IN THE KARNATAKA REAL ESTATE APPELLATE TRIBUNAL, BENGALURU

DATED THIS THE 29th DAY OF SEPTEMBER, 2026

PRESENT

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

AND

HON'BLE SRI SANTHOSH KUMAR SHETTY N.

JUDICIAL MEMBER

APPEAL No.(K-REAT)-114 of 2025

BETWEEN:

Geethanjali M.,
Aged about 26 years,
D/o. Madhavan,
R/at No.39, 5th A Cross,
Soubhagya Ganapathi Temple Road,
Rajiv Nagar (Meenakshi Layout),
Choodasandra, Bengaluru – 560 099. **... APPELLANT**

(Party-in-person)

AND:

1. The Karnataka Real Estate
Regulatory Authority,
Second Floor, Silver Jubilee Block,
3rd Cross Road, CSI compound,
Mission Road, Sampangirama Nagara,
Bengaluru – 560 027.
Karnataka
Represented by its Secretary.

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2. ALN Buildtech,
Developer of the Project "ALN Arambh"
Site No.11, 12 & 13,
Vasudha Silicon Valley,
Chikkanagamangala Village,
Hobli Sarjapura, Anekal,
Bengaluru – 560 099.
Karnataka.
Represented by Srikanth Reddy,
Managing Director.

Also at :
Ground Floor, No.88/1/156/8C9,
19th Cross, Bhagavathi Layout,
Hulimavu, BG Road,
Bengaluru Urban – 560 076. **...RESPONDENTS**

(Sri.I.S.Devaiah, Advocate for R.1-RERA
Smt. Shashikala S., Advocate for R.2).

This Appeal is filed under Section 44 of the Real Estate (Regulation and Development) Act, 2016, praying to set aside the Impugned Order dated 18.07.2025, passed by the 1st Respondent-RERA in Complaint No.01186/2024.

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

Being aggrieved by the refusal of the Respondent No.1/Karnataka Real Estate Regulatory Authority (for short 'the Authority') to adjudicate and grant monetary

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compensation for missing individual flat-level amenities vide the Impugned Judgment and Order dated 18.07.2025 passed in Complaint No.01186/2024, filed against Respondent No.2 (for short 'Promoter'), Complainant (for short 'the Allottee') has come up with this appeal.

2. It is the specific case of the Allottee that she booked apartment bearing No.203 in the project "ALN ARAMBH" developed by the Promoter, for total sale consideration of Rs.33,50,000/- and executed Agreement for Sale. The Promoter promised to provide specific amenities and construction standards. The Promoter agreed to deliver possession of the apartment/flat in April 2024 with an additional grace period of six months.

3. The Promoter has provided only one key for site inspection purpose and withholding the rest of the keys and also occupancy certificate till the legal complications are resolved and thereby preventing the Allottee from taking possession and hence, she lodged a complaint before the Authority.

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4. However, on physical inspection of the unit, the Allottee observed serious deviations from the promised standards and marketing and agreement promises i.e.,

(i) The height of the balcony is significantly below the National Building code;

(ii) Failed to provide MS railing in the balconies of appropriate design and height for safety as per RERA specifications;

(iii) Failed to provide false ceiling;

(iv) Failed to provide teak wood door frames with designer solid shutters;

(v) Failed to provide wall mounted closets with concealed flush tanks;

(vi) Failed to provide fire sprinklers on all floors and within the apartment;

(vii) Failed to provide WiFi/DTH connectivity;

(viii) Failed to provide 100% power backup for common areas and a minimum back up of 1 KVA per flat;

(ix) Failed to provide solar water heating system;

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(x) Failed to provide full height bathroom tiles;

(xi) Failed to use branded fixtures such as Jaquar and Hindware;

(xii) Failed to install electrical fittings and fixtures as stated in the Sale Agreement ;

(xiii) Failed to install boom barriers at the main entrance and access controlled entry points at the lobby level;

(xiv) Failed to provide power backup to the elevator.

5. The order sheet dated 13.05.2025 maintained by the Authority records that the Promoter had filed a statement of objections. However, copy of the same is not forthcoming in the TCR. On 13.07.2026, learned Counsel for the Promoter has produced photo copy of statement of objections filed before the Authority. The gist of the statement of objections is as under:

5.1. Complaint is not maintainable. It is filed to harass the promoter. The complainant has suppressed material facts and she has not come to the Court with clean hands. The Promoter has developed project “ALN

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Arabha", after securing sanctioned plan and permission from the Authorities concerned. The construction is completed to the best satisfaction of all the residents. Many of the Allottees have already occupied the respective apartments. The construction is made as per the sanctioned plan and specifications. With an ulterior motive complainant has filed this complaint.

