



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 24TH DAY OF JUNE, 2026

PRESENT

THE HON'BLE MR. JUSTICE JAYANT BANERJI

AND

THE HON'BLE MS. JUSTICE TARA VITASTA GANJU

RERA APPEAL NO.7 OF 2026

BETWEEN:

AJAY AGGARWAL
S/O LATE SHRI RAJESHWAR AGGARWAL
AGED ABOUT 57 YEARS
H.NO.1398, 4TH CROSS
MUNINAGAPPA LAYOUT
KAVALABYRASANDRA, R.T.NAGAR POST
BENGALURU-560 032
(PARTY IN PERSON)

...APPELLANT

(BY PARTY-IN-PERSON)

AND:

1. KARNATAKA POSTAL AND
TELECOM EMPLOYEES HOUSING
CO-OP SOCIETY LTD.,
NO. 7, SANDESH BHAVAN
3RD MAIN, 1ST STAGE
POSTAL COLONY, SANJAY NAGAR
BENGALURU 560 094
(REP. BY ITS SECRETARY SHRI M.N.MAHESH)
2. THE KARNATAKA REAL ESTATE
REGULATORY AUTHORITY
NO.1/14, 2ND FLOOR, SILVER JUBILEE BLOCK
UNITY BUILDING, CSI COMPOUND
3RD CROSS, MISSION ROAD
BANGALORE - 560 027
(REPRESENTED BY ITS SECRETARY)

...RESPONDENTS

(BY SRI DEVIPRASAD SHETTY, ADVOCATE FOR R1;
SRI K.V.GIRISH, ADVOCATE FOR R2)





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THIS RERA APPEAL IS FILED UNDER SECTION 58 OF THE REAL ESTATE (REGULATION AND DEVELOPMENT) ACT 2016, PRAYING TO SET ASIDE THE ORDER DATED 17.10.2025 IN APPEAL NO.(K-REAT) 03/2025 PASSED BY KARNATAKA REAL ESTATE APPELLATE TRIBUNAL, BENGALURU, AS IN ANNEXURE-A; DIRECT THE 1ST RESPONDENT TO REFUND THE PRINCIPAL SUM OF RS.19,20,000/- ALONG WITH INTEREST FROM THE RESPECTIVE PAYMENT DATES TILL THE DATE OF RETURN OF ENTIRE PRINCIPAL, AFTER SETTING OFF RS.27,02,000/-, AS EXEMPLIFIED IN THE MEMO OF CALCULATION ATTACHED AT ANNEXURE-O ETC.,

THIS RERA APPEAL, COMING ON FOR ADMISSION, THIS DAY, JUDGMENT WAS DELIVERED THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE JAYANT BANERJI
and
HON'BLE MS. JUSTICE TARA VITASTA GANJU

ORAL JUDGMENT

(PER: HON'BLE MR. JUSTICE JAYANT BANERJI)

Though the matter is listed for admission, with the consent of the parties, the matter is being taken up for final hearing.

2. This appeal is filed under Section 58 of the Real Estate (Regulation and Development) Act, 2016¹ against the judgment and order dated 17.10.2025 passed in Appeal No.(K.REAT) 03/2025 passed by the Karnataka Real Estate Appellate Tribunal, Bengaluru². Further relief has been sought seeking refund of the principal sum of Rs.19,20,000/- along with interest from the respective payment dates till the date of return

¹ RERA Act

² Appellate Tribunal



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of the entire principal amount after setting off a sum of Rs.27,02,000/- as stated in a memo of calculation which is attached as an Annexure-O to the appeal memo.

3. It appears that the appellant/party-in-person³ was an Allottee of a residential site measuring 50 feet x 80 feet in the project named "Sandesh Nagar-2" after becoming a member of respondent No.1 which is a Karnataka Postal and Telecom Employees Housing Co-operative Society Ltd.⁴ vide Membership dated 14.05.2011. This site was for a total sale consideration of Rs.19,20,000/- and the sum had been paid by him to the Developer during the years 2011 to 2014. For non delivery of the site by the Developer, the Allottee filed a complaint before the Karnataka Real Estate Regulatory Authority⁵ seeking site allotment, registration and compensation for delay, which came to be allowed by an order dated 15.12.2020. Execution proceedings were initiated before the Authority. In execution proceedings, the Housing Society had, inter alia, deposited a sum of Rs.19,20,000/- before the Authority on 27.06.2023.

