The Karnataka Apartment (Ownership and Management) Act, 2026

Act No. 45 of 2026

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(ಸಿ) ನಿರಸನಗೊಳಿಸಿದ, ಅಧಿನಿಯಮಗಳ ಅಡಿಯಲ್ಲಿ ಮಾಡಿದ ಯಾವುದೇ ಅಪರಾಧಕ್ಕೆ ಸಂಬಂಧಿಸಿದಂತೆ ಉಂಟಾದ ಯಾವುದೇ ದಂಡನೆ, ಮುಟ್ಟುಗೋಲು ಅಥವಾ ಶಿಕ್ಷೆಯು ಸದರಿ ಅಧಿನಿಯಮಗಳನ್ನು ನಿರಸನಗೊಳಿಸದಿದ್ದರೆ ಹೇಗೋ ಹಾಗೆ ಜಾರಿಗೊಳಿಸಲು ಮುಂದುವರಿಯತಕ್ಕದ್ದು; ಮತ್ತು

(ಡಿ) ಈ ಅಧಿನಿಯಮದ ಪ್ರಾರಂಭಕ್ಕೆ ತಕ್ಷಣದ ಮೊದಲು ಯಾವುದೇ ನ್ಯಾಯಾಲಯ, ನ್ಯಾಯಾಧಿಕರಣ ಅಥವಾ ಪ್ರಾಧಿಕಾರದ ಮುಂದೆ ಬಾಕಿ ಇರುವ ಯಾವುದೇ ವ್ಯವಹರಣೆಗಳು ಅಥವಾ ವಿವಾದಗಳನ್ನು ನಿರಸನಗೊಳಿಸಿದ ಅಧಿನಿಯಮಗಳ ಅಡಿಯಲ್ಲಿ ಈ ಅಧಿನಿಯಮವನ್ನು ಅಧಿನಿಯಮಿಸಲಾಗದಿದ್ದಲ್ಲಿ ಹೇಗೋ ಹಾಗೆ ವ್ಯವಹರಿಸುವುದನ್ನು ಮುಂದುವರಿಸತಕ್ಕದ್ದು.

ಕರ್ನಾಟಕ ರಾಜ್ಯಪಾಲರ ಆದೇಶಾನುಸಾರ
ಮತ್ತು ಅವರ ಹೆಸರಿನಲ್ಲಿ

ಜಿ. ಶ್ರೀಧರ್
ಸರ್ಕಾರದ ಕಾರ್ಯದರ್ಶಿ
ಸಂಸದೀಯ ವ್ಯವಹಾರಗಳು ಮತ್ತು
ಶಾಸನ ರಚನೆ ಇಲಾಖೆ.

DEPARTMENT OF PARLIAMENTARY AFFAIRS AND LEGISLATION
SECRETARIAT
NOTIFICATION
NO: DPAL 19 SHASANA 2026, BENGALURU, DATED: 15.10.2026

ಭಾರತ ಸಂವಿಧಾನದ ಅನುಚ್ಛೇದ 348ರಡಿಯಲ್ಲಿ ರಾಜ್ಯಪಾಲರಿಂದ ಅಧಿಕೃತಗೊಳಿಸಿದ ಕರ್ನಾಟಕ ಅಪಾರ್ಟ್‌ಮೆಂಟ್ (ಮಾಲೀಕತ್ವ ಮತ್ತು ನಿರ್ವಹಣೆ) ಅಧಿನಿಯಮ, 2026 (2026ರ ಕರ್ನಾಟಕ ಅಧಿನಿಯಮ ಸಂಖ್ಯೆ: 45)ರ ಭಾಷಾಂತರವನ್ನು ಅಧಿಕೃತ ಆಂಗ್ಲ ಪಠ್ಯವೆಂದು ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರದ ವಿಶೇಷ ಸಂಚಿಕೆಯಲ್ಲಿ (ಭಾಗ IV-A) ಪ್ರಕಟಿಸಬೇಕೆಂದು ಆದೇಶಿಸಲಾಗಿದೆ,-

KARNATAKA ACT NO. 45 OF 2026

(First published in the Karnataka Gazette Extra-ordinary on the 15th day of October, 2026)

THE KARNATAKA APARTMENT (OWNERSHIP AND MANAGEMENT) ACT, 2026
(Received the assent of the Governor on the 09th day of October, 2026)

An Act to consolidate the laws relating to ownership of an individual apartment in a building and to make such apartment heritable and transferable immovable property and to establish a framework for the governance of apartments in the State of Karnataka and for matters connected therewith.

Whereas, it is expedient to provide for the ownership of an individual apartment in a building and of an undivided share along with undivided interest in the common areas and facilities appurtenant to such apartment, to provide a mechanism for the governance of apartments, operation and use of common areas

and facilities of apartment buildings and to provide for matters connected therewith or incidental thereto;

Be it enacted by the Karnataka State Legislature in seventy seventh year of the Republic of India as follows:-

CHAPTER I

PRELIMINARY

1. Short title, Commencement and application.- (1) This Act may be called the Karnataka Apartment (Ownership and Management) Act, 2026.

(2) It shall come into force on such date as the State Government may, by notification in the official gazette, appoint.

(3) It shall apply to the projects containing more than eight apartments in one or more buildings including villas forming part of single plot approvals/development plan approvals granted under Karnataka Town and Country Planning Act, 1961 (Karnataka Act 11 of 1963) and to projects containing more than eight apartments developed in the building sites formed in layouts approved under section 17 of the Karnataka Town and Country Planning Act, 1961 (Karnataka Act 11 of 1963).

(4) The provisions of this Act shall not apply to,-

(a) any building used for the offices or activities of the Government or of any Government undertaking or local authority; or

(b) any building which is **owned and retained under single ownership and not intended to be divided into separate apartments for ownership by different persons,** whether such building is occupied by the owner or leased or otherwise let out to tenants.

(5) The provisions of this Act shall not apply to plotted developments or villa developments where the land forming each plot or villa site is individually conveyed to the allottee or purchaser by a registered instrument in accordance with the provisions of the Transfer of Property Act, 1882 (Central Act 4 of 1882) and any other law governing such developments and all the roads, parks and civic amenities are handed over to the local authority:

Provided that this exemption shall not apply where the development includes common areas, facilities, services or infrastructure intended for collective ownership, use or management by the owners through an association or similar body.

2. Definitions.- In this Act unless the context otherwise requires, -

(a) **"Allottee"** in relation to an apartment, means a person to whom an apartment has been allotted, sold or otherwise transferred by the promoter, and includes a person who subsequently acquires the right, title and interest in such apartment through sale, transfer, assignment or otherwise; but does not include a person to whom such apartment is given on rent, lease or leave and licence. Once the allottee becomes the apartment owner, he be alone considered allottee for the purposes of this Act;

(b) **"Apartment"** whether called a block, chamber, dwelling unit, flat, office, showroom, shop, godown, premises, suite, tenement, unit, including villa and row houses or by any other name, means a separate and self-contained part of a building or an immovable property, consisting of one or more rooms or enclosed spaces, located on one or more floors or any part thereof, and intended for use for residential, commercial, institutional or other lawful purposes, together with any appurtenant rights including rights in common areas and facilities and including attached vehicle parking spaces, where so provided in the declaration or the deed of transfer;

(c) **"Apartment Number"** means the number, letter or combination thereof designating the apartment in the declaration, and marked in the assigned location;

(d) **"Apartment Owner"** means a person or persons holding right, title and interest in an apartment together with the proportionate undivided right, title and interest in the land and the common areas and facilities appurtenant to such apartment, and includes a promoter, in respect of apartments which have not been allotted, sold or otherwise transferred to any person;

(e) **"Appellate authority"** means the appellate authority as mentioned under section 44 and 45;

(f) **"Association"** means an association of all the individual apartment allottees or owners of the project formed under section 21, and includes promoter owning unsold apartments, acting as a group, competent to contract in its own name, in accordance with the provisions of this Act, rules and bye-laws made there under;

(g) "**Building**" means a building constructed on any land containing one or more apartments comprised in a project;

(h) **"Bye-laws"** means bye-laws made in accordance with the provisions of this Act and the rules made thereunder;

(i) **"Common areas and facilities"** means those parts of the project, other than the apartments and the land of the project, which are intended for the common use, enjoyment, maintenance or management of the apartment owners and includes,-

(i) staircases, lifts, lift lobbies, staircase lobbies, fire escapes, corridors, passages and common entrances and exits of the buildings;

(ii) common basements, terraces, parks, gardens, play areas, open parking areas and common storage spaces;

(iii) premises or facilities for persons employed for the management, maintenance or security of the property, including accommodation for watch and ward staff or community service personnel;

(iv) installations and systems for central services such as electricity, gas, water supply, sanitation, drainage, air-conditioning, waste management, water conservation and renewable energy;

(v) water tanks, sumps, pumps, motors, fans, compressors, ducts, pipelines, cables and all apparatus connected with installations for common use;

(vi) community and commercial facilities provided within the project, including such facilities subsequently created by the association with the approval of the competent authority;

(vii) internal roads, driveways, pathways, pedestrian walkways, circulation areas, landscaped open spaces, compound or boundary walls, entrance gates, security cabins, storm water drains, service shafts, utility ducts, electrical substations, transformer yards, generator rooms, pump rooms and other service or utility areas within the project intended for common use or maintenance of the property;

(viii) rainwater harvesting structures, solid waste management facilities, sewage treatment plants, composting units, plantations and such other facilities as may be notified by the Government from time to time; and

(ix) all other parts of the project necessary or convenient for its maintenance, safety, management or common use.

Explanation; The levy of user charges, membership fees or similar charges for the use of any facility within the project shall not alter the character of such facility as forming part of the common areas and facilities, unless such facility is expressly excluded in the declaration in accordance with the provisions of this Act.

(j) **"Common Capital"** means the funds contributed by the apartment owners for the purpose of financing, creating, installing, upgrading, refurbishing, replacing or renovating the common areas and facilities and other common assets of the project;

(k) **"Common Expenses"** means,-

(i) all sums lawfully assessed against the apartment owners by the association for the maintenance, management and administration of the project;

(ii) expenses incurred for the administration, operation, maintenance, repair, replacement or improvement of the common areas and facilities;

(iii) expenses agreed upon as common expenses under the bye-laws; and

(iv) expenses declared as common expenses under the provisions of this Act, the declaration or the bye-laws made thereunder.

(l) **"Common profit"** means the balance of all income, rents, profits and revenue from the common areas and facilities remaining after the deduction of common expenses;

(m) "**Community and commercial facilities**" means recreational, social, cultural or commercial facilities provided within the project for the use or benefit of the apartment owners and occupants, including club house, swimming pool, gymnasium, spa, sports facilities and such other facilities as may be specified in the declaration or determined by the association in accordance with the provisions of this Act:

Provided that any such facility constructed within the project and forming part of the land submitted for development or whose built-up area consumes the Floor Area Ratio of the project shall form part of the **common areas and facilities.**

Provided further that a promoter may retain ownership of any such facility only where,-

(a) such facility is constructed on a **separate parcel of land not forming part of the land of the project**;

(b) such retention is **specifically approved in the sanctioned plan**; and

(c) such ownership and rights are **clearly disclosed in the declaration and in the agreement for sale prior to allotment**.

Provided also that where any such facility is retained by the promoter, the built-up area of such facility shall **not be included in the computation of the super built-up**

area of any apartment nor be used for determining the undivided share of land or the proportionate share in the common areas and facilities of the apartment owners;

(n) **"Community and commercial facilities user charges"** means such charges or fees which may be made payable by the apartment allottee or owner for the access and use of community and commercial facilities, as may be approved by the association:

Provided that any such facility constructed within the project and forming part of the land submitted for development or whose built-up area consumes the Floor Area Ratio of the project shall form part of the **common areas and facilities.**

(o) **"Competent Authority"** means the Competent Authority appointed under this Act;

(p) **"Declaration"** means the instrument by which the property is submitted to the provisions of the Act, as hereinafter provided;

(q) **"Deed of transfer of apartment"** means a deed of transfer of apartment executed by the promoter or transferor in the manner as specified under section 10;

(r) **"Government"** means the Government of Karnataka;

(s) **"Local Authority"** means the local self-government established under the Karnataka Municipal Corporations Act, 1976 (Karnataka Act 14 of 1977) or the Karnataka Municipalities Act, 1964 (Karnataka Act 22 of 1964), or the Karnataka Gram Swaraj and Panchayat Raj Act, 1993 (Karnataka Act 14 of 1993) or Greater Bengaluru Governance Act, 2024 (Karnataka Act 36 of 2025);

(t) **"Maintenance charges"** means the charges assessed and collected by the association from the apartment owners or occupiers towards meeting the expenses incurred for the operation, maintenance, repair, management and upkeep of the common areas and facilities and community and commercial facilities of the project, which shall be apportioned among the apartment owners in proportion to the super built-up area of their respective apartments relative to the total super built-up area of all apartments in the building or project;

(u) **"Majority or majority of apartment owners"** means the apartment owners who hold more than fifty percent of the total votes in accordance with the percentages assigned in the Declaration to the apartments for voting purposes;

(v) **"Model bye-laws"** means the bye-laws prepared and published by the Government for the purpose of the Act;

(w) **"Occupancy Certificate"** means the Occupancy Certificate or such other certificate by whatever name called, issued by the Local Authority permitting occupation of any building as provided under the relevant laws, for the time being in force;

Explanation: For the purpose of the Real Estate (Regulation and Development) Act, 2016 (Central Act 16 of 2016), the final occupancy certificate issued by the Local Authority shall be deemed to be the completion certificate;

(x) **"Parking area"** means any portion of the land or building within a project designated for the parking of motor vehicles, including open parking areas, stilt parking areas, basement parking areas, podium parking areas, mechanical parking systems and driveways or circulation spaces necessary for access to such parking;

(y) **"Parking space" or "parking slot"** means a demarcated or designated portion of a parking area intended for parking of a single motor vehicle.

