

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

<b>Order pronounced on:</b>	<b>06.01.2026</b>
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Name of Promoter		Neo Developers Private Limited	
Project Name		Neo Square	
S.no.	Complaint No.	Complaint title	Attendance
1.	CR/758/2025	Richi Gadihoke V/s M/s Neo Developers Pvt. Ltd.	Hemant Phogat (Complainant) Venket Rao (Respondent)
2.	CR/759/2025	Richi Gadihoke V/s M/s Neo Developers Pvt. Ltd.	Hemant Phogat (Complainant) Venket Rao (Respondent)
3.	CR/2426/2025	M/s Neo Developers Pvt. Ltd. V/s Richi Gadihoke	Venket Rao (Complainant) Hemant Phogat (Respondent)
4.	CR/2425/2025	M/s Neo Developers Pvt. Ltd. V/s Richi Gadihoke	Venket Rao (Complainant) Hemant Phogat (Respondent)

<b>CORAM:</b>	
<b>Shri Arun Kumar</b>	<b>Chairman</b>
<b>Shri Phool Singh Saini</b>	<b>Member</b>

**ORDER**

1. This order shall dispose of all the 4 complaints titled as above filed before this Authority in form CRA under Section 31 of the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred as "the Act") read with Rule 28 of the Haryana Real Estate (Regulation and Development) Rules, 2017 (hereinafter referred as "the rules") for violation of Section 11(4)(a) of the Act wherein it is inter alia prescribed that the promoter shall be responsible for all its obligations,

responsibilities and functions to the allottees as per the agreement for sale executed inter se between parties.

- 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"** being developed by the same respondent/promoter i.e., **NEO Developers Private Limited**.
- The details of the complaints, reply status, unit no., date of agreement, possession clause, due date of possession, offer of possession, total sale consideration, amount paid up, and reliefs sought are given in the table below:

Sr. No.	Complaint no./title/ date of filing	Unit No. and area admeasuring	Date of execution of agreement for sale	Due date of possession & Offer of possession	Total sale consideration and amount paid by the Complainant (s)
1.	CR/758/2025 Clubbed with CR/2426/2025  Case titled as Richi Gadihoke VS NEO Developers Private Limited.  DOF- 20.02.2025 RR- 21.08.2025	53, 2 <sup>nd</sup> floor ,494 sq. ft.  (page no. 23 of complaint),  Later Unit changed to 2-07 B on second floor	22.07.2019  (As per page no. 19 of complaint )	Due date- 22.01.2023  (Calculated from date of agreement being later + 6 months on account of covid-19)  Offer of possession- 05.03.2025  (As per page no. 16 of reply)	BSP: Rs. 24,70,000/-  (as per MOU on page no. 43 of complaint)  AP: Rs. 27,66,400/-  (as per MOU on page no. 43 of complaint)

2.	CR/759/2025 Clubbed with CR/2425/2025  Case titled as Richi Gadihoke VS NEO Developers Private Limited.  DOF- 20.02.2025 RR- 21.08.2025	52, 2 <sup>nd</sup> floor ,494 sq. ft.  (page no. 23 of complaint)  Later Unit changed to 2-07 A on second floor	22.07.201 9  (As per page no. 20 of complaint )	Due date- 22.01.2023 (Calculated from date of agreement being later + 6 months on account of covid-19)  Offer of possession- 05.03.2025 (As per page no. 16 of reply)	BSP: Rs. 24,70,000/- (as per MOU on page no. 43 of complaint)  AP: Rs. 27,66,400/- (as per MOU on page no. 43 of complaint)
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4. The aforesaid 2 complaints were counter filed by the parties against each other in other 2 complaints on account of violation of the various provisions of the Act which were clubbed by the Ld. Authority 26.08.2025.
5. The facts of all 4 of the complaints filed by the complainant are similar. Out of the above-mentioned cases, the particulars of lead case **CR/758/2025 titled Richi Gadihoke V/s Neo Developers Pvt. Ltd.** are being taken into consideration for determining the rights of the parties.
- 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:

