

ಕರ್ನಾಟಕ ರಿಯಲ್ ಎಸ್ಟೇಟ್ ನಿಯಂತ್ರಣ ಪ್ರಾಧಿಕಾರ,

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

PROCEEDING OF THE AUTHORITY BEFORE FULL BENCH

DATED THIS 03rd JUNE 2026

PRESENT:

SHRI RAKESH SINGH, HON'BLE CHAIRMAN

SHRI.G.R.REDDY, HON'BLE MEMBER

COMPLAINT NO.00002/2024

COMPLAINANT.....	YOGANANDAN JAGANNATHAN 3102 New Haven Tata Value Homes, 10th Floor Block No.3, Dasanapura Hobli Arasinakunte, New Apmc Yard Bengaluru Rural -562162. (Rep by Sarala V N &other - Advocate)
V/s	
RESPONDENTS.....	1. SMART VALUE HOMES (PEENYA PROJECT) PRIVATE LIMITED 2. M/S TATA VALUE HOMES LTD. Residency, No.2 (Old), New Nos. 133 & 133/1, Residency Road, Bengaluru -560025.
PROJECT NAME	NEW HAVEN BENGALURU PHASE 1

JUDGEMENT

1. The Complaint is filed on 01/04/2024 under section 31 of Real Estate (Regulation and Development) Act, 2016 against project "New Haven Bengaluru Phase" developed by Respondent/Promoter "Smart Value Homes (Peenya Project) Private Limited, situated at Survey No.3/2,3/3,4/2,2/3,2/4 at Sheshagiriraopalya village, Dasanapura Hobli, Bangalore North Taluk.

2. The Project has not been registered under RERA.

With

[Signature]

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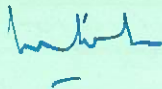
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3. The Complainant sought for the "relief" of directing the Respondents/Promoter for restoration of DG set Generator power supply, refund of maintenance charges, municipality tax, Cauvery water supply deposit, enabling of the registration of Allottees and handover of land.

The brief fact of the complaint is as under:-

4. The Complainant has purchased a flat bearing No.3102 for a total consideration of Rs.40,00,000/- (Rupees Forty Lakhs Only). The Respondent's developed residential cum commercial project in the name of "NEW HAVEN", developed by M/s. Tata Value Homes Ltd. & M/s Smart Value Homes (Peenya Project) Pvt. Ltd. It is pertinent to state that the Promoters registered executed Sale Deed in the name of complainant and given the possession of the flat on 25/02/2017.
5. The promoters/developers have developed the Plot under Single Approved Plan of about 1800 flats which is still under construction and sold around 1300 flats and struggling to sell the balance unsold flats since 2017.
6. The registration of towers under RERA and under NON-RERA (as declared by the Promoters/developers) with one project plan. The RERA registration numbers are given.
7. The Occupancy Certificates were obtained on different dates for different towers. The Complainant was waiting for the Promoters to enable the formation of association of Allottees and transfer the common areas to the association of Allottees as per Section 17 RERA act, 2016. Till today, the promoters have not initiated any discussions nor communications were sent about registration of association of



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Allottees and transfer the common areas to the association of Allottees. They have not sent any emails to all the flat owners.

8. There is only one plan including all towers, but they have made it 5 different projects in RERA including one as Non-RERA, which is wrong, while taking approval from RERA. The Complainant suspect, that the promoters and their allies, in collusion with the managing committee members of NHPAOWA are doing misappropriation, diversion and siphoning of funds as they have not submitted audited balance sheet, books of accounts, original receipts/invoices for the scrutiny of the owners, since 2017 and that all the flat owners, requested the promoters as well as the service provider JLL through various emails and telephonic conversation. The amount so far collected are in the hands of the promoter and JLL, as there is no association registered under competent authority, as there are no financial audit reports available for the money so collected and spent since 2017. They have also opened bank account in the name of NHPAOWA with State Bank of India, Arisinakunte Branch, Nelamangala.
9. The Complainant tried to get the details from SBI whether the promoter or the managing committee of wrongly registered association submitted certificate of the registration of association of Allottees issued by a competent authority, but the bank refused to divulge with the details.
10. More importantly, the Builders have not submitted the annual audit report as per section 4(2)(1)(D) of the RERA Act, 2016, till date. They have also not submitted the audited balance sheet, books of accounts, original receipts/ invoices for the scrutiny of the flat owners, since 2017.

