

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

Complaint no. : 3702 of 2021
Date of filing : 15.09.2021
Date of decision : 27.01.2026

Skyon Condominium Owners Welfare Association
Regd. Address: Upper Basement, Mid-rise E-Block, Tower E2, Skyon Sector 60, Gurugram Haryana-122011.

Complainant

Versus

M/S Ireo Private Limited
Regd. office: Bay I, Ireo Campus, Archview Drive Ireo City, Golf Course Extension Road, Gurugram

Respondent

CORAM:

Shri Arun Kumar

Shri P S Saini

Chairman

Member

APPEARANCE:

Ms. Priyanjali Singh (Advocate)

Sh. M.K. Dang & Shivani Dang (Advocate)

Counsel for Complainant

Counsel for Respondent

ORDER

1. That the present complaint has been filed by the complainant/association of allottee 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 allottee as per the agreement for sale executed inter se parties.

A. Project and unit related details

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

S.no	Particulars	Details
1.	Name and location of the project	"Skyon" Golf Course Extension Road, Sector 60, Gurugram, Haryana
2.	Project area	18.10 acres
3.	Nature of the project	Group Housing Colony
4.	DTCP license no. and validity status	192 of 2008 dated 22.11.2008 Valid/renewed up to 21.11.2018
5.	Name of licensee	M/s High responsible Realtors Pvt. Ltd and another
7.	Building Plans	27.09.2011 (page no. 193 of reply)
8.	Revised Building plans	10.07.2017 (page no. 199 of reply)
9.	Occupation certificate	26.08.2016 <ul style="list-style-type: none"> • Block C (Ground, 1st floor to 12th Floor) • Block D (Ground, 1st floor to 12th Floor) • Block E (Ground, 1st floor to 12th Floor)

		<ul style="list-style-type: none">• EWS (stilt/ground, 1st floor to 8th Floor) 14.09.2017 <ul style="list-style-type: none">• Block A (Ground floor to 12th Floor)• Block B (Ground floor to 39th Floor)• Block F (Ground floor to 12th Floor)
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A. Facts of the complaint**3. The complainant has made the following submissions in the complaint: -**

- a. That the complaint pertains to the residential group housing society called "SKYON" located at Golf course Extension Road, Sector 60 in the Revenue Estate Village Ullawas, Tehsil Sohna, Gurugram, Haryana. The Skyon project is being developed by the promoter known as 'M/S Ireo Pvt. Ltd.' The promoter entered into an *inter se* agreement with two land owning companies M/S High Responsible Realtors and M/S Fiverivers Buildcon Pvt. Ltd. Both of these companies shall hereinafter be referred to as "land owning companies".
- b. That the land owning companies procured the License No. 192 of 2008 on 22.11.2008. the buildings plans were sanctioned on 27.09.2011; but environment clearance was obtained as late as 31.07.2012.
- c. That in the interregnum, the promoter entered into individual agreement with a large number of allottees and made various promises as specified in the brochure as well as apartment buyer agreements.
- d. That in 2015, the promoter formed an association called "Skyon Condominium Owners Welfare Association with eight of its employees. The SCOWA was got registered under Haryana Registration of Societies Act, 2012 on 23.11.2015. These 8 members were allottees/owners of skyon

project. The membership of SCOWA continued to be restricted to 8 employees of the promoter uptill late 2019.

- e. That the current status of the skyon project is that no completion certificate has been obtained till date for any of the project. The promoter had specified that there is a single project spreading over 18.10 acres, which was called 'skyon project'. This is specifically specified even in the apartment buyer agreement.
- f. That the promoter has got a single licence namely licence no. 192 of 2008 on 22.11.2008 for this entire area. Even the deed of declaration admits that entire 18.10 acres is a part of a single project. But the promoter has only registered part of the skyon project i.e. commercial/convenience shopping, Nursery School 1 & 2 and community building spread over a total area of 0.695 acres under the name of 'IREO SKYON' (registration no. 367 of 2017).
- g. The promoter has only got Occupation Certificate for Tower A, B, C, D, E, F, EWS and lower basement. There is no Completion Certificate for the project, hence as per Real Estate (Regulation & Development) Act, 2016, the promoter was liable to register the entire skyon project spreading over 18.10 acres.
- h. That the promoter filed deed of declaration dated 07.12.2017 under section 2 read with section 11 of the Haryana Apartment Ownership Act, 1983 read with Haryana Apartment Ownership Rules, 1987 qua towers in block nos. A, B, C, D, E, F, upper basement and lower basement. The said deed of declaration declares the complainant as the association of apartment owners' for the skyon project.
- i. That as part of his malafide strategy, despite declaring SCOWA as the association of apartment buyers, the promoter continued to limit the membership of SCOWA to only eight members; even these eight members