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.	Unit no.	53, 2 <sup>nd</sup> floor (page no. 22 of complaint)
7.	Unit area admeasuring	494 sq. ft. (page no. 22 of complaint)
8.	Date of buyer's agreement	22.07.2019 (page no. 19 of complaint)
9.	Date of MoU	22.07.2019 (page no. 42 of complaint)
10.	Change of unit no. from 53 to 7-B	12.11.2021 (page no. 52 of complaint)
11.	Possession clause	<b>Clause 3</b> <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> (As per MOU on page no. 44 of complaint)
12.	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.
13.	Due date of possession	22.01.2023 (Calculated from date of agreement being later plus 6 months covid 19 extension)
14.	Basic sale consideration	Rs. 31,34,992/- (as per page no. 19 of reply)
15.	Amount paid by the complainant	Rs. 27,66,400/- (as per MOU on page no. 44 of complaint)
16.	Occupation certificate	14.08.2024 (As per the DTCP site)
17.	Offer of possession	05.03.2025

(As per the reply on pg. no. 16)

**B. Facts of the complaint (Richi Gadihoke).**

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 booked a commercial shop bearing no. 53 on 2<sup>nd</sup> floor, having super area 494 sq. ft. and covered area of 247 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. 24,70,000/- (Rupees Twenty-Four Lakhs Seventy Thousand only) and total sale price of Rs. 27,66,400/- (Rupees Twenty-Seven Lakh Sixty-Six Thousand Four Hundred only), and the complainant has paid a sum of Rs. 27,66,400/- (Rupees Twenty-Seven Lakh Sixty-Six Thousand Four Hundred only), in respect of her unit/shop.
  - II. The buyer's agreement and memorandum of understanding were executed between the respondent and the complainant on 22.07.2019. The later on the builder buyer agreement was registered at the officer sub registrar kadipur, distt. Gurugram vide registration no. 6905 dated 12.11.2021.
  - III. That unit/shop of the complainant was changed and a new unit/shop bearing No.7B on 2<sup>nd</sup> Floor, measuring super area of 494 sq. ft. was re-allotted to her by the respondent vide letter dated 12.11.2021, with all other terms and conditions of BBA/MOU dated 22.07.2019 remained the same and biding on the parties.
  - IV. That as per clause - 4 of the mou dated 22.07.2019 the respondent was under legal obligation to pay assured return/penalty of Rs. 53,846/-

(Rupees Fifty-Three Thousand Eight Hundred Forty-Six only) from 23.07.2020 until the offer of possession letter.

- V. That the respondent failed to pay the monthly committed penalty /assured returns to the complainant, and a complaint bearing no. 4679/2021 was therefore filed by the complainant for seeking assured returns which was decided by the Hon'ble Authority, HRERA, Gurugram vide order dated 25.01.2022 in which the Hon'ble Authority directed the respondent to pay the assured returns (penalty) from 23.07.2020 till the offer of possession and execution bearing No.6090/2022 pertaining to order dated 25.01.2022 is pending before the Hon'ble Court of Adjudicating Officer, HRERA, Gurugram.
- VI. That that the respondent in contravention to the terms of builder buyer agreement and MOU dated 22.07.2019 has raised unlawful demands via reminder letter-2 dated 10.04.2024 on account of EDC/IDC to the tune of Rs.2,34,156/- (Rupees two lakhs thirty-four thousand one hundred fifty-six only), development charges to the tune of Rs.2,96,400/-, FTTH charge to the tune of Rs.5,500/- (Rupees five thousand five hundred only), Labour cess to the tune of Rs. 12,350/- (Rupees twelve thousand three hundred fifty only), fit out charges of Rs. 17,29,000/- (Rupees seventeen lakhs twenty-nine thousand only) and has also imposed interest amount on the above unlawful demands.
- VII. That as per clause 4 of mou which has provided the balance total sale consideration payable by the allottee to the company in accordance with the payment schedule annexed as annexure -1.
- VIII. That as per the said payment schedule of MOU dated 22.07.2019 the complainant has paid total amount of Rs. 27,66,400/- and nothing remained due towards the total sale price of the unit/space.