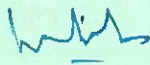
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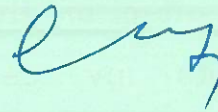
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11. The promoter has promised to arrange to get the Cauvery water to all the flats in the Complex. However, they have not supplied the Cauvery water till date, even after lapse of more than six years from the date of purchase. Further, they have not put in the necessary infrastructure for the supply of Cauvery water like separate pipe line, as there are only two pipe lines, one for bore well water supply and another for the supply of treated water to the toilet as well as they have not installed separate overhead tank for storing Cauvery water. However, they have collected the deposits for supply of Cauvery water to all the flats and did not do any base work. Hence, they should refund the amount of Rs.14,895/- collected as deposit towards Cauvery water connection and supply to the flat with interest at 18% p.a. from 18/01/2017.
12. The Respondents have disconnected DG SET GENERATOR power supply to my flat in the event of BESCO electricity power supply failure, knowing well that the Complainant is a senior citizen and medicines are kept in the fridge, it has caused immense mental pain and agony. The Complainant state that the Respondents indulged in unfair trade practice and not complying with the terms of section 17 of RERA Act, 2016. I state that due to the action of respondents, the Complainant has been put into lot of mental harassment, agony and pain, as such, the respondents are liable to make good for the said loses as well as pay me damages. Hence, this complaint.
13. The Complainant has produced documents such as copies of, Sale Deed, Allotment Letter, Possession Letter, Occupancy Certificate, Payment Receipt, Completion Certificate and Statement of Outstanding Amount.



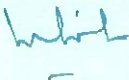


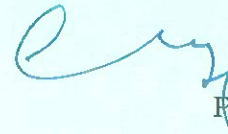
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14. Subsequently, after Registration of the complaint, this Authority had issued notices to both the parties to appear before this Authority. In pursuance of the notice, the Respondents have appeared before this Authority during the hearing, through the Representative/Council. The Respondents filed the statement of objection and produced documents in defense.
15. It is contended that, the Respondents have completed the project "New Haven Bengaluru Phase 1" before RERA Act came into force. The project phase 1 is out of the scope and preview of the RERA Act. Section 3 of RERA Act was brought into effect from 01/05/2017 and within a period of three months to the ongoing project to get registered.
16. The Rule 4(1) (iv) of RERA Rules provides for exception to the projects completed before the notification and it cannot be considered as ongoing project. The Occupancy Certificate was issued to the project on 09/11/2016 before the implementation of Section 3 of RERA Act, the project New Haven Phase 1 stands exempted from the purview of RERA.
17. One Prashanth Nagaraj had filed complaint seeking for refund of the amount and the same was dismissed by order dated 15/06/2018. Holding that the Occupancy Certificate is dated 09/11/2016 and the project has been exempted from registration.
18. The Hon'ble High Court of Karnataka in WP No.18843/2022 order dated 15/02/2023 observed that the date of application for the Occupancy Certificate before competent Authority is to be considered and not the date of issuance of Occupancy Certificate.





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19. Hon'ble KREAT in appeal No.13/2021 order dated 02/08/2022 held that, where the project is completed on or before the date of implementation of RERA Rules, such projects are exempted from registration under RERA Act. This Authority in complaint No.UR/CMP/211202/0008667 in respect of the same project has categorically held that New Haven Phase 1 project is outside the purview of the RERA Act.

20. In view of the above, it is submitted that the RERA Act is inapplicable to the project and hence the jurisdiction of this Hon'ble Authority cannot be invoked by the Complainant. It is further relevant that the Complainant had purchased their flat in 2014 after conducting due diligence. They were well aware that the project was not registered under the RERA and was not required to be registered under the RERA. After being satisfied with the same, the Complainant had purchased their flat in the project. They have been enjoying the amenities of the project. It is only now, with a mal-intention that the Complainant has sought to raise such a frivolous complaint that the project requires RERA registration. The bonafide intention of the Complainant are questionable.

