

Appeal No.46/2026

**IN THE KARNATAKA REAL ESTATE APPELLATE
TRIBUNAL, BENGALURU**

DATED THIS THE 17th DAY OF AUGUST, 2026

PRESENT

**HON'BLE Ms. JUSTICE J.M. KHAZI,
CHAIRPERSON**

AND

**HON'BLE SRI SANTHOSH KUMAR SHETTY N.
JUDICIAL MEMBER**

APPEAL NO. (K-REAT) 46/2026

BETWEEN:

Mr.Manish Sarada,
Aged about 41 years,
D.L.Roy Street,
Kolkata,
West Bengal-700 006.

...APPELLANT

(M/s.Legal Whisper, Advocates)

: AND :

1. The Karnataka Real Estate
Regulatory Authority,
2nd Floor, Silver Jubilee Block,
Unity Building, CSI compound,
3rd Cross, Mission Road,
Bengaluru-560 027.
Karnataka.
Represented by its Secretary .

Appeal No.46/2026

2. Lalith Gangadhar Constructions

Pvt.Ltd.,

No.12/1, Rest House Road,

Bengaluru-560 001.

Represented by its Directors.

...**RESPONDENTS**

This Appeal is filed by the Allottee with a prayer to set aside the impugned order dated 31.12.2025 in complaint No.CMP/200827/0006446 passed by the Respondent No.1 i.e, Karnataka Real Estate Regulatory Authority ('Authority' for short), with a prayer to dismiss the complaint as withdrawn.

This appeal having been heard and reserved for Judgment, coming up for pronouncement of Judgment, this day, the **Hon'ble Chairperson** delivered the following:

JUDGMENT

Vide the Impugned Judgment and Order, the Authority ordered for refund of principle amount in a sum of Rs.73,54,781/- together with interest at the rate of SBI MCLR+2% from 21.09.2021 till realisation.

2. Briefly stated, the averments made in the complaint are that Respondent No.2 –Lalith Gangadhar Constructions Pvt. Ltd.('Promter' for short) has developed

Appeal No.46/2026

the project by name 'LGCL One street' ('Project' for short) . It was registered under RERA bearing registration No.PRM/KA/RERA/1251/446/PR/171014/000374 valid from 25.03.2015 to 31.03.2019. Complainant booked a Town House No.8 Type 'B' in the said project as per Agreement of Sale and Construction Agreement dated 18.02.2019 for purchasing the said Villa plot and get it constructed for a total sale consideration of Rs.1,66,92,571/-. He paid Rs.1,28,74,781/- inclusive of self contribution and IDBI bank loan disbursement. With regard to the loan transaction, Allottee, Promoter and Bank entered into a Tripartite Agreement. As per the said Agreement the Promoter is required to repay the loan. As per the Sale and Construction Agreement, the Promoter was supposed to complete the project and hand over the same on or before 31.03.2019.

2.1. There was abnormal delay in completing the construction and handing over the Villa to the Allottee. Therefore, he chose to withdraw from the project. Since the

Appeal No.46/2026

Promoter failed to repay the amount with interest, he filed the complaint.

3. After service of notice, the Promoter appeared and filed statement of objections denying the allegations. It also raised preliminary objections on the ground that the Authority lacks jurisdiction since the Agreements came to be executed before coming into force of RERA Act, 2016. It has no liability to repay the loan to the Bank. Since Allottee has defaulted repayment of the loan, he is not entitled for any relief. On the other hand, Allottee is due to pay substantial balance. Already Rs.55,20,000/- was refunded to the Allottee at his request. After the said refund, the net amount paid by the Allottee is substantially lower than what is claimed by the Allottee. He has attributed delay in completing the project due to force majeure, including hard sub-soil conditions, non-permission for blasting, labour shortage, strikes by lorry owners, scarcity of construction materials, impact of demonetisation and slowdown of real estate sector. On account of non-payment of installments the promoter is entitled to suspend the construction and

Appeal No.46/2026

the time during which payments were not made is liable to be excluded while computing the completion period.