(i) **"Common parking" or "Common parking area"** means any parking area forming part of the common areas and facilities of the project and intended for the collective use of apartment owners, occupants or visitors, including open parking areas, visitor parking and such other parking as is not designated as private parking. Such common parking areas shall remain part of the common areas and facilities and shall not be sold or transferred as independent property.

(ii) **"Private parking" or "Private parking space"** means a parking space which,-

(a) forms part of a separate enclosed or specifically demarcated built-up unit within the building, such as a garage or enclosed parking bay;

(b) is specifically approved as an independent parking unit in the sanctioned building plan; and

(c) is conveyed to an apartment owner by a registered instrument as part of or appurtenant to an apartment.

A private parking space may be owned, transferred, leased or otherwise dealt with by the owner, but shall not be transferred to any person who is not an apartment owner in the same project.

Explanation;

1. No open parking area, stilt parking area, basement parking area or podium parking area forming part of the common parking area shall be treated as private parking merely by demarcation or allotment.

2. All parking areas not qualifying as private parking spaces under this Act shall be deemed to form part of the common areas and facilities.

3. The area of a private parking space shall not be included in the carpet area, private area or super built-up area of an apartment, unless expressly conveyed as part of the apartment.

(z) "Person" means and includes,-

(i) an individual;

(ii) a Hindu Undivided Family or any other family unit or group of persons capable of holding property under any law for the time being in force;

(iii) a company;

(iv) a firm registered under the Indian Partnership Act, 1932 (Act 9 of 1932) or a limited liability partnership registered under the Limited Liability Partnership Act, 2008 (6 of 2009);

(v) a public authority;

(vi) an association of persons or a body of individuals, whether incorporated or not;

(vii) a co-operative society registered under any law relating to co-operative societies; and

(viii) any other entity which the appropriate Government may, by notification, specify.

(aa) **"Planning Authority"** shall have the same meaning as defined under clause (7) of section 2 of the Karnataka Town and Country Planning Act, 1961 (Karnataka Act 11 of 1963).

(bb) **"Prescribed"** means prescribed by rules made under this Act.

(cc) **"Private area of an apartment"** means the sum of the following,-

(i) the carpet area of the apartment as defined under the Real Estate (Regulation and Development) Act, 2016 (Central Act 16 of 2016);

(ii) the area occupied by the external walls and the exclusive balcony or verandah areas appurtenant to the apartment; and

(iii) thirty-three percent or whatever percent specified in the title deed; of the area of any terrace, lawn, garden, courtyard or other open space conveyed as part of the apartment.

(dd) **"Project"** means the development of a building consisting of apartments or converting an existing building or a part thereof into apartments or the development of land into apartment for the purpose of selling all or some of the said apartments and includes the common areas and facilities, the development works, all improvement and structures thereon and all easement, rights and appurtenances belonging thereto;

(ee) **"Promoter"** means,-

(i) a person who constructs or causes to be constructed an independent building or a building consisting of apartments, or converts an existing building or a part thereof into apartments, for the purpose of selling all or some of the apartments to other persons and includes his assignees; or

(ii) any development authority or any other public body in respect of allottees of apartments constructed by such authority or body on lands owned by them or placed at their disposal by the Government; or

(iii) an apex State level co-operative housing finance society and a primary co-operative housing society which constructs apartments for its members or in respect of the allottees of such apartments or buildings; or

(iv) any other person who acts himself as a builder, coloniser, contractor, developer, estate developer or by any other name or claims to be acting as the holder of a power of attorney from the owner of the land on which the building or apartment is constructed or plot is developed for sale; or

(v) such other person who constructs any building or apartment for sale to the general public.

Explanation: For the purposes of this clause, where the person who constructs or converts a building into apartments and the person who sells apartments or plots are different person, both of them shall deemed to be the promoters and shall be jointly and severally liable as such for the functions and responsibilities specified under the Act or the rules and regulations made thereunder;

(ff) **"Property"** means the land, the building, all improvements and structures thereon and all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith, which have been, or are intended to be submitted to the provisions of the Act;

(gg) **"Rules"** mean the rules made by the Government under this Act;

(hh) **"Super Built-up Area"** means the area of an apartment comprising,-

(i) the carpet area of the apartment as defined under the Real Estate (Regulation and Development) Act, 2016 (Central Act 16 of 2016);

(ii) the area occupied by the external walls and the exclusive balcony areas appurtenant to the apartment;

(iii) thirty three percent or whatever percent specified in the title deed of the area of any terrace, lawn, garden, courtyard or other open space conveyed as part of the apartment to that apartment exclusively; and

(iv) the proportionate share assigned to the apartment in the built-up portions of the common areas and facilities of the building or project, which has not been conveyed exclusively, determined in the ratio of the sum of the areas referred to in clauses (i), (ii) and (iii) of that apartment to the sum of the corresponding areas of all apartments in the building or project:

Provided that only the built-up portions of the common areas and facilities shall be taken into account for the purpose of calculating the super built-up area, and the Government may, by rules, specify such parts of the common areas and facilities which shall not be included in such calculation.

Provided further that the break-up of the Super Built-Up Area as per above details must be shown in every Agreement of Sale and also in the registered conveyance deed conveying an apartment.

(ii) "**Undivided Right, Title and Interest in Land and in Common Areas and Facilities", e**very apartment shall carry with it,-

(a) an undivided and non-exclusive right, title and interest in the land on which the project is constructed; and

(b) an undivided and non-exclusive right, title and interest in the common areas and facilities of the project.

Such rights and interests shall be appurtenant to the apartment and shall ordinarily pass with the ownership of the apartment, but shall constitute distinct and proportionate property right and interests of the apartment owner.

The proportion of such undivided right, title and interest of an apartment shall be determined in the ratio of the private area of the apartment to the total private area of all apartments in the project.

The undivided right, title and interest in the land or the common areas and facilities shall not confer exclusive ownership over any specific part thereof and shall be exercised jointly by the apartment owners in accordance with the provisions of this Act and the bye-laws.

Illustration: In a project consisting of two apartments, A and B,-

Apartment A has,-
(i) carpet area of 100 square metres;
(ii) external walls and exclusive balcony area of 20 square metres; and
(iii) a terrace of 30 square metres conveyed as part of the apartment.

Apartment B has,-

(i) carpet area of 120 square metres; and

(ii) external walls and exclusive balcony area of 30 square metres, with no terrace.

As per the above clause, the terrace of Apartment A is taken at thirty three percent of its actual area, this is 10 square metres.

Accordingly,-

Private area of Apartment A = 100 + 20 + 10 = **130 square metres**

Private area of Apartment B = 120 + 30 = **150 square metres**

Total private area of all apartments = **280 square metres**

If the total built-up portion of the common areas and facilities of the building is 140 square metres, say out of total common areas and facilities comprising 220 square meters (where 140 square meters is the built up common area and 80 square meter is non-built up common area). Also assume the land on which the approved project stands is 300 Square meters.

(a) the proportionate share of Apartment A in built up common area shall be,-

130/280 × 140 = **65 square metres**,

and the proportionate share of Apartment B shall be—

150/280 × 140 = **75 square metres**.

The Super Built-up Area of Apartment A shall therefore be **195 square metres** (130 + 65), and the Super Built-up Area of Apartment B shall be **225 square metres** (150 + 75).

(b) The proportionate share of Apartment A in the non-built up common area shall be,-

130/280 × 80 = **37.14 square metres,**

and the proportionate share of Apartment B shall be,-

150/280 × 80 = **42.86 square metres.**

(c) The proportionate undivided and non-exclusive share of each of the apartments in the land (300 Sq M land) on which the project or building stands shall be as follows,–

(i) The proportionate undivided and non-exclusive share of Apartment A in the land shall be = 130/280 x 300 = **139.29 square metres;**

(ii) The proportionate undivided and non-exclusive share of Apartment B in the land shall be = 150/280 x 300 = **160.71 square metres.**

CHAPTER II

OWNERSHIP, HERITABILITY AND TRANSFERABILITY OF APARTMENTS

3. Ownership of apartments.- (1) Each apartment owner shall have the exclusive right, title, interest and possession in his apartment and shall also have,-

(a) an undivided and non-exclusive right, title and interest in the land on which the project is constructed; and

(b) an undivided and non-exclusive right, title and interest in the common areas and facilities of the project.

Such rights and interests shall be appurtenant to the apartment and shall ordinarily pass with the ownership of the apartment.

(2) The proportion of the undivided right, title and interest in the land and in the common areas and facilities appurtenant to each apartment shall be determined in the ratio of the private area of the apartment to the total private area of all apartments in the project, unless otherwise provided in the declaration or deed of transfer in accordance with the provisions of this Act:

Provided that**,** in the case of mixed-use developments, including projects comprising both residential and commercial apartments or projects consisting of multiple blocks with different uses, the undivided right, title and interest attributable to each apartment may be determined by proportionately allocating the common areas and facilities having regard to the relative extent of land and built area dedicated to each use, in such manner as may be specified in the declaration or deed of transfer.

Provided further that nothing contained in this section shall be construed as conferring on an apartment owner the right to carry out structural alterations to the building or to the common areas and facilities, except in accordance with the provisions of this Act, the bye-laws and the applicable building regulations.

4. Apartment to be heritable and transferable.- (1) An apartment, together with the undivided right, title and interest in the land of the project and the undivided and non-exclusive right, title and interest in the common areas and facilities appurtenant to such apartment, shall for all purposes constitute heritable and transferable immovable property within the meaning of any law for the time being in force.

(2) Accordingly, an apartment owner may transfer his or her apartment together with such undivided right**,** title and interest in the land and the common areas and facilities by way of sale, mortgage, lease, gift, exchange or in any other manner whatsoever, or may make a bequest of the same under the laws applicable to the transfer and succession of immovable property, and such apartment shall be subject to the same rights, privileges, obligations, liabilities, legal proceedings and remedies as any other immovable property:

Provided that the apartment together with the undivided and non-exclusive right, title and interest in the land and the common areas and facilities appurtenant thereto shall not be partitioned or sub-divided except with the approval of the competent authority and in accordance with the provisions of applicable laws, building regulations, and the undivided right, title and interest in the land and the common areas and facilities shall be correspondingly re-apportioned.

5. Compliance with declaration, bye-laws and administrative provisions.- (1) Every apartment owner and occupier of an apartment shall comply with the provisions of this Act, the declaration, the bye-laws of the association and the lawful rules and regulations made thereunder, and with the covenants, conditions and restrictions contained in the deed of transfer of the apartment.

(2) The association and its office bearers shall exercise their powers and perform their functions in accordance with the provisions of this Act, the declaration and the bye-laws and shall not act in a manner inconsistent with this Act or rules made thereunder.

(3) In the event of any breach of the provisions referred to in sub-section (1), the association or any aggrieved apartment owner may institute appropriate proceedings for recovery of dues, damages, or for injunctive or other relief as may be provided under law and this Act.

(4) Every person who acquires an apartment, whether by sale, transfer, succession or otherwise, shall be bound by the declaration and the bye-laws of the association as in force from time to time:

Provided that no bye-law or rule shall be inconsistent with the provisions of this Act or the declaration

6. Encumbrances affecting apartments and project land.- (1) The promoter shall disclose in the declaration and in every deed of transfer of an apartment all mortgages, charges or other encumbrances affecting the land of the project.

(2) Where the land of the project or any part thereof is subject to a mortgage, charge or other encumbrance created by the promoter, no apartment together with the undivided right, title and interest in the land and the common areas and facilities appurtenant thereto shall be conveyed unless the promoter has obtained from the mortgagee or charge-holder a release or no-due certificate in respect of that apartment.

(3) Upon the conveyance of an apartment together with the undivided and non-exclusive right, title and interest in the land and the common areas and facilities appurtenant thereto in accordance with sub-section (2), such apartment shall not be affected by any mortgage, charge or other encumbrance created by the promoter prior to such conveyance provided conveyance was done after the release or no-objection certificate in respect of that apartment from the mortgagee or charge-holder.

(4) Nothing contained in this section shall affect the rights of the mortgagee or charge-holder in respect of the unsold apartments or the remaining interest of the promoter in the project.