21. The Complainant has approached multiple authorities on numerous grounds pertaining to the very same project, merely to harass the Respondents. The Complainant has hidden information in relation to pendency of disputes before the Court of Hon'ble Civil Judge and JMFC, Nelamangala. The Complainant has filed the OS in No.190/2022, wherein the present Complainant is the Plaintiff and same issue of non-registration/improper registration of the residents' welfare association and maintenance charges has been raised.

22. The Complainant has also approached the Hon'ble District Consumer Disputes Redressal Commission, Kanchipuram District, Tamil Nadu, seeking refund for the property in question via Consumer Complaint No.60/2023. The said consumer complaint was dismissed by his Hon'ble District Consumer Disputes Redressal Commission, Kanchipuram District vide its order dated 17/05/2024.
23. The Complainant approached various forums, only with the aim to illegal enrich itself at the cost of Respondents. The Complainant is not only engaged in forum shopping but also has been filing frivolous cases just to harass the Respondents and the present complaint is nothing but an extension of the same.
24. It is further submitted that the residents association for the project has been registered under provisions of both the Acts, i.e., Karnataka Apartment Ownership Act, 1972 as well as Karnataka Societies Registration Act, 1960. The same has been expressly provided for and mentioned in the Deed of Declaration executed for the Project. Elections have been conducted under the free and fair manner.
25. The said Association has taken over the maintenance and facilities management of the project. The Respondents herein do not have any role in the management of the project, except for paying maintenance charges for the unsold flats. It is submitted the disputes raised by the Complainant in relation to disconnection of generator service is between the association and the Complainant and does not relate to the Respondent.
26. ~~The Respondent is filing the present objections only in relation to the maintainability of the present complaint before this Hon'ble Authority and reserves the right to file detailed objections to the complaint on~~





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merits, if required in the future. The present preliminary objections are being filed without prejudice to the rights of the Respondent under law or equity. In light of the above cited facts and circumstances, the Respondent sought for dismissal of the compliant.

27. This matter was heard on 08/10/2024, 12/11/2024, 21/01/2025, 19/02/2025, 18/03/2025 and 11/04/2025.

28. **On the above averments, the following point would arise for our consideration:**

- 1) Whether the Complainant is entitled for the relief claimed?
- 2) What order?

29. **Our answer to the above points are as under:**

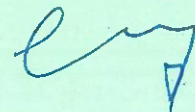
- 1) In the partly affirmative.
- 2) As per the final order for the following:

REASONS

30. **Finding on point No.1:-** It is evident that, the Complainant has purchased a flat bearing No.3102 for a total consideration of Rs.40,00,000/- (Rupees Forty Lakhs Only). The Respondent's developed residential cum commercial project in the name of "NEW HAVEN", developed by M/s. Tata Value Homes Ltd. & M/s Smart Value Homes (Peenya Project) Pvt. Ltd. It is pertinent to state that the promoter registered and executed Sale Deed of the flat on 25/02/2017 and given the possession of the flat.

31. The promoter/developer have developed the Plot under Single Approved Plan of about 1800 flats which is still under construction and sold around 1300 flats and struggling to sell the balance unsold flats since 2017.





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32. The registration of towers under RERA and under NON-RERA (as declared by the Promoter/developer) with one project plan. The RERA registration numbers are given.
33. The Occupancy certificates were obtained on different dates for different towers. The Complainant was waiting for the Promoters to enable the formation of association of Allottees and transfer the common areas to the association of Allottees as per Section 17 RERA act, 2016. Till today, the promoters have not initiated any discussions nor communications were sent about registration of association of Allottees and transfer the common areas to the association of Allottees. They have not sent any emails to all the flat owners.
34. There is only one plan including all towers, but they have made it 5 different projects in RERA including one as Non-RERA, which is wrong, while taking approval from RERA. The Complainant suspect, that the promoters and their allies, in collusion with the managing committee members of NHPAOWA are doing misappropriation, diversion and siphoning of funds as they have not submitted Audited Balance sheet, books of accounts, original receipts/invoices for the scrutiny of the owners, since 2017 and that all the flat owners, requested the promoters as well as the service provider JLL through various emails and telephonic talks. The amount so far collected are in the hands of the promoter and JLL as there is no association registered under competent authority, as there are no financial audit reports available for the money so collected and spent since 2017. They have also opened bank account in the name of NHPAOWA with State Bank of India, Arisinakunte Branch, Nelamangala.