5.2. The Allottee/complainant has entered into agreement of sale with the Promoter dated 28.09.2023, after being satisfied with the construction work, title deeds of the properties and specifications as mentioned in the brochures. Before entering into the said agreement, the Allottee has taken legal opinion. In fact, she entered into the sale agreement when 60-70% of the construction was completed. Instead of getting the sale deed registered, she has filed the complaint and trying to make money. The Promoter has not compromised with the quality of construction and specifications as stated in the brochure. In fact many of the Allottees are getting the sale deeds executed and residing in their apartments. Despite

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knowing all these aspects, unnecessarily the Allottee is litigating. With a malafide intention she has caused a legal notice and the Promoter has sent suitable reply. The complainant is required to pay the balance and get the sale deed registered.

5.3. All the allegations made in the complaint are denied. The height of the balcony was are as per the standard specifications. The promoter never promised false ceiling. The doors and frames are provided as promised. 24x7 security services are available. A single set of keys are furnished to the Allottees for inspection. Rest of the keys would be provided after registration of the sale deed. All the documents and certificates would be handed over to the Apartment Owners' Association as soon as it is formed. Despite intimation Allottee is not ready to make the balance payment and get the sale deed executed and prayed to dismiss the complaint.

6. Vide the Impugned Judgment and Order, the Authority has partly allowed the complaint and directed the Allottee to pay balance sale consideration of

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Rs.2,45,000/- within thirty days from the date of the order. Upon such payment the Promoter shall hand over possession of the apartment to the allottee within fifteen days, execute the sale deed and ensure that the apartment is in a livable condition in compliance with minimum safety standards. Further the Promoter is directed to rectify the height of the balcony railing and any other major safety deviations as highlighted in the complaint before handover. Further with regard to the relief pertaining to common amenities and features affecting all Allottees are not adjudicated in the individual complaint and are left open for appropriate action under collective representation through the Apartment Owners' Association or such other Forum as may be competent.

7. Aggrieved by the same, the Allottee has filed this appeal on the following among other

GROUNDS

i) The Authority has overlooked and failed to examine relevant and material evidence. It wrongly held the flat level amenities namely false ceiling, bathroom finishes, branded fixtures, teak wood door frame, 1

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KVA backup etc., as common amenities and directed to claim the same through the Association.

ii) As per the sale agreement, the final 3% payment is required to be made on registration or possession whichever is earlier. The promoter has not served any formal demand for balance payment. Yet the Authority has made delivery conditional upon payment of Rs.2,45,000/- thereby effectively re-writing the terms of the contract.

iii) The Authority has failed to award interest for delay. It has also failed to award compensation for the rental loss and harassment. The Authority ought to have considered monetary substitution (financial equivalent) for flat-level amenities.

8. In the appeal, in addition to setting aside the Impugned Order, the Allottee has sought the following reliefs.

(i) To set aside and quash the impugned final order dated 18.07.2025 in complaint No.01186/2024 in so far as it.

(a) Failed to adjudicate and grant monetary compensation for missing individual flat-level amenities; and

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(b) Misconstrued the payment clause so as to make the handover conditional upon full payment in a manner contrary to the Sale Agreement.

(ii) Direct the respondent/Promoter to pay the financial equivalent (monetary compensation) for the individual flat-level missing amenities Rs.10,75,684/-.

(iii) Direct the respondent/Promoter to pay interest for delay calculated and certified in the interest memo Rs.3,61,884/- upto 22.04.2025 with running interest thereafter until actual registration/possession(calculated as per the agreed rate in Sale Agreement/RERA norms).

(iv) Direct the respondent/promoter to pay rental loss of Rs.80,449/-.

(v) Direct the respondent to pay compensation for harassment and mental agony, having due regard to the audio transcript evidence.

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(vi) Direct immediate execution of sale deed for the payment clause and registration and hand over of full set of keys to the Allottee, subject only to lawful contractual rights and strictly in accordance with the Sale Agreement (i.e., last 3% payable on registration/possession as per contract), failing which the monetary reliefs above shall be realized by the Promoter forthwith.

(vii) Issue such further orders as this Tribunal deems fit to secure the Allottee's rights and to meet the ends of justice.

