BEFORE THE RAJASTHAN REAL ESTATE APPELLATE TRIBUNAL, JAIPUR

Appeal No.193/2025

In : Complaint No.RAJ-RERA-C-N-2023-6157

Gurjeet Kaur, A-201, Bren Celestia, Kalkondrahalli, Sarjapur Road, near Fire Station, Bangalore-560035.

......Complainant-Appellant

VERSUS

Stanford Developers Private Limited, Pearl Group "Pearl Diwan", S-14, Mangal Marg, Bapu Nagar, Jaipur-302015.

......Promoter-Respondent

CORAM:

Mr. Justice Madan Gopal Vyas, Hon'ble Chairperson

Mr. Yudhisthir Sharma, Hon'ble Member (Judicial)

PRESENT:

For Appellant : Mr. Ankit Bishnoi, Advocate

For Respondent :

O R D E R

Reserved on 18th August, 2026

Pronounced on 20th August, 2026

Per : Justice Madan Gopal Vyas, Hon'ble Chairperson

The appeal is time barred by 4 days and an application under Section 44(2) of the Act has also been filed seeking condonation of delay.

For the reasons mentioned in the application filed under Section 44(2) of the Act, the application is allowed and the delay of 4 days in preferring appeal is condoned.

2) This appeal has been filed under Section 44 of the Real Estate (Regulation and Development) Act, 2016 (hereinafter be referred to as the "RERA Act, 2016") challenging the impugned-order dated 04/09/2025 passed by the Rajasthan Real Estate Regulatory Authority, Jaipur (hereinafter referred to as "Regulatory Authority") whereby, the complaint filed for refund was allowed without interest.

3) The facts of the case in brief are that the complainant-appellant booked a Unit bearing No.503, 5th Floor in Tower-D of the project of the respondent promoter namely; "Pearl Sunrise RC" against the sale consideration of Rs.17,00,400/- out of which, the complainant deposited Rs.1,50,000/- and Rs.1,47,196/- towards the sale consideration and a sum of Rs.50,000/- was returned to her by the promoter. An Agreement for Sale was executed on 28/02/2017. According to the Agreement, the possession was to be provided within 36 months and with 6 months grace period, from the date of the execution of the Agreement. But when the respondent promoter failed to provide possession within the timeline, complainant filed complaint seeking refund of Rs.2,47,196/-.

4) The learned Regulatory Authority allowed the complaint vide impugned order dated 04/09/2025 in the following manner:-

> *"9. In view of above, the respondent-promoter is directed to refund the amount of Rs.2,47,196/- (without interest) to the complainant within 45 days from the date of uploading this order on the web portal of the Authority".*

5) Hence, this appeal with the following prayer:-

> *"The Order dated 04.09.2025 may kindly be modified and further may kindly direct the promoter to refund the amount of Rs.2,47,196/- along with interest at the rate of 18% per annum. Also, compensation of Rs.1,00,000/- may also be*

> *kindly awarded to the Complainant for mental agony & monetary loss suffered by her due to the acts of the promoter".*

6) Mr.Ankit Bishnoi, learned counsel appearing for the complainant appellant has argued that the promoter has breached the term of the agreement to sale dated 28/02/2017. The promoter has been enjoying at the cost of the appellant's agony by withholding her funds since 2014. The learned Authority has erred in law while it has not directed the promoter to refund the deposited amount along with interest from the date of its deposit. Learned Authority has failed to appreciate the provisions of law relating to interest on the deposit in case of refund. The complainant is a 69 year's old aged lady, who has suffered mentally and financially at the hands of the promoter for more last more than 10 years. As per provisions of the Act of 2016, the interest shall be payable from the date of deposit. As per Section 18 of the Act, the promoter is bound to return the amount deposited with interest in case he fails to provide possession of an apartment in accordance with the agreement for sale. It is, therefore, prayed that the appeal be allowed, impugned-order dated 04/09/2025 passed by the learned Regulatory Authority be modified in the manner as aforesaid.