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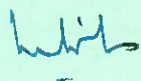
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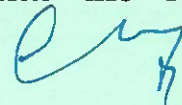
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35. The Complainant tried to get the details from SBI whether the promoter or the managing committee of wrongly registered association submitted certificate of the registration of association of Allottees issued by a competent authority, but the bank refused to divulge with the details.
36. More importantly, the Builders have not submitted the annual audit report as per section 4(2)(l)(D) of the RERA Act, 2016, till date. They have also not submitted the audited balance sheet, books of accounts, original receipts/ invoices for the scrutiny of the owners, since 2017.
37. The promoter has promised to arrange to get the Cauvery Water to all the flats in the Complex. However, they have not supplied the Cauvery Water until date, even after lapse of more than six years from the date of purchase. Further, they have not put in the necessary infrastructure for the supply of Cauvery Water like separate pipe line, as there are only two pipe lines, one for bore well water supply and another for the supply of treated water to the toilet as well as they have not installed separate overhead tank for storing Cauvery Water. However, they have collected the deposits for supply of Cauvery water to all the flats and did not do any base work. Hence, they should refund the amount of Rs.14,895/- collected as deposit towards Cauvery water connection and supply to the flat with interest at 18% p.a. from 18/01/2017.
38. The Respondents have disconnected DG SET GENERATOR power supply to complainants flat in the event of BESCO electricity power supply failure, knowing well that the Complainant is a senior citizen and medicines are stored in the fridge, it has caused immense mental pain and agony. The Complainant state that the Respondents

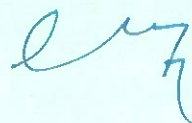




indulged in unfair trade practice and not complying with the terms of section 17 of RERA Act, 2016. I state that due to the action of respondents, the Complainant has been put into lot of mental harassment, agony and pain.

39. The Respondent clearly contended that, the Allottees association for the project has been registered under the provisions of both Karnataka Apartment Ownership Act 1972 as well as Karnataka Societies Registration Act 1960. The same has been expressly provided for and mentioned in the deed of Declaration executed for the Project. Elections have been conducted under the same in a free and fair manner and the said association has taken over the maintenance and facilities management of the project. The Respondents herein do not have any role in the management of the project except for paying maintenance charges for the unsold flats.
40. The allegation of the complainant is that, phase 1 of the project is not registered and the Associations of Allottees were not formed. On perusal of document it is clear that the project phase-1 received the occupancy certificate on 09/11/2016 prior to the implementation of section 3 of RERA Act and the complainant has taken possession of the flat as per possession letter dated 25/02/2017. Hence, the non-registration of project does not in any way to be considered as violation of RERA Act.
41. The association of Allottees also formed and registered and possession of common area was handed over to the association is evident. Further, complainant has questioned validity of deed of declaration in O.S. No.190/2022 before the Hon'ble Civil Judge Court, Nelamangala. Therefore the allegation of complainant as to non-formation of

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Allottees association does not arise. This Authority in CMP/220408/0009335 order dated 21/07/2023 allowed the petition and directed the Respondent therein, to render accounts and to transfer entire corpus fund to the Association of Allottees. Hence, the project developed in phase wise is subject to the jurisdiction of this Authority.

42. It is held in case, Mrs. Arshi Ahmed and Anr. Vs. L & T Construction (K-REAT Dec 2025). Where occupiers received possession letters but found that common amenities were not ready, such actions violate the Agreement and promises made while issuing prospectus.
43. In the landmark case of Newtech Promoters and Developers v. State of UP, the Supreme Court established the retroactive standing to protect homebuyers and ensure developers to fulfill past promises. In view of the observation, the RERA Act is having retroactive in nature and it ensure the protection to homebuyers and ensure the developers to fulfill past promises agreed in the sale Agreement. Therefore, the promoter is duty bound to discharge the obligations and responsibility as per the terms of Agreements and as per the provision of RERA Act.
44. The amenities provided and extra amenities and facilities in the project does not absolve the obligations and responsibilities and the promoter to provide and complete all the amenities assured and propagated in the prospectors. Therefore, the compliant is entitled for the relief of completion of assured amenities in functional conditions and refund of the corpus fund. Without providing common facilities and amenities, offering possession by the promoter does not amount to valid possession. The Developer remains accountable for providing



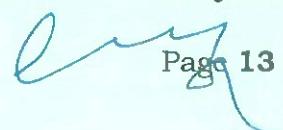


the amenities and liable for structural defects in workmanship and quality.

