

ಕರ್ನಾಟಕ ರಿಯಲ್ ಎಸ್ಟೇಟ್ ನಿಯಂತ್ರಣ ಪ್ರಾಧಿಕಾರ,

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

**PROCEEDINGS OF THE AUTHORITY BEFORE BENCH-4**

**PRESENT:**

**SHRI. RAKESH SINGH, HON'BLE CHAIRMAN**

**COMPLAINT NO : 00547/2025**

**DATED THIS 12<sup>th</sup> DAY OF JANUARY 2026**

**COMPLAINANT.....**

**SHOBHITHA R,**  
No. B2/2, BEML Quarters,  
Officers Flat, Hinkal Post,  
Mysore - 570 017.

**(Rep. by Sri. Jatin C S, Authorized  
Signatory)**

**V/S**

**RESPONDENT.....**

**PRESIDENT SANKALPA WELFARE  
SOCIETY (R.),**  
138/1, Ground Floor,  
Raghavendra Building, N S Road,  
Mysore - 570024.

**(Rep. by Kumar & Kumar Advocates)**

**PROJECT NAME**

**VARAKODU PROJECT**

**J U D G E M E N T**

1. This complaint is filed on 01/04/2025 under Section 31 of the Real Estate (Regulation and Development) Act, 2016, against the project "Varakodu Project" developed by *Sankalpa Welfare Society (R.)*, having its registered address at No. 138/1, Ground Floor, Raghavendra Building, N.S. Road, Mysuru.



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2. The present complaint is filed seeking a direction to the Respondent/Promoter to refund the entire amount paid by the Complainant, along with interest at the rate of SBI MCLR + 2% calculated from the respective dates of payment, and to impose appropriate penalties on the Respondent for misrepresentation and violation of the provisions of the RERA Act.

3. This project is not registered under RERA.

**Brief facts of the complaint is as under:-**

4. The complainant, Ms. Shobitha R, submits that the respondent, *Sankalpa Welfare Society (R.)*, registered under the Karnataka Societies Registration Act, 1960, bearing Registration No. DRMY/SOR/653/2017-18 and represented by its President Mr. K.V. Vedhamurthy, represented to the complainant that it was developing a residential layout at Varakodu Village, Varuna Hobli, Mysuru Taluk, Mysuru District, and that it was duly authorised to collect funds for sale of plots after complying with all statutory requirements, including registration under the Real Estate (Regulation and Development) Act, 2016.

5. Relying on the said representations, the complainant booked Plot No. 193 in the said project and paid a total consideration of Rs.22,45,000/- to the respondent between 19.10.2023 and 13.07.2024, as evidenced by receipts issued by the respondent. The respondent assured that the plot would be registered in favour of the complainant upon receipt of approvals from the competent planning authority, as reflected in the Membership/Booking Form. It is alleged that the respondent failed to register the project under RERA, collected amounts from the complainant without such registration,

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and did not execute an Agreement for Sale as mandated under Sections 3 and 13 of the RERA Act. The respondent has neither registered the plot in favour of the complainant nor refunded the amount collected, despite repeated follow-ups.

6. The complainant further contends that the respondent society, being registered under the Karnataka Societies Registration Act, is not legally competent to undertake housing or layout development for the general public, and that the acts of the respondent amount to misrepresentation and violation of the provisions of the RERA Act. The complainant states that no other proceedings have been initiated before any other forum on the same cause of action and seeks refund of the amount paid along with interest and imposition of penalty on the respondent. Hence, this complaint.
7. After registration of the complaint, this Authority issued notices to the parties to appear before this Authority. In pursuance of the said notices, the Advocates for the complainants and respondent were present before this Authority. Respondent has filed preliminary objections challenging the maintainability of the complaint, which is as under:-
8. It is contended that the respondent is a welfare society registered under the Karnataka Societies Registration Act, 1960 and does not fall within the definition of "promoter" under Section 2(zk) of the Real Estate (Regulation and Development) Act, 2016. Hence, it is submitted that the provisions of RERA are not applicable and this Authority lacks jurisdiction. It is further contended that the transaction relied upon by the complainant arises out of an internal membership/booking arrangement of the society and does not

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constitute a "real estate project" under the RERA Act. There is no sanctioned layout plan, development approval, or agreement for sale as required under Section 13 of the Act, and therefore the dispute is purely contractual in nature.

