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REAL ESTATE

Mere Change in Project Name Cannot Defeat Statutory Rights of Home Buyers: Maharashtra Real Estate Appellate Tribunal Holds Allottees of Unregistered “BBJ Roma” Entitled to RERA Relief in Registered “Verona”

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The Real Estate (Regulation and Development) Act, 2016 was enacted with the avowed legislative intent to protect the interests of allottees and to introduce transparency, accountability, and efficiency into the real estate sector. One of the recurring challenges under this regulatory framework has been the attempt by certain promoters to circumvent statutory obligations through superficial changes in project nomenclature or registration stratagems. In a significant pronouncement, the Maharashtra Real Estate Appellate Tribunal, Mumbai, in Shakti Anand v. Sahyog Homes Ltd., Appeal No. AT006000000134106 of 2022 (and connected appeals), decided on 9 June 2026, by a Bench comprising Shri Justice S.S. Shinde, Chairperson, and Shri Shrikant M. Deshpande, Administrative Member, has unequivocally held that a project is identified by its underlying land and sanctioned permissions, and not by the marketing name ascribed by the promoter. The Tribunal set aside an order of the Maharashtra Real Estate Regulatory Authority that had dismissed complaints as not maintainable, and directed the promoters to refund the paid amounts to the allottees with interest.

The respondents, Sahyog Homes Ltd., were the promoters of a real estate project situated at Andheri (West), Mumbai, on land bearing various CTS numbers in Village Oshiwara, Taluka Andheri. During the period 2006 to 2008, the promoters issued advertisements for a proposed project under the name “BBJ Roma” on the said land. Between 2007 and 2010, the appellants, who were prospective home buyers, approached the respondents and were issued allotment letters for flats in the project “BBJ Roma.” The consideration amounts ranged from approximately forty lakh rupees to over sixty-four lakh rupees, and the appellants paid substantial earnest money and part consideration, as evidenced by the receipts on record. Crucially, the allotment letters identified the project land with specific CTS numbers but did not specify any date of possession. The promoters had obtained Letters of Intent and a commencement certificate from the Slum Rehabilitation Authority, which was the planning authority for the area.

The project was conceptualised as part of a larger development comprising rehabilitation buildings and sale buildings, including structures that were later named “Verona,” “Sahyog Oshi,” and “L’amor.” In July 2017, the promoters unilaterally addressed letters to the appellants seeking to terminate and cancel the allotment letters, offering to refund the amounts paid along with interest at the rate of nine per cent per annum. The appellants, upon conducting due diligence on the MahaRERA portal, discovered to their dismay that the respondents had registered the project with the Maharashtra Real Estate Regulatory Authority under the name “Verona,” bearing Project Registration No. P51800003040, on the identical project land that had been marketed to them as “BBJ Roma.” The appellants thereafter filed complaints before the MahaRERA seeking refund of the paid amounts with interest and compensation under Section 18 of the RERA Act, 2016.

By a common order dated 22 August 2022, the learned Member-I of the MahaRERA dismissed the complaints as not maintainable. The Authority held that the appellants had paid amounts for flats in the project “BBJ Roma,” which was not registered with MahaRERA, and that the appellants possessed no allotment letters pertaining to the registered project “Verona.” Consequently, the Authority concluded that the appellants were not allottees of the registered project and that the complaints were misconceived. The Authority, however, granted liberty to the complainants to approach the Authority if the project “BBJ Roma” was registered in the future, and observed that the promoter may consider refund requests at par with other complainants.

Aggrieved by the impugned order, the appellants filed the captioned appeals before the Maharashtra Real Estate Appellate Tribunal. The appeals were heard together and decided by a common judgment, given the identical facts and legal questions involved.

Before the Tribunal, the appellants contended that the promoters had deliberately and mala fide changed the name of the project from “BBJ Roma” to “Verona” in order to defeat their statutory rights under the RERA Act. They submitted that the CTS numbers and the description of the project land in the allotment letters, the commencement certificate obtained in 2010, and the MahaRERA registration certificate for “Verona” were identical. They argued that the name of a building is merely a marketing tool and that the planning authority sanctions layouts based on plot numbers and not on building names. They further placed reliance on a prior order of the MahaRERA dated 5 December 2019 in an identical matter concerning the same project, wherein the Authority had directed the promoter to treat the complainants as allottees of the project and to refund their monies with interest at the rate of the State Bank of India’s Marginal Cost Lending Rate plus two per cent. The appellants asserted that the said order had attained finality and that the respondents were estopped from denying their status as allottees.