continued to be only its employees. In this manner, the promoter was able to completely control SCOWA and the latter continued to function as its proxy with zero transparency. Finally, under the pressure of the allottees, a membership drive was conducted in 2019 and the first election of SCOWA was held on 2.11.2019. The new elected governing body was approved by the District Registrar only on 14.02.2020.

- j. That only subsequent to taking control of SCOWA and all its books of accounts, the elected body found the shocking state of affairs of SCOWA. The association had been virtually acting as a proxy of the promoter and worked on the devise of the promoter and for the benefit of the promoter. The SCOWA is the complainant in this complaint.

• **Misuse and siphoning of replacement fund cum maintainance security (RFMS) by and at the behest of the promoter**

- k. That the apartment buyer agreement executed with the allottees mandated that all allottees contribute to create a security deposit which would primarily be used for replacement of capital equipment. The relevant Clause 16.4 of the apartment buyer agreement is reproduced below:

16.4 "The Company has decided to merge the maintenance security along with a sinking fund to be used in due course for the replacement of capital equipment installed in SKYON Project. The initial corpus of such Replacement Fund cum maintenance security ("RFMS" for short) shall be contributed by the allottee at the rate of Rs 100/- (Rs 100 only) per sq ft of the Super Area of the Said Apartment to be paid in accordance with the Payment Plan Annexure IV. The Allottee shall be bound to make further contributions to the RFMS , as and when any demand for this purpose is raised on it by the Company or the MSA.."

- l.** That the apartment buyer agreement further defines and limits the rights of the promoter/the maintenance agency/apartment buyer association to use RFMS. The relevant Clause 16.10 is reproduced below:

16.10 The Company and/or the MSA shall at all time have the right to adjust the unpaid maintenance charges from the RFMS and in such event the allottee hereby agrees and undertakes to replenish and keep the RFMS topped up at all times, so as to keep the amount of the RFMS equivalent to an amount to be calculated at the rate mentioned herein in this agreement or such enhanced as determined by the MSA from time to time in accordance with the Maintenance Agreement.

- m.** That the promoter (who itself set up SCOWA) opened a single savings account for the association. There was no separate account for deposit of RFMS. The promoter controlled SCOWA would place some part of the RFMS as a fixed deposit in the same bank with the same account. The promoter should have opened an escrow account only for the RFMS and should have handed over the entire account consisting of funds along with interest, to the elected SCOWA as mandated under the Act.
- n.** That as of 31.3.2020, the total amount paid by allottees towards RFMS (Rs 100 per sq. ft. plus 12000 electricity charges) is Rs 14,43,67,756/-
- o.** That despite legal requirement, the promoter has failed to transfer the entire RFMS collected from allottees to its proxy RWA.
- p.** The unelected SCOWA (which was a proxy of the promoter) showed Rs.13,28,59,076/- as security deposit collections (in its books of 2019-2020 and audited by auditor of their choice). This is an admitted position of the promoter also, because these statements were emailed by promoter itself to the current elected SCOWA.