9. The respondent also submits that O.S. No. 392/2025 is pending before the Court of the Senior Civil Judge, Mysuru, in respect of the same land, and that parallel proceedings before this Authority are not maintainable. It is further urged that disputes relating to the affairs of a society are required to be adjudicated under Section 25 of the Karnataka Societies Registration Act, 1960. On these grounds, the respondent seeks dismissal of the complaint as not maintainable, while reserving liberty to file objections on merits if required.
10. The Complainant has filed a rejoinder challenging the Respondent's claim that it is not a "promoter" under the Real Estate (Regulation and Development) Act, 2016 (RERA Act). Upon perusal of the pleadings, documents, and relevant provisions, it is noted that under Section 2(zg) of the Act, an association of persons, including a welfare society, qualifies as a "person." Section 2(zk) defines a "promoter" to include any person who develops land or constructs buildings for sale, cooperative societies developing apartments for members, and persons acting as developers, builders, or power of attorney holders for sale of plots or apartments. Where development and sale are undertaken by separate entities, both are deemed promoters.
11. The Respondent has issued receipts for sale consideration of plots, specified plot dimensions, collected amounts over five years, and entered into a

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Memorandum of Understanding with a developer dated 09.04.2018. The MOU is unregistered, unstamped, and does not identify schedule property, and cannot absolve the Respondent of its obligations. The Respondent's conduct demonstrates inducement, misrepresentation, and unauthorized real estate activity under the guise of a welfare society. No court order restrains the Respondent from allotting plots, and the pendency of O.S. No. 392/2025 cannot justify its failure to comply with statutory obligations.

12. Accordingly, this Authority holds that the Respondent is a "promoter" under Section 2(zk) of the RERA Act. The Respondent is directed to allot the plot to the Complainant or refund the amount with interest under Section 18. The Respondent is also liable for penalties under Section 59 and compensation under Section 71 for delay and financial loss. Any other relief deemed appropriate in the interest of justice and equity is granted.
13. In support of her claim, the complainant has produced documents such as copy of payment receipts, allotment letter, outstanding letter and project photographs.
14. In support of its defence, the respondent has produced documents such as copy of plaint in O.S. No.392 of 205, written statement in O.S.No.392 of 2025, RERA registration certificate and copy of MOU.
15. This matter was heard on 19/05/2025, 17/06/2025, 08/07/2025, 04/08/2025, 11/08/2025, 19/08/2025, 01/09/2025, 08/09/2025, 17/10/2025, 04/11/2025, 24/11/2025 and 02/12/2025.
16. Heard both sides.



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**17. On the above averments, the following points would arise for our consideration:-**

1. Whether the complainant is entitled for the relief claimed?
2. What order?

**18. Our answer to the above points is as under:-**

1. In the Affirmative.
2. As per final order for the following

**REASONS**

**19. Our finding on point No. 1:-** The Authority has carefully examined the submissions, pleadings, and documents placed on record by both parties. The primary question before this Authority is whether the Respondent, Sankalpa Welfare Society (R.), can be considered a “promoter” under the Real Estate (Regulation and Development) Act, 2016, and whether the complainant is entitled to the relief claimed.

**20.** The Respondent is admittedly a society registered under the Karnataka Societies Registration Act, 1960. However, mere registration as a welfare society does not immunize an entity from compliance with statutory obligations under other laws, including RERA, if it undertakes activities that amount to real estate development and sale. The evidence clearly shows that the Respondent collected substantial amounts from the complainant, Ms. Shobitha R, in connection with Plot No. 193 in the Varakodu Project. Receipts issued by the Respondent acknowledge these payments and specify plot details. The Respondent also assured the complainant that the plot would be registered upon obtaining necessary approvals. These actions amount to conducting a real estate transaction in

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the ordinary course of business and squarely fall within the definition of a “promoter” under Section 2(zk) of the RERA Act, which includes any person, association, or entity that develops or sells plots or apartments, or acts as a developer or builder. The Respondent’s claim that this was merely an internal membership arrangement or that the complainant was an internal member is untenable. The complainant is an external party who made payments in reliance on representations made by the Respondent, and the transaction is commercial, not internal.