- IX. That as per the Annexure-1(schedule of payment) of MOU dated 22.07.2019, the charges towards EDC, IDC, IFMS, stands as NIL and despite of which the respondent in utter contravention to the Annexure-1(schedule of payment) has raised charges towards EDC/IDC to the tune of Rs. 2,34,156/- (Rupees Two Lakhs Thirty-Four Thousand One Hundred Fifty-Six only) which are completely bogus and unlawful as per the payment terms of the MOU and buyers' agreement dated 22.07.2019.
- X. That the complainant has abided by all the terms of MOU and Builder buyer agreement dated 22.07.2019 and has made all the payments/ instalments in a timely manner, as and when demanded by the respondent and there are no dues pending in respect of the total sale price of the unit/shop as per the payment schedule of the builder buyer's agreement.
- XI. That the complainant has come to know that the respondent has received the occupation certificate in respect of the project, but the respondent has not offered possession to the complainant and has neither issued any letter of possession of the said unit/shop to the complainant.
- XII. That the respondent is acting in arbitrary manner by not accepting the just and genuine requests of the complainant and is further pressurizing and threatening to terminate /cancel the allotment of the complainant by raising reminder letter dated 10.04.2024.
- XIII. That the respondent is completely ignoring the terms of the buyer's agreement and is acting in an unlawful and arbitrary manner by making demands upon his whims and fancies which are not part of the buyer's agreement with a sole intention to extort money out of the complainant in order to cause wrongful loss to the complainant.
- XIV. The complainant had taken all possible requests and gestures to persuade the respondent, whereby requesting the respondent to withdraw these

demands and offer her possession and get the conveyance deed/sale deed in her favour as the demands are not part of the payment structure of the buyer's agreement.

- XV. That, till today the complainant has not received any satisfactory reply from the respondent regarding offer of possession and execution of conveyance deed in her favour or regarding the waiver of unlawful demand made via reminder notice dated 10.04.2024 and therefore, the complainant is suffering from harassment and is going through a lot of mental and financial agony.

**C. Relief sought by the complainant.**

8. The complainant in complaint no. 758/2025 and 759/2025 has sought the following relief(s):
- I. To direct the respondent to offer the possession of the unit/shop No. 7B/7A as occupation certificate in respect of the said project has been received by the respondent.
  - II. To direct the respondent to execute the conveyance deed/sale deed in respect of unit/shop No. 7B/7A in favour of the complainant as entire payment towards the total sale price in respect of the unit/ space has been paid by the complainant.
  - III. To direct the respondent to withdraw and waive off the demands made in demand notice dated 10.04.2024 on account of EDC/IDC, Development Charges, Labour Cess, Fit-out, FTTH charges, and further not to impose any holding charges and interest upon these demands.
9. The respondent in complaint no. being the complainant in these cases 2426/2025 and 2425/2025 has sought the following relief(s):

- i. To direct the respondent to clear the outstanding dues as per demand notice and offer of possession letter dated 05.03.2025.
  - ii. To direct the respondent to clear the dues against fit outs charges on leasing as raised by the complainant.
  - iii. To direct the respondent to clear the stamp duty and registration charges as raised by the complainant.
  - iv. To grant any other relief as may deem fit and proper in the facts and circumstances of the present case.
10. On the date of hearing, the Authority explained to the respondent/promoter about the contraventions as alleged to have been committed in relation to section 11(4) (a) of the act to plead guilty or not to plead guilty.

**D. Reply by the respondent (Neo Developers Pvt. Ltd).**

11. The respondent has contested the complaint on the following grounds:
- i. That the complainant with intent to invest in the real estate sector, submitted a booking application form, seeking allotment of restaurant priority no. 53 (later changed to 07-B), admeasuring 494 Sq. Ft super area on the second floor of the project (NEO Square), having a basic sale price of Rs. 24,70,000/-.
  - ii. That builder buyer's agreement was executed between the complainant and the respondent on 22.07.2019, wherein the payment plan as well as the lease clause were explicitly and voluntarily agreed to by the complainant.
  - iii. That a memorandum of understanding dated 22.07.2019 was executed between the complainant and the respondents, which was a completely separate understanding between the parties with respect to the payment of assured returns in lieu of investment made by the complainant in the said project and leasing of the unit/space thereof.