(5) An apartment owner may create a mortgage, charge or other encumbrance in respect of his or her apartment together with the undivided and non-exclusive right, title and interest in the land and the common areas and facilities appurtenant thereto in accordance with the laws governing transfer of immovable property, and such encumbrance shall not affect the apartments or property rights of any other apartment owner.

(6) The association shall not create or permit any mortgage, charge or other encumbrance on the apartment of any apartment owner or common areas.

(7) After the registration of the declaration and the conveyance of one or more apartments, no mortgage, charge or other encumbrance shall be created over the land of the project or the common areas and facilities as a whole, and any such mortgage, charge or encumbrance shall, to the extent it purports to affect the apartments already conveyed together with the undivided right, title and interest in the land and the common areas and facilities appurtenant thereto, be void.

7. Merger of two or more apartments.- (1) Where two or more adjacent apartments in a building are combined or used together by an apartment owner so as to form a single larger unit, such apartments shall, for the purposes of this Act, continue to be treated as separate apartments with their respective apartment numbers and proportionate undivided right, title and interest in the land and the common areas and facilities appurtenant thereto.

(2) Nothing contained in this section shall prevent the apartment owner from carrying out internal alterations for such merger permitted under this Act, the bye-laws and the applicable zonal regulations and building bye-laws:

Provided that no such merger or alteration shall adversely affect the structural stability of the building, the use or enjoyment of the common areas and facilities by other apartment owners, or the building services and parking arrangements provided for the project.

8. Ownership of additional development rights.- (1) Any additional built-up area or development rights or development potential arising in respect of the land of the project due to any change in planning regulations, zoning regulations, floor space index (FSI), floor area ratio (FAR) or for any other reason shall belong collectively to the apartment owners

and shall be distributed or utilised in proportion to the "private area" of each apartment to the total "private area" of all apartments in the project.

(2) No promoter or developer shall claim or retain any right over such additional built-up area or development rights or potential except to the extent of the undivided right, title and interest in the land appurtenant to any apartments remaining unsold, unless such right is expressly transferred by the apartment owners in accordance with the provisions of this Act.

9. Distribution of common profits and apportionment of common expenses.- The common profits arising from the property shall belong collectively to the apartment owners and shall be distributed among them, and the common expenses relating to the maintenance, repair, management and administration of the property shall be borne by the apartment owners, in proportion to the private area of each apartment to the total private area of all apartments in the project, unless otherwise provided in this Act or the bye-laws:

Provided that the association shall not impose unequal or discriminatory charges on apartments having the same private area and use, except where such difference arises from actual variation in usage of services or facilities as may be provided under the bye-laws.

Explanation: For the purposes of this section, "common expenses" include expenses incurred for the operation, maintenance, repair, replacement, management and administration of the common areas and facilities.

10. Execution of deed of transfer.- (1) The promoter shall execute and register, in favour of the allottee or transferee, a deed of transfer of the apartment together with the undivided, non-exclusive right, title and interest in the land of the project and in the common areas and facilities appurtenant to such apartment, in the manner and with such particulars as may be specified under the Real Estate (Regulation and Development) Act, 2016 (Central Act 16 of 2016) and the Registration Act, 1908 (Central Act 16 of 1908):

Provided that the deed of transfer shall also contain such additional particulars in such manner as may be prescribed.

(2) Upon the formation and registration of the association of apartment owners, the promoter shall execute a deed transferring the management, maintenance and administration of the common areas and facilities to the association in such manner and within such period as may be prescribed.

(3) The transfer referred to in sub-section (2) shall relate only to the management, maintenance and administration of the common areas and facilities and shall not be construed as transferring the ownership of the land or the common areas and facilities to the association, which shall remain vested in the apartment owners in proportion to their undivided right, title and interest therein.

(4) The deed transferring the management of the common areas and facilities shall be registered under the Registration Act, 1908 (Central Act 16 of 1908).

(5) Where sale agreement has been executed for apartments prior to commencement of this Act, but sale deed has not been executed for any of the apartments, the provisions of this Act shall apply at the time of execution of the sale deed:

Provided that, if sale deed has been executed for an apartment in a project prior to the commencement of this Act, the deed of transfer for all apartments in the project shall be executed asper the provisions of the concerned laws prior to commencement of this Act.

(6) The registering officer shall, upon registration of the deeds referred to in sub-sections (1) and (2), forward a certified copy thereof to the competent authority for making appropriate entries in the register maintained for the purposes of this Act.

(7) No deed transferring the management of the common areas and facilities shall be executed unless the association of apartment owners has been duly formed and registered under the applicable law.

(8) Notwithstanding the transfer of management of the common areas and facilities to the association, the promoter shall remain liable to perform all obligations imposed under the Real Estate (Regulation and Development) Act, 2016 (Central Act 16 of 2016) including the rectification of structural or other defects during the liability period specified under that Act.

(9) The promoter shall not retain possession or control of the common areas and facilities after the transfer of management to the association except to the extent necessary for the completion of any remaining works in accordance with the sanctioned plan and the provisions of this Act.

11. Common areas and facilities.- (1) Every apartment shall carry with it an undivided, non-exclusive right, title and interest in the land of the project and in the common areas and facilities, which shall be appurtenant to the apartment and shall pass with the ownership of the apartment.

(2) The proportion of the undivided right, title and interest of each apartment owner in the land of the project and in the common areas and facilities shall be determined in the ratio of the private area of the apartment to the total private area of all apartments in the project and shall be specified in the declaration and the deed of transfer.

(3) The proportion of such undivided right, title and interest once determined and recorded in the declaration shall have a permanent character and shall not be altered except with the consent of all the apartment owners expressed in an amended declaration duly executed and registered in accordance with this Act.

(4) The undivided right, title and interest in the land and in the common areas and facilities shall not be separated from the apartment to which it is appurtenant and shall be deemed to be conveyed, transferred or encumbered together with the apartment, even though such interest is not expressly mentioned in the instrument of transfer.

(5) The undivided right, title and interest in the land appurtenant to each apartment shall be recognised as heritable and transferable immovable property and shall be reflected in the revenue records, khata and mutation registers maintained under the applicable laws of the State.

(6) The common areas and facilities shall remain undivided and no apartment owner or any other person shall bring any action for partition or division of any part thereof so long as the property remains subject to the provisions of this Act, and any covenant to the contrary shall be void.

(7) Every apartment owner shall be entitled to use the common areas and facilities for the purposes for which they are intended without hindering or encroaching upon the lawful rights of other apartment owners.

(8) No promoter, apartment owner or any other person shall retain exclusive control over, restrict the lawful use of, or levy any fee or charge for the enjoyment of the common areas and facilities except as provided under this Act or the bye-laws.

(9) The management, maintenance, repair and administration of the common areas and facilities shall vest in the association of apartment owners, which shall perform such functions in accordance with the provisions of this Act, the declaration and the bye-laws.

(10) The association shall have the right, through its authorised representatives, to access any apartment during reasonable hours, after due notice, where necessary for the maintenance, repair or replacement of common areas and facilities or for preventing

damage to the property or to other apartments, and in cases of emergency such access may be exercised without prior notice.

(11) No part of the common areas and facilities shall be converted into saleable or private space or otherwise disposed of except with the consent of the apartment owners in accordance with the provisions of this Act.

(12) The extent or character of the common areas and facilities as specified in the declaration or sanctioned plan shall not be reduced, altered or encumbered without the consent of the sanctioning authority.

12. Community and commercial facilities.- (1) Community and commercial facilities forming part of the project shall be treated as part of the common areas and facilities unless otherwise expressly provided in the declaration in accordance with the provisions of this Act.

(2) The association may regulate access to and use of such community and commercial facilities and may levy reasonable user charges or fees for their use in accordance with the declaration and the bye-laws.

(3) The levy of user charges or membership fees for the use of any such facility shall not alter its character as part of the common areas and facilities.

(4) Community and commercial facilities shall primarily serve the apartment owners and occupiers of the project. Access to or use of such facilities by persons other than apartment owners or occupiers shall not be permitted on a regular or commercial basis. The proceeds arising from such use shall form part of the common capital of the association and shall be utilised in accordance with the provisions of this Act and the bye-laws.

CHAPTER III

DECLARATION

13. Submission of declaration.- (1) The promoter shall submit to the competent authority a declaration in respect of the project, within sixty days from the date of issue of the Occupancy Certificate, in such form, accompanied by such documents, fees and particulars as may be prescribed.

(2) Where apartments in a project completed before the commencement of this Act have already been conveyed to the apartment owners and the promoter fails or is unable to submit the declaration for reasons beyond the control of the apartment owners, the association of apartment owners may, with the permission of the competent authority, submit the declaration in such form and manner and with such particulars as may be prescribed.

(3) The competent authority shall, after scrutiny of the declaration submitted under sub-section (1) or sub-section (2), record the same in the register maintained for the purposes of this Act.

(4) Where the competent authority finds that the declaration does not conform to the provisions of this Act or the rules made thereunder, it shall return the declaration to the person submitting it, indicating the defects to be rectified and requiring resubmission within such period, not exceeding thirty days, as may be specified.

(5) A true copy of the declaration, the bye-laws of the association and any amendments thereto shall be filed with the competent authority in such manner as may be prescribed.

14. Contents of declaration.- (1)The declaration referred to in section 13 shall contain the following particulars, namely:-

(a) description of the land on which the project is constructed, including its extent, survey numbers and boundaries, the nature and extent of the promoter's right, title and interest therein, and the promoter shall have right, title and interest over the land on which he is developing the project as freehold,

(b) the sanctioned plan of the project approved by the competent authority together with such other approvals as may be required under the applicable laws;

(c) a description of the building or buildings forming part of the project, including the number of blocks, storeys and basements, the number of apartments and the principal materials of construction;

(d) identification of each apartment by its apartment number together with a statement of its location within the building and its private area, carpet area and such other particulars as may be necessary for its proper identification;

(e) a description of the common areas and facilities of the project, including limited common areas and facilities, if any, specifying the apartments to which their use is reserved, and the community and commercial facilities, if any;

(f) the proportion of the undivided, non-exclusive right, title and interest in the land of the project and in the common areas and facilities appurtenant to each apartment, determined in accordance with the provisions of this Act;

(g) a statement of the intended use of the building and of each apartment, including any restrictions as to residential, commercial or mixed use;

(h) a statement that the apartments together with the undivided right, title and interest in the land and the common areas and facilities are free from encumbrances on the date of the declaration, or where encumbrances exist, full particulars thereof;

(i) the name and address of the person authorised to receive service of notices or legal process in respect of matters arising under this Act until the association assumes such responsibility;

(j) provisions specifying the percentage of votes of the apartment owners required for decisions relating to repair, restoration, reconstruction or sale of the property in the event of damage or destruction of the whole or any part of the project;

(k) such other particulars relating to the project or the property as may be prescribed.

(2) The declaration may be amended in such circumstances and in such manner as may be prescribed:

Provided that no amendment affecting the undivided right, title and interest of apartment owners in the land or in the common areas and facilities shall be made except with the consent of the apartment owners in the manner specified under this Act.

15. Bye-laws of the Association.- (1)The association of apartment owners shall adopt bye-laws for the administration, management, maintenance and use of the property and the common areas and facilities in accordance with the provisions of this Act.

(2) The bye-laws and any amendments thereto shall be filed with the competent authority in such form and within such period as may be prescribed.

(3) Where the competent authority finds that any provision of the bye-laws is inconsistent with the provisions of this Act or the rules made thereunder, it may require the association to modify such provision within such time as may be specified.

(4) The bye-laws shall operate subject to the provisions of this Act, the rules made thereunder and the declaration.

(5) Any provision of the bye-laws which is inconsistent with or contrary to the provisions of this Act, the rules made thereunder or the declaration shall be void to the extent of such inconsistency.

CHAPTER IV

OBLIGATIONS AND DUTIES OF PROMOTER AND ALLOTTEES OR APARTMENT OWNERS

16. Duties of the promoter.- (1)It shall be the duty of every promoter to,-

(a) submit the declaration to the competent authority in accordance with the provisions of this Act;

(b) hand over to the association of apartment owners, within sixty days from the date of issue of the Occupancy Certificate**,** all original documents and records relating to the project, in physical or electronic form**,** including but not limited to,-

(i) title documents relating to the land;

(ii) the declaration submitted to the competent authority;

(iii) the lease deed or lease certificate, where the land is held on lease;

(iv) sanctioned plans, approvals and completion certificates;

(v) as-built drawings and structural drawings;

(vi) statutory compliance certificates including fire safety, lift safety and environmental approvals;

(vii) insurance policies relating to the project;

(viii) encumbrance certificates and related records;

(ix) electrical wiring diagrams, plumbing layouts and service drawings;

(x) documents relating to purchase, installation and commissioning of equipment and machinery;

(xi) operation manuals, service manuals and warranty documents for all equipment and installations;

(xii) maintenance contracts, annual maintenance agreements and vendor contact details relating to lifts, generators, fire safety systems, water treatment plants and other common facilities;

(xiii) user manuals, access credentials and software documentation for any building management systems or electronic security systems installed in the project;

(xiv) receipts evidencing payment of municipal taxes, fees and other statutory dues up to the date of handover; and

(xv) such other documents or records relating to the project as may be prescribed and the association shall acknowledge receipt of such documents and furnish a copy of such acknowledgement to the competent authority;

(c) transfer to the association of apartment owners all funds collected from the allottees or apartment owners, as the case may be, towards maintenance

deposits, security deposits, corpus fund, advance maintenance or any other charges relating to the common areas and facilities, together with the interest accrued thereon, within sixty days from the date of issue of the Occupancy Certificate, along with an audited statement of accounts showing project-wise and allottee-wise details;

(d) furnish to the association such other information and documents relating to the project as may be prescribed.

