BEFORE THE MAHARASHTRA REAL ESTATE APPELLATE TRIBUNAL, MUMBAI

Appeal No. AT07/00407 of 2025
Along with
Misc. Application No.498 of 2025 (Stay),
Misc. Application No.46 of 2026 (interim relief) and
Misc. Application No.45 of 2026 (initiating proceedings Sec.227, 228 & 229)
In
Case No.F.No.3/RERA/Complaint (381)/2023/1232

M/s. Prescon Homes Private Limited,]
A company registered under the]
Companies Act, having its registered office]
At 201, 2nd floor, Prestige Precinct,]
Almeida Road, Panchpakhadi,]
Thane (West), 400601 and its Goa office]
at Prescon Office No.207, 2nd Floor, Edcon]
Mindspace, Behind Campal Trade Centre,]
Campal, Panaji Goa 403001 Represented]
Through by its Directors, namely:]
1) Mr. Nirmal Bhagirathprasad Kedia]
2) Mr. Vijay Kumar Puranmal Khowala]
Through Authorised Representative]
Mr. Vinay Kedia] ... Appellant.

Versus

1. **Mr. Joseph Bonaventure Rodrigues,**]
82 years of age, son of Mr. Anthony]
Rodrigues, Indian National, married,]
Retired, and his wife.]

2. **Mrs. Brenda Barbara Rodrigues,**]
79 years of age, married, retired,]
Indian National,]

hmdmj

Both residing at 518, Gera Astoria,]
Souto Maior Road, Caranzalem,]
am, Goa-403002.]... Respondents.

Adv. Mr. Nihant Panicker for Appellant
Adv. Ms. Vaibhavi Parchake for respondent no.1.
Adv. Ms. Rajani Kanojia for respondent no.2.

CORAM : SHRI S.S. SHINDE (J), CHAIRPERSON & SHRIKANT M. DESHPANDE, MEMBER (A)

RESERVED ON : 5th May, 2026

PRONOUNCED ON : 5th August, 2026

(THROUGH VIDEO CONFERENCING)

JUDGEMENT

[PER: SHRIKANT M. DESHPANDE, MEMBER (A)]

1. The captioned appeal arises from the order dated 05.03.2025 passed by the Goa Real Estate Regulatory Authority (for short "the Authority") in the captioned complaint filed by the respondents herein/allottees.
2. The appellant herein is the promoter of the project in the name and style as "Ikigai Goa", situated at Kadamba, Goa, having Goa Project Registration No. PRG002221540.
3. For the sake of convenience, the parties to the will be hereinafter referred to as "promoter/appellant" and "complainants/allottees" respectively.
4. The brief facts gathered from the pleadings, the impugned order, and material on record, the respondents/allottees booked a flat bearing no.206, admeasuring 68.70 sq. mts. in Building A-4 of the promoter's said project for total consideration of Rs.68,04,000/-. The allottees were called at the office of the

promoter on 29.09.2022 and were asked to make payment of booking amount of Rs.42,52,500/-, which was 62.50% of the consideration amount. By the e-mail dated 27.09.2022 from the promoter addressed to the respondents/allottees, the promoter stated that the based on the discussion between the parties, the promoter is offering "best and final offer" for said flat with the following terms i.e. booking formalities need to be completed with the payment of amount of Rs.42,52,500/- i.e. 62.50% of consideration amount, latest by 30.09.2022. Further, the agreement for sale will be executed within 30 days of the booing formalities. Accordingly, based on the representations, the respondents/allottees paid amount of Rs.42,52,500/- to the promoter on 29.09.2022 towards the said booking of the flat and booked the flat by filling of the reservation form. On 30.09.2022 the promoter also provided duly signed receipts of the said amount of Rs.42,52,500/- to the respondents/allottees towards the payment of the above referred booking amount.

