

ಕರ್ನಾಟಕರಿಯಲ್ 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 FULL BENCH

PRESENT:

SHRI. RAKESH SINGH, HON'BLE CHAIRMAN

SHRI. GURIJALA RAVINDRANADHA REDDY, HON'BLE MEMBER

DATED THIS 17th DAY OF NOVEMBER 2025

COMPLAINT NO.CMP/00001/2023 and CMP/00204/2023

COMPLAINANT.....

1. MR. M G ASHOK RAO

CMP/00001/2023

No.1674, 16th Main, Banashankari 2ND
Stage, Bengaluru - 560 070.

2. MR. A.N SHIVKUMAR

CMP/00204/2023

Flat No.I - 4 Wilasa Grand Villament,
JP Nagar 09th Phase, Next Prestige
Falcon City, Konanakunte Cross,
Bengaluru - 560 062.

(Rep by Smt. Shobha - Advocate)

V/s.

RESPONDENT.....

1. NITESH ESTATES LIMITED

7th floor, Nitesh Times Square, No.8,
Mahatma Gandhi Road,
Bengaluru - 560001

(Presently known as M/s Satchmo
Holdings Limited)

(Rep by Mr. Ahaan Mohan - Advocate)

**2. M/S ALPHA DEVANAHALLI
PROPERTIES (LLP)**

3. MR. B.G. CHANNAPPA

4. MR. C. DHANYA KUMAR

**5. M/S ALPHA CONSOLIDATED
PROJECTS (INDIA) PVT LT**

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Respondent No.2 to 5 are residing at
No.135/A-35, 9th Main, RMV Extension,
Sadashivanagar, Bengaluru – 560080.

6. MRS. SHIVAMMA

7. MRS. BASAMMA

Respondent No.6 & 7 are residing at
Bhavihal Village, Naraganahalli Post,
Davangere – 577534

8. MR. CHANDRASHEKAR RAI

K 303, Renaissance Exotica, Jakkur,
Bengaluru – 560064

9. MR. Y.C. SATHISH KUMAR

Nagarthpet, Devanahalli Town,
Bengaluru Rural- 562110

TAKING MEMORANDUM OF COMPLIANCE
DATED 29/08/2025 ON RECORD

1. The above complaints were filed before this Authority alleging failure of the Developer to complete essential infrastructure and amenities in the project “Nitesh Long Island”.

Brief facts of the complaint are as under:-

2. During pendency, the parties subsequently entered into Joint Memos of Settlement dated 11/02/2023 before the RERA Conciliation Centre/Lok Adalat. The same were duly recorded in the respective complaints and the complaints stood disposed of dated 11/02/2023 on those terms.
3. Under the said Joint Memo, the Developer undertook to complete infrastructure works (power, water, drainage, internal roads, street lighting, boundary wall, rainwater harvesting), amenities (clubhouse,

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Karnataka Real Estate Regulatory Authority,

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3rd Cross, Mission Road, Bengaluru-560027

gym, swimming pool, tennis court, banquet hall, cricket ground, children's play area, etc.), formation of the owners' association and refund of 40% of the sinking fund upon association formation.

4. The timelines agreed upon were Infrastructure completion by 31/08/2023, Amenities and association formation by 31/12/2023 and refund of part sinking fund by 31/03/2024 respectively.
5. Since the settlement was recorded in Lok Adalat proceedings on 11/02/2023, these complaints stood disposed and attained the status of a decree of a civil court under Section 21 of the Legal Services Authorities Act, 1987.
6. Upon expiry of above timelines, the Complainants filed Decree Transfer Petitions (DTPs) under Sections 40 and 57 of the RERA Act read with Rule 26 of the RERA Rules, seeking transfer of the decree to the City Civil and Sessions Court, Bengaluru. The said DTPs were allowed without issuing notice to the Developer.
7. The Developer thereafter filed the present Memo dated 18/02/2024 and Memorandum of compliance dated 29/08/2025 seeking recall of the DTP orders on the following principal grounds that:
 - Substantial compliance with the Joint Memo obligations had already been achieved;
 - Completion of infrastructure of all mandated works and amenities supported by BIAAPA Release Orders for all three phases;
 - Violation of the principles of natural justice in allowing DTPs without hearing and