(2) Subject to the provisions of the Real Estate (Regulation and Development) Act, 2016 (Central Act 16 of 2016), the promoter shall hand over possession of the apartments to the allottees and facilitate the formation of the association of apartment owners in accordance with the provisions of section 21.

(3) The promoter shall maintain the common areas and facilities and provide essential services until the association of apartment owners assumes such responsibility in accordance with this Act, and may levy proportionate maintenance charges from the allottees or apartment owners, as the case may be, as specified in the declaration or as may be prescribed.

(4) After the transfer of management of the common areas and facilities to the association, the promoter shall not undertake any further development or construction within the project or in the common areas and facilities unless,-

(a) such development forms part of the sanctioned plan disclosed in the declaration.

(b) it is undertaken with the prior approval of the competent authority and with the consent of not less than two-thirds of the apartment owners in the manner prescribed.

17. Rights and responsibilities of allottees.- (1) The rights and responsibilities of the allottees in relation to apartments in a project shall be the rights and responsibilities assigned to them under the Real Estate (Regulation and Development) Act, 2016 (Central Act 16 of 2016).

(2) In addition to the provisions of the said Act, the allottees shall be subject to such rights and responsibilities as may be provided under this Act, the rules made thereunder, the declaration and the bye-laws of the association.

(3) Upon execution of the deed of transfer of an apartment in favour of an allottee, such allottee shall thereafter be deemed to be an apartment owner for the purposes of this Act.

18. Responsibilities of apartment owners.- Every apartment owner shall,-

(a) comply with the provisions of this Act, the rules made thereunder, the declaration and the bye-laws of the association;

(b) use the apartment and the common areas and facilities only for the purposes for which they are intended and without hindering or encroaching upon the lawful rights of other apartment owners or occupiers;

(c) use the service areas, basements and other common areas only in accordance with the sanctioned plan and for the purposes for which they are designated, and not otherwise;

(d) pay the maintenance charges, common expenses and capital contributions as determined by the association in accordance with the provisions of this Act, the rules, the declaration and the bye-laws;

(e) maintain the apartment, including its internal installations, fixtures, drains, pipes, electrical systems and appurtenances, at his own cost in good condition and repair;

(f) not make any structural alteration, addition or modification to the apartment or any part of the building which may affect the structural stability, safety or external appearance of the building without the prior approval of the association and the competent authority where required under law;

(g) not damage or interfere with any structural element of the building including load-bearing walls, columns, beams or other structural components;

(h) not alter the exterior façade, colour scheme, external walls, windows or elevation of the building without the approval of the association;

(i) not place or install any sign-board, advertisement, hoarding or publicity material on the exterior of the building or in the common areas except as permitted by the association in accordance with the bye-laws;

(j) not store any hazardous, inflammable or combustible materials in the apartment or in any part of the common areas except as permitted under applicable laws;

(k) ensure that electrical installations and load within the apartment are used in conformity with the electrical systems installed in the project and in accordance with safety standards;

(l) not undertake any act or carry out any work which may prejudice the structural integrity, safety or stability of the building or impair the use and enjoyment of the property by other apartment owners;

(m) not construct any additional structure, enclosure, basement or excavation within the project except in accordance with the sanctioned plan and with the approvals required under law;

(n) be responsible for any act or omission of his tenants, occupants, employees or agents in respect of compliance with the provisions of this Act, the rules, the declaration and the bye-laws;

(o) be liable for any loss or damage caused to the property or the common areas and facilities as a result of any breach of the provisions of this section;

(p) permit the association or its authorised representatives to enter the apartment during reasonable hours, after due notice, where such entry is necessary for the maintenance, inspection, repair or replacement of any part of the common areas and facilities or installations situated within or accessible through the apartment, and in cases of emergency such entry may be made without prior notice; and

(q) not use or permit the use of the apartment for any unlawful purpose or in any manner which may cause nuisance, annoyance, inconvenience or hazard to other apartment owners or occupiers or which may adversely affect the safety, health or peaceful enjoyment of the property.

19. Prohibition of certain works.-(1)No apartment owner shall carry out or permit to be carried out any work in the apartment or in any part of the building which,-

(a) jeopardises or is likely to jeopardise the structural stability, soundness or safety of the building or any part thereof;

(b) reduces or is likely to reduce the value, utility or safety of the property;

(c) interferes with or impairs any easement, service installation, common area or common facility in the building; or

(d) is otherwise prohibited under the provisions of this Act, the rules made thereunder, the declaration or the bye-laws of the association.

(2) Where an apartment owner carries out or undertakes any work in contravention of sub-section (1), the association shall serve a written notice requiring such owner to remove, discontinue or rectify the work, either wholly or partially, within such period as may be specified in the notice.

(3) Where the apartment owner fails to comply with the notice within the specified period, the association may, after giving a reasonable opportunity of being heard to the apartment owner, remove or rectify such work, either wholly or partially, and restore the property to its original condition.

(4) The costs incurred by the association in carrying out such removal, rectification or restoration shall be recoverable from the apartment owner as arrears of common expenses in such manner as may be specified in the bye-laws.

(5) Where the work undertaken by the apartment owner poses a threat to the structural stability, safety or habitability of the building, or where the apartment owner fails to comply with the directions of the association, the association may approach the competent authority for appropriate orders including directions for stoppage of work, removal or rectification of such work, restoration of the property to its original condition, or such other measures as may be necessary for the safety and protection of the property.

20. Recovery of common expenses.- (1)All sums assessed by the association of apartment owners towards maintenance charges, common expenses, capital contributions or any other charges payable under this Act, the rules made thereunder, the declaration or the bye-laws shall constitute a charge on the apartment together with the undivided right, title and interest in the land and the common areas and facilities appurtenant thereto.

(2) Such charge shall be enforceable against the apartment owner and shall include interest at such rate as may be prescribed.

(3) The charge created under sub-section (1) shall be prior to all other charges created subsequently in respect of the apartment:

Provided that such charge shall be subordinate to any taxes, fees, user charges payable to Government Authorities and the mortgage or charge created in favour of a bank, financial institution or any other secured creditor prior to the assessment of such common expenses.

(4) Upon the transfer or sale of an apartment, the purchaser of the apartment shall be jointly and severally liable with the transferor for the payment of any unpaid common expenses relating to that apartment up to the date of such transfer.

(5) The association shall, on request by an apartment owner intending to transfer the apartment, issue a certificate stating the amount of unpaid common expenses, if any, relating to the apartment and such certificate shall be conclusive as against the association for the amount specified therein. In the event of default in payment of common expenses, the association may recover such dues together with prescribed interest and costs in the manner as may be prescribed or by approaching the competent authority for appropriate directions.

(6) Without prejudice to the provisions of sub-section (5), where an apartment owner persistently defaults in the payment of common expenses, the association may, after giving due notice, restrict the use of such non-essential common facilities and services as may be specified in the bye-laws:

Provided that no essential services including water supply, electricity, sanitation, lift services, fire safety systems or access to the apartment shall be withheld.

(7) The competent authority may, upon application by the association and after giving the apartment owner an opportunity of being heard, pass such orders for recovery of the dues as it deems fit, including directions for payment of the amount due together with interest and costs.

CHAPTER V

ASSOCIATION

21. Formation of association and transfer of management.- (1)For the purposes of carrying out the provisions of this Act, the rules made thereunder, the declaration and the bye-laws, there shall be formed an association of allottees or apartment owners for every project.

(2) The promoter shall facilitate the formation and registration of the association within three months from the date on which a majority of the apartments in the project have been allotted, in such form and manner and upon payment of such fees as may be prescribed.

(3) Notwithstanding anything contained in any agreement, deed of transfer or other document, it shall be the joint responsibility of the promoter and the allottees to ensure the formation of the association once a majority of apartments in the project have been allotted.

(4) Where the promoter fails to facilitate the formation of the association within the period specified in sub-section (2), the competent authority may initiate appropriate action and impose such penalty as may be provided under this Act and itself cause the Association to be formed and operationalized in accordance with this Act.

(5) There shall be a single registered association for every project. The association may permit formation of sub-committees, if required. Where a project is developed in phases, the majority required for the purpose of formation of the Association shall be determined based on the first phase:

Provided that**,** upon the completion of any subsequent phase and the execution of deeds of apartment in respect of the apartments comprised therein, the apartment owners of such subsequent phase shall, by operation of law, automatically become members of the Association already constituted for the project and shall enjoy the same rights, privileges and obligations as the existing members of the Association.

Provided further that, in the case of mixed-use developments comprising residential apartments, commercial units, units reserved for Economically Weaker Sections (EWS), or any other category of units, the constitution, structure and governance of the Association shall be such as may be prescribed.

Provided also that, until rules are framed under the preceding proviso, the provisions relating to the formation, constitution and functioning of Associations under this Act shall apply mutatis mutandis to such mixed-use developments.

-Where a project is developed in phases, the association shall jointly manage and maintain the common areas and facilities shared by the phases.

Explanation: For the purposes of this section, "Economically Weaker Section (EWS)" means such category of persons as may be notified by the State Government from time to time.

(6) An association registered under this Act shall be a body corporate by the name under which it is registered, having perpetual succession and a common seal, and shall have the power to acquire, hold and dispose of property, to sue and be sued and to perform such functions as are necessary for carrying out the provisions of this Act, the rules made thereunder, the declaration and the bye-laws.

(7) Every allottee or apartment owner shall be a member of the association:

Provided that a person shall be treated as one member of the association and shall have one vote irrespective of the number of apartments owned or allotted in his name or in the name of any entity controlled by him.

(8) The promoter shall be a member of the association in respect of each apartment that remains unsold or un-allotted and shall be liable to pay maintenance charges and other dues relating to such apartments until they are transferred.

(9) A member shall cease to be a member of the association,-

(a) upon cancellation of the allotment prior to execution of the deed of transfer;

(b) upon transfer of the apartment by sale, gift or any other lawful mode to another person;

(c) upon transmission of the apartment by inheritance, succession or operation of law, in which case the legal heir or successor shall become the member; or

(d) in such other circumstances as may be specified in the bye-laws.

(10) Upon the formation and registration of the association, the promoter shall, within such period as may be notified, transfer the management, administration and maintenance of the common areas and facilities of the project to the association.

(11) At the time of such transfer, the promoter shall hand over to the association,-

(a) possession and control of the common areas and facilities;

(b) all documents, records and plans relating to the project including those referred to in section 15;

(c) all funds collected from the allottees or apartment owners towards maintenance deposits, corpus fund or other charges relating to the common areas and facilities; and

(d) the operation and maintenance responsibilities of all service installations and common infrastructure in the project.

(12) Upon such transfer, the association shall assume responsibility for the administration, maintenance, repair and management of the common areas and facilities in accordance with the provisions of this Act, the rules made thereunder, the declaration and the bye-laws.

(13) Notwithstanding the transfer of management to the association, the promoter shall continue to remain liable for all obligations under the Real Estate (Regulation and Development) Act, 2016 (Central Act 16 of 2016), including the rectification of structural defects or other defects during the liability period specified under that Act.

22. Registration of association.- (1)The application for registration of the association of allottees or apartment owners shall be submitted to the competent authority in such form, manner and within such time as may be prescribed:

Provided that in respect of projects where apartments have already been allotted, sold or otherwise transferred prior to the commencement of this Act, the application for registration of the association shall be submitted within three months from the date of commencement of this Act.

(2) The application for registration of the Association shall be accompanied by,-

(a) the bye-laws of the Association; and

(b) such other documents as may be prescribed.

(3) Upon receipt of an application under above sub-sections, the competent authority shall examine the same and, if satisfied that the proposed association and its bye-laws are in conformity with the provisions of this Act and the Real Estate (Regulation and Development) Act, 2016 (Central Act 16 of 2016), register the association and issue a certificate of registration within sixty days from the date of receipt of the application.

(4) An association registered under this Act shall be a body corporate having perpetual succession and a common seal, and may sue or be sued in its own name and exercise such powers and perform such functions as are necessary for carrying out the provisions of this Act, the rules, the declaration and the bye-laws.

(5) Notwithstanding anything contained in any other law for the time being in force, including but not limited to the Karnataka Co-operative Societies Act, 1959(Karnataka Act 11 of 1959) or the Karnataka Societies Registration Act, 1960(Karnataka Act 17 of 1960), no promoter, allottee or apartment owner of a project to which this Act applies shall register or cause to be registered any association of apartment owners under any other law for the purpose of managing the affairs of the apartments or the common areas and facilities.