³ Allottee

⁴ Developer

⁵ Authority



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4. In his second complaint of 24.01.2024, the Allottee submitted that the repayment of Rs.19,20,000/- made by the Developer is only for delay compensation/petition cost and cannot be treated as return of principal amount as the order passed by the Authority on the complaint was for delay compensation and cost of petition. Aggrieved by the prolonged delay, the Allottee intended to withdraw from the project and get his money back and therefore he filed a second complaint to refund the amount of Rs.19,20,000/- paid by him for purchase of plot aforesaid.

5. A statement of objection was filed by the Developer denying the allegations. It was stated that the Developer is a Co-operative Society and it provides sites and apartments to its members only and the Society derives its financial strength from the payments made by its members and the Society runs as per the provisions of the Co-operative Society Act. The members of the Developer pool their resources and form a layout for distribution and allotment of sites to eligible members. The society works on no profit principle and sites are eventually allotted to the members on cost basis and consequently, the



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difference and escalation in cost of acquisition of land is subsequently collected from the members.

6. It was further contended that in the execution proceedings, pursuant to the order of the Authority dated 15.12.2020, on service of attachment notice, the Tahsildar directed the respondent to pay the entire principal amount of Rs.19,20,000/- and accordingly the Developer paid the entire above sum including membership share amount of Rs.2,000/-. The Developer had challenged the judgment before the Tribunal by preferring an Appeal No.46/2021. The appeal was dismissed on 01.12.2021 for non deposit of the total amount payable to the Allottee as contemplated under the proviso to Section 43(5) of the RERA Act and it was directed to release the portion of the amount deposited by the Developer with the Tribunal along with any interest accrued thereon in favour of the Allottee. The Allottee withdrew the amount of Rs.7,80,000/- deposited by the Developer as well as the principal amount of Rs.19,20,000/-. In all, the Allottee received an amount of Rs.27,02,000/-.

7. The complaint filed by the Allottee regarding repayment of the amount of Rs.19,20,000/- was dismissed by



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the Authority with a clear finding that once the Allottee had received the entire amount from the Developer, thereafter the Allottee cannot claim the relief of refund of principal amount along with interest from the Developer.

8. It was contended by the Allottee before the Appellate Tribunal that the amount deposited with the Tribunal in Appeal No.46/2021 was only part of the interest amount and the Appellate Tribunal allowed the Allottee to recover the remaining interest amount; that the recovery was initiated for the remaining interest and cost amount awarded as per the order dated 15.12.2020 in the previous complaint. It was alleged that the Developer is disguising the recovered interest and cost as the principal; the amount of Rs.19,20,000/- had been with the Housing Society for nearly 14 years for which nominal interest is to be calculated. Since the Developer had paid only the interest and costs so far, the principal amount remained with them. The Developer is obligated to return the entire principal back to the Allottee.

9. The Developer, in its submissions, reiterated the stand taken before the Authority. It was stated that the



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complainant had withdrawn the amount of Rs.7,80,000/- which was deposited at the time of filing the appeal and thereafter all deposits on 27.06.2023 before the Authority to the extent of Rs.19,20,000/- + Rs.2,000/- towards membership share was also withdrawn. Accordingly, the defence of maintainability of the appeal was taken. It was further stated that the Allottee ceased to be a member of the Housing Society and on that ground also the appeal was not maintainable.

10. The points framed for consideration by the Appellate Tribunal was as follows:

- i) Whether, the impugned Order dated 31.12.2024 passed by 2nd Respondent-RERA in CMP No.00060/2024 warrants interference in this appeal?
- ii) What Order?"

11. While answering the finding on the aforesaid point No.1 in the affirmative, it was noted that on the direction for the Tahsildar for recovery of the amount, principal sum of Rs.19,20,000/- + Rs.2,000/- was deposited by the Developer before the Authority, therefore, the recovery proceedings issued by the Authority had been stopped vide letter dated 27.06.2023. It was noted that after dismissal of the appeal, another amount



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of Rs.7,80,000/- was released in favour of the Allottee, which amount was deposited at the time of filing of the appeal and thereby the Allottee had received in all, a sum of Rs.27,02,000/-. Since there was further delay, another complaint No.00060/2024 was filed before the Authority for the relief of refund. The payment of amount of Rs.19,20,000/- as refund of the principal sum was noted by the Appellate Tribunal. A memo of calculation was filed by the Developer, in which the interest payable on the amount paid to the Society was calculated from 01.05.2017 at the rate of 10.15% which reflected an interest amount of Rs.11,99,180/-.