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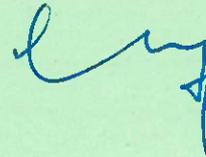
ಕರ್ನಾಟಕರಿಯಲ್ ಎಸ್ಟೇಟ್ ನಿಯಂತ್ರಣ ಪ್ರಾಧಿಕಾರ,

Karnataka Real Estate Regulatory Authority,

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- The Authority's obligation under Rule 26 to determine its inability to execute an order before transferring it to a civil court.
8. The Developer has relied upon judgments including Grindlays Bank Ltd. v. CGIT [AIR 1981 SC 606], A.R. Antulay v. R.S. Nayak [(1988) 2 SCC 602], Indian Bank v. Satyam Fibres [(1996) 5 SCC 550], Asit Kumar Kar v. State of West Bengal [(2009) 2 SCC 703], and others.
 9. The Complainants opposed the application, contending that the Developer had failed to fulfil its obligations and that the DTPs were rightly allowed in terms of Sections 40(2) and 57 of the Act. They relied upon Rahul S. Shah v. Jinendra Kumar Gandhi [(2021) 6 SCC 418] emphasizing speedy execution of decrees.
 10. Owing to contradictory factual pleadings, this Authority constituted a Technical Committee headed by the Assistant Executive Engineer, Karnataka RERA, which carried out spot inspection on 23/05/2025 and submitted its report.
 11. The report found that, though certain elements show deterioration owing to poor maintenance over time and technical shortcomings in the Project, substantively all developmental works and amenities promised under the Joint Memo dated 11/02/2023 had been completed.
 12. Both parties accepted the report's factual findings. The Complainants contended that failure to maintain the project and to form the owners' association and fulfil related obligations amounted to continuing non-compliance.

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13. The Developer countered that maintenance dues exceeding Rs.10,00,00,000/- (Rupees Ten Crore Only) were outstanding and unpaid by allottees, that repeated communications through email and RPAD had been made to allottees to participate in association formation, to which less than 10% responded. In this regard the Developer has placed on record the Emails and RPAD receipts attesting to repeated communications to homebuyers for association formation and maintenance payments.

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

- Whether the procedure followed in allowing the DTPs was in accordance with the RERA Act and Rules?
- Whether the Developer has complied with obligations under the Joint Memo dated 11/02/2023?
- Whether this Authority possesses the power to recall the DTP orders in the interest of natural justice?
- What order?

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

- In the Negative.
- In the partly Affirmative
- In the Affirmative.
- As per final order for the following

REASONS

11. **Our finding on point No.1:** The Respondent's project is registered under RERA. It is an undisputed fact that the DTP orders were passed by this Authority without notice to the Judgment Debtors (Developer).

12. While Section 38(2) of the Act empowers this Authority to regulate its own procedure, such power is circumscribed by adherence to principles of natural justice and which is foundational to quasi-judicial decision-making.

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13. Rule 26 of the Karnataka RERA Rules mandates that transfer of an orders/decrees to the civil court is permissible only where the Authority determines its "inability to execute the order". Such a determination necessarily requires an assessment of compliance; issuance of notice; hearing of objections of the affected party. None of these steps were undertaken.
14. The Hon'ble Supreme Court in Grindlays Bank Ltd. and A.R. Antulay [AIR 1981 SC 606] has held that, failure to hear a necessary party renders the order void for violation of natural justice.
15. Therefore, the procedure hitherto followed by this Authority in processing DTPs is inconsistent with Section 38(2) cannot be sustained and requires rectification. Hence, point No.1 is answered in the Negative.
16. **Our finding on point No.2:** The Technical Committee report unequivocally establishes substantial compliance with the infrastructure and completion of all works and amenities as promised under the Joint Memo. Any minor deficiencies observed/noted are incidental and technical in nature and not attributable to deliberate non-compliance of the Developer rather than wilful neglect.
17. As regards to association formation and maintenance, this Authority notes the evidence and material placed by the Developer's persistent efforts indicating repeated attempts and the lack of cooperation from allottees.
18. During the proceedings, the Complainants had undertaken to place on record proof of their representation of a majority of the allottees in the project. However, the Complainants were also unable to secure the necessary co-operation. In light of the precedents in Capt. Dushyant

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Somal v. Smt. Sushma Somal [(1981) 2 SCC 277] and Niaz Mohammad v. State of Haryana [(1994) 6 SCC 332], it would be unjust to penalize the Developer where compliance is contingent upon third-party participation. Hence, point No.2 is answered in the partly affirmative.