(6) Any association of apartment or flat owners formed and registered before the commencement of this Act under,-

(a) the Karnataka Societies Registration Act, 1960 (Karnataka Act 17 of 1960);

(b) the Karnataka Co-operative Societies Act, 1959(Karnataka Act 11 of 1959);

(c) the Karnataka Apartment Ownership Act, 1972 (Karnataka Act 17 of 1973); or

(d) the Companies Act, 2013 (Central Act 18 of 2013):

-shall be deemed to be an association under this Act:

Provided that, if multiple associations have been formed for a single project prior to commencement of this Act, such associations shall be merged to form a single association.

(7) Every such association referred to in sub-section (6) shall, within six months from the date of commencement of this Act,-

(a) furnish to the competent authority such particulars relating to its registration, members and bye-laws as may be prescribed; and

(b) bring its bye-laws into conformity with the provisions of this Act and the model bye-laws prescribed thereunder.

Explanation: The expression *"phase"* shall have the same meaning as assigned to it under the Real Estate (Regulation and Development) Act, 2016.

23. Executive Committee.- (1) The affairs of the association shall be managed by an Executive Committee consisting of such number of members as may be specified in the bye-laws of the association.

(2) The members of the Executive Committee shall be elected from among the members of the association in accordance with the procedure specified in the bye-laws.

(3) The term of office of the members of the Executive Committee shall be such as may be specified in the bye-laws, but shall not exceed two years from the date of their election.

(4) A member who has served two consecutive terms as a member of the Executive Committee shall not be eligible for election or nomination to the Executive Committee for the immediately succeeding term.

(5) Where the Executive Committee fails to conduct elections before the expiry of its term, the competent authority may appoint an administrator for such period as may be necessary to conduct elections in accordance with this Act.

24. Duties and powers of the association or Executive Committee.- (1)The association shall perform such functions and undertake such activities as may be provided in this Act, the rules made thereunder, the declaration and the bye-laws.

(2)The association shall be responsible for the administration, upkeep, repair and maintenance of the common areas and facilities, including community and commercial facilities, and shall maintain records relating to limited common areas and facilities.

(3) The association shall ensure that the building and the project are maintained in conformity with the sanctioned plan and the occupancy certificate issued by the competent planning or local authority.

(4) The association shall take appropriate action against any violation of the sanctioned plan or unauthorised construction by any allottee or apartment owner and shall not itself undertake any activity in violation of the sanctioned plan.

(5) The association shall perform its functions and exercise its powers in accordance with the provisions of this Act and rules made thereunder, the declaration and the bye-laws:

Provided that, where any matter relating to the maintenance, safety or management of the property is not provided in the bye-laws, the association may undertake such action with the prior approval of the competent authority.

Provided further that such action is consistent with the provisions of this Act and rules made thereunder. The executive committee shall be responsible for the negligence limited to the function and duties assigned under this Act.

(6) The association may undertake alteration, modification, reconstruction or rebuilding of the building, or any variation affecting the number or area of apartments, only with,-

(a) the consent of not less than seventy-five percent of the apartment owners of the building; and

(b)the prior approval of the competent planning authority or local authority in accordance with the applicable laws:

Provided that, where the apartment building is situated outside a local planning area, the approval of the authorised officer under sub-section (2) of section 4-K of the Karnataka Town and Country Planning Act, 1961 (Karnataka Act 11 of 1963) shall be obtained before undertaking such changes.

25. Levy and Recovery of Maintenance Charges.- (1)The association shall assess the common expenses incurred for the administration, upkeep, repair and maintenance of the common areas and facilities and shall levy such expenses as maintenance charges on every apartment owner in such proportion as may be specified in the bye-laws and consistent with the provisions of this Act.

(2) The bye-laws shall specify,-

(a) the basis for levy of maintenance charges which should in general be proportionate to the ratio Super Built Up Areas of each apartment has to the total Super Built Up Area of all the apartments in the project except for specially amounts payable by an apartment for any special services or usage availed in accordance with this Act, rules and bye-laws made thereunder.

(b)the date and manner of payment of such charges; and (c) the rate of interest or penalty for delay or non-payment within the upper limit prescribed in this regard:

Provided that the penalty imposed for non-payment shall not exceed the amount of the monthly maintenance charges payable by the apartment owner.

Provided further that any penalty collected shall be credited to the common capital maintained by the association.

(3) Every apartment owner shall be liable to pay the maintenance charges and capital contributions assessed by the association, in accordance with this Act and rules thereunder, for the upkeep and maintenance of the common areas and facilities in the project or phase, notwithstanding that such owner does not use or enjoy any of such facilities.

(4) Where an apartment owner is not in occupation of the apartment owned by him, the maintenance charges payable in respect of such apartment may be recovered from the person in occupation thereof, without prejudice to the liability of the apartment owner.

(5) The association may levy charges for the maintenance or use of community and commercial facilities, which may be in the form of one-time charges, recurring charges or both, as may be specified in the bye-laws.

(6) Where the promoter continues to hold any unsold or un-allotted apartment and remains a member of the association under this Act, the promoter shall be liable to pay the maintenance charges relating to such apartments in the same manner as any other apartment owner.

(7) All maintenance charges, community and commercial facilities user charges, together with any interest or penalty payable thereon and remaining unpaid shall constitute a charge on the apartment together with the undivided

right, title and interest in the land and the common areas and facilities appurtenant thereto recoverable as per provisions of this Act as arrears of Common Expenses:

Provided that such charge shall be subordinate to,-

(a) Government or municipal taxes or dues payable in respect of the apartment;

(b) statutory dues payable under any law for the time being in force; and

(c) sums secured under a prior registered mortgage of the apartment.

26. Procedure for creation and discharge of charge.- (1) Where any maintenance charges, common expenses, user charges, interest or penalties payable in respect of an apartment remain unpaid, the association or the concerned apartment owner may make an application to the competent authority for recording or removal of a charge against such apartment in such form and manner as may be prescribed.

(2) Upon receipt of such application, the competent authority may, after giving an opportunity of being heard to the concerned parties and after satisfying itself regarding the dues payable, record the charge or order the removal thereof, as the case may be, in such manner as may be prescribed.

(3) The period of limitation for referring a dispute under section 25 shall be six months from the date on which the dispute has arisen.

(4) The period of limitation for making an application for recording a charge under this section shall be two years from the date on which the dues have become payable and remain unpaid.

27. Rights and liabilities of subsequent purchaser.- (1) A person intending to purchase an apartment shall, on his own initiative, obtain from apartment owner a statement specifying the maintenance charges and other dues, if any, payable in respect of such apartment as issued by the association and understand the dues pending on the apartment he intends to purchase.

(2) All unpaid maintenance charges, common expenses, user charges, interest or penalties relating to an apartment shall continue to remain a charge on such apartment, when so created by the Competent Authority in accordance with this Act. Notwithstanding its transfer, and shall be payable by the subsequent purchaser as the same is without prejudice to the right of the association to recover the same.

(3) Where a subsequent purchaser discharges any dues of the association relating to the period prior to the transfer of the apartment, such purchaser shall be entitled to recover the amount so paid from the previous apartment owner in accordance with law.

28. Accounts and Audit.- (1) The association shall maintain a bank account in its name with a Scheduled Bank, into which all maintenance charges, security deposits, advance maintenance, other contributions and all other funds and charges collected under this Act or the bye-laws shall be deposited.

Explanation: For the purposes of this section, *"Scheduled Bank"* means a bank included in the Second Schedule to the Reserve Bank of India Act, 1934 (Central Act 2 of 1934).

(2) The association may maintain separate bank accounts for different funds including maintenance funds, common capital funds or any other funds created under the bye-laws, and the operation of such accounts shall be governed in the manner specified in the bye-laws.

(3) The association shall maintain proper books of accounts including,-

(a) receipts and payments account;

(b) income and expenditure account; and

(c) balance sheet for each financial year,

-together with such other records as may be prescribed.

(4) The association shall be responsible for payment of all taxes and statutory dues payable under any law for the time being in force in respect of the common areas and facilities or its activities.

(5) The accounts of the association shall be audited annually by a chartered accountant or such other qualified auditor as may be prescribed.

(6) The association shall, within six months from the end of each financial year, submit the audited statement of accounts to the competent authority in such form and manner as may be prescribed.

(7) Where the association fails to submit the audited statement within the period specified in sub-section (6), the competent authority may, after giving an opportunity of being heard, impose such penalty as may be prescribed on the association or executive committee, as the case may be, and direct the association or executive committee to comply within such further period as may be prescribed.

(8)Any surplus arising from the income of the association shall be utilised or appropriated only for such purposes as may be specified in this Act or in the bye-laws.

29. Insurance of Property.- (1)Without prejudice to the right of each apartment owner to insure his or her apartment, the association shall insure the property, including the common areas and facilities, against fire, flood and such other risks as may be specified in the bye-laws or approved by a majority of the apartment owners.

(2) The association shall also obtain insurance policies covering such risks as may be necessary including public liability, occupier's liability and employer's liability in relation to the common areas and facilities.

(3) Every insurance policy obtained under this section shall be in the name of the association as trustee for the apartment owners in the proportion specified in the declaration.

(4) The premium payable towards such insurance shall form part of the common expenses of the project.

30. Major repairs, reconstruction and liability for damage.- (1) Where the building or any part of the property requires major repairs, reconstruction or rebuilding on account of damage, deterioration, natural calamity or any other cause, and the cost of such works exceeds the funds ordinarily available with the association, the association may undertake such repairs, reconstruction or rebuilding with the approval of the apartment owners.

(2) The approval under sub-section (1) shall be obtained by a resolution passed by a majority of the apartment owners present and voting in a general body meeting convened for this purpose:

Provided that the quorum for such meeting shall not be less than fifty per cent of the total apartment owners in the association.

(3) The costs required for carrying out such repairs, reconstruction or rebuilding shall be declared as common expenses, and every apartment owner shall be liable to contribute towards such expenses in proportion to the ratio of the super built-up area of the apartment to the total super built-up area of all the apartments in the association.

(4) Where the association fails to take a decision under sub-section (2) within six months from the date of the occurrence of damage or the requirement of major repairs, despite convening the general body meeting for such purpose, the Executive Committee of the association may, with the approval of the competent authority, undertake such repairs, reconstruction or rebuilding.

(5) The expenses incurred for works undertaken under sub-section (4) shall be treated as common expenses of the association and shall be recoverable from each apartment owner in the same proportion as specified in sub-section (3).

(6) Where damage occurs to any service line, utility installation, structural component or any part of the property attributable to an apartment or its occupier, and such damage affects other apartments or the common areas and facilities, the apartment owner concerned shall repair, rectify or replace the same within,-

(a) five days in the case of minor repairs; and

(b) thirty days in the case of major repairs.

(7) Where the apartment owner fails to carry out such repair within the period specified in sub-section (6), the association may undertake the repair or rectification and recover the cost thereof from the concerned apartment owner as maintenance dues or common expenses in accordance with the provisions of this Act.

(8) Notwithstanding anything contained in this section, where any part of the building, service installation or common area requires urgent repair or replacement in the interest of safety of the occupants or protection of the property, the Executive Committee of the association may undertake such repairs immediately without waiting for the approval of the general body:

Provided that,-

(a) the Executive Committee shall record the reasons for treating the work as urgent;

(b) the details of the work undertaken and the expenditure incurred shall be placed before the next general body meeting of the association for ratification; and

(c) the expenditure incurred for such emergency repairs shall be treated as common expenses of the association and shall be recoverable from the apartment owners in the same proportion as specified under sub-section (3).

31. Verification of structural stability of buildings.- (1) Upon completion of thirty years from the date of construction of a building, the association shall cause the structural stability of the building to be assessed by a certified and registered structural engineer.

(2) Upon such inspection, the structural engineer shall issue a structural stability certificate stating whether the building is,-

(a) safe for continued occupation;

(b) safe for continued occupation subject to specified repairs, strengthening or modifications; or

(c)unsafe for continued occupation.

(3) Where the building is certified as safe for continued occupation under clause (a) of sub-section (2), the association shall obtain a fresh structural stability certificate at least once in every five years thereafter.

(4) Where the building is certified under clause (b) of sub-section (2), the association shall undertake the repairs, strengthening or modifications recommended by the structural engineer in accordance with the provisions of section 30.

(5) Where the building is certified under clause (c) of sub-section (2) as unsafe for continued occupation, the structural engineer shall communicate such finding to the association and simultaneously intimate the competent authority and the local authority having jurisdiction over the area.

(6) Where the association is aggrieved by the opinion of the structural engineer declaring the building unsafe for continued occupation, the association may, within thirty days from the receipt of such opinion, prefer an appeal before such Expert Committee in a manner that the competent authority may prescribe.

(7) The provisions relating to major repairs, reconstruction or rebuilding of the building under section 30 shall apply mutatis mutandis where repairs, strengthening, demolition or reconstruction of the building becomes necessary under this section.