9. In this appeal also the Promoter has filed statement of objections to the following effect:

9.1. Appeal is not maintainable either in law or on facts and liable to be dismissed in limine. After considering the entire material placed on record the Authority passed a well reasoned order. However, the Allottee has not come forward to pay balance consideration of Rs.2,45,000/- and get the sale deed executed. In fact, the Promoter has

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complied with the order by rectifying the height of the balcony.

9.2. The construction is made as per the specifications and all the other Allottees got the sale deed executed and happily living in their apartment. With a malafide intention the complainant/Allottee is unnecessarily litigating. The promoter is ready to execute the sale deed and hand over the remaining set of keys as soon as the Allottee pay the balance sale consideration. It is denied that the Promoter abused the Allottee and gave threats and pray to dismiss the appeal.

10. We have heard the arguments of Allottee/Appellant who is party in person as well as learned Counsel representing the Promoter and perused the records.

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

1. Whether the impugned order is arbitrary, perverse and contrary to the evidence placed on record and as such calls for interference?

2. What order?

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

Point No.1 : In the Negative

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

REASONS

13. **Point No.1:** The undisputed facts are that Allottee booked a 2 BHK apartment for total sale consideration of Rs.33,50,000/- and entered into Agreement for Sale. The possession was supposed to be delivered within April 2024 with a grace period of 6 months. The Allottee has paid entire sale consideration except Rs.2,45,000/- contending that she would pay the same after registration of the sale deed. The Allottee has raised several grievances regarding the quality of construction and amenities provided which are listed at para No.4 herein above.

14. On the other hand the Promoter claim that the quality of construction and amenities provided are as per the specifications. Eventhough, the construction is completed and Allottee is called upon to pay the balance of Rs.2,45,000/- and get the sale deed executed, the Allottee

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is not ready and on the other hand has unnecessarily dragged the Promoter into litigation. The Promoter has specifically contended that one set of keys are provided to the Allottee for the purpose of inspection and the remaining set would be furnished as soon as balance sale consideration is paid and sale deed is executed.

15. During the course of Impugned Judgment and Order, the Authority has observed that the Allottee has established a prima facie case with respect to certain material deviations and non-compliances committed by the Promoter and the Authority finds merits in the contention of the complainant that several amenities, safety installations and specifications, which formed part of the marketing brochure, RERA submissions and those which were expressly and impliedly represented in the sale transaction are not provided in the manner agreed or altogether absent at the time of site inspection and complaint. However, the Authority held that some of these short comings or variations complained of require enquiry. Some of these which are in the nature of common

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amenities are required to be agitated through the Apartment Owners' Association.

16. At the same time, the Authority has clearly held that the Allottee is guilty of non-payment of entire sale consideration i.e., she is still due in a sum of Rs.2,45,000/. Therefore, it has directed the Allottee to pay the balance sale consideration of Rs.2,45,000/- within 30 days from the date of the order and directed the Promoter to execute the sale deed within 15 days thereafter. The Respondent is also directed to rectify the height of the balcony railing and other major safety deviations as highlighted in the complaint before handing over possession. So far as reliefs pertaining to common amenities and features affecting all Allottees are concerned, the Authority has directed the complainant to seek such relief under collective representation through the Apartment Owners' Association or such Legal Forum as may be competent.

17. So far as the direction of the Authority to the Complainant to pay balance sale consideration of Rs.2,45,000/- and get the sale deed executed is concerned,

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the Allottee is claiming that she is required to pay the balance only after registration of the sale deed which is not correct. As per the Agreement of sale the Allottee is required to make payment of final 3% which comes to Rs.1,00,500/- at the time of registration/possession whichever is earlier. The Allottee is due in a sum of Rs.2,45,000/- which is more than 3% required to be paid at the time of registration. As soon as she pays the said amount and registration expenses, the sale deed would be executed and registered and the remaining set of keys would be handed over.

18. However, on 13.07.2026 the Allottee submitted that Promoter has made payment to the Bank and the Banker is releasing flats batch wise and she is ready to pay balance sum of Rs.2,45,000/- and get the flat registered. Similarly on 27.07.2026, the learned Counsel appearing for Promoter submitted that eventhough the Promoter is yet to receive balance consideration from the Bank, Promoter has executed the sale deed. The copy of the Sale Deed was also produced along with the Memo.

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19. Through this Appeal the Allottee is also agitating and seeking those of the reliefs which are refused by the Authority and directed her to approach through the Association or other Competent Legal Forum.

