



REAL ESTATE

From Possession to Katha: KRERA Clarifies Developer's Role in Title Completion

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In a significant ruling signifying the contractual accountability of promoters under the Real Estate (Regulation and Development) Act, 2016, the Karnataka Real Estate Regulatory Authority (KRERA) has directed a Bengaluru-based developer to facilitate the transfer of katha (municipal property tax record) to allottees within 30 days. The judgment, delivered on 12 December 2025 by the Hon'ble Chairman Shri Rakesh Singh in Complaint No. 00632/2025, arose from a buyer's grievance against undue delay in katha mutation despite an express undertaking in the indemnity bond. While rejecting the buyer's plea for EMI compensation, the Authority has reinforced that post-sale facilitation of title documentation is not a mere formality but an enforceable obligation. The ruling, involving Somashekar HG & Prakruti M v. Kavitha Ramreddy, project "AQUATOWNN", offers important guidance on the intersection of contract law and regulatory oversight in India's evolving real-estate jurisprudence.

The dispute traces its origin to a registered sale deed executed on 3 January 2025, whereby the complainants Somashekar HG and Prakruti M purchased Site No. 48 situated in Doddanagamangala Village, Beguru Hobli, Bengaluru Urban, from the promoter Kavitha Ramreddy. The project, christened "AQUATOWNN" and bearing RERA registration PRM/KA/RERA/1251/310/PR/160524/006877 valid until 15 April 2029, was represented to be free from encumbrances and accompanied by a promise that e-katha would be mutated in the buyers' names within sixty days of registration. When 110 days elapsed without the mutation, the buyers faced concurrent financial strain: monthly loan EMIs, rent for alternative accommodation, and the uncertainty of an incomplete title chain. Invoking Section 31 of the Real Estate (Regulation and Development) Act, 2016, they filed the present complaint on 16 April 2025, seeking a direction that the promoter bears their loan EMI burden until katha issuance.

Notices were duly issued by the Authority and, although the respondent appeared through counsel on multiple hearing dates no written statement of objection was tendered. The contest, therefore, remained largely documentary, turning on the sale deed, payment receipts and the indemnity bond dated 6 January 2025.

Clause 12 of the sale deed confers upon the purchaser full rights to "possess, own, enjoy and alienate" the schedule property without interference, while Clause 13 explicitly recognises the purchaser's entitlement "to have the katha changed in his name". Clause 15 records contemporaneous delivery of vacant possession. More crucially, Clause 3(iv) of the indemnity bond stipulates that "e-katha will be transferred / mutated on the buyers' name post registration of sale deed". The Authority held that these contractual covenants collectively cast a positive duty on the promoter to "facilitate and assist" the mutation process, notwithstanding the absence of any statutory provision that makes katha transfer the sole responsibility of the developer.

KRERA emphasised that Section 17(1) of the RERA Act contemplates completion of title transfer through the trinity of (i) registered conveyance, (ii) occupancy certificate, and (iii) katha in favour of the allottee. Citing the Karnataka High Court's observations in *Suo motu Writ Petition No. 41517 of 2019* wherein the Court took judicial notice of rampant unauthorised construction and directed BBMP to insist on occupancy certificates before katha mutation the Authority highlights that promoters must furnish all requisite documents to enable allottees to complete the mutation. The Supreme Court's exposition in *M/s Imperia Structures Ltd. v. Anil Patni (Civil Appeal Nos. 3581-90 of 2020)* on Section 18 liability for delay was distinguished, as the buyers neither sought refund nor alleged delay in possession; their grievance was restricted to post-possession documentation.

On the question of EMI reimbursement, KRERA found no clause in the sale deed or indemnity bond obliging the promoter to service the buyers' loan during documentation delay. The Authority reiterated that RERA's remedial architecture, while pro-consumer, cannot be stretched to create liabilities absent contractual stipulation. Accordingly, the plea for EMI payment was declined, but the promoter's breach of the indemnity bond was redressed by mandating specific performance within a rigid timeline.

The order, pronounced within the extended period contemplated by Section 29(4) of the Act due to successive adjournments, crystallises three propositions: first, an indemnity bond executed under RERA registration constitutes an enforceable undertaking whose breach attracts regulatory sanction; second, katha facilitation is an integral component of "title completion" and cannot be relegated to municipal oblivion; and third, compensation for ancillary financial outgoings must be rooted in explicit contractual terms. By harmonising private covenant with public regulatory objective, KRERA has reinforced market confidence without inflicting undue burden on developers. Promoters must now ensure that post-sale documentation protocols are hard-wired into their transaction timelines, while buyers are reminded to negotiate express safeguards for contingent monetary fallout. The ruling, it is hoped, will catalyse industry-wide standardisation of katha hand-over mechanisms, reducing the fertile ground for similar grievances that presently clog regulatory dockets across the State.

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