

ಕರ್ನಾಟಕ ರಿಯಲ್ ಎಸ್ಟೇಟ್ ನಿಯಂತ್ರಣ ಪ್ರಾಧಿಕಾರ,

Karnataka Real Estate Regulatory Authority,
1/14, 2nd Floor, Silver Jubilee Block, Unity Building Backside, CSI Compound,
3rd Cross, Mission Road, Bengaluru-560027

PROCEEDINGS OF THE AUTHORITY
PRESIDED BY HON'BLE MEMBER G.R. REDDY

BEFORE BENCH 5

COMPLAINT NO: CMP/246/2024

DATED THIS 24th DAY OF FEBRUARY, 2026

COMPLAINANT : Mr.Shakeel K Moideenkutty
29/11, Mount Joy Road
Bangalore:560019
(Mr.Sudharsan Suresh, Advocate)

RESPONDENT / PROMOTERS : 1. M/s.Ozone Developers Pvt Ltd.
No.38, Ulsoor Road
Bangalore:560042
2. M/s.Ozone Urbana Infra Developers
Pvt Ltd., No.38, Ulsoor Road
Bangalore:560042
(By Deepak Bhaskar & Associates)

PROJECT NAME & REGISTRATION NO. : **URBANA PAVILION**
UN-REGISTERED

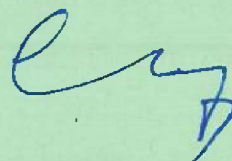
J U D G E M E N T

This complaint is filed under Section 12 & 18 of the Real Estate (Regulation and Development) Act, 2016 before this Authority against the project **URBANA PAVILION** praying for a direction to Refund the amount paid with Interest.

BRIEF FACTS OF THE COMPLAINT ARE AS UNDER:-

1. The Complainant has entered into an agreement of sale on 30.05.2014 for purchase of an Apartment in the project known as **URBANA PAVILION**. The project completion date as agreed and mentioned in the Memo of calculation was 23.04.2016. The complainant has paid an amount of Rs.54,59,455/- (Rupees Fifty four lakhs fifty nine thousand four hundred fifty five only) to the respondents and the same has been acknowledged by the Respondents. Since the respondents did not adhere to the terms of the agreement nor responded to the complainants giving the probable date of completion. There is no communication from the Respondent about the completion of the project. There is no construction activities and the project is stalled. The complainant submit that it has been over 9 years after the completion date agreed, the respondents have not communicated with the complainant on the status of the project. Therefore, the Complainant has cancelled the booking made with the respondents and sought for refund of the amount paid with interest. The Respondents did not refund the amount paid by the complainant. Hence, the complainant filed the above complaint seeking refund of the amount paid with interest and same is admissible for relief in accordance with Section 18 of the Act.

2. After registration of the complaint, notice was issued to both complainants and respondent to appear before the authority. The preliminary hearings were conducted on different days and further hearing was conducted on 19.05.2025, 26.05.2025, 24.06.2025, 02.07.2025, 22.07.2025, 10.09.2025, 15.12.2025 and on 28.01.2026. Both complainant and the advocate for Respondent



were present. During the course of hearing, the Complainant filed agreement to sell, construction agreement, proof of payments, and MOC and served the same on the respondents. Advocate for Respondent filed objection statement and served the same on complainant and complainant submitted that no more submissions from their side.

3. The Respondent in its statement of objections agreed to refund the amount after forfeiting sum equivalent to 20% of the total amount received, the Respondent has not taken any other contention on the complaint filed by the Complainant.

4. From the above averments, the following points would arise for my consideration:

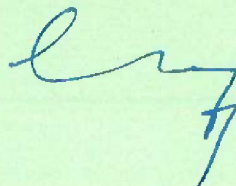
- a) Whether the complainant is entitled for the relief claimed?
- b) What order?

5. My findings on the above points are as under:

- a) In the affirmative
- b) As per the final order

FINDINGS ON THE ABOVE POINTS

6. **My Answer to Point No.1:** It is undisputed fact that the respondents failed to handover possession of the flat to the complainant as per the timeline prescribed in the agreement of sale. The Respondent has not produced any documentary proof to show the status of the project as on date and filed only written submissions and the same is taken on record.

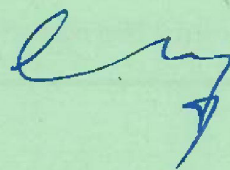


7. As per the agreement of sale, having accepted and acknowledged the substantial amount towards sale consideration and failure to keep up promise to handover possession of the flat certainly entitles the complainant herein to seek for refund of the amount paid with interest as per Section 18 of the Act.

