BEFORE THE MAHARASHTRA REAL ESTATE REGULATORY AUTHORITY, MUMBAI

Hearing held through hybrid mode as per MahaRERA Circular No.: 48/2025

CORAM: Ravindra Deshpande, Member II, MahaRERA

COMPLAINT NO.: CC006000000396160

SARITA SHUKLA …COMPLAINANT

Vs

DENSITY LLP …RESPONDENT

MahaRERA Project registration No. P51800019791

FINAL ORDER

(Date of order: 20/08/2026)

(Date of hearing: 21/08/2025)

Adv. Faiz Khan for Complainant

Adv. Jyoti Korade for Respondent

1. The Complainant seeks directions to the Respondent to hand over immediate possession of the said unit and to pay interest at the prescribed rate on the amounts paid from 01.07.2022 till actual possession. The Complainant further seeks a declaration that the Respondent is guilty of deficiency in service and violation of Section 3(1) of the RERA Act for failure to complete the project and hand over possession with a valid Occupation Certificate. The Complainant also claims compensation of Rs.2,20,000/- towards rent, Rs.5,00,000/- towards interest on the consideration amount paid, Rs.5,00,000/- towards mental harassment and trauma, and Rs.1,00,000/- towards legal costs.

2. The brief facts of the complaint are as follows:

3. The Complainants approached the Respondent for purchase of a commercial unit in the project “MAGIC SQUARE”, registered under MahaRERA No. P51800019791, relying upon the representations and assurances made by the Respondent’s representative, Mr. Chandresh Ramnik Gala, regarding the quality, amenities and luxurious nature of the project. At the relevant time, the project had not obtained RERA registration, and the Complainants were allegedly instructed to transfer an amount of Rs.50,00,000/- to the personal account of Mr. Gala. Various payments were accordingly made between

17.05.2018 and 23.05.2019. Subsequently, an amount of Rs.18,00,000/- was reimbursed by Mr. Gala, out of which Rs.11,00,000/- was transferred to Density LLP towards the transaction and the balance was utilised towards stamp duty and registration charges.

4. Thereafter, the Complainants paid Rs.11,00,000/- to the Respondent through two RTGS transfers dated 29.07.2021 and 05.08.2021, which were acknowledged by the Respondent. The Complainants also paid Rs.2,28,700/- towards stamp duty and Rs.32,000/- towards registration charges. A registered Agreement for Sale dated 28.10.2021 was thereafter executed and registered as Document No.14389/2021 in respect of Unit No.1507, 15th Floor, Non-Composite Building No.1 of "MAGIC SQUARE", admeasuring approximately 172.95 sq. ft. RERA carpet area, for a total consideration of Rs.39,73,500/- plus applicable taxes. The Agreement stipulated possession on or before 30.06.2022. The Complainants allege that, without prior intimation, the carpet area was reduced by approximately 40 sq. ft. at the time of registration.

5. The Complainants further contend that despite having cleared the consideration, the Respondent subsequently issued a demand for further payment as a condition for handing over possession. Upon approaching Mr. Gala, the Complainants were assured that the remaining amount of Rs.32,00,000/- would be refunded and possession would be handed over. Several cheques issued by the Respondent towards the said amount were, however, dishonoured. The Complainants state that despite repeated communications and personal visits from 2022 onwards, possession of the unit has not been handed over. The Complainants claim to have paid an amount exceeding the total consideration of the unit and allege that the Respondent has failed to refund the excess amount as well as to resolve the issue relating to the reduced carpet area.

6. The Complainants allege that the Respondent violated Section 13 of the RERA Act by accepting more than 10% of the sale consideration prior to execution of the registered Agreement for Sale. It is contended that the Respondent, through its representative/director, accepted Rs.50,00,000/- in excess of the permissible limit and further failed to disclose that the project had not been registered with MahaRERA when the initial payments were made. The Complainants accordingly allege violation of the provisions of the RERA Act, including the requirement of prior project registration under Section 3, and contend that the Respondent acted contrary to the statutory obligations as well as the terms of the Agreement for Sale.

7. The Complainants issued notices to the Respondent dated 28.12.2022 and 22.03.2023 seeking possession, refund and resolution of their grievances; however, according to the Complainants, the Respondent failed to respond or comply. The Complainants therefore allege that the Respondent has unilaterally delayed the possession without their consent, failed to honour the contractual commitments and caused financial hardship and loss. Relying upon Section 18 of the RERA Act, the Complainants claim interest for the period of delay and compensation towards the losses allegedly suffered, including rent, until possession is handed over.

8. The principal grievance of the Complainants is that although the Agreement for Sale was executed on 28.10.2021 and stipulated possession by 30.06.2022, the Respondent has failed to hand over possession till date. The Complainants therefore seek appropriate directions against the Respondent for handing over possession, payment of interest for the delayed period, refund of excess amounts received, and compensation for the alleged violation of the provisions of the RERA Act and the Agreement for Sale.