- iv. That the complainant had earlier filed a complaint bearing no. 4679 of 2021 against the respondent, wherein the Ld. Authority had passed a Final Order dated 25.01.2022, directing the respondent to pay the assured return.
- v. That the present complaint has been preferred by the complainant on false, frivolous and unsustainable grounds and the complainant has not approached the Hon'ble Haryana Real Estate Regulatory Authority, Gurugram (hereinafter referred to as the "Ld. Authority") with clean hands and are trying to suppress material facts relevant to the matter. the complainant is making false, misleading, fatuous, baseless and unsubstantiated allegations against the respondent with malicious intent and sole purpose of extracting unlawful gains from the respondent. the instant complaint is not maintainable in the eyes of the law and is devoid of merit, therefore is fit to be dismissed in limine.
- vi. That despite facing force majeure situations beyond its control, the respondent has developed and constructed the project and obtained an occupation certificate on 14.08.2024 from the competent authority.
- vii. That post receiving the occupation certificate, the respondent has offered the possession of the unit on 05.03.2025. Vide the offer of possession letter, the respondent has duly informed the complainant about: the lease of the unit, outstanding dues against the sale consideration of the unit, and fit out charges for leasing of the unit, payment to be made for execution of conveyance deed.
- viii. That from a mere perusal of the aforementioned submissions, it is evident that the possession of the subject unit has already been made to the complainant. Therefore, the issues raised by the complainant with respect to the non-issuance of the offer of possession are devoid of merit.

- ix. That the complainant had earlier filed a complaint against the respondent bearing no. 4679 of 2021, wherein the complainant had raised the issues with respect to the payment of assured return and sought relief with respect to the same. That the said complaint was adjudicated by the Id. authority vide final order dated 25.01.2022, wherein the Id. authority had directed the respondent to make the payment of assured return. That the complainant, after disposal of the complaint, had also filed an execution petition against the respondent. Therefore, it is most humbly submitted that the complainant is barred by the principle of res judicata to reagitate the same issues which have already been adjudicated by the Ld. Authority.
- x. That the complainant is raising the false and frivolous allegations that the respondent is raising/demanding illegal charges. It is pertinent to mention herein that all the charges which are mentioned in the demand letters are as per the agreed terms and conditions of the BBA and MOU. It is noted herein that the Ld. Authority in complaint no. 4679 of 2021 has already allowed the respondent to raise the demands that are part of the agreement. relevant extract of the final order is reproduced herein below:
- “The respondent shall not charge anything from the complainant which is not part of the agreement of sale”***
- xi. It is noted herein that the complainant in clause 11 of the bba has categorically agreed to pay the charges/demands as raised in demand letters. relevant extract of clause 11 is reproduced herein below:

*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 said the 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, BOCW 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.”*

- xii. That under clause 8 (d) of the mou the complainant explicitly agreed that in case 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 complainant, strictly within 15 days from the day of written notification by the developer and if the complainant fails to come forward to tender the payment as demanded by the respondent then in that event the respondent shall bear the same from its pocket.
- xiii. That from a mere perusal of the aforementioned clauses of the MOU and the BBA, it is evident that the demand letter and notice of possession dated 05.03.2025 are issued in consonance with the mutually agreed terms and conditions of the MOU and the BBA. Therefore, in the present case, the complainant is bound to pay outstanding dues as intimated in the demand letter and notice of possession.
- xiv. Therefore, the complainant at this juncture cannot back out from the agreed terms and conditions of the entire transaction, which are specifically recorded in the mou and the bba. it is pertinent to mention herein that the hon'ble supreme court in the matter of *"Bharti Knitting Co. vs. DHL Worldwide Courier (1996) 4 SCC 704"* observed that a person who signs a document containing contractual terms is normally bound by them even though he has not read them, and even though he is ignorant of their precise legal effect. It is seen that when a person signs a document that contains certain contractual terms, then normally parties are bound by such contract; it is for the party to establish an exception in a suit. When a party to the contract disputes the binding nature of the signed document,

it is for him or her to prove the terms in the contract or the circumstances in which he or she came to sign the documents.

- xv. Further, the Hon'ble Supreme Court in the matter of *"Bihar State Electricity Board, Patna and Ors. Vs. Green Rubber Industries and Ors, AIR (1990) SC 699"* held that the contract, which frequently contains many conditions, is presented for acceptance and is not open to discussion. It is settled law that a person who signs a document that contains contractual terms is normally bound by them, even though he has not read them, even though he is ignorant of the precise legal effect.
- xvi. It is most humbly submitted that, being aggrieved by the defaults of the complainant, the respondent has already filed a complaint against the complainant bearing *Complaint No. 2426 of 2025 titled as "Neo Developers Pvt. Ltd. vs Richi Gadihoke"*.
- xvii. That from a mere perusal of the aforementioned submissions, it is abundantly clear that the complainants are doing nothing more than intentionally raising frivolous and misleading allegations against the respondents in order to extort monies and make unlawful gains.
- xviii. In view of the aforementioned submissions, the present complaint is, thus, liable to be dismissed with heavy cost since the averments of the complainants are utterly false statements and distortion of the actual facts, thereby dissenting themselves from any relief.
12. 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**

13. 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**

14. 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**

15. 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.*

16. 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.

