

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 BEFORE THE ADJUDICATING OFFICER

PRESIDED BY SMT. MAHESHWARI S HIREMATH

DATED 23rd April 2026

COMPLAINT NO: 01440/2025

COMPLAINANT....

Mohammed Iqbal Khan

H.No.82, Iconic Homes, Flat No. 201, Anam
Layout, Ashwath Nagar, Thanisandra.
Bengaluru Urban – 560077.

(In person)

Vs

RESPONDENT.....

Casa Grande Garden City Builders Pvt Ltd

Salma Bizhouse, No.34/1, 4th Floor,
Meanee Avenue Road, Opp to Lakeside
Hospital, Ulsoor Road, Near Ulsoor Lake,
Bengaluru Urban – 560042.

(Rep. By Amaresha M, Advocate)

JUDGEMENT

1. This complaint is filed by the complainant under section 31 of the RERA Act against the project "Casagrاند Keatsway" developed by Casa Grande Garden city Builders Pvt Ltd, seeking compensation for early demand cashback amount and mental agony.
2. This project has been registered with RERA vide registration No. PRM/KA/RERA/1251/446/PR/231222/005555 valid till 20.12.2022 and extended till 05.11.2026.

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3. Said project is situated at Khata No. 38/25/5, Sy. No. 25/5, Geddalhalli village, K R Pura Hobli, Bengaluru East, Bengaluru Urban.

Brief facts of the complaint are as under:-

4. The complainant had booked a flat bearing No.310 in the project 'Casagrاند Keatsway' of the respondent and entered into an agreement of sale dated 08.01.2024 and paid an amount of Rs.69,66,500/- (Sixty Nine Lakh Sixty Six Thousand and Five Hundred only) out of total sale consideration of Rs.80,01,440/- (Eighty Lakh One Thousand and Four Hundred Forty only). The respondent was supposed to collect the payment only as per stage wise progress supported by Architect/Engineer certificates. The respondent had issued demand letters on 16.04.2024, 19.06.2024, 10.07.2024 and 14.08.2024 claiming completion of basement, ground floor, 1st floor and 3rd floor and demanded payments accordingly. The progress for unit No.8, 9 and 16 was falsely shown under his unit No.10 and other unit No.15 misrepresenting that the basement, ground floor, 1st floor and 3rd floor work had been completed. Relying on these misrepresented updates he made payment amounting to Rs.12,00,000/- (Twelve Lakhs only) approximately 8 months in advance well before the actual construction progress reached that stage. He had released amount for basement on 09.05.2024 and 1st floor on 06.07.2024. When building raised till 2nd floor and he noticed the structure and compared the project plan with current progress and identified staircase and 2 units next to staircase is actually unit No.8 and 9. The November 2024 progress report clearly evidenced

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that units No.10, 11, 12, 13, 14 and 15 were still in the basement stage at that time proving that earlier reports and corresponding demands were inaccurate. This amounts to false demand misrepresentation, cheating, unfair trade practice and violation of statutory obligations under RERA.

5. Further, the builder had made false marketing promises to complete the project within 24 months from launch. During the project progress builder has published a tentative milestone showing the project will be completed by May 2024 and construction is still not complete till date. RERA completion date is November 2026. Further, false promises made by the respondent created mental agony and also made a huge financial impact on him to pay home loan EMI's. Hence, this complaint.
6. After registration of the complaint, in pursuance of the notice, the respondent has appeared before this Authority through its counsel and has filed statement of objections as under: -
7. They have denied the entire allegations made against them by the complainant as false. They contend that the demand letters dated 16.04.2024, 19.06.2024, 10.07.2024 and 14.08.2024 were issue strictly in accordance with the construction linked payment schedule agreed under the agreement for sale and based on progress updates received from the site team. The respondent has not issued any demand based on fabricated or nonexistent construction stage. All demands were raised on the basis of overall project progress. The complainant voluntarily made payments without protest. He had made a total payment of

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Rs.12,00,000/- (Twelve Lakhs only) and the above payments were made well in advance of the corresponding construction stages and he was fully aware that the payments would be adjusted against as upfront benefits. Thus, the respondent extended financial benefit to the complainant for early payments and provided a detailed upfront calculation reconciling the payments received with the actual stage achieved based on site progress. They demanded the payment on actual construction progress and the respondent has calculated the period of advance and granted an interest benefit with 18% per annum to the complainant.

8. Further, the project completion timeline is clearly mentioned in the sale agreement and the respondent is putting a construction as per the terms of agreement of sale. Hence, prayed to dismiss the complaint.
9. In support of their claim, the complainant has produced/uploaded the documents such as copies of emails, cost breakup, statement of account, payment demands, photos of project progress and agreement of sale dated 08.01.2024.
10. In support of its defence, the respondent has submitted documents such as copies of payment receipts, email and payment schedule.
11. This matter was heard on 15.12.2025, 31.12.2025, 12.01.2026, 23.01.2026, 04.02.2026, 09.02.2026, 18.02.2026, 27.02.2026, 04.03.2026, 13.03.2026, 07.04.2026, 18.04.2026 and 21.04.2026.

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12. Heard Arguments of both parties.
13. **On the above averments, the following points would arise for my consideration: -**
1. Whether the complainant is entitled for the reliefs claimed?
 2. What order?
14. **My answer to the above points are as under: -**
1. In the Affirmative.
 2. As per final order for the following.