9. The Respondent has contested the present complaint and the brief contentions of the reply filed by the Respondent are as follows:

10. The Respondent, a Private Limited Company, has filed the present Affidavit-in-Reply through its authorised representative in respect of Unit No.1507, situated on the 15th Floor of Non-Composite Building No.1 in the project "Magic Square". At the outset, the Respondent contends that the Complaint is not maintainable in law and has been filed with a mala fide intention to settle personal disputes and as a vendetta against the Respondent. It is alleged that the Complaint is frivolous, vexatious and an abuse of the process of law, and that the reliefs sought are beyond the jurisdiction of the MahaRERA Authority. The Respondent further alleges that the Complainant has suppressed material facts and has not approached the Authority with clean hands.

11. The Respondent states that the project "Magic Square", a commercial complex situated on Plot bearing C.T.S. Nos.328 and 329, Village Malad (East), Taluka Borivali, Mumbai, was registered with MahaRERA under Registration No. P51800019791 on 05.03.2019. According to the Respondent, the Complainant approached the Respondent only in the last week of July 2021 for purchase of an office premises. Pursuant thereto, a Letter of Allotment dated 06.08.2021 was issued in respect of Unit No.1507, admeasuring 172.95 sq. ft. RERA carpet area, for a total consideration of Rs.39,73,500/-, against which the Complainant had paid Rs.11,00,000/-. Thereafter, an Agreement for Sale was

registered on 28.10.2021 before the Sub-Registrar of Assurances, Borivali-4, under Registration No. 14389/2021, requiring the Complainant to pay the balance consideration in accordance with the agreed payment schedule.

12. The Respondent states that, by Demand Letter dated 05.04.2022, the Complainant was called upon to pay the outstanding balance consideration of Rs.28,73,500/-. As the Complainant failed to make the payment, a further Demand Letter dated 15.11.2022 was issued informing the Complainant that the Respondent had applied for the Occupation Certificate and that possession was being offered for fit-outs, while again demanding payment of Rs.28,73,500/- in terms of Clause 4 of the Agreement for Sale. The Respondent states that the construction of the project has been completed as per the approved plan and that the Occupation Certificate is awaited from the MCGM. The Respondent maintains that possession cannot be handed over unless the Complainant pays the entire outstanding balance consideration.

13. In response to the Complainant's allegations regarding payment of Rs.50,00,000/- to Mr. Chandresh Ramnik Gala between May 2018 and 2019, the Respondent denies knowledge or liability in respect of any such personal transaction. It states that the Complainant approached the Respondent only in July 2021 and that the Respondent received only Rs.11,00,000/- in its company account, which was duly acknowledged in the Agreement for Sale. The Respondent admits receipt of Rs.2,28,700/- towards stamp duty and Rs.32,000/- towards registration charges but denies knowledge that these amounts were sourced from any alleged personal transaction with Mr. Gala. The Respondent further denies any alleged reduction of approximately 40 sq. ft. in carpet area and states that the allotted area has always been 172.95 sq. ft. RERA carpet area, as per the approved plan and Letter of Allotment dated 06.08.2021.

14. With respect to the alleged cheques and refund of Rs.32,00,000/-, the Respondent states that these were personal transactions between the Complainant and Mr. Chandresh Ramnik Gala and that the Company cannot be held liable for the personal liability of its Director. The Respondent further denies that the Complainant has paid more than Rs.50,00,000/- towards the said unit and reiterates that the Complainant has admittedly not paid the contractual balance amount of Rs.28,73,500/-. Consequently, the Respondent contends that the Complainant is not entitled to possession or any other relief under the Complaint until the entire consideration payable under Clause 4 of the Agreement for Sale dated 28.10.2021 is paid.

15. The Respondent therefore contends that the Complaint is false, frivolous and mala fide, having been filed by suppressing the fact that the contractual balance consideration remains unpaid. It submits that the Complainant is not entitled to any of the reliefs claimed, including possession, as the Respondent's obligation to hand over possession is subject to payment of the outstanding consideration. The Respondent asserts that the balance of convenience lies in its favour and that granting the reliefs sought would cause serious prejudice to it. Accordingly, the Respondent seeks dismissal of the Complaint with exemplary costs and rejection of all reliefs claimed by the Complainant.

16. The complaint was listed on 21/08/2025 for final arguments and time till 16.09.2025 was granted to both parties to upload written arguments. Thereafter, the matter was reserved for the order.