5. The respondents/allottees were agreeable to execute the agreement for sale before the due date on 30.09.2022 as communicated by the promoter by its e-mail dated 27.09.2022, however, the draft of the agreement for sale was given to the complainants in the first week of October, 2022, only when they made payment of booking amount of Rs.42,52,500/- on 29.09.2022. Further, draft of agreement for sale gave rise to several queries and points that required verification/clarifications from the promoter. However, despite repeated requests, no clarifications were provided by the promoter. The respondents/allottees informed to the office of the promoter that

they were scheduled to leave Goa on first week of December, 2023 and would return in mid-February 2023. However, in spite of this, there was no move on the part of the promoter to have agreement for sale executed by 31.10.2022, although the facts that requirement of corrections and clarifications in the draft of the agreement for sale were brought to the notice of the office of the promoter on 17.02.2022 and 05.11.2022, however no concrete solutions provided by the promoter.

6. Since the said draft of agreement for sale contained averments, which are factually incorrect and clauses that necessitate clarification or modification, which were brought to the notice of the promoter by the respondents by their letter dated 07.12.2022 and communicated to the promoter that as such, there is no way agreement could have been signed in the present form. However, clarifications were not attended to and there was inexplicable delay on the part of the promoter and as such, deadline of 31.10.2022 for execution of the agreement for sale has long passed. There were several clauses required the purchasers to give permissions/undertaking not to raise any objections to the promoter to perform various acts to which the respondents were not aggregable. The respondents also pointed out clauses, particularly clauses 9 and 10 of the draft agreement for sale, which required them to sign which were not true. However, the respondents were told that these were standard clauses taken from RERA model agreement, copy of which was never shared with the respondents.

7. Aggrieved by the above conduct of the promoter, the respondents requested the promoter to refund the entire paid

amount of Rs.42,52,500/- along with interest from 30.09.2022 till 22.03.2023 as the respondents are not willing to continue with the transaction. The promoter after repeated requests and exchange of e-mails finally returned the amount of Rs.42,52,500/- on 22.03.2023 and accordingly the receipt was signed by the respondents on 02.06.2023, however, without prejudice to the claim of the respondents to claim interest payable on the said amount. However, the promoter neglected and failed to pay interest amount.

8. Aggrieved by the failure on the part of the promoter to pay interest, the respondents filed the captioned complaint before the Authority seeking following reliefs:

> *"(i) For an interest at the rate of 10% on said sum of 242,52,500/- (Rupees Forty-Two Lakhs Fifty Two Thousand Five Hundred only) for the period from 30.09.2022 till 22.03.2023 amounting to a sum of 22,03,887/- (Rupees Two Lakhs Three Thousand Eight Hundred and Eighty Seven only).*
>
> *(ii) Further interest on the said sum of 242,52,500/- (Rupees Forty-Two Lakhs Fifty-Two Thousand Five Hundred only) at the rate of 10% from 23.03.2023 till its effective payment to the complainants.*
>
> *(iii) The complainants are also entitled from the promoter compensation of 4,00,000/- (Rupees Four Lakhs only) for all the mental and physical distress, agony, loss of mental peace and stability and financial loss caused to the complainants on account of constant follow up with the*

respondents and especially the complainants both being senior citizens of 82 and 79 years of age.

(iv) The complainants are also entitled for legal charges spent by the complainants in filing the complaint before this Hon'ble Court and follow up thereafter to the tune of ₹1,00,000/- (Rupees One Lakh only).

(v) Promoter is liable and be punished with a penalty which may extend up to five percent of the estimated cost of the real estate project as determined by the Authority on account of contravention of Section 13 of the Real Estate (Regulation and Development) Act, 2015.

(vi) The promoter be punished as per the RERA Act.

(vii) Any other and further reliefs as deems fit and proper as per circumstances of this case."

9. The promoter appeared before the Authority in the complaint and remonstrated the complaint by filing reply contending therein that the promoter consistently demonstrated the readiness and willingness to deliver possession as per the terms of the agreement and there is no failure on the part of the promoter to adhere to the terms of the agreement, on the contrary, the complainants repeatedly delayed and refused to sign agreement for sale and the said delay is entirely attributable to the complainants as they raised objections and avoided finalizing the agreement. Further, the promoter has obtained both completion and occupation certificates. The promoter has fulfilled its obligations and refusal by the complainants to sign the agreement for sale is unwarranted and unilateral which can not be justified for claim of refund with interest under the

provisions of RERA Act, 2016. With these submissions, the promoter prayed to dismiss the complaint.