**G. Findings on the relief sought by the complainant/allottee.**

- I. To direct the respondent to offer the possession of the unit/shop No. 7B as occupation certificate in respect of the said project has been received by the respondent.**

- II. To direct the respondent to execute the conveyance deed/sale deed in respect of unit/shop No. 7B in favour of the complainant as entire payment towards the total sale price in respect of the unit/ space has been paid by the complainant.**
- III. To direct the respondent to withdraw and waive off the demands made in demand notice dated 10.04.2024 on account of EDC/IDC, Development Charges, Labour Cess, FIT OUT, FTTH charges, and further not to impose any holding charges and interest upon these demands.**

17. The allottee/complainant filed a complaint before the Authority bearing no. CR/758/2025 and CR/756/2025 on 20.02.2025 and after approximately 3 months, the respondent-builder has also filed a complaint bearing no. CR/2426/2025 and CR/2425/2025. All these complaints were clubbed with each other respectively in order to avoid conflicting orders. Now, the question is whether the respondent is under a legal obligation to execute and register the conveyance deed in favour of the respective allottee for the unit in question.
18. In the present matter the respondent has proposed an offer of possession letter of the unit no. 2-07 B on second floor, area 494 Sq. Ft. at project "Neo square" on 05.03.2025 as per the BBA dated 22.07.2019. The complainant has approached this Authority seeking a direction to the respondent for execution and registration of the conveyance deed in respect of the unit in question. The complainant has further prayed for setting aside the illegal demands raised by the respondent, on the ground that the same are unjustified and not in accordance with law.
19. The Authority observed that in complaint titled ***Richi Gadihoke Vs. M/s Neo Developers Private Limited Bearing Complaint No. 4679 of 2021***, the Authority, vide order dated 25.01.2022, held that the respondent is liable to pay assured

returns to the complainant in terms of clause 4 of the MOU dated 22.07.2019 till the offer of possession of the allotted unit.

20. It is submitted by the complainant that the complainant has approached this Authority by way of the present complaint on account of a fresh cause of action arising subsequently, inasmuch as new and arbitrary demands in name of EDC/IDC, development charges, FTTH Charges, Labour Cess, Fit-out charges, Interest on delay payment and tax (as applicable) have been raised on 10.04.2024 by the respondent and the occupancy certificate of the project has also been obtained on 14.08.2024.
21. The respondent has contended that the mentioned demands in letters dated 10.04.2024 and 05.03.2025 are as per the agreed terms and conditions of the BBA and MOU signed between the parties. It is to be noted that the previous order in Complaint No.4679 of 2021 has already allowed the respondent to raise the demands that are part of the builder buyer agreement.
22. The complainant has submitted that the respondent after a considerable delay vide its offer of possession dated 05.03.2025, intimated the complainant that the unit allotted to them was ready for possession as the respondent had obtained the Occupation certificate. On-going through the terms of the offer of possession, the complainant realized that the respondent had unilaterally increased the sale consideration of the unit by demanding illegal charges on account of fit-out charges amounting to Rs.31,34,992/- and development charges of Rs.3,49,752/- which were not attributable to the complainant. The said offer of possession is illegal as it consists of the above-mentioned illegal demands which were not stipulated either under the builder buyer agreement and the memorandum of understanding dated (MoU) dated 22.07.2019 executed between the parties. The complainant challenged the imposition of fit out charges and development charges that were demanded by respondent under the garb of a so called 'legal' offer of possession.

However, respondent failed to pay heed to any of the genuine queries raised by the complainant. The respondent has submitted that though the complainant has cleared the basic sale price of the said commercial property, however, they are still liable to pay all other charges such as fit out charges, IFMS, FTTH, Labour Cess, Development Charges, Interest, Registration Charges, Security Deposit, duties, taxes, levies etc. when demanded. The same has been clearly agreed to in various clauses of the buyer agreement and MoU. However, the complainant despite repeated demand notices and reminders have failed to clear the outstanding dues and take possession.