17. The Complainant has filed the written arguments on MahaRERA website. The brief contentions are as follows:

18. The Complainant submits that the Respondent's defence that the amounts paid into the personal account of its Director, Mr. Chandresh Ramnik Gala, were unrelated to the Respondent Company is untenable. It is contended that the payments were made solely pursuant to representations made by Mr. Gala in his capacity as Director and were intended towards securing the unit in the Respondent's project. The Complainant had no independent transaction or privity with Mr. Gala in his personal capacity, and the entire transaction was connected with the Respondent's project.

19. The Complainant further submits that, even assuming that the initial payments were credited into the Director's personal account, the subsequent conduct of the Respondent amounts to express and implied ratification of those transactions. The Respondent subsequently executed the registered Agreement for Sale, acknowledged the payment of Rs.11,00,000/- into its official account, and accepted the benefit of the transaction. It is therefore contended that, having adopted and benefited from the transaction, the Respondent cannot subsequently disown the earlier payments by describing them as personal transactions of its Director.

20. The Complainant relies upon the principles of agency, ratification, estoppel and corporate accountability and submits that the Respondent cannot use the doctrine of separate corporate personality as a shield to defeat the statutory rights of an allottee. It is contended that where the corporate structure or separate personality is sought to be utilised to evade statutory obligations or

defeat legitimate claims, the corporate veil can be lifted. According to the Complainant, the Respondent, having marketed the project through its Director, accepted the subsequent payment, executed the Agreement for Sale and derived benefit from the transaction, is estopped from taking a contrary stand.

21. The Complainant further relies upon Section 2(zk) of the RERA Act and submits that the concept of "promoter" is sufficiently wide to encompass persons acting on behalf of the promoter in relation to the development and sale of the project. Mr. Chandresh Gala, being a Director of the Respondent, allegedly acted as its representative in dealing with the Complainant, including receiving payments and issuing cheques. The Complainant therefore contends that the acts and representations of the Director, undertaken in connection with the project, cannot be disowned by the Respondent on the ground that the funds were routed through his personal account. The protective and beneficial object of RERA, according to the Complainant, requires the Authority to adopt a purposive interpretation that prevents promoters from avoiding liability through such technical pleas.

22. The Complainant submits that the four post-dated cheques issued by Mr. Chandresh Gala, aggregating to Rs.32,00,000/-, further demonstrate the connection between the alleged personal transactions and the Respondent's project and constitute an acknowledgment of the liability arising from the transaction. The Complainant also relies upon the alleged subsequent conduct of the Respondent and its Director, including the issuance of demands, execution of the Agreement for Sale and dishonour of the cheques, to contend that the Respondent cannot approbate and reprobate. The Complainant further places reliance upon the alleged FIR and detention of Mr. Gala in connection with similar transactions as corroborative of the allegations of misrepresentation and contends that the same reinforces the need to hold the Respondent accountable.

23. In conclusion, the Complainant submits that the Respondent, having acted through its Director and having adopted and benefited from the transaction, is liable for the acts and omissions arising therefrom. Relying upon Sections 2(zk) and 18 of the RERA Act, the Complainant seeks enforcement of her statutory rights, including possession of Unit No.1507 with Occupation Certificate, interest for the period of delay, compensation and appropriate relief for the financial and mental hardship allegedly suffered. The Complainant accordingly prays that the Complaint be allowed in its entirety

and that the Respondent be held fully accountable for the defaults attributable to the project and its representatives.

24. Considering the pleadings of the complaints following points arise for my determination. My findings thereon are recorded as under for the reasons stated below:

No.	Points	Findings
1.	Whether the complainant is entitled to the relief claims ?	Partly affirmative
2.	What Order?	As per final order.

Reason as to point No. 1

25. I have heard the learned Advocates for the parties and perused the pleadings, documents and submissions placed on record. The principal issue which arises for consideration is whether the Complainant is entitled to possession of the said unit along with interest for the period of delay. It is not in dispute that the Agreement for Sale dated 28.10.2021 was executed between the parties in respect of Unit No.1507, admeasuring 172.95 sq. ft. RERA carpet area, for a total consideration of Rs.39,73,500/-, and that the contractual date for handing over possession was 30.06.2022. It is also the Respondent's own case that the construction of the project has been completed and that the Occupation Certificate was applied for. The Occupation Certificate was ultimately obtained on 14.03.2024. Thus, the Respondent was under an obligation to complete the project and offer possession in accordance with the Agreement for Sale and the statutory requirements under the Act.

26. The Respondent's principal defence is that an amount of Rs.28,73,500/- remains outstanding and, therefore, the Complainant is not entitled to possession. The said contention cannot be completely disregarded. Section 19(6) of the Act casts an obligation upon the allottee to make necessary payments in accordance with the Agreement for Sale. At the same time, Section 18 of the Act protects the allottee where the promoter fails to give possession in accordance with the agreed date. In the present case, the Respondent issued a demand dated 05.04.2022 for the balance consideration and thereafter a further demand dated 15.11.2022. The Complainant has not established that the contractual balance consideration of Rs.28,73,500/- was

paid into the account of the Respondent. Therefore, the Complainant cannot seek possession without complying with her corresponding contractual obligation to pay the balance consideration.