7) Despite service having been effected upon the respondent long back on 04/03/2026, nobody has put in appearance on behalf of the respondent.

8) We have heard learned counsel for the complainant-appellant and perused the material available on record.

9) It is evident from the record that Unit No.503 was booked by the complainant-appellant in the registered project – "Pearl Sunrise RC" and complainant-appellant also deposited Rs.1,50,000/- and Rs.1,47,196/- towards the sale consideration total deposited a sum of Rs.2,97,196/- out of which, the promoter returned and a sum of Rs.50,000/- to the complainant during settlement proceedings. The complaint prayed in the complaint for refund of balance amount of Rs.2,47,196/- (receipt available on record) with interest. It is admitted by the respondent-promoter in reply filed before the Regulatory Authority that agreed date of handing over possession was 28/08/2020 but as per observation of the Regulatory Authority in para 6, the status of the project on official website of the Authority is marked under the "lapsed" category and as per APR Report of July to September, 2020, the completion of work was only upto 9%. Since Rs.50,000/- has been refunded to the complainant-appellant out of total amount of Rs.2,97,196/-, therefore, the complainant is entitled to receive balance deposit amount of Rs.2,47,196/-.

9.1) The appeal has been preferred only against the impugned order to the extent of getting interest 18% p.a. on the balance amount of Rs.2,47,196/- and also for compensation.

9.2) In such circumstances, the only question remains to be decided by this Tribunal is, as under:-

Whether the appellant is entitled to get interest on the balance deposited amount of Rs.2,47,196/- @18% p.a. under Section 18 of the RERA Act, 2016?.

10) It is admitted fact between the parties revealed from the record that the respondent-promoter failed to handover possession of the allotted Unit No.503 within the stipulated time i.e. 28/08/2020 as per terms of Agreement for Sale and presently, the project is also under the category of "lapsed" project. The last Quarterly Progress Report from July to September, 2020 only 9% work was completed and the complainant-appellant opted for Construction Linked Payment Plan, which is mentioned in the Agreement for Sale. Since the construction work was not completed, therefore, the complainant-appellant is not under an obligation to deposit remaining instalments of the allotted unit. The reasonable period for completion of unit was 3 years as per pronouncement of Hon'ble Apex Court in the matter of ***Fortune Infrastructure and Ors. Vs. Travor D' Lima and Ors : (2018) 5 SCC 442***.

10.1) The Hon'ble Apex Court in the matter of ***M/s.Newtech Promoters and Developers*** *(supra)* took a view that in case of delay as per terms & conditions of the Agreement for Sale, the allottee has acquired an unqualified right to get refund with delay interest, which may be reproduced, as under:-

> *"25. The unqualified right of the allottee to seek refund referred Under Section 18(1) (a) and Section 19(4) of the Act is not dependent on any contingencies or stipulations thereof. It appears that the legislature has consciously provided this right of refund on demand as an unconditional absolute right to the allottee, if the promoter fails to give possession of the apartment, plot or building within the time stipulated under the terms of the agreement regardless of unforeseen events or stay orders of the Court/Tribunal, which is in either way not attributable to the allottee/home buyer, the promoter is under an obligation to refund the amount on demand with interest at the rate prescribed by the State Government including compensation in the manner provided under the Act."*

In view of the above, therefore, the appellant is entitled to get refund with delay interest from the each date of deposit in terms of the judgment of the Hon'ble Apex Court in the matter of ***Experion Developers Pvt.Ltd. Vs. Sushma Ashok Shiroor : 2022 SCC Online SC 416***, wherein in somewhat identical factual matrix relying upon earlier opinions while dealing with the issue of payable interest on the amount deposited, in uncertain terms, the Hon'ble Apex Court observed, as under:-