- q.** Yet when the first elected body of SCOWA started functioning in February, 2020, they found no money in the fixed deposit; and the savings account had only Rs.41,54,891.77/-. Contrarily SCOWA was found burdened with over crores of liability. Therefore, the onus is on the promoter to explain what it has done with the above Rs.13,28,59,076/-.
- r.** That it is obvious that the aforementioned crores of rupees were diverted by the promoter for its own use and profits. There is in fact apprehension that the funds were siphoned off to benefit the promoter. And for achieving this illegal siphoning of RFMS, the promoter also used its proxy i.e. the unelected SCOWA. The entire membership of the unelected SCOWA was specifically restricted to employees of the promoter. None of these members of SCOWA owned/had allotment of any flat(s) in the project, hence they were not even representative of the allottees/owners. They were simply working at the behest of the promoter, to further the interest of the promoter.
- s.** That the promoter has never contributed to RFMS. (The RFMS contribution of the promoter towards unsold units would come out to Rs.3,53,55,100/-). Therefore, no part of RFMS could have legally been used for settling any kind of dues of the promoter. The promoter directly or through its proxy SCOWA could not have utilized other allottee's contributions to RFMS.
- t.** That the promoter controlled SCOWA had sent an email dated 17.4.2019 that CAM charges were reduced by 43 paise to Rs 3.22 per sq. ft. because of reduced expenses. This goes to prove that there was no shortfall of CAM at all.

- u. That the unelected SCOWA, acting in capacity of proxy/agent of the promoter maintained a total lack of transparency. Not only was no allottee/owner permitted to be a member of SCOWA, but the latter ignored all enquiries and concerns of allottees.
- v. That in the aforementioned circumstances, the onus is on the promoter to show that it had transferred the entire RFMS collected to SCOWA. Furthermore, the onus is on the promoter to show how, where and on what legal basis the aforementioned transferred RFMS amount was utilized (which resulted in zero balance in the fixed deposit and Rs.41,54,891.77/- in savings deposit as on February, 2020).
- w. That the purport of the clause 16.10 is clear that the RFMS was to remain untouched as it is crucial for long term capital requirements of Skyon, including replacement of capital equipment, aging equipment, unseen capital expenses etc, which expenditure must be undertaken in order to maintain Skyon as a top class premium society. Instead, the promoter and its proxy association kept using RFMS as per their whims and fancy.
- **Non-payment of common area maintenance charges (hereinafter called CAM charges)**
- x. That the complainant association charges CAM from all owners of flats within Skyon project for the maintenance services provided by it. Qua the unsold flats, the liability to pay CAM charges falls on the promoter. Even Clause X of the Deed of declaration reads as follows:

X: That so long as the Grantor owns one or more of the Independent Units, the Grantor shall be subject to the provisions of this Deed and of the Exhibits A and B attached hereto and the Grantor covenants to take no action which will adversely affect the right of the Association of

apartment owners with respect to assurances against latent defects in the building or other rights assigned to the Association by reason of the establishment .of "Skyon" Condominium.

y. That CAM expenses invoiced and unpaid until 01.04.2019 totals to Rs.5,96,47,894/- as GST.

• **Non payment of electricity and Water dues by the promoter**

z. That as per 2019 audited statement, electricity expenses of Rs.20,94,807/- remains unpaid. The financial statement for year ending March 31, 2020 shows that a total of Rs.84,96,938/-.

• **Payment of penalty/reimbursement for the penalty payable to DHVBN**

aa. That whenever the skyon Project utilizes more than the sanctioned load, DHVBN has imposes penalty; and as of March 2021, the complainant had already paid Rs.26,40,098/-.

bb. That the respondent failure to provide promised equipment and machinery as promised. Further left works incomplete and defective in common areas. Furthermore, the respondent fail to provide promised facilities.

cc.. that the promoter is trying to sell club membership to the persons who are not allottees of the project.

B. Relief sought by the complainant: -

4. The complainant has sought following relief(s):

- a. Direct the respondent to register himself under the RERA Act, 2016 and take penal Action under section 59 of the Act.
- b. Respondent be directed to transfer the entire RFMS collected from the allottees to the complainant-association.