12. Paragraph No.14 of the impugned judgment of the Appellate Tribunal reads as follows:

"14. Refuting each and every contention taken by the Allottee, the learned Counsel for the Developer has taken specific defense that, aforesaid payment of Rs.19,20,000/- plus Rs.2,000/- was towards principal sum received from the Allottee in periodical installments. As such, the present claim of the Allottee that the principal sum of Rs.19,20,000/- is still due has no legs to stand and it is nothing but a futile attempt to get unjust enrichment at the cost of the Society. Therefore, the liability if any on the Allottee is to pay the balance interest that too, commencing from 01.05.2017 till the date of deposit of



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principal sum of Rs.19,20,000/- before the Authority. In tune with the said defense, he filed the Memo of Calculation and taken contention that, the Developer is a House building Co-operative Society, formed with sole object to provide site to its members and it is not a profit making organization. As per the understanding arrived between the Developer and the Allottee, there was no specific date to deliver the possession. As such, his liability to pay interest would arise from 01.05.2017 and not from the date payment made by the Allottee. The Memo of Calculation submitted by him in Tabular form is as under:

Sl. No.	Amount paid to the Society (Rs.)	From	Days upto 27.06.2023	Rate of Interest (8.15+2%)	Interest (Rs.)
1	19,20,000.00	01-05-2017	2246	10.15%	11,99,180.00

Item No.4: Cost of petition awarded-Rs.5,000-00

Principal Amount.

Item No.1	Rs.19,20,000-00
Item No.2	Rs.NIL
Item No.3	Rs.11,99,180-00
Item No.4	Rs.5,000-00

A. Total Amount-

(including item No.1,2 and 4) **Rs.31,24,180.00**

B. Total amount refunded to Complainant:

Sl. No.	Details of Refund to Complainant	Refund amount
1.	Statutory Deposit made in Appeal No.46/2021 on 08.07.2021 which was withdrawn by the complainant.	Rs.7,80,000.00
2.	Principle amount + Membership share amount deposited on 27.06.2023 before this K-RERA which is withdrawn by complainant	Rs.19,22,000.00
3.	Total amount refunded	Rs.27,02,000.00

a) Total Amount (including item No.1,2 and 4) Rs.31,24,180.00

b) Total amount refunded to complainant (-) Rs.27,02,000.00

Balance outstanding Amount-(A-B) Rs.4,22,180.00



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The contention of the Developer was that the amount due in favour of the Allottee is only Rs.4,22,180/- and he is ready to pay the sum of money.

13. The Appellate Tribunal held that the amount of Rs.19,20,000/- which was deposited by the Developer before the Authority is nothing but refund of principal sum paid by the Allottee in periodical installments. Though there was no order of the Adjudicating Officer to refund the membership fee, an additional sum of Rs.2,000/- was also refunded. So it was held that the entire sale consideration of Rs.19,20,000/- was repaid. It was held that the interest payable to the Allottee as per the order of the Adjudicating Officer was clearly less than the total sale consideration. It was however observed that the Allottee had without furnishing memo of calculation taken back the entire sale consideration with membership fee of Rs.2,000/-. He had received additional sum of Rs.7,80,000/- towards portion of the interest. It was held as follows:

"19.

Since the Allottee has already received an amount in excess of what he is legally entitled to under the order of the Adjudicating Officer, he has given his consent to close the Execution proceedings and as an afterthought, the second complaint was filed and taken contention that, he



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is intending to exit from the project and the sale consideration amount which was paid by him during the years 2011 to 2014 is still due.”

14. It was held that in view of the order passed by the Adjudicating Officer, the Allottee is entitled to recover simple interest from the due date at the rate of 9% per annum till April 2017 and thereafter he is entitled to get simple interest at the rate of 2% above the MCLR of State Bank of India till delivery of possession.

15. The Allottee having expressed his desire to withdraw from the project and had received the entire sale consideration amount, was held entitled to get interest (as per order of the Adjudicating Officer) till 27.06.2023, which is the date of closure of the execution petition as per the letter issued by the Authority.

16. Since it was contended by the Developer that as there was no written agreement between the parties and no date was fixed to deliver the possession, it was held that it could not be accepted, as the appeal preferred by the Developer challenging the order of the Adjudicating Officer came to be dismissed. The memo filed by the Allottee on 05.08.2025



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reflected that in six instalments commencing from 14.05.2011 till 13.02.2014 he had paid a sum of Rs.19,20,000/- as sale consideration. It was observed that since the due date is not specifically mentioned in the order of the Adjudicating Officer, in all probability it was required to compute interest from the date of last instalment i.e. 13.02.2014. Therefore, the memo of calculation furnished by the Developer cannot be accepted in toto.