23. On consideration of documents available on record and submissions made by both the parties, it is determined that on the basis of provisions of allotment, the complainant has paid an amount of Rs.27,66,400/- against the basic sale consideration of Rs.24,70,000/- at the time of allotment. The possession of the unit was offered to the complainant vide offer of possession letter dated 05.03.2025 subject to payment of Rs.25,60,690/-. The respondent vides said offer of possession letter raised demands towards fit-out charges of Rs.20,40,220/-, labour cess of Rs.12,350/- and unjustified interest on delayed payments of Rs.868/- from the complainant. Therefore, while dealing with the validity of the demands raised by the respondent must be determined. Accordingly, the Authority is deliberating its findings on the demands.
24. **Fit-out charges:** The respondent, vide letter dated 05.03.2025, raised a demand of Rs.20,40,220/- towards fit-out charges. The complainant objected to the said demand on the ground that such charges were neither contemplated under the Agreement nor under the MoU executed between the parties.
25. In view of the above admitted position, it becomes evident that the levy of fit-out charges, if any, can arise only when the unit is placed under a valid and subsisting lease arrangement. In the absence of any such valid lease, the demand raised by the

respondent is premature and lacks contractual foundation. Furthermore, the respondent has failed to demonstrate that any prior written intimation or demand, as envisaged under the MoU, was issued to the complainant before allegedly incurring such expenditure. Consequently, the demand raised vide letter dated 05.03.2025 appears to be unilateral, arbitrary, and contrary to the principles of natural justice, and therefore cannot be sustained in the eyes of law.

26. The respondent has relied upon clause 8(d) of the MoU to justify the imposition of such charges, contending that the complainant had agreed to bear expenses arising out of infrastructural changes required by a prospective tenant. A plain reading of the said clause indicates that the liability of the allottee is conditional upon specific requirements raised by a tenant and is further subject to prior written notification by the respondent. However, in the present case, neither has any tenant been shown to exist, nor has any material been placed on record to establish that the alleged fit-out works were necessitated by tenant-specific requirements or were duly communicated to the complainant in accordance with the terms of the MoU. The said clause is reiterated below for ready reference:

*Clause 8(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."***

27. Although clause 8(d) broadly contemplates the possibility of additional infrastructural expenses, the same cannot be interpreted to confer unfettered

discretion upon the respondent to raise arbitrary demands in the absence of a lease or without substantiating the necessity and reasonableness of such expenses. The clause must be read in a reasonable and restricted manner, keeping in view the intent of the parties and the surrounding circumstances.

28. Accordingly, it is held that if the respondent intends to levy any fit-out charges in future, the same must be preceded by the execution of a valid lease, supported by proper justification demonstrating that such works were necessary for making the unit fit for leasing purposes. The respondent shall further be required to furnish a detailed break-up of the expenditure along with certification from a competent professional, such as an architect or engineer, confirming the necessity and reasonableness of the work undertaken. In the absence of such compliance, no liability can be fastened upon the complainant under the guise of fit-out charges.
29. **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"***

30. 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 promoter 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.

31. **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 who is solely responsible for the disbursement of said amount.
32. **FTTH Charges:** The respondent during proceedings dated 16.09.2025 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.

33. **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.**"

34. Therefore, in view of the above the respondent is directed not to levy any holding charges upon the complainant.
35. **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.

36. 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.
37. 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.

**F. Directions of the Authority**

38. 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 handover 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.

- ii. 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.
  - iii. The respondent shall not charge labour cess from the complainant for reason discussed in paragraph no.33 of this order
  - iv. The respondent is not entitled to charge holding charges from the complainant/allottee at any point of time even after being part of the promoter 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 shall charge development charges only on an actual and pro-rata basis, strictly supported by documentary proof of payments.
39. This decision shall mutatis mutandis apply to cases mentioned in para 3 of this order.
40. The complaints stand disposed of.
41. Files be consigned to registry.



(Phool Singh Saini)  
Member



(Arun Kumar)  
Chairman

Haryana Real Estate Regulatory Authority, Gurugram

Dated: 06.01.2026