- c. Payment be directed to clear all arrears in payment of CAM charges alongwith 24% interest, and also pay further CAM charges promptly on demand.
 - d. Direct the promoter t clear all arrears of electricity and water dues and also be directed to pay all future electricity and water dues promptly on demand.
 - e. Promoter be directed to pay penalty imposed by DHVBN.
 - f. Direct the promoter to complete the unfinished works in common areas within reasonable time limit as decided by Authority and also direct the promoter to supply all deficient machinery and equipment to the complainant.
 - g. Direct the respondent to complete the club, swimming pool and other club facilities as promised by it and direct it to restrain from trying to sell club membership to persons not allottees/owners of Skyon project.
5. On the date of hearing, the authority explained to the respondent/ promoter about the contraventions as alleged to have been committed in relation to section 11(4) (a) of the act to plead guilty or not to plead guilty.

C. Reply by the respondent

6. The respondent is contesting the complaint on the following grounds:-
- a. That the complaint is neither maintainable nor tenable and is liable to be outrightly dismissed. The complainant in the present complaint has attempted to assert individual rights of the allottees with respect to the individual builder buyer agreements. The reliefs have been claimed with respect to individual allottees and the same cannot be granted to the complainant being an association.
 - b. That the complainant has already approached the Hon'ble National Company Law Tribunal and has filed a petition in the said Tribunal on similar grounds. It is a settled law that parallel proceedings in respect of the same controversy cannot proceed before different forums/courts. Hence,

the present complaint is prima facie not maintainable and is liable to be rejected on this short ground alone.

- c. That the present complaint cannot be adjudicated by this Authority. Many issues raised by the complainant in the present complaint are with respect to the functioning and management of the erstwhile association and the appropriate Forum to have filed the complaint with respect to the said issues is before this Hon'ble District Registrar, Gurugram and not before this Authority.
- d. That this Authority does not have the jurisdiction to try and decide the present false and frivolous complaint. The project in question is exempted from the registration under the RERA Act, 2016 and Haryana RERA Rules, 2017 as the same does not come under the scope ambit of 'Ongoing Project' as defined in Rule 2 (o) of Haryana RERA Rules, 2017 where unit of the complaint is situated does not under the scope of ambit 'Ongoing Project' as defined in Rule 2 (o) of Haryana RERA Rules, 2017.
- e. That the occupation certificate for Phase-1 of the project in question was obtained on 26.08.2016 and occupation certificate for Phase-2 of the project was applied for on 17.02.2017 and was granted on 14.09.2017 by the competent authorities. Thus, according to the provisions of the said Act, rules, the project is not required to be registered with this Authority. Hence, the project is not covered within the ambit of the provisions of RERA Act, 2016.
- f. That the RWA of the project has been duly registered with the concerned authority on 23.11.2015 and duly elected body has been approved by the District Registrar after conducting the elections and the same is taking care of day to day needs of the society and a deed of declaration was also filed by the promoters/respondent before the concerned authorities on 27.09.2016

and 07.12.2017. It is settled law that as per provisions of RERA Act, 2016, the promoters/respondent is responsible only till the conveyance of the apartment, plots or buildings as the case may be to the allottees or the common areas to the association of the allottees. The respondent cannot be held accountable or liable for any alleged acts stated to have been committed by it and wrongly alleged by the complainant in the present complaint.

- g.** That the complainant has filed the present complaint with mala fide motives and in order to unnecessarily harass, pressurize and blackmail the respondent to submit to its unreasonable and untenable demands. The present complaint which is a gross misuse of the process of law is liable to be dismissed with heavy costs payable by the complainant to the respondent.
- h.** That the occupation certificate for Phase-1 of the project was granted by the competent authorities on 26.08.2016 and Occupation Certificate for Phase-2 of the project was granted by the competent authorities on 14.09.2017. The said compliances were completed by the respondent prior to the publication of the Haryana RERA Rules, 2017 and hence there was no requirement for registration of that part of the project *where* the occupation certificate has already been granted or applied for. The balance part of the project where the occupation certificate was not granted or applied for prior to the publication of the said rules has already been registered with this Authority bearing registration no. 367 of 2017. The complainant is merely trying to mislead this Authority by raising absolutely baseless and false averments by misinterpreting the provisions of law as per its own whims, fancies and convenience.