10. After hearing the parties, the Authority passed the impugned order. The Authority in the impugned order observed that by e-mail dated 27.09.2022 from the promoter to the complainants, the promoter stated that booking formalities including payment of Rs.42,52,500/- (62.50% of the consideration amount) it to be completed before 30.09.2022 and the agreement for sale shall be signed thereafter within 30 days. Based on this representation, the complainants made payment of Rs.42,52,500/- on 29.09.2022. Further, the said amount is paid towards booking of the said flat. Thus, the promoter demanded and received 62.50% of the consideration amount prior to execution of the agreement for sale. This is clear violation of section 13(1) of the RERA Act, 2016, which prohibits the promoter from accepting more than 10% amount of the agreement value before the agreement for sale is executed and registered. Clear violation of Section 13 of the RERA Act, 2016 entitles the complainant to withdraw from the project. Further, compelling the complainants to pay 62.50 % of the consideration amount before execution of agreement for sale is unfair trade practice. The Authority also observed that complainants having paid 62.50% of the consideration amount, they are not having equal bargaining power vis-à-vis the promoter and where a person has no choice or rather a meaningful choice but to give his assent to a draft agreement for sale or to sign on the dotted lines.

11. The Authority further observed that the promoter committed wrong by violating the provisions of Section 13(1) of the RERA Act, 2016 by demanding and accepting 62.50% of the consideration amount before executing the agreement for sale and the promoter can not take advantage of the same. The Authority further observed that admittedly, the promoter refunded the paid amount of Rs.42,52,500/- on 22.03.202, however the complainants have accepted the sum without prejudice to their claim of interest on the said amount for the period from 30.09.2022 till 22.03.2023.
12. Aggrieved by the said impugned order, the promoter has filed the captioned appeal on the grounds set out in the said memorandum of appeal seeking relief of quashing and setting aside the impugned order.
13. We have heard the learned Advocates for the parties. Their submissions are nothing but re-iteration of the contents of the memorandum of appeal, reply and written submissions.
14. The learned Advocate for the promoter has submitted that the present case is not covered under Section 18 of the RERA Act, 2016. There is no delay in handing over of the possession, whereby the allottees are entitled to seek refund of the paid amount with interest. Further, it is not the case of the allottees that there exists a defect in the title of the land. Since the case is not covered under Section 18 of the RERA Act, 2016, jurisdiction of the Authority for the purpose of refund with interest is ruled out. Jurisdiction of Adjudication Officer for the purpose of deciding compensation under Section 18(2) of the RERA Act, 2016 is also ruled out since the present case does not

pertain to any defective title of the land for which compensation is sought. Therefore, there is no any subsisting violation of RERA Act, 2016 and the claim of refund with interest is not tenable.

15. The learned Advocate further submitted that the allegations of violation of Section 13 (1) of the RERA Act, 2016 is also misconceived and unsustainable, in as much as the entire amount has already been refunded by the promoter without any further forfeiture or deductions. Hence, no cause of action survives for seeking refund or allied reliefs. The learned Advocate submitted that the present proceedings are in substance a claim solely for interest. Such a claim is neither in the nature of statutory interest under Section 18 of the RERA Act, not does it arise from any contractual stipulation between the parties. At the best, it may be construed as an equitable claim, the adjudication whereof squarely falls within the domain of the Adjudicating Officer under Sections 71 and 72 of the RERA Act, 2016 and not within the jurisdiction exercised by the Authority. Therefore, the impugned order is without jurisdiction and is liable to be set aside.

16. The learned Advocate submitted that without prejudice to the above, there is no surviving cause of action since the entire amount has been already refunded to the complainants. Hence, the complaint itself was not maintainable and ought to have been dismissed.

