

Co-promoters liable towards home buyers under RERA: HC

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THE BOMBAY High Court on February 26 this year, dismissed an appeal filed by Wadhwa Group upholding the judgment passed by MahaRERA which had ordered Wadhwa Group to refund the complete amount with interest to a flat purchaser Vijay Choksi.

In 2023, the Maharashtra Real Estate Regulatory Authority (MahaRERA) Appellate Tribunal had imposed restrictions on selling of flats or creating a third party interest against the Sai Group and Wadhwa Group.

The duo has been constructing THE NEST, a luxury real estate residential project in Mumbai's Andheri West, and caused a delay of nearly a decade towards completion and handing them over to homebuyers. *The Indian Express* had earlier re-

After 10 delay in handing over flat, HC upholds MahaRERA judgment, orders Wadhwa Group to refund complete sum with interest to buyer.

ported about the tribunal order.

The contentions of Wadhwa Group in the HC's appeal were that since the buyer had purchased the flat from Sai Group, a co promoter/joint developer in the project, and had primarily paid all amounts to Sai Group, the Wadhwa Group cannot be held liable to refund the amount as it had no privity with the buyer.

Turning down arguments of the Wadhwa Group, Bombay High Court Justice Sandeep Marne held that since the group

was admittedly a co-promoter as defined under Section 2(z)(k) of the RERA Act, it was jointly liable for all liabilities of refund to purchasers in the project.

The HC considered the preamble of RERA and ordered that since the Act is a beneficial legislation for flat buyers, the developer's (Wadhwa Group) plea of having no privity is inconsistent and against the intention of the Act, and further passed an order dismissing the appeal filed by Wadhwa Group with costs.

After the judgment was pronounced, a request was made for the stay of execution proceedings for a period of 8 weeks in order to enable the appellant to test the judgment before the Supreme Court. However, the request was rejected.

Senior Advocate Ashish Kamat along with advocates Vikram Garewal, Sagar Deb, Amani Khan i/b Anmol Bartaria appeared for the respondent.