4. After considering the contentions raised by the parties, the Authority passed the impugned order.

5. Now the Allottee has come up with this appeal to set aside the impugned order and to dismiss the complaint on the ground that as per the Tripartite Agreement, the loan was to be disbursed to the Respondent No.2/Promoter and if the Sale Agreement is terminated, then the liability of loan will shift from Allottee to the Promoter. The Allottee has paid in all Rs.1,28,74,781/- which includes self contribution and loan disbursement. Since the project was not completed in time, the Allottee withdrew from the project and sought refund with interest by filing the complaint. He also approached the Karnataka State Consumer Dispute Redressal Commission for a direction to the Promoter to repay the outstanding loan, refund with interest and compensation for mental agony.

5.1. Certain creditors of Promoter Company approached the National Company Law Tribunal in

Appeal No.46/2026

C.P.(I.B) No. 87/2021. It came to be allowed and Resolution Professional was appointed . In the said proceedings, vide order dated 20.11.2025 the Resolution Plan submitted by Kumar Properties Private Limited is accepted. In the light of the pendency of NCLT proceedings and also Allottee having approached the Karnataka State Consumer Dispute Redressal Commission, he wanted to withdrew the complaint and instructed his counsel to withdraw the complaint. Since the learned counsel for Allottee failed to intimate the Authority and withdraw the complaint, the Impugned Order came to be passed. Hence, Allottee has filed this appeal with a prayer to set aside the Impugned Order and dismiss the complaint as withdrawn.

6. The notice sent to Promoter is returned unserved with an endorsement 'no such person in the given address'. Therefore, the learned counsel appearing for Allottee was directed to take fresh steps with correct address. However, on 03.08.2026 learned counsel for allottee submitted that since the Promoter Company is under liquidation and no longer in existence. The development is made over to

Appeal No.46/2026

Kumar Builders. He further submitted that since he is getting the complaint dismissed, there is no need to serve the notice on the successor of the Promoter.

7. We have heard learned Counsel for the Allottee and perused the record.

8. The points that would arise for our consideration are :

1. Whether the Appellant/Allottee has made out justifiable grounds to withdraw the complaint?

2. What order?

9. Our findings on the above points are as under:

Point No.1 : In the affirmative

Point No.2 : As per final order, for the following:

REASONS

10. Point No.1 : Thus, in this Appeal the Allottee is seeking permission to withdraw the complaint and consequently, wants the Impugned Order which is passed in his favour to be set aside, on the ground that already the

Appeal No.46/2026

Promoter Company is under liquidation and he has sought a comprehensive relief before the Karnataka State Consumer Dispute Redressal Commission. Infact, he had instructed his counsel to withdraw the complaint. Since his counsel failed to file memo and withdraw the complaint, the Impugned Order came to be passed.

11. The documents produced by the Allottee indicate that the Promoter Company is under liquidation and Resolution Professional is appointed. It appears that project is handed over to Kumar Properties Private Limited. The Allottee is the master of his case and he is at liberty to withdraw the complaint. We find no justifiable grounds to refuse permission to withdraw the complaint. Consequently, the Impugned Order is liable to be set aside and accordingly, Point No.1 is answered in the Affirmative.

12. Point No.2: In view of findings on Point No.1, we proceed to pass the following:

ORDER

- (a) The appeal is allowed;

Appeal No.46/2026

- (b) The impugned order dated 31.12.2025 passed by the 1st Respondent-RERA in Complaint No.CMP/200827/0006446 is hereby set aside;
- (c) Consequently, the complaint is dismissed as withdrawn.
- (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 RERA Act and to return the records to RERA if any received.

There is no order as to costs.

Sd/-

**(JUSTICE Ms. J.M. KHAZI)
HON'BLE CHAIRPERSON**

Sd/-

**(SRI SANTHOSH KUMAR SHETTY N.)
HON'BLE JUDICIAL MEMBER**

NOT AN OFFICIAL COPY