17. The learned Advocate submitted that there is no willful violation of Section of Section 13 of the RERA Act, 2016. Respondents were provided all documents in advance. There were belated

and frivolous queries after making payments. Despite multiple meetings and clarifications, respondents failed to execute the agreement for sale. The promoter repeatedly expressed readiness to execute the agreement for sale, provided clarifications through meetings and e-mails and counsel interaction. The transaction failed solely due to the respondents' inaction and indecision and conduct which includes a sudden departure from Goa and then an abrupt demand for refund. The learned Advocate submitted that without prejudice to the above, the promoter refunded the entire amount of Rs.42,52,500/-. The respondents accepted the refund amount, acknowledged the receipt and raised no objections. It is settled principle that the acceptance of the refund without protest extinguishes further claims. Any further claim for interest is barred by estoppel and acquiescence.

18. The learned Advocate submitted that the direction to pay interest even after the period of refund is ex-facie perverse. Once the principal amount stood refunded on 22.03.2023, no subsisting cause of action remained and no further interest can lie on the principal amount beyond 22.03.2023. Such award of interest amounts to unjust enrichment.

19. The learned Advocate submitted that the imposition of penalty under Section 13 of the RERA Act, is unsustainable and misconceived. In the present case, the promoter had shared the draft of the agreement for sale and execution of the sale was delayed only due to the respondents. The promoter was always ready and willing to execute the agreement for sale and even thereafter refunded the entire amount without any forfeiture or

deductions when it became clear that the respondents were not ready to proceed with the transaction. After the entire amounts were refunded, the provisions of Section 13 of the RERA Act, cease to have any application as the transaction itself stood terminated and no subsisting obligation remains that could attract a violation of said provision.

20. The learned Advocate further submitted that the award of Rs.2,00,000/- as cost without reasons, without any finding of misconduct. As such, the said award of cost is excessive, not reasonable and contrary to the settled principles governing costs.

21. With these submissions, the learned Advocate for the promoter prayed to allow the appeal.

22. Per contra, the learned Advocate for the respondents/allottees has submitted that the promoter demanded by its e-mail on 27.09.2022 to pay 62.50% of the total consideration by 30.09.2022 without executing any agreement for sale. The draft of the agreement was not even made available in readable form prior to such payment. The e-mail attachments sent earlier were not accessible and despite repeated requests, a hard copy of the agreement was only provided several days after the payment had already made.

23. The learned Advocate submitted that even the respondents raised serious objections to several one sided, arbitrary, and oppressive clauses. The promoter failed to provide any satisfactory clarification nor did it modify any of the objectionable clauses. Several clauses required the respondents to give undertaking not to raise any objection to the promoter

performing various acts which the respondents found unacceptable. The respondents were left with no option but to withdraw from the project and seek a refund of the amounts paid along with interest. No doubt, the promoter refunded the paid amount of Rs.52,52,500/- which was accepted by the respondents expressly without prejudice to their claim of interest and compensation.

24. The learned Advocate submitted that the promoter admittedly demanded in writing and accepted 62.50% of consideration amount and accepted the said amount from the respondents without first executing an agreement for sale. This is a clear violation of Section 13(1) of the RERA Act 2016, which confirms from the impugned order. The promoter knowingly taken and accepted more than 10% of the consideration amount and acted in breach of the law for the purpose of deriving monetary gains. The promoter failed in its primary statutory duty to execute an agreement for sale prior to accepting substantial consideration amount. Even thereafter, despite repeated follow-ups and objections raised by the respondents, the promoter failed to provide readable agreement in time, further the promoter failed to address legitimate concerns raised by the respondents. The conduct of the promoter clearly demonstrates that it had no intention to execute a fair and lawful agreement for sale and instead sought to bind the respondents through coercive financial commitments and pressurize the respondents to accede to the unilateral terms/clauses which are against the principle of the Indian Contract Act and in gross violation of the provisions of RERA Act, 2016.

25. With these submissions, the learned Advocate for the respondent submitted that the impugned order is fair and well reasoned order and prayed to dismiss the appeal.

26. The learned Advocate placed reliance on the following judgments:

    i) Experion Developers Pvt. Ltd. Versus Sushma Ashok Shiroor [Civil Appeal No.6044 of 2019 decided by the Hon'ble Supreme Court of India on 07.04.2022].