CHAPTER VI

PREPARATION, SUBMISSION AND REGISTRATION OF BYE LAWS

32. Bye-laws of the association.- (1) The association shall administer and manage the affairs of the apartment building or project and the property appurtenant thereto, including the common areas and facilities, in accordance with the provisions of this Act, the rules made thereunder, the declaration and the bye-laws of the association.

(2) The bye-laws of an association shall be prepared in such form and manner as may be prescribed, by the promoter or by a majority of all the allottees of the apartments in the project or phase where an association is proposed to be formed.

(3) The Government may prescribe model bye-laws for associations under this Act, and the associations may adopt such model bye-laws with such modifications as may be necessary:

Provided that no departure from, variation of, addition to, or omission from the model bye-laws shall be made except with the prior approval of the competent authority.

(4) The bye-laws of the association and every amendment thereto shall be binding on,-

(a) all apartment owners and allottees;

(b) their legal heirs, successors and assigns; and

(c) any person occupying the apartment including tenants, licensees or other occupants, in the same manner as if such bye-laws or amendments had been executed by them.

33. Submission and approval of bye-laws.- (1) The bye-laws of an association shall be submitted to the competent authority, together with such documents and fees and in such manner as may be prescribed, prior to the execution and registration of the conveyance deed of the apartments:

Provided that where the promoter or the majority of the apartment owners fail to submit the bye-laws in accordance with this sub-section, the competent authority may, upon application and after following such procedure as may be prescribed, declare the model bye-laws prescribed under this Act to be the bye-laws applicable to the association.

(2) Upon receipt of an application under sub-section (1), the competent authority shall examine the proposed bye-laws and, if satisfied that they are in conformity with the provisions of this Act and the rules made thereunder, approve the bye-laws, with or without modifications, or reject the same for reasons to be recorded in writing. Such approval or rejection shall be communicated within thirty days from the date of receipt of the application:

Provided that where no decision is communicated within the said period of thirty days, the bye-laws shall be deemed to have been approved unless the said period of thirty days is extended, not more than ninety days in total, by the competent authority.

(3) Any association aggrieved by the decision of the competent authority rejecting the bye-laws or part thereof or imposing any penalty under this Act may prefer an appeal before the First Appellate Authority within one month from the date of communication of such decision.

34. Amendment of bye-laws.- (1) The bye-laws of the association may be amended by a resolution passed in a general body meeting by not less than two-thirds of the apartment owners present and voting, subject to a quorum of not less than one third of the total persons who are members of that association being present.

(2) No amendment to the bye-laws shall be valid unless it is consistent with the provisions of this Act, the rules made thereunder and the declaration of the project.

(3) Every amendment to the bye-laws shall be submitted to the competent authority for approval in such form and manner as may be prescribed.

(4) Upon being satisfied that the amendment is in conformity with the provisions of this Act and the rules made thereunder, the competent authority shall record the amendment and communicate the same to the association:

Provided that in case the Competent Authority fails to decide on the amendments submitted to him within a period of thirty days from the date of submission of the same, the amendments shall be deemed to approved.

Provided further that in case the Competent Authority takes up the amendments for his consideration and issues notices to the association and the same is under consideration and opportunity to hear is being given then, for reasons to be recorded in writing, the said period of 30-days may be extended.

(5) An amendment to the bye-laws shall take effect only from the date of which it is recorded by the competent authority or the deemed approval comes into effect:

Provided that no amendment to the bye-laws shall adversely affect the undivided right, title and interest of any apartment owner in the land or the common areas and facilities

35. Contents of bye-laws.- (1) The bye-laws of an association shall provide for, among other matters, the following,-

(i) Governance and management:

(a) the constitution of the Executive Committee, including the number of members, the manner of their election from among the apartment owners, their term of office, powers and duties, and the procedure for their removal;

(b) the election, powers and duties of the office bearers of the association, including the President, Secretary and Treasurer, and the delegation of functions to such office bearers;

(c) the powers and functions of the Executive Committee in administering the affairs of the association and the property;

(ii) Meetings and voting:

(a) the manner of convening meetings of the association, including annual general meetings and special general meetings, and the quorum required for such meetings;

(b) the manner of conducting meetings and recording minutes of the proceedings of the association and the Executive Committee;

(c) the percentage of votes required for various decisions including amendment of the bye-laws;

(iii) Financial management:

(a) the creation, operation and management of the association fund and other funds including common expenses fund;

(b) the maintenance of financial records, books of accounts and audit of the accounts of the association;

(c) the manner of collecting maintenance charges, capital contributions and other common expenses from apartment owners;

(iv) Property and common areas:

(a) the custody and maintenance of records relating to the land and the project, including the conveyance deed and other documents relating to the property;

(b) the maintenance, repair and replacement of the common areas and facilities and community and commercial facilities;

(c) the engagement, supervision and removal of persons employed for the maintenance, management or security of the property;

(v)Restrictions and regulations relating to the use and maintenance of apartments and the use of the common areas and facilities so as to prevent unreasonable interference with the rights of other apartment owners;

(vi) Administration and enforcement:

(a) the procedure for adopting administrative rules and regulations governing the operation and use of the common areas and facilities;

(b) the procedure for imposing penalties for violation of the bye-laws and the manner of recovery of such penalties.

(vii) Special provisions: The retention or leasing of areas of the building for commercial purposes, subject to the approved plan and other approvals required in this regard, and the utilisation of proceeds from such lease for meeting common expenses and, where applicable, distribution of any surplus among apartment owners;

(viii) Residual matters: Such other matters, not inconsistent with the provisions of this Act and the rules made thereunder, relating to the administration of the property, accounts, audit, meetings and reports of the association.

36. **Bye-laws to be binding.-** (1) The bye-laws of the association shall be binding on all apartment owners, their legal heirs, successors and assigns, and on any person occupying the apartment including tenants, licensees or other occupants.

(2) The association may impose penalties for violation of the bye-laws by an apartment owner or occupier in accordance with the provisions of the bye-laws:

Provided that any person aggrieved by the same may appeal to the competent authority whose decision shall be final.

(3) No penalty shall be imposed unless,-

(a) the bye-laws expressly provide for such penalty and the manner of its determination;

(b) a notice specifying the nature of the violation and the proposed penalty is issued to the concerned apartment owner or occupier; and

(c) the concerned apartment owner or occupier is given a reasonable opportunity of being heard.

(4) The penalty imposed under this section shall not exceed the amount of the monthly maintenance charges payable in respect of the apartment.

(5) Any penalty collected under this section shall be credited to the common capital or maintenance fund maintained by the association, as may be specified in the bye-laws.

37. Power of Government to make model bye-laws.- (1) The Government may, in respect of any matter provided under this Act, make model bye-laws for the guidance of associations constituted under this Act.

(2) Before making such model bye-laws, the Government shall publish a draft of the proposed model bye-laws for a period of not less than thirty days, inviting objections and suggestions from the public.

(3) After considering the objections and suggestions received, the Government may, notify the model bye-laws in the official Gazette.

(4) The Government may, in the like manner, amend or revise the model bye-laws from time to time.

CHAPTER VII

COMPETENT AUTHORITY AND APPELLATE AUTHORITY

38. Appointment of Competent Authority.- (1) The Government, within three months from the date of commencement of this Act shall by notification in the official Gazette, appoint one or more officers of the local authority or the planning authority, not below the rank of Group-B, to be the Competent Authority for the purposes of this Act.

(2) The Government shall specify the local limits of jurisdiction within which such Competent Authority shall exercise the powers and perform the functions assigned to it under this Act.

(3) Where more than one Competent Authority is appointed for a particular area, the Government may specify the distribution of jurisdiction and functions among such authorities.

39. Powers of the Competent Authority.- The Competent Authority shall have the following powers for the purpose of carrying out the provisions of this Act, namely:-

(a)to require any promoter, association or apartment owner, either on a complaint or suo motu, to furnish such information, documents or explanation in writing as may be necessary, and where considered necessary, to conduct or cause to be conducted an inquiry into the affairs of the project including the constitution, working and financial condition of the association;

(b) to appoint one or more persons to conduct such inquiry and to report to the Competent Authority within such time as may be specified;

(c) to enter, at reasonable hours and after giving due notice, any apartment or property appurtenant thereto for the purpose of verifying whether the provisions of this Act, the rules made thereunder or the bye-laws have been complied with;

(d) to issue such directions and pass such orders as may be necessary for ensuring compliance with the provisions of this Act, the rules made thereunder and the bye-laws;

(e) to impose penalties or interest for any contravention of the provisions of this Act or the rules made thereunder by a promoter, apartment owner, association, and to issue orders directing payment of maintenance dues or any other amounts payable under this Act;

(f) to order recovery of any penalties, interest, maintenance dues or other amounts payable under this Act in such manner as may be prescribed;

(g) to revoke or permit withdrawal of the declaration where the association seeks removal of the property from the provisions of this Act in accordance with the bye-laws and such procedure as may be prescribed; and

(h) to exercise such other powers as may be necessary for carrying out the purposes of this Act or as may be prescribed.

40. Functions of the Competent Authority.- The Competent Authority shall perform the following functions for the purposes of carrying out the provisions of this Act, namely:-

(a) to register, regulate and supervise associations constituted under this Act in accordance with such procedure and criteria as may be prescribed;

(b)to receive, scrutinise and maintain a register of declarations submitted under section 13, including any amendments thereto;

(c) to examine and approve the bye-laws of associations and any amendments thereto in accordance with the provisions of this Act, or where necessary declare the model bye-laws prescribed under this Act to be applicable;

(d) to ensure compliance with the obligations imposed on promoters, associations and apartment owners under this Act, the rules made thereunder and the bye-laws;

(e)to adjudicate or facilitate the resolution of disputes arising under the provisions of this Act, the rules made thereunder and the bye-laws, in such manner as may be prescribed;

(f) to establish and maintain a publicly accessible electronic registry containing details of registered associations, declarations, bye-laws and such other information as may be prescribed;

(g) to cause to maintain records relating to declarations and to maintain a register reflecting the undivided right, title and interest of each apartment in the land and the common areas and facilities;

(h) to verify that the land of the project or phase is free from undisclosed encumbrances or that such encumbrances are duly disclosed before accepting registration of the declaration;

(i) to ensure no creation of any charge or encumbrance affecting the land of the project or the common areas and facilities after registration of the declaration, except in accordance with the provisions of this Act;

(j) to permit or record the creation of charges or encumbrances against an individual apartment where such charge is to be created on the apartment owner in accordance with law and procedure prescribed under this Act;

(k) to undertake measures for promoting awareness of the provisions of this Act among apartment owners, associations and residents within its jurisdiction;

(l)to perform such other functions as may be necessary for carrying out the purposes of this Act or as may be prescribed.

41. Competent Authority to have powers of Civil Court.- (1) Notwithstanding anything contained in any other law for the time being in force, the Competent Authority shall, while exercising its powers or conducting any inquiry or proceedings under this Act, have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 (Central Act 5 of 1908) while trying a suit, in respect of the following matters, namely:-

(a) summoning and enforcing the attendance of any person and examining such person on oath;

(b) requiring the discovery and production of books of account, records and other documents at such time and place as may be specified by the Competent Authority;

(c) issuing commissions for the examination of witnesses or documents; and

(d) such other matters as may be prescribed.

(2) The Competent Authority shall be guided by the principles of natural justice and, subject to the provisions of this Act and the rules made thereunder, shall have the power to regulate its own procedure.

(3) Where, during the course of any inquiry or proceeding, the Competent Authority is satisfied that any act in contravention of the provisions of this Act or the rules made thereunder,-

(a) has been committed and continues to be committed; or

(b) is about to be committed,

-the Competent Authority may, by order, issue such directions or interim orders as it deems necessary, including restraining any promoter, apartment owner, association or any office-bearer thereof from carrying on such act until the conclusion of the inquiry or until further orders:

Provided that where the Competent Authority considers it necessary in the interest of justice or to prevent irreparable harm, such interim order may be passed without prior notice, subject to giving the affected party a reasonable opportunity of being heard.

(4) Every order passed or direction issued by the Competent Authority under this Act shall be binding on the promoter, association, apartment owner or any other person to whom such order or direction is addressed.

(5) Where any person fails to comply with an order or direction of the Competent Authority within the time specified therein, the Competent Authority may proceed to enforce such order in such manner as may be prescribed.

(6) Without prejudice to any other mode of recovery provided under this Act, any amount payable under an order of the Competent Authority, including penalties, interest, maintenance dues, costs or any other sum payable, may be recovered as arrears of land revenue or arrears of property tax.

(7) The Competent Authority may, for the purpose of enforcing its orders or directions, require the assistance of the local authority, revenue authorities or the police authorities having jurisdiction, and such authorities shall render necessary assistance.

(8) The appeal against any order of the competent authority shall lie to First Appellate Authority appointed under this Act.

42. **Proceedings deemed to be judicial proceedings.- (1)** All proceedings before the First Appellate Authority and the Second Appellate Authority under this Act shall be deemed to be judicial proceedings within the meaning of sections 229 and 267, and for the purposes of section 233, of the Bharatiya Nyaya Sanhita, 2023 (Central Act 45 of 2023).