45. The core legal mandate under section 11(4) (e) and (g) and 17 of the RERA Act, is that the promoter must enable the formation of an association or society of the Allottees under the laws applicable and facilitative the formation of association and transfer the physical control of the common areas along with all title documents and maintenance/sinking funds. The collected funds are held by the promoter in trust. The Promoter cannot utilize this money for construction or personal use. The obligation to transfer common areas and sinking funds is a continuance cause of action, failure, attracts, legal remedy under the provisions of the RERA Act.
46. Section 11(4)(g) postulates that the promoter is responsible for payment of all outgoings, tax, water and electricity charges, maintenance charges and discharge encumbrances until he transfers the physical possession of the Real Estate Project to the Allottees or association of the Allottees.
47. Hon'ble Supreme Court has observed in the landmark ruling Debashis Sinha V/s. M/s. RNR Enterprises (2023) that promoters and builders are legally mandated to provide all promised amenities and essential infrastructure as part of the total cost of a residential project. The key decisions, has affirmed that developers cannot compel Allottees to take possession of project lacking basic amenities nor can they sell common amenities separately.

48. As per Section 11(4) of RERA Act, the Promoter shall be responsible for all obligations, responsibility and functions till the conveyance of




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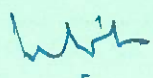
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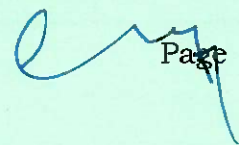
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plot to the Allottees under the provisions this Act or the rules and regulations made there under as per the Agreements of Sale.

49. As per Section 14 of the Act the Promoter shall develop and complete the proposed project in accordance with the sanctioned plans, layout plans and specifications as approved by the competent Authorities. The promoter has to mandatorily adhere to the agreed amenities and its maintenance as per the terms of Agreements. Mere delivery of possession without providing amenities in a functional condition is not valid delivery of possession. Hence the respondent is liable for the rectification of defect.
50. The purport and object of RERA Act is to develop and promote Real Estate Sector and at the same time to safe guard the interest of purchasers. The Act gives protection to homebuyer and enhanced transparency and "Accountability" in Real Estate transactions and ensure efficient project execution as per plan and dispute resolution.
51. Having regard to all these aspects and the cogent evidence placed on records it would be just and appropriate to direct Respondent/Promoter restore the power supply of the DJ SET. Further to complete the assured amenities of the project as per the terms of Agreements. The respondent also directed to transfer land's khata, corpus fund, render accounts as to maintenance and escrow account, BESCOM Meters, Water Meters to authorized association of Allottees formed under the laws applicable.
52. The final order in the present complaint could not be passed within the stipulated period as prescribed under Section 29(4) of the Real Estate (Regulation and Development) Act of 2016 due to multiple





adjournments sought by Advocates/Parties and other procedural reasons. Accordingly, the point raised above is answered in the partly Affirmative.

53. **Findings on point no.2:-** In view of the above discussion, this complaint is deserves to be partly allowed. Hence, we proceed to pass the following:-

ORDER

In exercise of the powers conferred under section 31 of the Real Estate (Regulation and Development) Act, 2016, the Complaint bearing No.00002/2024 is hereby partly allowed as under:

1. Respondent is hereby directed to restore the power supply of the DJ SET to the Complainant apartment. Further to complete the assured amenities of the project as per the terms of Agreements.
2. Further, the respondent is hereby directed to transfer the land's khata, BESCOM Meters, Water Meters, Corpus fund, balance of escrow account, and render accounts regarding maintenance to authorized association of Allottees formed under the laws applicable within 90 days from the date of this order.
3. In all other respects, the reliefs sought by the Complainants stand rejected.
4. The Complainant is at liberty to enforce this order in accordance with law, if the Respondents fail to comply with the same.

No order as to costs.

(G.R.REDDY)

MEMBER
K-RERA

(RAKESH SINGH)

CHAIRMAN
K-RERA