27. We have given due consideration to the submissions of the learned Advocates for the parties, memorandum of appeal, reply and written submissions. On examination of the pleadings of the parties, material placed on record, the following points arise for our consideration, and we have recorded our findings thereupon, for the reasons to follow, as under.

Sr. No.	Points	Findings
1.	Does the impugned order warrant interference in this appeal?	Partly in the affirmative.
2.	What order?	As per final order.

REASONS

Point No.1

28. On ensemble of the facts as submitted by the parties and material placed on record, it is not in dispute that the respondents booked the subject flat by filling of the booking/reservation form on 30.09.2022 in the promoter's said project. By e-mail dated 27.09.2022 the promoter addressed to

the respondent stating therein that the based on the discussion between the parties, the promoter is offering 'best and final offer' for the said flat with the terms that the booking formalities including the payment of amount of Rs.42,52,500/- which constitutes Rs.62.50% of the consideration amount is paid latest by 30.09.2022 and the agreement for sale will be executed thereafter within 30 days of the formalities of booking are completed.

29. Thus, the promoter required the respondents to pay the said Rs.62.50% of the consideration amount within 3 days of the said e-mail first whereas the agreement for sale was to be executed within 30 days of the booking formalities and payment are done. It is not in dispute that on the basis of the said representation, the respondents paid an amount of Rs.42,52,500/- on 29.09.2022 towards booking of the said flat. Further, the promoter provided the duly signed receipts of the said amount to the respondents. It is also not in dispute that the respondents were agreeable to execute the agreement for sale with the due date of 30.10.2022 as suggested by the promoter through its e-mail dated 27.09.2022, however, the draft of the agreement for sale were given to the respondents in the first week of October, 2022, after respondents made payment of Rs.42,52,500/- on 29.09.2022.

30. It is the contention of the promoter that prior to 29.09.2022 the promoter made available the draft agreement for sale by e-mail to the respondents. However, the respondents have contended that the said e-mail was not accessible and the promoter did not

submit readable paper copy of draft agreement for sale despite several requests in this regard.

31. It is the contention of the respondents that draft agreement for sale gave rise to several queries and points that the respondents required clarifications from the promoter. However, no clarifications were provided by the promoter. The respondents informed to the office of the promoter that they were scheduled to leave Goa on first week of December, 2023 and would return in mid-February 2023, however, in spite of that there was no move on the part of the promoter to have agreement for sale executed by 31.10.2022, although, the fact that the requirement of correction and clarification in the draft of the agreement were brought to the notice of the promoter by various communications.

32. The draft of agreement for sale contained averments which are factually incorrect and some of the clauses that necessitated clarification or modification which were brought to the notice of the promoter. However, no satisfactory clarifications forthcoming from the promoter which delayed the execution of the agreement for sale. According to the respondents, there were several clauses requiring the respondents to give permissions/undertaking not to raise any objections to the promoter performing various acts to which the respondents were not agreeable, particularly, clause 9 and 10 of the agreement for sale which required the respondents to sign which were not factually true. However, the respondents were told that these were standard clauses taken from RERA model of agreement, copy of which was not shared by the promoter

to the respondents. In these circumstances, the respondents were left with no option, but to withdraw from the project.

33. E-mail dated 27.09.2022 clearly demonstrates that the promoter required the respondents to pay 62.50% of the consideration amount latest by 30.09.2022 and only thereafter the agreement for sale was to be executed within 30 days of the booking formalities. Accordingly, the respondents paid the amount of Rs.42,52,500/- without even promoter executing the agreement for sale. Section 13 of the RERA Act, stipulates that the promoter shall not accept the sum more than 10% of the cost of the apartment as an advance payment or an application fee, from a person without first entering into a written agreement for sale with such person and register the said agreement for sale, under any law for the time being in force. Said Section 13 (1) is reproduced below:

> "*13 (1) A promoter shall not accept a sum more than ten per cent of the cost of the apartment, plot, or building as the case may be, as an advance payment or an application fee, from a person without first entering into a written agreement for sale with such person and register the said agreement for sale, under any law for the time being in force.*"

34. The said provision is very clear that the promoter is prohibited from accepting more than 10% of the consideration amount without first executing an registered agreement for sale. In the instant case the said e-mail dated 27.09.2022 clearly confirms that the promoter demanded from the respondents to pay first 62.50% of the consideration amount before executing the

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agreement for sale. Further, the agreement for sale was to be executed only within 30 days of the completing the booking formalities including the payment of the said consideration amount viz: 62.50% of the consideration amount.

35. In our view, the said conduct of the promoter clearly is in violation of Section 13(1) of the RERA Act, 2016, when promoter was well aware that Section 13(1) of the RERA Act 2016 does not allow the promoter to accept more than ten per cent of the consideration amount, the promoter insisted the respondents to grab "best and final offer" to first pay Rs.42,52,500/- i.e. 62.50% of the consideration amount upon which the promoter was to execute an agreement for sale. In our view, this is deliberate and willful violation of Section 13(1) of the RERA Act, 2016 by the promoter. Therefore, we are of the view that there is no perversity in the findings of the Authority that the promoter has violated section 13(1) of the RERA Act, 2016.

36. It is pertinent that the promoter did not satisfactory address the concerns of the respondents about certain clauses in the agreements for sale. The respondents had shown willingness to execute agreement for sale provided that their concerns are satisfactorily addressed. We are of the view that the promoter admittedly demanded in writing 62.50% of the consideration amount and accepted the said amount from the respondent, without first entering executing the agreement for sale. As observed above, it is clear violation of Section 13(1) of the RERA Act, 2016.

37. The promoter knowing that it can not accept more than 10% of the consideration amount, acted in breach of Section 13(1)

of the RERA Act, 2016 and failed in its statutory duty of executing the agreement for sale prior to accepting the said substantial amount. Even thereafter, despite repeated follow ups and objections raised by the respondents, the promoter failed to provide readable draft of the agreement in time. Further, the promoter failed to address legitimate concerns raised by the respondents. It therefore appears that the said conduct of the promoter appears to bind the respondents and compel them to accept the clauses in the agreement for sale, which according the respondents were not agreeable to them.

38. We are of the view that this compelled the respondents to exit from the project. It is not due to unwillingness to execute the agreement for sale on the part of the respondents, but lack of satisfactory addressing the concerns of the respondents by the promoter, that the agreement for sale could not be executed. Further, the respondents are not bound by the clauses in the agreement for sale which according to them were not satisfactory. The respondents having paid substantial consideration amount even before executing the agreement for sale are not in the better negotiating position vis-à-vis the promoter. Therefore, in these circumstances, we do not found fault on the part of respondents in choosing to exit from the project. The respondents have already demonstrated their bonafides by making payments of 62.50% of the consideration amount even without executing agreement for sale.

39. In our view, in view of the above, we are of the considered view that respondents were compelled to exit from the project and

therefore they are entitled to seek refund of the paid amount with interest.

40. The provisions of refund with interest are given in Section 18 of the RERA Act, 2016. Section 18(1) of the RERA Act, is reproduced as below:

> "*Section 18. (1) If the promoter fails to complete or is unable to give possession of an apartment, plot or building, (a) in accordance with the terms of the agreement for sale or, as the case may be, duly completed by the date specified therein; or (b) due to discontinuance of his business as a developer on account of suspension or revocation of the registration under this Act or for any other reason, he shall be liable on demand to the allottees, in case the allottee wishes to withdraw from the project, without prejudice to any other remedy available, to return the amount received by him in respect of that apartment, plot, building, as the case may be, with interest at such rate as may be prescribed in this behalf including compensation in the manner as provided under this Act: 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.*"

41. As per the said provision, the allottee can seek refund with interest if promoter fails to complete or is unable to give possession of the apartment in accordance with the terms of the agreement or by the due date specified therein. In our view, the respondents chose to withdraw from the project much prior

to due date of possession and therefore the said provision is not applicable in the present case. In fact, the refund of paid amount with interest is not covered under any provision of RERA Act, 2016. However, we do not ignore the basic object of the RERA Act, 2016 to safeguard the interest of the allottees. The same is beneficial legislation and interests of the allottees are at the center of RERA Act, 2016. In the view of the peculiar facts and circumstances of the case, the respondents had no option but to exit from the project and hence their interests are required to be protected under RERA.

