act which 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"

33. **Due date of possession:** The subject unit was allotted to the complainants vide MOU dated 20.07.2016. In the facts and circumstances of this case, the developer was obligated to complete the construction of the said unit within 36 months from the date of execution of this agreement or from the start of construction whichever is later. Hence, the period of 36 months is calculated from the date of signing of the MoU i.e., 20.07.2016, being later. Accordingly, the due date of possession comes out to be 20.07.2019.

34. **Admissibility of delay possession charges at prescribed rate of interest:** The complainant is seeking delay possession charges. Proviso to section 18 provides 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 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]

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”

35. The legislature in its wisdom in the subordinate legislation under the rule 15 of the rules has determined the prescribed rate of interest. 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., 09.12.2025 is 8.85%. Accordingly, the prescribed rate of interest will be marginal cost of lending rate +2% i.e., 10.80%.

36. 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;”*

37. Therefore, interest on the delay payments from the complainant shall be charged at the prescribed rate i.e., 10.85% p.a. by the respondent/promoter which is the same as is being granted to the complainant in case of delay possession charges.
38. On consideration of documents available on record and submissions made by the complainant and the respondent, the Authority is satisfied that the respondent is in contravention of the provisions of the Act. The possession of the subject unit was to be delivered within stipulated time i.e., by 20.07.2019.
39. However now, the proposition before it is as to whether the allottee who is getting/entitled for assured return even after expiry of due date of possession, can claim both the assured return as well as delayed possession charges?

To answer the above proposition, it is worthwhile to note that the assured return is payable to the allottees in terms of the provisions of the MoU dated 20.07.2016. In the present case, the promoter had agreed to pay a fixed monthly assured return on the total amount received from the complainant with effect from 20.07.2016 till the commencement of the first lease of the subject unit. A comparison between the assured return stipulated under the MoU and the delayed possession charges payable under the proviso to Section 18(1) of the Act, 2016 reveals that the assured return is more beneficial to the allottees. By way of the assured return clause, the promoter assured the allottees of a specific monthly compensation until the unit is put on valid lease. Moreover, the interest of the allottees continues to remain protected even after completion of construction, as the assured return is payable till the unit or space is actually leased out. The underlying objective of delayed possession charges, namely safeguarding the interest of the allottees for continued use of their funds by the promoter beyond the stipulated date of possession, stands duly satisfied by the payment of assured return after the due

date of possession. Accordingly, the allottees are entitled to receive either the assured return or delayed possession charges, whichever is higher, for the relevant period.

40. Accordingly, the Authority decides that in cases where assured return is reasonable and comparable with the delayed possession charges under section 18 and assured return is payable even after the date of completion of the project, then the allottees shall be entitled to assured return or delayed possession charges, whichever is higher without prejudice to any other remedy including compensation.
41. Furthermore, the respondent/promoter states that first lease with regard to the subject unit has already been executed on 24.07.2020. However, the respondent-promoter can lease out the subject unit only after obtaining the Occupation Certificate. The building cannot be considered complete or in a habitable condition until the Occupation Certificate is granted by the competent authority. In view of the above, the letter regarding the agreement for lease appears to be a mere ploy by the respondent to evade the liability of paying the assured return. The occupation certificate for the unit was obtained only on 14.08.2024. The validity of the said lease can be considered only after obtaining the Occupation Certificate, i.e., on 14.08.2024, and the liability shall extend up to the commencement of the first lease after obtaining the Occupation Certificate.
42. In the present complaint, as per clause 4 of the MOU dated 20.07.2016, the amount on account of assured returns was payable from 20.07.2016 up to the commencement of the first lease which was executed on 24.07.2020. The first lease of the concerned unit is not valid in the eyes of law as the same is been executed before the occupancy certificate of the said project. The Occupancy Certificate of the project in question has been obtained by the respondent on 14.08.2024. Possession of the unit has been offered by the respondent on

26.12.2024. Therefore, considering the facts of the present case, the respondent is directed to pay the assured return to the complainant at the agreed rate i.e., @Rs.27,000/- per month from the effective date i.e., 20.07.2016 till the commencement of the valid first lease after deducting the amount already paid on account of assured return to the complainant.

43. Accordingly, the respondent is directed to pay the outstanding accrued assured return amount at the agreed rate within 90 days from the date of this order after adjustment of outstanding dues, if any, from the complainant and failing which that amount would be payable with interest @8.85% p.a. till the date of actual realization.

III. Restrain the Respondent from entering the lease deed with 3rd party without seeking the consent of the Complainant.

IV. To set aside the power of the Respondent to enter into Lease Deed or handing over the possession to a third party.

44. The complainant is seeking additional reliefs w.r.t putting the unit on lease as well as lease rental as per MoU. The Authority observes that vide Clause 8(a) of the MoU dated 20.07.2016, it was agreed that the respondent would make payment of lease rentals at Rs.54.55/- per sq. ft. per month to the complainant from commencement of first lease. Further, vide clause 8 of the MoU that the respondent was to finalize the terms for leasing the premises with a perspective lessee. Since, the occupation certificate of the project in question has already been received by the respondent-promoter from the competent authority on 14.08.2024, the respondent is directed to put the unit allotted to the complainants on lease and to pay lease rental at the agreed rate as per the terms of the memorandum of understanding dated 20.07.2016.