- i.** That the membership of the association has always been open to all the residents and it is residents who have to come forward to become a member of the association. No illegality whatsoever as alleged has been committed by the respondent. Even otherwise, as per the Haryana Registration and Regulation of Societies Act, 2012, any dispute regarding the functioning, working, management and books of accounts are to be dealt with only by District Registrar and this Authority has no power or jurisdiction to adjudicate upon the same. Despite being aware of the same, the complainant has filed the present absolutely baseless and false complaint in order to somehow cause wrongful gain to itself and wrongful loss to the respondent. The present complaint is liable to be dismissed on this short ground itself.
- j.** That the entire amount received from the allottees is deposited in the account of RWA and no illegality whatsoever has been committed by it in doing so. The respondent is under no obligation to pay RFMS towards unsold units. The RFMS is only payable by the allottees of the project towards their respective units. The RMFS amount collected from the respective allottees was duly deposited in the account of the complainant and the account statements of the same were duly audited from time to time and was shared with the complainant.
- k.** That the audit report regarding CAM Charges relied upon by the complainant and got prepared by independent auditors is absolutely bogus, fabricated and false and has been got prepared by the complainant with mala fide motives of illegally extracting benefits from the respondent which it is not entitled to. The financial data as mentioned in the independent auditor's report is absolutely incorrect and denied. There are no dues payable qua CAM charges for unsold unit for financial year 2019-20.

I. That the penalty has not been imposed on account of default on the part of the complainant. The total ultimate load of 8041 KW/9046 KVA as well as partial load of 4383 KW/4870 KVA of the project has already been sanctioned by the DHBVN but the same is to be released from 33 KV switching station. The construction of the said 33 KV switching station has been completed by the respondent and energization of the same has been done by the DHBVN. The laying of 33 KV feeding lines from 33 KV switching station to the Skyon project is under process and the same would be completed soon.

7. 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.

D. Jurisdiction of the Authority

8. The Authority observes that it has territorial as well as subject matter jurisdiction to adjudicate the present complaint.

E.I Territorial jurisdiction

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

E. II Subject matter jurisdiction

10. Section 11(4)(a) of the Act, 2016 provides that the promoter shall be responsible to the allottee as per agreement for sale. Section 11(4)(a) is reproduced as hereunder:

"Section 11(4)(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 allottee as per the agreement for sale, or to the association of allottee, as the case may be, till the conveyance of all the apartments, plots or buildings, as the case may be, to the allottee, or the common areas to the association of allottee or the competent authority, as the case may be;

34(f) of the Act provides to ensure compliance of the obligations cast upon the promoters, the allottee and the real estate agents under this Act and the rules and regulations made thereunder."

11. So, in view of the provisions of the Act of 2016 quoted above, the Authority has complete jurisdiction to decide the complaint regarding non-compliance of obligations by the promoter leaving aside compensation which is to be decided by the Adjudicating Officer if pursued by the complainants at a later stage.

E. Findings on the relief sought by the complainants.

F.I Direct the respondent to register himself under the RERA Act, 2016 and take penal Action under section 59 of the Act;

12. That counsel for the respondent submits that the Occupation Certificate for Phase-1 of the project in question was obtained on 26.08.2016 and occupation certificate for Phase-2 of the project was applied for on 17.02.2017 and was granted on 14.09.2017 by the competent authorities.
13. That the counsel for the respondent takes plea that the project in question is exempted from registration under the Haryana RERA Rules, 2017 as it does not come under the scope and ambit of 'Ongoing Project' as defined in Rule 2 (o) of Haryana RERA Rules, 2017 which is read as under:-

“2.(o) ‘Ongoing project means the project for which a license was issued for the development under the Haryana Development and Regulation of Urban Areas Act, 1975 on or before 1 May, 2017 and wherein development works were yet to be completed on the said date, but does not include:-

(i) Any project for which after completion of development work, an application under Rule 16 of the Haryana Development and Regulation of Urban Areas Rule, 1976 or under sub-Code 4.10 of the Haryana Building Code, 2017 as the case may be is made to the competent authority on or before publication of these rules;

(ii) That part of the project for which part completion, occupation certificate or part thereof has been granted on or before publication of these rules.”