21. The project, “Varakodu Project,” is not registered under RERA. The Authority notes that Sections 3 and 4 of the Act explicitly prohibit advertising, booking, or sale of plots in an unregistered project, and require full disclosure of sanctioned plans, approvals, and legal status. Further, Section 13 mandates execution of an Agreement for Sale. In the present case, the Respondent neither registered the project nor executed any agreement with the complainant. Collection of funds without registration and statutory compliance is a direct violation of the Act, constituting misrepresentation and unauthorized real estate activity.

22. The complainant has suffered financial loss due to reliance on the Respondent’s assurances and repeated delay in execution of the transaction. Payments were made between October 2023 and July 2024, and despite repeated requests, the Respondent failed to refund the amount or allot the plot. The Respondent’s argument regarding the pendency of O.S. No. 392/2025 before the Civil Court is not sufficient to deny relief under RERA. The Authority has independent jurisdiction under Section 31 to address statutory violations, including refund of amounts, interest, and imposition of penalties, irrespective of parallel civil proceedings. The

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pending civil case relates to disputes over ownership or internal arrangements of the society, which is distinct from the complainant's claim for statutory relief.

- 23.** The Respondent also relied on an unregistered, unstamped Memorandum of Understanding with a developer dated 09.04.2018. The Authority observes that this MOU does not specify the schedule property, does not identify the complainant's plot, and cannot absolve the Respondent of statutory obligations under RERA. The Respondent's conduct, including collection of amounts without registration and assurance of plot allotment, demonstrates inducement and misrepresentation, and thus violates Sections 3, 4, and 13 of the Act.
- 24.** It is also relevant that Section 2(zg) of the Act defines a "person" to include associations and societies. Therefore, the Respondent qualifies as a "person" capable of being a "promoter" under the Act. The Authority is satisfied that the Respondent's actions fall squarely within the ambit of the RERA provisions governing promoters and their obligations. Given the above, the complainant is entitled to the relief claimed. The Respondent's failure to register the project, execute an agreement for sale, or refund the amounts despite repeated follow-ups constitutes a clear breach of statutory duties. The Authority is empowered under Section 18 to direct refund with interest, under Section 59 to impose penalties for violation of statutory provisions, and under Section 71 to award compensation for financial loss. In the circumstances, all these reliefs are warranted in favour of the complainant.
- 25.** The Authority, having considered the submissions, documents, and relevant provisions of law, finds that the Respondent has violated statutory

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obligations under the RERA Act and has caused financial loss and inconvenience to the complainant. Accordingly, the complainant is entitled to refund, interest, penalty, and compensation as per the provisions of the Act. Accordingly, the point raised above is answered in the Affirmative.

26. 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.
27. **My findings on point No. 2:-** In view of the above discussion, this complaint deserves to be allowed. Hence, I proceed to pass the following order.

**ORDER**

In exercise of the powers conferred under Section 31 of the Real Estate (Regulation and Development) Act, 2016, the complaint bearing No. **00547/2025** is hereby allowed as under:

1. The respondent, Sankalpa Welfare Society (R.), is hereby directed to refund the entire amount of Rs.22,45,000/- (Rupees Twenty Two Lakh Forty Five Thousand Only) paid by the complainant, along with interest at the rate of SBI MCLR + 2% per annum, calculated from the respective dates of each payment till the date of actual refund, within 60 days from the date of this order.
2. The respondent is further directed to register the "Varakodu Project" under Section 3 of the RERA Act



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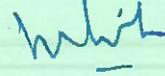
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within 60 days from the date of this order. The registration process shall include:

3. The Secretary, Karnataka Real Estate Regulatory Authority (K-RERA) is hereby directed to initiate proceedings against the respondent for violation of Section 3(1) of the RERA Act and ensure compliance with statutory provisions. The Authority may impose penalties in accordance with Section 59 of the Act for non-registration and unauthorized collection of funds.
4. The complainant is at liberty to initiate action for recovery in accordance with law if the respondent fails to comply with this order.

No order as to costs.



(RAKESH SINGH)

Chairman  
K-RERA

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