V. To restrain the Respondent to charge anything not part of the MOU and BBA which includes the demand of Development Charges, FTTH,

Labour Cess, Fit-out charges, interest etc. which was raised via demand letters dated 26.12.2024 or any other subsequent letter.

- VI. Set aside the illegal demand of VAT made by the Respondent vide letter dated 22.01.2020, 30.10.2020, 15.09.2021 and 30.09.2021.
- VII. To set aside the letter dated 26.12.2024 which has raised illegal demand of Fit out charges.
45. The complainant has further sought relief regarding the waiver of various ancillary charges, penalties, rates, and other monetary demands which, according to them, do not form part of either the Buyers' Agreement dated 20.07.2016 or the MoU executed on the same date. The impugned demand letter dated 26.12.2024 reflects components such as IFMS, Development Charges, FTTH charges 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: -

"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 respondent during proceedings dated 09.12.2025 apprised the Authority that the respondent is liable to raise the said demands under clause 11 as had been agreed between the parties. The Authority takes a note that clause 11 as already elaborated above does not mention about the FTTH charges being payable by the complainant. Hence, the respondent shall only raise demand as per the agreed terms of the agreement and MoU executed between the parties.

- **Holding charges**

The term holding charges or also synonymously referred to as non-occupancy charges become payable or applicable to be paid if the possession has been offered by the builder to the owner/allottee and physical possession of the unit not taken over by allottee, but the flat/unit is lying vacant even when it is in a ready-to-move condition. Therefore, it can be inferred that holding charges is something which an allottee has to pay for his own unit for which he has already paid the consideration just because he has not physically occupied or moved in the said unit.

In the case of *Varun Gupta vs Emaar MGF Land Limited, Complaint Case no. 4031 of 2019 decided on 12.08.2021*, the Hon'ble Authority had already decided that the respondent is not entitled to claim holding charges from the complainant at any point of time even after being part of the builder buyer agreement as per law settled by the *Hon'ble Supreme Court in Civil Appeal nos. 3864-3899/2020 decided on 14.12.2020*. The relevant part of same is reiterated as under-

3. "134. As far as holding charges are concerned, the developer having received the sale consideration has nothing to lose by holding possession of the allotted flat except that it would be required to maintain the apartment. Therefore, the **holding charges** will not be payable to the developer. **Even in a case where the possession has been delayed on account of the allottee having not paid the entire sale consideration,**

the developer shall not be entitled to any holding charges though it would be entitled to interest for the period the payment is delayed."

Therefore, in view of the above the respondent is directed not to levy any holding charges upon the complainant.

- **Maintenance charges**

In the case of *Varun Gupta vs Emaar MGF Land Limited, Complaint Case no. 4031 of 2019 decided on 12.08.2021*, the Hon'ble Authority had already decided that the respondent is right in demanding maintenance charges at the rates' prescribed in the builder buyer's agreement at the time of offer of possession. However, the respondent shall not demand the advance maintenance charges for more than one year from the allottee even in those cases wherein no specific clause has been prescribed in the agreement or where the AMC has been demanded for more than a year.

- **VAT**

46. The complainant has contended that the respondent has illegally charged amount from him towards VAT submitting that in January 2020, a demand notice of Rs.1,18,854/- towards 'VAT outstanding' was sent by the developer to the complainant. It is pertinent to mention herein that even before this illegal demand, the developer had made such demands in the year 2020 and the complainant had readily cleared all the VAT payments, after which the developer had sent an email stating that no dues are payable. However, despite the same being an admitted position, developer again raised this demand without giving any legal basis on the basis of which such demand is being made, as VAT already has been superseded by the GST regime. But the version of respondent is otherwise and took a plea that respondent is raising the VAT demands as per government regulations. The rate at which the respondent is charging the VAT amount is as per the provisions of the Haryana Value Added Tax Act 2003. It is

pertinent to mention that the respondent has not availed the amnesty scheme namely, Haryana Alternative Tax Compliance Scheme for Contractors, 2016, floated by the Government of Haryana, for the recovery of tax, interest, penalty or other dues payable under the said HVAT Act, 2003. It is further submitted that the demand of VAT is done as per clause 11 of the buyer's agreement. The Authority is of view that the promoter shall charge VAT from the allottees where the same was leviable, at the applicable rate, if they have not opted for composition scheme. However, if composition scheme has been availed, no VAT is leviable. Further, the promoter shall charge actual VAT from the allottees/prospective buyers paid by the promoter to the concerned department/authority on pro-rata basis i.e. depending upon the area of the flat allotted to the complainant vis- à-vis the total area of the particular project. However, the complainant would also be entitled to proof of such payments to the concerned department along with a computation proportionate to the allotted unit, before making payment under the aforesaid heads. Further, in case, the respondent has received excess amount towards VAT, then the same shall be refunded to the complainant.