42. It is to be noted that the regulations are framed to carry out the purpose of the Act. Regulation 39 of Maharashtra Real Estate Regulatory Authority (General) Regulation, 2017 speaks about saving of inherent powers of the Authority. It reads as under;

> "*Nothing in the Regulations shall be deemed to limit or otherwise affect the inherent power of the Authority to make such orders as may be necessary for meeting the ends of justice or to prevent the abuse of the process of the Authority.*"

Similarly, Regulation 25 of Maharashtra Real Estate Appellate Tribunal, 2019 speaks about saving of inherent powers of the Tribunal;

> "*25(1) Nothing in these Regulations shall be deemed to limit or otherwise affect the inherent power of the Tribunal to make such orders as may be necessary for meeting the ends of justice or to prevent the abuse of the process of the Tribunal.*"

It means the Regulatory Authority as well as the Appellate Tribunal have inherent powers under the Regulations framed under RERA Act, 2016 to pass such orders which are necessary to meet the ends of justice. In exercise of powers thereof in the instant case, we are of the considered view that in the interest of justice it is necessary to direct the promoter to refund the total amount paid by appellant along with interest since there is no fault on the part of the respondents allottees.

43. In view of the above, we are of the view that to meet the ends of justice, the promoter is required to be directed to refund the paid amounts with interest. Admittedly, the promoter has refunded the principal amount to the respondents.

44. Pertinently, paragraph 257 of the judgment of the Hon'ble Bombay High Court in case of *Neelkamal Realtors Suburban Pvt. Ltd. & Anr. Vs. Union of India & Ors.* [(2017) SCC Online Bom 9302], wherein it has been held that; "*The requirement to pay interest is not a penalty as the payment of interest is compensatory in nature in the light of the delay suffered by the allottee who has paid for his apartment but has not received possession of it. The obligation imposed on the promoter to pay interest till such time as the apartment is handed over to him is not unreasonable.* ***The interest is merely compensation for use of money***".

45. The promoter has used the money received from the respondents for commercial purposes, hence we are of the view that it will be equitable and reasonable to direct the promoter to pay interest on the said amount of Rs.42,52,500/- refunded by the promoter to the respondents, from 30.09.2022 to

22.03.2023 at the rate of SBI's Highest Marginal Cost Lending Rate plus 2%.

46. However, it would be unreasonable to impost interest beyond 22.03.2022. Hence, the impugned order warrants interference in this appeal to this extent by setting aside the part (ii) of the operative part of the impugned order. In our view, rest of the impugned order does not warrant interference in this appeal. Accordingly, we answer point no.1 in the partly affirmative.

47. Accordingly, we proceed to pass the following order.

ORDER

1. Appeal No. AT0700407 of 2025 is partly allowed.
2. The part (ii) i.e. "*The respondent is also directed to pay further interest @ 11.10% p.a. from 23.03.2023 till effective payment, in the event of failure to pay the aforesaid interest amount to the complainants, as referred above*" of the operative order of the impugned order is set aside.
3. Rest of the impugned order is upheld and confirmed.
4. Parties to bear their own costs.
5. In view of disposal of the appeal nothing survives for our consideration in Misc. Application No.498 of 2025 (Stay), Misc. Application No.46 of 2026 (interim relief) and Misc. Application No.45 of 2026 (initiating proceedings Sec.227, 228 & 229) and same stands disposed of.

6. Copy of this Order be communicated to the Authority and the respective parties as per Section 44(4) of RERA Act, 2016.
7. Accordingly, the appeal stand disposed of in above terms.

(SHRIKANT M. DESHPANDE) **(S.S. SHINDE, J.)**

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