20. Section 12 of the Act deals with obligations of the Promoter regarding veracity of the advertisement or prospectus and if any Allottee sustain loss or damage by reason of any incorrect, false statement, he is entitled for compensation from the Promoter. The proviso to Section 12 makes it clear that the person so affected may withdraw from the proposed project, in which event he shall be returned his investment along with interest.

21. Section 13 states that the Promoter shall not accept deposit or advance of more than 10% of the cost of the apartment, plot or building without executing a registered agreement for sale.

22. Similarly Section 14 requires the Promoter to adhere to sanctioned plans and projects specifications and if any additions or alterations in the sanctioned plans,

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layout plans and specifications the nature of fixtures, fittings and amenities in respect of the apartment, plot or building are required to be made, 2/3rd previous written consent of the Allottees is required to be taken.

23. Section 18 deals with return of amount and compensation. It is divided into different sub-sections dealing with various contingencies under which his liability for refund of the amount and payment of compensation as well as interest would arise. As per sub-section(1), if the Promoter fails to complete or is unable to give possession of the apartment , plot or building (a) in accordance with the terms of the agreement for sale or as the case may be duly completed by the date specified therein or (b) due to discontinuation of his business as a developer on account of suspension or revocation of registration under this Act or for any other reason, on demand by the Allottee withdrawing from the project, the Promoter is liable to return the amount with interest, including compensation. As per sub-section(2), in case, the Allottee is not withdrawing from the project, the promoter is liable to

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compensate the Allottee for any loss due to defective title. As per sub-section (3) if the Promoter fails to discharge any other obligations imposed under the Act, rules or regulations or in accordance with the terms and conditions of the Agreement for Sale, he shall be liable to pay compensation as provided under the Act.

24. Section 71 deals with power to adjudicate and it states that for the purpose of adjudicating compensation under Sections 12,14, 18 and 19, the Authority is empowered to appoint Adjudicating Officer for holding enquiry in the prescribed manner. Section 72 requires the factors to be taken into account by the Adjudicating Officer while adjudging the quantum of compensation or interest.

25. The provisions of Section 71 and 72 gives an impression as though, only an Adjudicating Officer is empowered to give the reliefs under Sections 12, 14, 18 and 19. Clarifying this aspect, the Hon'ble Supreme Court in M/s.Newtech Promoters and Developers Pvt.Ltd. Vs.

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State of UP and others[1] (for short 'Newtech') while answering question No.2, held that the Authority has jurisdiction to direct return/refund of the amount to the Allottee under Sections 12,14,18 and 19 and the said jurisdiction does not lie exclusively with the Adjudicating Officer under Section 71. However, it made clear that where there is a simple case for refund of amount on demand under Sections 18(1) and 19(4) and for breach or violation of provisions of Sections 12,14,18 and 19 the jurisdiction vests with the Authority. However, when the reliefs sought for violation of Sections 12,14,18 and 19 require holding of enquiry under Section 71(3), keeping in view the broad contours referred to Section 72 of the Act, the jurisdiction lies with the Adjudicating Officer for adjudging the compensation.

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26. Thus, when it comes to refund of amount and interest thereon or directing payment of interest for the delayed delivery of possession or penalty and interest thereon, it is the Authority which is having power.

[1] (2021)18 SCC-1

27. However, when it comes to relief of adjudging compensation and interest thereon under Sections 12,14,18 and 19, the Adjudicating Officer exclusively has power to determine as per Sections 71 and 72.

28. Thus, taking into consideration the fact that some of the relief sought by the Allottee require an enquiry by the Adjudicating Officer and some of the reliefs which are in the nature of common amenities are required to be sought through the Association of the Allottees, the Authority has rightly directed the Allottee to file necessary complaint through the Association or before such competent Legal Forum.

29. Thus, viewed from any angle, we find no justifiable grounds to interfere with the Impugned Order. In the result, the appeal fails and accordingly, point No.1 is answered in the Negative.

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

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ORDER

(a) The appeal is dismissed;

(b) The impugned order dated 18.07.2025 passed by the 1st Respondent –Authority in Complaint No.01186/2024 is hereby confirmed;

(c) In view of disposal of the main appeal, pending I.As., if any, shall stand disposed of, as they do not survive for consideration;

(d) 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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Sd/-
(JUSTICE Ms. J.M. KHAZI)
HON'BLE CHAIRPERSON

Sd/-
(SRI SANTHOSH KUMAR SHETTY N.)
HON'BLE JUDICIAL MEMBER

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