(2) The First Appellate Authority and the Second Appellate Authority shall be deemed to be civil courts for the purposes of section 215 and Chapter XXVIII of the Bharatiya Nyaya Sanhita, 2023 (Central Act 45 of 2023).

(3) Any person aggrieved by an order passed by the Second Appellate Authority may prefer an appeal before the High Court within such period and in such manner as may be prescribed.

43. Functions of association to be discharged by the Competent Authority.- (1) Where not less than two-thirds of the apartment owners of a project or phase submit, in writing and in such manner as may be prescribed, that the Competent Authority may

discharge the functions of the association under this Act or the bye-laws, the Competent Authority may, with the prior approval of the First Appellate Authority, assume and discharge functions of the association for such period and subject to such conditions as the First Appellate Authority may specify.

(2) During the period for which the Competent Authority discharges the functions of the association, it shall exercise such powers and perform such duties of the association or the Executive Committee as may be necessary for the proper administration, maintenance and management of the property and the common areas and facilities.

(3) The Competent Authority may appoint one or more officers or staff to assist him in carrying out the functions of the association during such period.

(4) The expenses incurred for administering the affairs of the association during such period shall be treated as common expenses and shall be recoverable from the apartment owners in accordance with the provisions of this Act.

(5) The Competent Authority shall ensure that every apartment owner is informed of the assumption of such functions as soon as practicable, through written communication or such other means of communication as may be prescribed.

(6) Upon expiry of the period specified under sub-section (1), or upon satisfaction that the association is capable of functioning in accordance with the provisions of this Act, the Competent Authority shall restore the management and administration of the association to the apartment owners.

44. First Appellate Authority.- (1) The Government, within three months from the date of commencement of this Act shall, by notification in the Official Gazette, appoint one or more officers of the local authority or the planning authority, or any officer supervising the functions of such authority, not below the rank of Group-A (Junior Scale), to act as the First Appellate Authority for the purposes of this Act.

(2) Any person aggrieved by an order passed or direction issued by the Competent Authority may prefer an appeal to the First Appellate Authority in such form and manner and accompanied by such fee as may be prescribed.

(3) Every appeal under sub-section (2) shall be filed within thirty days from the date of the order or direction appealed against:

Provided that the First Appellate Authority may entertain an appeal after the expiry of the said period if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal within the prescribed period.

(4) The First Appellate Authority shall, after giving the parties an opportunity of being heard, pass such order as it deems fit, including confirming, modifying or setting aside the order or direction of the Competent Authority.

(5) Every appeal under this section shall, as far as practicable, be disposed of within ninety days from the date of filing of the appeal:

Provided that where the appeal is not disposed of within the said period, the First Appellate Authority shall record the reasons for such delay.

45. Second Appellate Authority.- (1) The Government shall, within three months from the date of commencement of this Act, by notification in the Official Gazette, appoint one or more officers of the local authority or the planning authority, or any officer supervising the functions of such authority, not below the rank of Group-A (Senior Scale), to act as the Second Appellate Authority for the purposes of this Act.

(2) Any person aggrieved by an order passed by the First Appellate Authority may prefer an appeal to the Second Appellate Authority in such form and manner and accompanied by such fee as may be prescribed.

(3) Every appeal under sub-section (2) shall be filed within thirty days from the date of the order appealed against:

Provided that the Second Appellate Authority may entertain an appeal after the expiry of the said period if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal within the prescribed period.

(4) The Second Appellate Authority shall, after giving the parties an opportunity of being heard, pass such order as it deems fit, including confirming, modifying or setting aside the order of the First Appellate Authority.

(5) The order of the Second Appellate Authority shall be final and binding on the parties, subject to the right of appeal to the High Court as provided under this Act.

(6) Every appeal under this section shall, as far as practicable, be disposed of within ninety days from the date of filing of the appeal:

Provided that where the appeal is not disposed of within the said period, the Second Appellate Authority shall record the reasons for such delay.

46. Powers of the First and Second Appellate Authorities.- (1) The First Appellate Authority and the Second Appellate Authority shall have the power to,-

(a) call for the records of any proceeding from the Competent Authority or the First Appellate Authority, as the case may be;

(b) examine the legality, propriety or correctness of any order or direction passed under this Act;

(c) confirm, modify or set aside the order appealed against; and

(d) issue such directions as may be necessary for the proper implementation of this Act.

(2) The Appellate Authorities may pass such interim orders, including orders of stay or injunction, as they deem necessary pending disposal of the appeal.

(3) The Appellate Authorities shall be guided by the principles of natural justice and may regulate their own procedure subject to the provisions of this Act and the rules made thereunder.

47. Karnataka State Consultation and Advisory Committee.- The Government may, by notification, constitute an Apex Committee at State-level called the Karnataka State Consultation and Advisory Committee, having representatives from apartment owners' association and officials of the State Government and Chairman appointed by the Government to advice the Government about the concerns of apartment owners and on the remedial measures, which may be implemented in accordance with law.

CHAPTER VIII

AMALGAMATION AND REDEVELOPMENT

48. Amalgamation and Redevelopment of Property.- (1) Notwithstanding anything contained in this Act, upon completion of prescribed number of years from the date of obtaining occupancy certificate or as necessitated by the circumstances that may require redevelopment of the project, the owners representing seventy five percent of the apartments of the whole project which was approved as a single development plan may resolve to undertake redevelopment.

(2) A proposal for redevelopment shall be placed before the General Body constituting all the Apartment owners together with a redevelopment scheme containing such particulars as may be prescribed, including but not limited to,-

(a) the proposed redevelopment plan;

(b) the development rights or floor area ratio proposed to be utilised;

(c) the rights and entitlements of apartment owners in the redeveloped property;

(d) the financial arrangements for redevelopment;

(e) the proposed timeline for completion of redevelopment; and

(f) such other particulars as may be prescribed.

(3) A resolution approving redevelopment shall be valid only if it is passed with the written consent of Apartment owners representing not less than seventy-five percent of the apartments of the whole project in a general body meeting convened for that purpose. Thereupon the said Resolution shall be submitted to the Second Appellate Authority for approval and upon its approval, such resolution shall be binding on all apartment owners.

Illustration:

In a Project comprising of three towers with two towers being residential and one being commercial and two residential towers having 50 flats each (may be of different areas or dimensions) and commercial tower has 20 units. In this each flat and unit has its own e-Khata. Therefore there are 100 residential flats and 20 commercial units.

Assume various owners own as follows:

Owner Name	**No of Units Owned**		
	Residential	**Commercial**	**Total**
A1	25	0	25
A2	20	0	20
A3	15	7	22
A4	10	5	15
A5	20	3	23
A6	5	3	8
A7	2	1	3
A8	1	1	2
A9	1	0	1
A10	1	0	1
TOTAL	100	20	120

Then any set of owners, out the total 10 owners, who together own not less than 75% of the total number of flats/units that is who together own not less than 75% of 120 = 90 Units/Flats, may in a General Body Meeting approve the Redevelopment Scheme which upon approval by the Second Appellate Authority becomes binding on all the owners.

Therefore, say, A1, A2, A3, A4 and A6 together being owners of 90 Units/Flats may approve a Redevelopment Scheme in a General Body convened for such a purpose and then upon its approval by the Second Appellate Authority, the same becomes binding on all the owners.

(4) The redevelopment scheme shall specify whether,-

(a) the redevelopment is undertaken without financial contribution from apartment owners, in which case the promoter or redevelopment entity shall be entitled to such development rights or saleable area as may be agreed; or

(b) the redevelopment requires financial contribution from apartment owners, in which case the proportion and manner of contribution shall be clearly specified in the redevelopment scheme.

(5)(a) The existing Executive Committee of the Association shall stand dissolved immediately upon the approval of the Redevelopment Scheme by the Second Appellate Authority. Thereupon, the apartment owners shall elect, from amongst themselves, a new Executive Committee which will take up the Redevelopment apart from discharge of other regular functions of the Executive Committee.

(b) For the purposes of such election, every apartment owner or allottee shall be entitled to cast one vote in respect of each apartment owned by him in the project.

(6) (a) Where an apartment owner, from among the those who did not consent or did not participate in voting for the redevelopment resolution, does not wish to participate in the redevelopment scheme approved under this section, such owner may opt to receive monetary settlement in lieu of a redeveloped apartment, and upon such option the apartment together with the corresponding undivided right, title and interest in the land and the common areas and facilities appurtenant thereto shall be purchased for the purposes of the redevelopment scheme. Such a purchase shall happen before the Planning Authority approves the redevelopment proposal.

(b) The monetary settlement payable to such apartment owner shall not be less than two times of the market value of the apartment together with the proportionate undivided right, title and interest in the land and the common areas and facilities appurtenant after deducting the depreciation value of the building applicable to the property on the date on which the monetary settlement is paid in full, as agreed mutually by the apartment owner and the association:

Provided that the market value under this section shall be determined by the registered Valuer recognized by the Income Tax Department, Government of India under any law or registered by the Insolvency and Bankruptcy Board of India and has thereupon has been registered by Government of Karnataka for the purposes of this section in manner as may be prescribed.

(c) The purchase of such apartment together with its proportionate undivided right, title and interest in the land and the common areas and facilities appurtenant for the purposes of redevelopment shall be carried out by the association and the full payment for the purchase and related expenses shall be paid by the association concerned.

(d) Upon payment of the monetary settlement in full, the apartment together with the corresponding undivided right, title and interest in the land and the common areas and facilities shall vest in the association free from all encumbrances**,** and the association may deal with such property for the purposes of redevelopment in accordance with the redevelopment scheme.

(e) Any disputes arising between the association and the apartment owner who has opted for the monetary settlement may be referred to the Competent Authority, and appeal against the decision of the Competent Authority shall lie with the Appellate Authority specified in section 44 of this Act. The Government may constitute a Tribunal for resolution of issues regarding the monetary settlement. The Competent Authority, in such cases may refer the case to the Tribunal for decision or settlement including on the quantum of monetary settlement payable under this section.

(f) All proceedings before the Tribunal under this section shall be deemed to be judicial proceedings within the meaning of sections 229 and 267, and for the purposes of section 233, of the Bharatiya Nyaya Sanhita, 2023 (Central Act 45 of 2023). The tribunal shall be deemed to be civil court for the purposes of section 215 and Chapter XXVIII of the Bharatiya Nyaya Sanhita, 2023 (Central Act 45 of 2023). Any person aggrieved by an order passed by the Tribunal may prefer an appeal before the High Court within such period and in such manner as may be prescribed.

(7) Where any apartment is subject to a mortgage, charge or other encumbrance, the holder of such encumbrance shall consent to redevelopment and execute such instruments as may be necessary to transfer the encumbrance to the entitlement of the apartment owner in the redeveloped property or to settle such encumbrance.

(8) Where a proposal for redevelopment has been formally placed before the association or a notice convening a meeting for redevelopment has been issued, any person acquiring an apartment thereafter shall be deemed to have acquired such apartment subject to the redevelopment proposal, and such purchaser shall not be entitled to challenge the redevelopment resolution.

(9) Before commencement of demolition or construction, the promoter or redevelopment entity shall furnish such bank guarantee, escrow arrangement or other financial security as may be prescribed to secure completion of the redevelopment project within the approved timeline.

(10) Where the redevelopment project is not completed within the period specified in the redevelopment scheme or within such extended period as may be approved by the Competent Authority, the association may,-

(a) terminate the redevelopment agreement;

(b) invoke the security furnished by the promoter; and

(c) appoint another promoter or redevelopment entity to complete the project.

(11) Where redevelopment fails or is abandoned and the building is not reconstructed within such maximum period as may be prescribed, the apartment owners may, by a resolution passed with the consent of not less than seventy-five per cent of the apartment owners, sell or otherwise transfer the entire land of the project together with the development rights, and the proceeds of such sale shall be distributed among the apartment owners in proportion to their undivided right, title and interest in the land.

(12) For the purpose of redevelopment, the apartment owners may constitute a Redevelopment Association or such other entity as may be prescribed, which may act as the representative body of the apartment owners in matters relating to redevelopment.

(13) Upon completion of redevelopment, a new declaration and a new association of apartment owners shall be formed in accordance with the provisions of this Act.

49. Removal from application of the Act.- (1) Subject to section 48, where an association applies for removal of a property from the application of this Act for

the purpose of redevelopment, the Competent Authority shall examine the application and satisfy itself that,-

(a) the redevelopment has been approved in accordance with the provisions of section 48;

(b) all mortgages, charges or other encumbrances affecting the apartments or the property have been duly settled or appropriately transferred through discharge instruments or such other arrangements as may be prescribed;

(c) the documents submitted in support of the application are complete and in order; and

(d) such other requirements as may be prescribed have been complied with.

(2) Where the Competent Authority is satisfied that the requirements specified in sub-section (1) have been fulfilled and that the proposal conforms to the provisions of this Act and the rules made thereunder, it shall issue a certificate removing the property from the application of this Act, to such extent as may be necessary for re-development of the property, upon payment of such fees as may be prescribed.