14. Further the counsel for the respondent also submitted that the Occupation Certificate for Phase-1 of the project was granted by the competent authorities on 26.08.2016 and Occupation Certificate for Phase-2 of the project was granted by the competent authorities on 14.09.2017 & states that the complaint pertains to the phase-1 for which Occupation Certificate was obtained prior to the RERA Rules, 2017 and copy of the same also place on record by the respondent.
15. The Authority observes that the Occupation Certificate dated 26.08.2016 is granted for the following towers which are given below in tabular form:

Towers/ Block No.	No. of Dwelling units	No. of floors	FAR Sanctioned		FAR Achieved	
			%	Area in sq. mtr.	%	Area in sq. mtr.
Block-C	132	Ground, 1 st floor to 12 th floor	24.287	17493.663	24.561	17691.239

Block-D	96	Ground, 1 st floor to 12 th floor	19.886	14323.752	20.148	14512.251
Block-E	126	Ground, 1 st floor to 12 th floor	27.322	19680.149	27.599	19879.715
EWS	158	Stilt/Ground, 1 st floor to 8 th floor	4.882	3516.212	5.610	4040.972
Total	512		76.377	55013.776	77.918	56124.177
Lower Basement			36930.068		20792.333	
Upper Basement			40386.245		19941.925	

16. The Authority also observes that the Occupation Certificate dated 14.09.2017 is granted for the following towers which are given below in tabular form:

Towers/ Block No.	No. of Dwelling units	No. of floors	FAR Sanctioned		FAR Achieved	
			Area in sq. mtr.	%	Area in sq. mtr.	%
Block-A	184	Ground floor to 12 th floor	24221.384	33.627	24440.240	33.931
Block-B	156	Ground floor to 39 th floor	32016.796	44.449	32345.891	44.906
Block-F	96	Ground floor to 12 th floor	12987.268	18.030	13088.797	18.171
Lower Basement			36930.068		40810.823	
Upper Basement			40386.245		40013.126	

17. That Authority is of view that the Haryana Real Estate (Regulations and Development) Rules, 2017 was published on 28.07.2017 and Occupation Certificate for few towers were obtained on 14.09.2017 by the promoter after

the publication of Rules of 2017, in lieu of the same the Planning branch of the Authority is directed to ascertain whether the project is registerable or not?

- F.II Direct be directed to transfer the entire RFMS collected from the allottees to the complainant-association.**
- F.III Payment be directed to clear all arrears in payment of CAM charges along with 24% interest, and also pay further CAM charges promptly on demand.**
- F.IV. Direct the promoter t clear all arrears of electricity and water dues and also be directed to pay all future electricity and water dues promptly on demand.**
- F.V. Promoter be directed to pay penalty imposed by DHVBN.**
- F.VI. Direct the promoter to complete the unfinished works in common areas within reasonable time limit as decided by Authority and also direct the promoter to supply all deficient machinery and equipment to the complainant.**
- F.VII Direct the respondent to complete the club, swimming pool and other club facilities as promised by it and direct it to restrain from trying to sell club membership to persons not allottees/owners of Skyon project.**
- 18.** The above-mentioned reliefs sought by the complainant, are being taken together as the findings in one relief will definitely affect the result of the other reliefs. Thus, the same being interconnected.
- 19.** That the complainant on 07.03.2023 submits written submission and placed on record settlement agreement dated 20.08.2022. On consideration of the circumstances, documents, submissions made by the parties, the Authority observes that the Settlement agreement dated 20.08.2022 was

executed between "IREO Private Limited (**first party**) and Skyon Condominium Owners Welfare Association (SCOWA) (**second Party**).

20. The relevant para of settlement deed dated 20.08.2022 is reproduced below for ready reference:-

"1. That is has been agreed between the Parties, that the First party shall pay to the Second Party, an amount of RS.127,200,000/- (Rupees Twelve Crore Seventy two lakhs only) towards full and final payment against all the claims of various nature/expenditure as detailed in Schedule-I (hereinafter referred to as the "Settlement amount')(except pending deficiencies of the project).

2. The first party in lieu of the Settlement Amount have settled with the Second party all the claims towards various nature of expenses as detailed in Schedule-I."