17. It was observed that the Allottee did not furnish the memo of calculation. Therefore, it was held that the claim that the entire sum of Rs.27,02,000/-, which was recovered by the Developer towards interest and sale consideration amount, is still due, is unsustainable. Hence the contention advanced by the Allottee that whatever amount was received by him so far was towards interest, was rejected.

18. Referring to the memo of calculation dated 05.08.2025, the Developer admitted the SBI lending rate on that date was 8.15% per annum and as such 2% above MCLR, the Developer is liable to pay delayed period interest at the rate of 10.15% per annum from 01.05.2017 to 27.06.2023. Further, the Developer (wrongly mentioned as Allottee) was held liable to pay



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interest at the rate of 9% per annum on the principal sum of Rs.19,20,000/- from 13.02.2014 till 30.04.2017. Accordingly, the Appellate Tribunal moulded the relief and set aside the impugned order dated 31.12.2024 passed by the Authority and directed as follows:

- “(a) The appeal is partly allowed;
- (b) The impugned order dated 31.12.2024 passed by the 2nd Respondent-RERA in complaint No.CMP/00060/2024 is hereby set-aside;
- (c) The 1st Respondent/Promoter is directed to pay the interest @ 9% per annum on the principal sum of Rs.19,20,000/- from 13.02.2014 to 30.04.2017 and at 10.15% per annum from 01.05.2017 to 27.06.2023 after deducting Rs.7,80,000/- already realised by the Allottee, immediately upon disposal of the Appeal preferred by the Developer;
- (d) In view of disposal of the main appeal, pending I.As., if any, shall stand disposed of, as they do not survive for consideration;
- (e) Registry is directed to comply with the provisions of Section 44(4) of the Act and to return the records to RERA, if any received.

There is no order as to costs.”



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19. The Allottee when asked to demonstrate what was the substantial question of law, he stated as follows:

“The order which has been raised as Annexure-A is the duplicate order for the reason as the period of interest that is already covered by the Execution Order dated 16th of August 2022 and the order is in the note sheet of complaint No.3377 at Sl.No.10, it has the execution order dated 16.08.2022 and it says the rates of the interest and at the bottom, it says the complainant has given a representation with memo of calculation on dated 08.08.2022. Since the Developer failed to comply with the same, there is no appeal. Objections called for but not filed. That the interest is already covered by this execution order, which has been subsequently paid by the developer as a compensation amount. Now what remains is the balance principal amount with the subsequent interest from the date stands due.

That is what I have submitted in my both memos of calculations before the Authority as well before the Appellate Tribunal. That is what I have shown in the memos of calculation, in the order sheet, but some how it has ordered for interest, I did not ask for.”

20. It is pertinent to mention here that in the previous order of the Court, we had observed that prima facie there exists no substantial question of law that would merit admission of this appeal. But in order to satisfy ourselves, the original records were called for. The Allottee has also stated that the Tribunal has



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incorrectly recorded that a memo of calculation had not been filed by the Allottee, whereas on 05.08.2025 as well as on 01.09.2025 a memo enclosing the calculations were filed by the Allottee. It has further been stated that as per the “rules of appropriation”, the amounts received by him were adjusted towards the interest paid by the Developer and therefore he is entitled to claim the amount of Rs.19,20,000/- which was the principal amount paid to the Developer.

21. We have perused the original records.

22. The memo of calculation stated to be filed by the Allottee on 05.08.2025 reads as follows:

“Calculation

1. The Appellant paid Rs. 19,20,000/- to Respondent No.1 on:

Amount Paid as Principal (Rs.)	Date Paid
800,000.00	14.05.2011
200,000.00	19.08.2011
200,000.00	14.01.2012
200,000.00	24.12.2012
200,000.00	06.03.2013
320,000.00	13.02.2014
19,20,000.00	Total Principal (Undisputed)
(Payment receipt copies are in TCR)	



No Order to Return Principal exists at present. Respondent No.1 has not returned the Principal.
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Principal Amount Due from Respondent No.1: Rs.19,20,000/-
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2. There is NO ORDER to return the Principal, under which Respondent No.1 could have possibly returned the principal to the Appellant.

3. The true letter dated 27.06.2023 from Respondent No.1, enclosed in **Annexure I**, confirms that the recovery deposit was made in reference to the orders in CMP/UR/190624/0003377 and therefore is an interest amount. Thus, the principal has not been returned.

4. The 1st Respondent has impliedly accepted the interest payable at the time of deposit, and it is an afterthought to raise any grievances after more than two years to deprive the principal amount to the appellant. Such grievances on settled interest transactions do not conform to the scope of the present appeal for principal only.

5. In line with the Memorandum and Grounds of the Appeal, the Appellant Prays for the Relief as sought in the main Appeal.”