Per contra, the respondents contended that the project “BBJ Roma” was never registered with MahaRERA and was distinct from the registered project “Verona.” They argued that the appellants had no documentary evidence such as a booking form or

allotment letter relating to the project “Verona,” and that the complaints were therefore not maintainable. They submitted that the project land was planned to have multiple sale buildings, and that “BBJ Roma” and “Verona” were different buildings within the larger layout. They relied upon the judgment of the Tribunal in Mangal Murti Foundation v. Shree Mahavir Patwa Developers & Construction Pvt. Ltd. in support of their submission that the benefits of RERA could not be extended to an unregistered project.

The Tribunal framed four points for consideration: whether the appellants were allottees of the project “Verona”; whether they were entitled to refund with interest under Section 18 of the RERA Act; whether the impugned order warranted interference; and what order should be passed.

In its elaborate reasoning, the Tribunal first examined the question of project identity. It noted that the advertisements for “BBJ Roma,” the allotment letters issued to the appellants, the commencement certificate dated 11 March 2011, and the project registration certificate for “Verona” all referred to the same underlying land with identical or substantially overlapping CTS numbers. The Tribunal held that the project registration is identified with the project land and the valid permissions issued by the competent authority, and not by the name of the building. The name of the building can be changed at any time by the promoter, but the underlying project land remains immutable. Therefore, the Tribunal concluded that the appellants were allottees of the registered project “Verona” irrespective of the fact that their allotment letters bore the name “BBJ Roma.”

The Tribunal then proceeded to examine the nature of the allotment letters. It held that the letters contained all essential ingredients of a valid contract, including the area of the flat, the name of the project, the consideration amount, the description of the property, the project land, the payment schedule, and other terms and conditions. The acceptance of payments by the promoters in furtherance of these letters fulfilled the requirements of Section 2(a) and 2(b) of the Indian Contract Act, 1872, and constituted valid and concluded contracts enforceable under law, including the RERA Act.

On the question of the applicability of RERA to pre-2016 agreements, the Tribunal relied upon the authoritative pronouncement of the Supreme Court in M/s. Newtech Promoters and Developers Pvt. Ltd. v. State of U.P. & Others, Civil Appeal Nos. 6745-6749 of 2021, decided on 21 November 2021. The Supreme Court had held that the RERA Act is retroactive in its operation and that all ongoing projects which commenced prior to the Act and in respect of which a completion certificate had not been issued are covered within its fold. The Tribunal held that since the subject project was an ongoing project when RERA came into force and was subsequently registered with MahaRERA, the allotment letters executed between 2007 and 2010 were enforceable under the provisions of the RERA Act, 2016.

The Tribunal further observed that the allotment letters did not specify any date of possession. Applying the principle laid down by the Supreme Court in Fortune Infrastructure (Now known as M/s. Hicon Infrastructure) & Anr. v. Trevor D’Lima & Ors., [(2018) 5 SCR 273], the Tribunal held that in the absence of a stipulated possession date, the promoter is expected to hand over possession within a reasonable period, and that a period of three years from the date of the allotment letter is reasonable. The promoters had failed to deliver possession even after a decade. The Tribunal also noted that the promoters had violated Section 4 of the Maharashtra Ownership Flats Act, 1963, by accepting more than twenty per cent of the sale price without entering into a registered agreement for sale, and had violated Section 13 of the RERA Act by accepting more than ten per cent without a written agreement for sale. The absence of a specific date of possession also constituted a violation of Section 4(A)(a)(ii) of the MOFA.

In view of the foregoing, the Tribunal held that the impugned order was unsustainable and warranted interference. The Tribunal allowed the appeals, set aside the order of the MahaRERA, and directed the respondents to refund the paid amounts to the appellants along with interest at the rate of two per cent above the State Bank of India’s Highest Marginal Cost Lending Rate. The interest was to be calculated up to 9 July 2026, and the refund was to be effected within thirty days of the order. The Tribunal further directed that in the event of default, the respondents would pay further interest on the outstanding amount from 9 July 2026 until realization. The respondents were directed to bear their own costs and to pay costs of twenty-five thousand rupees to each allottee.

This judgment is a clarion affirmation of the substantive and statutory rights of home buyers under the RERA framework. It reinforces the principle that promoters cannot resort to nominal changes in project nomenclature to evade regulatory obligations and deprive allottees of their rightful claims. By holding that the identity of a real estate project is rooted in the immovable land and the sanctioned permissions rather than in the ephemeral marketing names assigned by developers, the Tribunal has fortified the protective architecture of the RERA Act and ensured that the retroactive beneficial intent of the legislature is given full effect. The decision serves as a significant precedent for adjudicating authorities across jurisdictions in dealing with similar stratagems aimed at frustrating the rights of home buyers.

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