REASONS

15. **My answer to Point No.1:-** Undisputedly, the complainant had booked a flat bearing No.310 in the project 'Casagrاند Keatsway' of the respondent and entered in to an agreement of sale dated 08.01.2024 and paid an amount of Rs.69,66,500/- (Sixty Nine Lakh Sixty Six Thousand and Five Hundred only) out of total sale consideration of Rs Rs.80,01,440/- (Eighty Lakh One Thousand and Four Hundred Forty only). Now the complainant has approached this court seeking compensation for early demand cashback amount and mental agony.
16. Same is resisted by the respondent on the grounds that all the demands were raised on the basis of overall project progress and the complainant voluntarily made payments without protest. Further, the payments which were made well in advance of the corresponding construction stages would be adjusted against as upfront benefits. Thus, the respondent had extended financial benefit to the complainant for early

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payments and provided a detailed upfront calculation with actual stage on site progress.

17. It is apparent from the copies of email communication between the parties herein, the respondent had issued demand letters on 16.04.2024, 19.06.2024, 10.07.2024 and 14.08.2024 claiming completion of basement, ground floor and third floor and demanded payments accordingly. The copy of statement of account furnished by the complainant clearly goes to show that the complainant had made payment as per the demand raised by the respondent.
18. Further, contention of the complainant is that the respondent had falsely shown the project at the site and demanded the money by misrepresentation cheating, unfair trade practice and violation provisions of RERA Act. As per section 11(3)(b) of the Act, the promoter shall be responsible to make available to the allottee the stage wise time schedule of completion of the project.
19. It is not in dispute that the respondent had raised the demands through emails and as per cost breakup the complainant had made payment.
20. At this, juncture, it would be appropriate to extract the provision under section 72 of RERA Act which reads thus: -

Factors to be taken into account by the Adjudicating Officer

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While adjudging the quantum of compensation or interest, as the case may be, under section 71, the Adjudicating Officer shall have due regard to the following factors, namely,

- a) The amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;
- b) The amount of loss caused as a result of the default;
- c) The repetitive nature of the defaults;
- d) Such other factors which the Adjudicating officer considers necessary to the case in furtherance of justice.

21. Keeping these factors in mind let me proceed to discuss the aforesaid points for consideration as below:

22. The respondent has not produced a single iota of evidence before this court to show that he had raised demands as per stage wise progress supported by Architect/Engineer certificates. It is pertinent note that whenever the promoter raise demand for payment he has to communicate stage wise progress to the allottees supported with photographs of site progress and Architect/Engineer certificates. Herein in this case, the demand for payment raised by the respondent is not at all supported with Architect/ Engineer certificates. This being the fact, it is difficult to know the exact stage wise progress of the project. Further, the respondent has not produced any document in support of his defence that he has given financial benefit to the complainant for early payments. In view of the same the complainant is entitled compensation for early demand of payment.

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23. In general, to have his own cozy house is everyone's dream. To fulfil that dream one would take risk of investing all his lifetime savings and raise loans in terms of lakhs or crores which would take away rest of his life in repaying the same. That being so, the developer who promises to fulfil dream of owning the house shall conduct himself in equally responsible manner. If he resorts to use the hard-earned money of investors in a reckless manner, it would not only shatter the dreams of investors, but also make him run from pillar to post by incurring heavy investment as well as legal expenses.
24. Coming to the aspect of awarding compensation towards mental agony, no hard-and-fast rule can be laid down. Such being the facts, I have to consider quantum of amount paid to the respondent and period of holding the money of the home buyer with the respondent. This forum has to determine the financial loss caused to the complainant/home buyer. Loss could be assessed on the basis of quantum of amount which complainant could have earned had the money been at his command.
25. It is also to be noted that mental agony being intangible aspect no one other than the aggrieved can put it in words of mouth and no quantum of money could be said to be sufficient to heal the injury caused to the mind. At the most it could be akin to applying a cooling balm on the burns. Therefore, it is quite necessary for this forum to step into the shoes of the

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aggrieved as practicable as possible to determine the amount of compensation that could be proportionate to the mental agony and financial loss undergone by the complainants. That might have compelled him to spend many sleepless nights. The struggle they had made to mobilize funds for legal battle to recover the money they had invested with such great hope.

26. Therefore, the complainant will be entitled for compensation under the head of mental agony. Having regard to all these aspects, I am of the considered view that the complainant is entitled for the reliefs claimed. Accordingly, the point raised above is answered in the Affirmative.

27. The final order in the present complaint could not be passed within the stipulated period as prescribed under section 71(2) of the Real Estate (Regulation and Development) Act of 2016 due to adjournment sought by respondent side and other procedural reasons.

28. **My findings to Point No.2:-** In view of the above discussion, I am of the considered view that this complaint deserves to be allowed. Accordingly, I proceed to pass the following.

ORDER

In Exercise of the powers conferred under Section 31 of the Real Estate (Regulation and Development) Act, 2016, the compliant bearing No. **01440/2025** is hereby allowed as under.

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1. The respondent is hereby directed to pay compensation of Rs. 2,00,000/- (Two Lakhs only) towards mental agony to the complainant.
2. Further, the respondent is directed to pay compensation of Rs.2,00,000/- (Two Lakhs only) to the complainant towards early demand of payments.
3. The respondent is directed to comply with the aforesaid order within 60 days from the date of this order, failing which it will carry interest at MCLR+2% per annum from 61st day of this order on compensation/ awarded amount till realization.
4. Further, the respondent shall have to pay an amount of Rs. 7,000/- (Rupees Seven Thousand only) to the complainant towards cost of this litigation.
5. The complainant is at liberty to initiate action in accordance with law, if the respondent fails to comply with this order.

(Typed to my dictation directly on the computer by the DEO,
corrected, verified and pronounced on 23.04.2026)

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Maheshwari S Hiremath
Adjudicating Officer
K-RERA