- **Fit-out Charges**

47. The letter dated 28.02.2025, demands Fit-out charges which amounting Rs.12,39,000/-. In the said leasing letter, the respondent has raised a demand towards fit-out charges amounting to Rs.12,39,000/- and has directed the complainant to make the said payment in favor of a third party, namely *H5 Hospitality LLP*, by providing bank details that do not pertain to the respondent company. The complainant has raised objection towards the fit-out charges raised by the respondent is seeking relief to waive off the demand of the same as they were not part of agreement nor the MoU executed between parties.

48. In the present case, the respondent has failed to demonstrate that any prior written intimation or demand, as contemplated under any clause of the MoU, was issued to the complainant before incurring the alleged fit-out expenses. Consequently, the demand raised vide letter dated 28.02.2025 towards fit-out charges amounting to Rs.12,39,000/- appears to be unilateral, arbitrary, and in violation of the principles of natural justice. Since the promoter failed to discharge its contractual and statutory responsibility in the manner prescribed, the said demand cannot be sustained in the eyes of law and is accordingly struck off.
49. Further, it is observed that on the proceeding date of hearing, i.e., 09.12.2025, the counsel for the respondent contended that the demand of Fit-outs has been raised strictly in terms of clause 8(d) and 7(d) of the Memorandum of Understanding and clause 11 of the Buyer's Agreement dated 20.07.2016. It was further argued that under Clause 9 of the MOU, the complainant had authorized the respondent to finalize the terms and conditions of the lease. Upon perusal of the MOU dated 20.07.2016, this Authority finds that the said MoU does not contain any 8(d) clause or 7(d) authorizing the respondent to levy fit-out charges. In the absence of any contract supporting the demand, the fit-out charges raised by the respondent cannot be sustained and are held to be invalid in the eyes of law.
50. Respondent be directed not to raise any payment demand which is in contrary to the agreed terms of the allotment/MoU.
- VIII. Restrain the Respondent from terminating or cancelling the Unit of the Complainant and to set aside the email dated 19.06.2022.**
- IX. Declare that the endorsement made on pages after the Annexures in the BBA dated 20.07.2016 is illegal and void.**

X. To execute the Sale Deed and convey the unit in favour of the Complainant for the Unit immediately.

51. In view of the fact that the complainant has already paid a substantial portion of the sale consideration towards the subject unit, the respondent is hereby restrained from creating any third-party rights, interest, charge, lien, encumbrance, or alienation of any nature whatsoever in respect of the said unit, till the handing over of possession of the unit to the Complainant in terms of this order.
52. Further the complainant is seeking relief w.r.t execution of conveyance deed of the unit in question in their favour. The Authority observes that as per Section 11(4)(f) and Section 17(1) of the Act of 2016, the promoter is under an obligation to get the conveyance deed executed in favour of the complainant. Whereas, as per Section 19(11) of the Act of 2016, the allottees are also obligated to participate towards registration of the conveyance deed of the unit in question.
53. 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. The respondent is further directed to get the conveyance deed of the allotted unit executed in their favour in terms of Section 17(1) of the Act of 2016 on payment of stamp duty and registration charges as applicable within three months from the date of this order.

H.Directions of the Authority

54. 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):

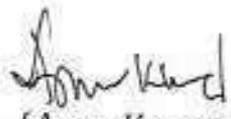
- I. The respondent/promoter is directed to pay the assured return to the complainant at the agreed rate of @Rs.27,000/- per month as per the effective date i.e., 20.07.2016 till the commencement of the first lease on the said unit after deducting the amount already paid on account of assured return to the complainant.
- II. The respondent/promoter is directed to pay the outstanding accrued assured return amount till date at the agreed rate within 90 days from the date of this order after adjustment of outstanding dues, if any, failing which that amount would be payable with interest @8.85% p.a. till the date of actual realization.
- III. Accordingly, the respondent is directed to make payment towards the balance assured return amount as well as to ensure that the unit in question is leased out in terms of the said MOU and the committed lease rentals are duly paid to the complainant without any delay.
- IV. The respondent shall not charge anything from the complainant which is not part of the MoU or buyers' agreement. 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. The respondent is directed to recover development charges and maintenance charges only on an actual and pro-rata basis, strictly supported by documentary proof of payments.

- VI. 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.
- VII. 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.
- VIII. 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.
55. This decision shall mutatis mutandis apply to cases mentioned in para 3 of this order.
56. The complaints stand disposed of. True certified copy of this order shall be placed in the case file of each matter.
57. Files be consigned to registry.



(Phool Singh Saini)
Member

HARERA
GURUGRAM



(Arun Kumar)
Chairman

Haryana Real Estate Regulatory Authority, Gurugram
Dated:09.12.2025