27. As regards the alleged payments of Rs.50,00,000/- made by the Complainant to Mr. Chandresh Ramnik Gala in his personal account during the period from 17.05.2018 to 23.05.2019, the same cannot be treated as payments received by the Respondent for the purpose of determining the amount paid towards the consideration under the registered Agreement for Sale. The Respondent has specifically denied receipt of the said amount in its account and has maintained that the Complainant approached the Respondent only in July 2021. In the absence of sufficient documentary evidence establishing that the said personal payments were received by the Respondent or were duly accounted for towards the consideration of Unit No.1507, this Authority cannot, in the present proceedings, conclusively treat the said amount as payment made to the promoter. Any independent claim of the Complainant against the said individual arising from such personal transactions is left open and shall not be prejudiced by this order and the Complainant shall approach the competent authority for the same.

28. However, it is an admitted position that the Respondent received Rs.11,00,000/- towards the consideration of the said unit and acknowledged the same in the registered Agreement for Sale. The Complainant is, therefore, entitled to the statutory protection under Section 18 of the Act in respect of the amount actually received by the promoter. The contractual possession date was 30.06.2022, whereas the Occupation Certificate was obtained only on 14.03.2024. Consequently, there was a delay in completion and readiness of the project beyond the agreed date. The entitlement to interest under Section 18 is, therefore, required to be determined with reference to the amount actually paid to the promoter and not on the alleged personal payments made to the Director.

29. Accordingly, the Complainant shall be entitled to interest at the prescribed rate under Section 18 of the Act read with Rule 18 of the Maharashtra RERA Rules, 2017, on the amount of Rs.11,00,000/- actually received by the Respondent, from 01.07.2022, being the date immediately following the contractual date of possession, until 14.03.2024, being the date on which the Occupation Certificate was obtained. Since the Occupation Certificate has been obtained on 14.03.2024, the statutory delay contemplated under Section 18 cannot be extended beyond the said date merely because possession has not been taken by the Complainant thereafter, particularly when the

Respondent has offered possession subject to payment of the contractual balance consideration.

30. The Respondent shall accordingly hand over possession of Unit No.1507 to the Complainant, subject to the Complainant first paying the outstanding balance consideration of Rs.28,73,500/- along with applicable interest in accordance with Rule 18 of the Maharashtra RERA Rules, 2017. The Complainant, on the other hand, shall be entitled to the aforesaid delay interest on Rs.11,00,000/- from 01.07.2022 up to 14.03.2024. Since both parties have monetary claims against each other arising out of the same transaction, they shall be at liberty to mutually adjust/set-off the amounts payable to each other in accordance with this Order, without affecting their respective statutory and contractual rights.

31. Further, separate award towards mental agony is not warranted in the present case. As per the judgement of *Neelkamal Realtors Suburban Pvt. Ltd. v. Union of India* in point 64 of this judgement it has been observed by the Hon'ble Bombay High Court that "*The requirement to pay interest under Section 18 of the RERA is not a penalty since payment of interest is compensatory in nature in the light of the delay being suffered by the flat purchaser, who had paid for his flat but did not get the possession*". Therefore, no separate compensation is granted to the Complainant. The prayer alleging violation of Section 3(1) also does not call for any separate relief in the present proceedings, particularly when the project stood registered with MahaRERA on 05.03.2019 and the Complainant admittedly entered into the transaction culminating in the registered Agreement for Sale dated 28.10.2021. In view of the above discussion, I answer the point No. 1 as partly affirmative and proceed to pass the following order:

ORDER

A. The Complaint is partly allowed.

B. The Respondent shall hand over possession of Unit No.1507 to the Complainant, subject to the Complainant paying the balance consideration of Rs.28,73,500/-, along with applicable interest in accordance with Rule 18 of the Maharashtra RERA Rules, 2017 within 60 days from the date of this order.

C. The Respondent shall pay interest at the prescribed rate under Section 18 of the RERA Act, 2016 read with Rule 18 of the Maharashtra RERA Rules, on the amount of Rs.11,00,000/- from 01.07.2022 till 14.03.2024 within 60 days from the date of this order.

D. The parties shall be at liberty to adjust/set-off their respective monetary claims arising from the present transaction in accordance with this Order.

E. No order as to costs.

RAVINDRA PADMAKARAO DESHPANDE

Digitally signed by RAVINDRA PADMAKARAO DESHPANDE
Date: 2026.08.20 16:06:48 +05'30'

Ravindra Deshpande
Member II, MahaRERA

Date: 20.08.2026