> *"32. We are of the opinion that for the interest payable on the amount deposited to be **restitutionary** and also compensatory, **interest has to be paid from the date of deposit of the amounts**. The Commission in the order impugned has granted interest from the date of last deposit. We find that this does not amount to restitution. Following the decision in DLF Homes Pamchkula Pvt. Ltd. Vs. D.S. Dhanda and in modification of the direction issued by the Commission, we direct that the interest and the refund shall be payable from the dates of deposit. Therefore, the appeal filed by the purchaser deserves to be partly allowed. The interest shall be payable from the date of such deposits.*
>
> *33. At the same time, we are of the opinion that the interest of 9% granted by the Commission is fair and just and we find no reason to interfere in the appeal filed by the consumer for enhancement of interest."*

10.2) It is apposite to reproduce Section 2(za)(ii) of the RERA Act, 2016 and its *Explanation Clause*, as under:-

> *"(za) "interest" means the rates of interest payable by the promoter or the allottee, as the case may be;*
>
> *Explanation-For the purpose of this clause-*
>
> ***(ii) the interest payable by the promoter to the allottee shall be from the date the promoter received the amount or any part thereof till the date the amount or part thereof and interest thereon is refunded, and the interest payable by the allottee to the promoter shall be from the date interest payable by the allottee to the promoter shall be from the date the allottee defaults in payment to the promoter till the date it is paid."***

10.3) Although, the respondent-promoter refunded Rs.50,000/- to the complainant-appellant during settlement proceedings but it cannot be a ground to decline the unqualified right of an allottee to get refund with interest at such a rate as prescribed under the RERA Rules, 2017 from the each date of deposit to restitute the allottee on the position, which was existed at the time of booking.

10.4) It is pertinent to mention herein that the project was registered in year 2017 bearing Registration No.RAJ/P/2017/279 and according to the order issued by the Authority on 13/05/2020 due to Covid-19 Pandemic that "*all real estate projects that were registered and not already completed as on 19/03/2020 granted extension of 12 months in estimated finish date of the project*". Further, as per clause 6 of the said order *"owing to force majeure, no interest or compensation will be payable under section 12 or section 18 of the Act for the period covered by the aforesaid extension in estimated finish date of the project"*. Since the project was not completed on 19/03/2020, the 12 months moratorium period should be excluded while computing interest.

11) The learned Regulatory Authority has erred in law while passing the impugned order as on the one hand, the learned Regulatory Authority has granted Refund, but on the other, refused to grant interest on the deposited amount, without assigning any just, reasonable and proper reasoning. It is a settled proposition of law that if an allottee is granted refund, generally the delay interest is mandatory to be provided. Therefore, the impugned-order passed by the learned Regulatory Authority to that extent; is against the equity, equality and mandate of law.

12) The question is thus decided.

13) In the result, the appeal is allowed. The impugned-order dated 04/09/2025 passed by the Regulatory Authority in Complaint No.RAJ-RERA-C-N-2023-6157 granting refund of the amount of Rs.2,47,196/- is upheld, but the impugned-order is modified so far as it refused to grant interest on the amount of Rs.2,47,196/-, to the extent of grant of interest on the deposited amount. Complainant-appellant Gurjeet Kaur is, therefore, held entitled to receive interest on the amount of Rs.2,47,196/- from the each date of deposit.

13.1) Respondent-Promoter is, therefore, directed to refund the amount of Rs.2,47,196/- to the complainant-appellant with interest from the each date of deposit at the rate of interest as has been prescribed under the RERA Rules, 2017 @SBI Highest MCLR (8.70%)+2%, i.e., 10.70 per cent per annum, within a period of 45 days from the date of receipt of certified copy of this order, excluding moratorium period in terms of the RERA Guidelines dated 13/05/2020.

14) So far as compensation is concerned, the complainant-appellant shall be at liberty to approach the appropriate Authority to get compensation, if so desired.

15) Pending Interim application(s), if any, shall stand(s) closed.

16) There is no order as to costs.

17) A copy of this order be transmitted to the learned counsel for the parties and Raj-RERA, Jaipur.

File be consigned to record.

Yudhishthir Sharma, **Member (Judicial)**	**(Madan Gopal Vyas), J.** **Chairperson**

Anil Goyal-PS/Suppl.1