8. The Authority perused the documents produced by the complainant. The agreement of sale is a key instrument which binds the parties in all contractual relations so as to be properly enforced in accordance with law and hence, it is necessary that it shall be free from any ambiguity and vagueness. Here, in this case, the respondents have not complied with the terms of the said agreement for sale and the project is stalled.

9. The complainant produced proof of payments evidencing that complainant has paid the advance sale consideration and are entitled to get his amount paid along with interest as per the memo of calculation submitted by the complainant. Since the Respondent failed to handover the apartment as per the time line agreed the respondent cannot deduct 20% of the total amount received. The complainant is seeking for refund of the amount on the ground that the respondent has not delivered the apartment as per the delivery date mentioned in the agreement and the project is stalled. Hence, the claim of 20% deduction is not accepted by the Authority and the Respondent are liable to refund the entire amount paid by the Complainant along with interest.

10. At this juncture, my attention is drawn towards the decision of Hon'ble Supreme Court in appeal No.6750-

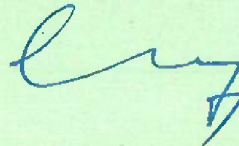


57/2021, M/S Newtech Promoters v/s The State Of Uttar Pradesh it is held as under:

Section 18(1) of the Act spells out the consequences if the promoter fails to complete or is unable to give possession of an apartment, plot or building either in terms of the agreement for sale or to complete the project by the date specified therein or on account of discontinuance of his business as a developer either on account of suspension or revocation of the registration under the Act or for any other reason, the allottee/home buyer holds an unqualified right to seek refund of the amount with interest at such rate as may be prescribed in this behalf.

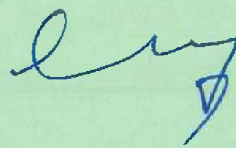
11. Further, the judgement reported in Civil Appeal No.3581-3590 of 2020 at para No.23 between M/s. Imperia Structures Ltd., V/s. Anil Patni and another by the Hon'ble Supreme court it is held that,

“ In terms of section 18 of the RERA Act, if a promoter fails to complete or is unable to give possession of an apartment duly completed by the date specified in the agreement, the promoter would be liable, on demand, to return the amount received by him in respect of that apartment if the allottee



wishes to withdraw from the project. Such right of an allottee is specifically made "without prejudice to any other remedy available to him". The right so given to the allottee is unqualified and if availed, the money deposited by the allottee has to be refunded with interest at such rate as may be prescribed. The proviso to section 18(1) contemplates a situation where the allottee does not intend to withdraw from the project. In that case he is entitled to and must be paid interest for every month of delay till the handing over of the possession. It is upto the allottee to proceed either under section 18(1) or under proviso to section 18(1). The case of Himanshu Giri came under the latter category. The RERA Act thus definitely provides a remedy to an allottee who wishes to withdraw from the project or claim return on his investment.²⁹

12. In case the allottee wishes to withdraw from the project, the promoter is liable without prejudice to any other remedy available, to return the amount received by them in respect of that apartment, flat, building as the case may be with interest at such rate as may be prescribed in this behalf including compensation in the manner as provided under this Act. Therefore, as per Section 18(1), the respondents are liable to return the amount received along with interest.



13. Therefore, it is incumbent upon the respondent to refund the amount with interest which is determined as under:

Memo of Calculation for Refund with Interest submitted by the Complainant as on 26.09.2025

Principle amount (A) Rs.	Interest (B) As on 26.09.2025 Rs.	Refund from Promoter (C) Rs.	Total Balance Amount (A+B) Rs.
54,59,455	56,38,986	--	1,10,98,441

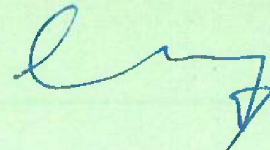
14. Accordingly, the **point (a)** raised above is answered in the affirmative.

15. **Findings on Point No. 14**: In view of the above observations, I conclude that this complaint deserves to be allowed and accordingly, I proceed to pass the following:

ORDER

1. In exercise of the powers conferred under Section 18 read with section 31 of the Real Estate (Regulation and Development) Act, 2016, the complaint Bearing No. CMP/246/2024 is hereby allowed.

2. Respondents are directed to refund a sum of **Rs.1,10,98,441/- (Rupees One Crores ten lakhs ninety eight thousand four hundred forty one only)** to the complainant towards refund with interest as per the calculation submitted by the Complainant, within 60 days from the date of this order, calculated from 15.03.2014 till 26.09.2025. The interest due from



7.09.2025 up to the date of final payment will be calculated likewise and paid to the complainant.

3. The Complainant is at liberty to initiate action for recovery in accordance with law if the respondents fails to pay the amount as per the order of this Authority.


(G.R. REDDY)

**MEMBER
FIFTH ADDITIONAL BENCH
K-RERA**

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