(3) Upon issuance of such certificate, the property shall be deemed to be owned in common by the apartment owners, and the share of each apartment owner in such property shall correspond to the undivided right, title and interest in the land and the common areas and facilities previously appurtenant to the apartment**.**

50. Approval for redevelopment.- The association of apartment owners or the promoter or redevelopment entity entrusted with carrying out the redevelopment of the building, project or phase shall obtain such sanctions, approvals and permissions as may be required from the concerned planning authority or local authority, as the case may be, in accordance with the provisions of the applicable planning laws, building regulations and other laws for the time being in force**,** prior to commencement of redevelopment.

51. Removal not a bar to subsequent submission of property to the Act.- (1) The removal of a property from the application of this Act under section 49 shall not prevent the property from being subsequently submitted to the provisions of this Act**,** and upon completion of redevelopment or reconstruction of the building or project, the property may be resubmitted to the provisions of this Act by filing a declaration in the manner prescribed**.**

(2) Upon such resubmission, the provisions of this Act shall apply to the property as if it were newly submitted to the Act**.**

CHAPTER IX

OFFENCES AND PENALTIES AND DISPUTE RESOLUTION

52. Penalties and power to direct rectification or restoration.- (1) Where a promoter,-

(a) fails to submit the declaration or any amendment thereto in accordance with section 13;

(b) fails to facilitate the formation of the association of allottees in accordance with section 21;

(c) fails to execute the deed of transfer of apartment in accordance with section 10; or

(d) hands over possession of any apartment without obtaining the occupancy certificate from the competent authority,

-the Competent Authority may, after giving the promoter an opportunity of being heard, impose a penalty which may extend to one lakh rupees**,** and in the case of a continuing contravention, a further penalty which may extend to one thousand rupees for every day during which such contravention continues**.**

Proceedings under this sub-section may be initiated on a complaint made by,-

(i) the Secretary of the association;

(ii) any person authorised by the executive committee of the association;

(iii) any aggrieved apartment owner; or

(iv) suo-motu by the Competent Authority.

(2) (a) Where any promoter, association or apartment owner contravenes any provision of this Act or the rules made thereunder, or commits a breach of any provision of the bye-laws, declaration, deed of transfer, covenant, condition or restriction applicable to the property, or carries out any act detrimental to the safety, structural integrity or lawful use of the building or common areas, the Competent Authority may, either suo motu or on a complaint made by any person affected, issue a notice requiring such person to show cause why action should not be taken.

(b) After considering the explanation, the Competent Authority may,—

(i) impose a penalty which may extend to twenty thousand rupees for each contravention, and in the case of a continuing contravention, a further penalty which may extend to one thousand rupees for every day during which such contravention continues; and

(ii) direct such person to remove the contravention or restore the property to its lawful or approved condition within such period as may be specified.

(3) Where the person against whom an order has been made under sub-section (2) fails to comply with the directions within the specified period, the Competent Authority may,-

(a) cause the necessary rectification or restoration to be carried out through such agency as it considers appropriate; and

(b) recover the expenses incurred for such work from the person responsible as an arrear of land revenue or arrears of the property tax.

(4) Any penalty imposed under this section shall be payable within such time as may be specified by the Competent Authority and, where the person liable fails to pay the same, such penalty may be recovered as an arrear of land revenue or arrears of the property tax.

(5) Where a contravention under this Act is committed by a company, every person who, at the time of the contravention, was in charge of and responsible for the conduct of the business of the company with respect to the said project shall be deemed to be responsible for such contravention unless he proves that the contravention was committed without his knowledge or that he exercised due diligence to prevent it.

(6) Notwithstanding anything contained in sub-section (5), where the contravention is proved to have been committed with the consent, connivance or neglect of any director, manager, secretary or other officer of the company, such person shall also be liable for the penalty under this section.

Explanation: For the purposes of this section,-

(a) “company” means any body corporate and includes a firm or association of persons; and

(b) "director", in relation to a firm, means a partner in the firm.

53. Mechanism for dispute resolution.- (1) Any apartment owner, association may refer to the Competent Authority any dispute arising out of or in connection with the rights, duties, obligations, liabilities or privileges of such person under the provisions of this Act, the rules made thereunder, the declaration, the bye-laws, in such manner as may be prescribed.

(2) Upon receipt of a complaint or dispute under sub-section (1), the competent authority may,-

(a) examine the complaint;

(b) call for such information or documents as it considers necessary;

(c) hold an inquiry itself or direct any person authorised by it to conduct an inquiry; and

(d) after giving the parties an opportunity of being heard, pass such order as it considers appropriate in accordance with the provisions of this Act and the rules made thereunder.

(3) Without prejudice to the generality of the provisions of sub-section (1), the competent authority may adjudicate disputes relating to,-

(a) penalties or actions taken by the association against an apartment owner;

(b) the rights, duties and obligations of the promoter, association or apartment owners under this Act, the rules or the bye-laws;

(c) the determination or calculation of the undivided share in the land or the common areas and facilities and matters recorded in the declaration;

(d) disputes between association and others regarding maintenance charges;

(e) the constitution, functioning, management or financial affairs of the association; and

(f) any other dispute relating to the use, enjoyment or management of apartments or the common areas and facilities.

(4) Any person aggrieved by an order of the Competent Authority under this section may prefer an appeal to the First Appellate Authority, and thereafter to the Second Appellate Authority, in accordance with the provisions of this Act.

54. Establishment of Online Portal.- The Government shall, within two years from the date of commencement of this Act, establish and maintain an online portal for,-

(a) submission and processing of applications under this Act;

(b) maintenance of digital records relating to declarations, associations; and

(c) facilitating transparency and access to information relating to projects and associations registered under this Act,

-in such manner as may be prescribed.

CHAPTER X

MISCELLANEOUS

55. Separate assessment of apartments.- Notwithstanding anything contained in any law relating to local authorities or municipal taxation, each apartment together with the corresponding undivided right, title and interest in the land and the common areas and facilities appurtenant thereto shall be deemed to be a separate and independent property for the purpose of assessment and levy of any tax on lands and buildings. Accordingly, every such apartment shall be separately assessed and taxed by the local authority in whose jurisdiction the property is situated. The concerned local authority may make such rules or administrative arrangements as may be necessary for carrying out the provisions of this section.

56. Representative actions relating to common areas and facilities.- (1) Without prejudice to the independent rights of apartment owners, the association acting through its Executive Committee may institute, defend or conduct legal proceedings in a representative capacity in respect of,-

(a) the protection, preservation, management or use of the common areas and facilities; or

(b) matters affecting the collective interests of two or more apartment owners, where such matters arise out of the administration of the property under this Act, the declaration or the bye-laws.

(2) Any such proceeding may be brought in the name of the association, and for the purposes of such proceedings the association shall represent the apartment owners in respect of matters relating to the management, administration, maintenance or protection of the common areas and facilities.

(3) Nothing contained in this section shall,-

(a) affect or prejudice the right, title or interest of any apartment owner in his apartment or in the undivided share in the land and the common areas and facilities;

(b) prevent any apartment owner from instituting or defending legal proceedings in his own name in respect of his apartment or any right appurtenant thereto; or

(c) authorise the association to transfer, relinquish, compromise or otherwise affect the proprietary rights of apartment owners except with the consent required under this Act.

(4) Service of summons or other legal process in any proceeding relating to the common areas and facilities or affecting two or more apartments may be effected upon the person designated in the declaration or bye-laws to receive such service on behalf of the association and where they affect the right, title or interest of one or more apartment owners then the same must be brought to the notice and knowledge of all the concerned owners.

57. Act to be binding on apartment owners, occupants and other persons.- (1) All apartment owners, tenants, occupants, employees of apartment owners or tenants, and any other person using or occupying any apartment or any part of the property submitted to the provisions of this Act shall be subject to the provisions of this Act, the declaration and the bye-laws of the association.

(2) All lawful decisions, resolutions and determinations made by the association in accordance with the provisions of this Act, the declaration and the bye-laws shall be binding on all apartment owners and persons claiming through or under them, in respect of matters relating to the management, administration, maintenance and use of the common areas and facilities.

(3) Nothing contained in this section shall be construed as authorising the association to alter, restrict or otherwise affect the right, title or interest of any apartment owner in his apartment or in the undivided share in the land and the common areas and facilities.

58. **Interpretation in case of inconsistency.-** (1) Where any provision of the declaration, the bye-laws of the association, or any agreement, deed of transfer or other instrument relating to an apartment or the project is inconsistent with the provisions of this Act or the rules made thereunder, the provisions of this Act and the rules shall prevail.

(2) In case of inconsistency among the declaration, the bye-laws or any agreement or instrument, the order of precedence shall be as follows, namely:-

(a) the declaration;

(b) the bye-laws; and

(c) any agreement, deed of transfer or other instrument.

(3) Any provision or declaration or bye-law or any agreement, deed of transfer or other instrument inconsistent with this Act or the rules made thereunder shall, to the extent of such inconsistency, be void and unenforceable.

59. Competent Authority and Appellate Authorities to be Public Servants.- The Competent Authority, the First Appellate Authority and the Second Appellate Authority appointed under this Act, and every officer authorised to exercise powers under this Act, shall be deemed to be public servants within the meaning of clause (28) of section 2 of the Bharatiya Nyaya Sanhita, 2023 (Central Act 45 of 2023).

60. Bar of Jurisdiction of Civil Courts.- (1)No civil court shall have jurisdiction to entertain any suit or proceeding in respect of any matter which the Competent Authority or the Appellate Authorities are empowered by or under this Act to determine.

(2) No injunction shall be granted by any court or authority in respect of any action taken or to be taken under the powers conferred by or under this Act.

61. Protection of action taken in good faith.- No suit, prosecution or other legal proceeding shall lie against the Government, the Competent Authority, the Appellate Authorities or any officer acting under their authority for anything done or intended to be done in good faith under this Act.

62. Power to make rules.- (1) The State Government may, by notification, subject to the condition of previous publication, make rules to carry out the purposes of this Act.

(2) Every rule made under this Act shall be laid as soon as may be after it is made before each House of the State Legislature while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or to be of no effect as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything done under that rule.

63. Power to remove difficulties.- (1) If any difficulty arises in giving effect to the provisions of this Act, the Government may, by order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act as appear to it to be necessary or expedient for removing the difficulty:

Provided that no such order shall be made after the expiry of two years from the date of commencement of this Act.

(2) Every order made under sub-section (1) shall be laid, as soon as may be after it is made, before each House of the State Legislature.

64. Act to be in addition and not in derogation of any other law.- The provisions of this Act shall be in addition to, and not in derogation of, the provisions of any other law for the time being in force.

65. Transitional Provisions.- All rules, regulations, bye-laws, orders or directions made or issued and in force immediately before the commencement of this Act under any law relating to apartment ownership or management shall, insofar as they are not inconsistent with the provisions of this Act, be deemed to have been made under this Act and shall continue to remain in force until they are modified, superseded or replaced by rules, regulations or bye-laws made under this Act.

66. Repeal and savings.- (1) The provisions of the following Acts are hereby repealed,-

(a) the Karnataka Ownership of Flats (Regulation of the Promotion of Construction, Sale, Management and Transfer) Act, 1972 (Karnataka Act 16 of 1973); and

(b) the Karnataka Apartment Ownership Act, 1972 (Karnataka Act 17 of 1973).

(2) Notwithstanding such repeal,-

(a) anything done or any action taken under the repealed Acts shall be deemed to have been done or taken under the corresponding provisions of this Act;

(b) any right, privilege, obligation or liability acquired, accrued or incurred under the repealed Acts shall not be affected;

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(c) any penalty, forfeiture or punishment incurred in respect of any offence committed under the repealed Acts shall continue to be enforceable as if the said Acts had not been repealed;

(d) any proceedings or disputes pending before any court, tribunal or authority immediately before the commencement of this Act shall continue to be dealt with under the repealed Acts as if this Act had not been enacted.

The above translation of ಕರ್ನಾಟಕ ಅಪಾರ್ಟ್‌ಮೆಂಟ್ (ಮಾಲೀಕತ್ವ ಮತ್ತು ನಿರ್ವಹಣೆ) ಅಧಿನಿಯಮ, **202**6 (2026ರ ಕರ್ನಾಟಕ ಅಧಿನಿಯಮ ಸಂಖ್ಯೆ: 45) be published in the official Gazette under Article 348 of the Constitution of India.

THAAWARCHAND GEHLOT
GOVERNOR OF KARNATAKA

By Order and in the name of
the Governor of Karnataka,

G. Sridhar
Secretary to Government
Department of Parliamentary Affairs
and Legislation

ಮುದ್ರಕರು ಹಾಗೂ ಪ್ರಕಾಶಕರು:– ಸಂಕಲನಾಧಿಕಾರಿಗಳು, ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರ, ಸರ್ಕಾರಿ ಕೇಂದ್ರ ಮುದ್ರಣಾಲಯ, ಬೆಂಗಳೂರು

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