(Emphasis Supplied)

21. The issue which has to be executed by the Authority is whether the present complainant is maintainable under RERA in view of a duly executed and acted upon settlement agreement dated 20.08.2022 and entered into by the complainant and respondent.

22. To Adjudicate upon the same, the Authority has carefully examined the settlement deed dated 20.08.2022, which is annexed by the complainant. The Authority observes that it is an undisputed and admitted fact that the complainant and the respondent voluntarily entered into settlement deed dated 20.08.2022.

23. The deed of settlement demonstrate that the complainant acted upon the settlement and acquiesced to its terms through his conduct. The principle of "accord and satisfaction" therefore applies, which in legal terms denotes

a mutual agreement that discharges pre-existing obligations through a new contract that has been acted upon.

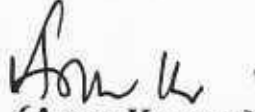
24. As per established principles under the Indian Contract Act, 1872, once a contract is voluntarily entered into and acted upon by both parties, it assumes binding legal force. A Settlement Deed executed with mutual consent operates as such a contract. It can only be invalidated if it is challenged before a competent **civil court** and declared void on limited and recognized legal grounds such as: Coercion, Fraud, Misrepresentation, Undue influence and Mistake of fact or law. In the present case, no such challenge has been made before any civil court, nor has the complainant produced any evidence of vitiating factors. There is no allegation supported by affidavit or contemporaneous documentation to establish that the complainant was forced, misled, or defrauded into signing the Settlement Deed. The complainant's signatures appear on every page of the document, further suggesting that the terms were duly acknowledged and accepted at the time of execution. Moreover, there is no evidence of mental incapacity, undue influence, or procedural unfairness in the negotiation or execution of the agreement. The absence of such vitiating elements precludes the Authority from interfering with the terms of a valid private contract. This Authority reiterates that: RERA is a statutory forum for redressal of violations of promoter obligations under the RERA Act. It is not a substitute for a civil court and cannot exercise powers of judicial review over private contracts voluntarily entered into by the parties. Once the dispute has been contractually resolved out of the court and the terms have been acted upon, RERA cannot entertain a fresh complaint to override, vary, or annul such settlement-unless a civil court has declared the settlement deed to be vitiated or void. To allow otherwise would be tantamount to RERA sitting

in appeal over valid contracts, which is beyond the legislative mandate and would amount to judicial overreach.

- 25.** Under Section 31 of the Real Estate (Regulation and Development) Act, 2016, this Authority is empowered to adjudicate complaints related to non-compliance with statutory duties imposed upon promoters under the Act, the Rules, or the Regulations made thereunder. However, where parties voluntarily enter into a private settlement that resolves all outstanding claims, and the same is subsequently acted upon, the Authority cannot reopen or set aside such a settlement unless there is a continuing statutory breach or the agreement itself stands vitiated under law.
- 26.** The complainant is estopped in law from challenging the validity of the same at a later date. To allow otherwise would encourage parties to reopen settled contracts for personal gain, which would be contrary to the principles of commercial certainty, contractual sanctity, and the rule of law. The doctrine of waiver and promissory estoppel squarely applies in this case.
- 27.** After thorough consideration, Authority concludes that the present complaint lacks merit and appears to be an attempt to misuse of legal proceedings for personal gain. This case is an example of litigation pursued in bad faith, aimed at exerting undue pressure on the respondent rather than addressing genuine grievances. Furthermore, under the Real Estate (Regulation and Development) Act, 2016, the legislation is intended to protect allottees who suffer due to the unfair practices of real estate promoters, not to facilitate unjust enrichment at the expense of developers who have acted in accordance with the law.

28. In the light of the above stated facts and applying aforesaid principles Authority is of the view that the present complaint is disposed of in terms of settlement deed dated 20.08.2022.
29. The Planning branch is directed to ascertain whether the project is registerable or not?
30. Complaint as well as applications, if any, stands disposed of accordingly.
31. Files be consigned to registry.


(P S Sami)
Member


(Arun Kumar)
Chairman

Haryana Real Estate Regulatory Authority, Gurugram

Dated: 27.01.2026

HARERA
GURUGRAM