23. The memo of calculation filed on 01.09.2025 by the Allottee is on running page 98 of the original record, which reads as follows:

Memo Calculation for Refund with interest.

1. Guidelines to The Complaints Seeking Refund with Interest and Delay Period Interest
2. SBI MCLR Historical Rates
3. Interest Rate Till 30/04/2017 is 9.00%



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4. Interest Rate From 01/05/2017 is SBI MCLR Rate-2%
5. Adequate care has to be taken to ensure that the correct dates and correct amounts are reflected in the statement of account.
6. In case of cheques, the date of realization of the money by the promoter shall be taken into account.
7. In case of multiple payments/refunds on the same day, please enter addition of amounts with single date.

Complaint Number : 00060/2024

Complainant Name : Ajay Aggarwal

Project Name : Sandesh Nagar

Promoter Name : Karnataka Postal and Telecom Employees Housing Coop Society Ltd.

Is Project Registered With RERA : NO

Type of Memo : Refund with interest

User : COMPLAINANT

Date of Agreement for Sale : 14-05-2011

Project Completion Date as per Agreement : 30-11-2012

Amount payable as per Agreement : 1920000

Total Amount paid till Date : 1920000

Calculate interest Till(If Any): dd-mm-yyyy

Is there any Refund Received from Promoter?

No

Printed On : 29/08/2025

Note : Please Enter amount as 0 and date as 30/04/2017 if there is no transactions till 30/04/2017



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Interest Calculation Till 30/04/2017(Before RERA)

S.NO.	DATE	AMOUNT	NO OF DAYS	TILL	INTEREST @ 9%	TOTAL
1	14.05.2011	800000	2178	30.04.2017	429632	1229632
2	19.08.2011	200000	2081	30.04.2017	102624	302624
3	14.01.2012	200000	1933	30.04.2017	95326	295326
4	24.12.2012	200000	1588	30.04.2017	78312	278312
5	06.03.2013	200000	1516	30.04.2017	74761	274761
6	13.02.2014	320000	1172	30.04.2017	92475	412475
					873130	

Add new row

Delete selected row

Calculate Total

Note: Please Do not delete first Record which is the Interest Calculated till date for the amount paid till 30/04/2017

Interest Calculation From 01/05/2017(After RERA)

S. NO.	DATE	AMOUNT	NO OF DAYS	TILL	MCLR INTEREST X%	INTEREST RATE X+2%	INTEREST RATE @X+2%	TOTAL
1	01.05.2017	1920000	3042	29.08.2025	8.15	10.15 AS ON 01.05.2017	1624177	3544177
							1624177	

Add new row

Delete selected row

Calculate Total

Memo Calculation as on 29/08/2025

PRINCIPLE AMOUNT (A)	INTEREST(B)	REFUND FROM PROMOTER (C)	TOTAL BALANCE AMOUNT (A+B+C)
1920000	2497307	0	4417307

24. We note from the so-called calculation filed on 05.08.2025, that it is not a memo of calculation, but only an apparent preparation of his claim for the principal amount. As far as the memo of calculation filed on 01.09.2025 is concerned, it is noted that the interest has been calculated from 14.05.2011 which is an incorrect calculation because the Appellate Tribunal



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had directed calculation of interest with effect from 13.02.2014 which was the date of deposit of the last installment by the Allottee.

25. It needs to be mentioned here that the Allottee became a Member of the Co-operative Society in the year 2011. The RERA Act came into force in the year 2015. It was only a site that was supposed to be transferred to the Allottee and not a housing project. The claim if any, of the Allottee with regard to interest prior to 13.02.2014 would only be claimed by the Allottee under any contract with the Developer for which separate proceedings could have been initiated. Suffice to say, it has been stated by the Developer and noted by the Appellate Tribunal that the Developer is a Co-operative Housing Society which acts under the provisions of the Co-operative Societies Act and as stated by the Developer, it operates on a non-profit basis.

26. The Co-operative Societies Act is a complete code in itself. However, no appeal has been filed by the Co-operative society. From perusal of the aforesaid memos of calculation filed by the Allottee, even though we notice that it has been mentioned by the Appellate Tribunal, by oversight, that there is



no memo of calculation filed, however the "memos of calculation" dated 05.08.2025 and 01.09.2025 do not enure to the benefit of the Allottee.

27. We do not find any question of law, much less a substantial question of law, arising in the instant appeal. The appeal is therefore dismissed.

Sd/-
(JAYANT BANERJI)
JUDGE

Sd/-
(TARA VITASTA GANJU)
JUDGE

KSR
List No.: 1 Sl No.: 8