19. **Our finding on point No.3:** On the issue of power to recall, this Authority is guided by Asit Kumar Kar, Budhia Swain and Indian Bank and subsequent authorities, which recognizes/affirm the inherent power of tribunals and quasi-judicial authorities to recall orders passed without jurisdiction or in violation of natural justice or due to procedural irregularities that strike at the root of the decision. The NCLAT's decision in Union Bank of India v. Dinkar T. Venkatasubramanian [0561/2023] reinforces this principle.
20. Accordingly, this Authority holds that the DTP Orders passed without notice to the Developer fall squarely within this category and are liable to be recalled as having been made in violation of natural justice.
21. At the same time, this Authority is mindful of the direction in Rahul S. Shah v. Jinendra Kumar Gandhi [(2021) 6 SCC 418] it was held that execution proceedings be conducted effectively and expeditiously and shall proceed accordingly in the matter, which this Authority shall ensure. Hence, point No.3 is answered in the affirmative
22. **Our findings on point No.4:-** In view of the above discussion, this application / Memorandum of compliance dated 29/08/2025 deserves to be allowed. Hence, we proceed to pass the following:

with

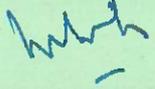
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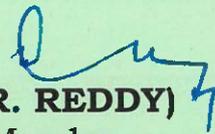
ORDER

In exercise of the powers conferred under Section 38 of the Real Estate (Regulation and Development) Act, 2016, the complaints bearing **No.CMP/00001/2023 and CMP/00204/2023** are hereby allowed as under:

1. The Orders passed in the Decree Transfer Petitions in CMP Nos. 00001/2023 and 00204/2023 are hereby recalled.
2. The Complainants/Decree Holders are at liberty to initiate execution, recovery and enforcement proceedings before this Authority in accordance with law in the first instance.
3. The Judgment Debtor shall be afforded a reasonable and adequate opportunity of participation and response in such proceedings.
4. A Decree Transfer Petition may thereafter be filed and upon conclusion of execution proceedings before this Authority, a finding of non-compliance by the Judgment Debtor and recording of this Authority's inability to execute the decree. Such matter may be transmitted to the competent Civil Court for execution under Section 40 read with Rule 26.

No order as to costs.


(RAKESH SINGH)
Chairman
K-RERA


(G.R. REDDY)
Member
K-RERA



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ಕಡತ ಸಂಖ್ಯೆ CMP 01/2023

ಪುಟ ಸಂಖ್ಯೆ 02

ವಿಷಯ M.G. Ashok Rao

Nitesh Estate Limited

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ಟಿಪ್ಪಣಿ ಮತ್ತು ಆದೇಶಗಳು

CMP-00001/2023

11.02.2023

As per the request of the complainant and Sri. Harish Kumar M.D Authorized Signatory of the respondent, the complaint in the above case is taken-up for amicable settlement, in the National Lok Adalat held on 11.02.2023.

The complainant Sri. M G Ashok Rao and Sri. Harish Kumar M.D Authorized Signatory of the respondent present, in the Lok-Adalat sitting held on 11.02.2023, the dispute with regard to the above case is settled as per joint memo. The settlement entered between the parties is voluntary and legal one and as per which the complainant has no further claims against the respondent whatsoever in the case. Therefore in view of the submission of the complainant, the complaint bearing no. CMP-00001/2023 has been closed as settled between the parties in the Lok Adalat in terms of the joint memo dated: 11.02.2023. The Authorised Signatory of the the respondent and the complainant have put the signature to the settlement deed.

Judicial Conciliator.

Advocate Conciliator.

Complaint No. CMP-00001/2023

11.02.2023

Before the Lok-Adalat

The above case is taken up before the Lok-Adalat. The joint memo filed by both the parties is hereby accepted. Hence, the dispute in connection with the above complaint is settled before the Lok-Adalat as per joint memo. The joint memo filed by the parties shall be part and parcel of award/order.

The complaint referred above stands disposed off accordingly.


Judicial Conciliator.


Advocate Conciliator.

**BEFORE THE CONCILIATION CENTRE KARNATAKA
REAL ESTATE REGULATORY AUTHORITY, AT
BENGALURU**

COMPLAINT NO• 00001/2023

Sri. M.G. Ashok Rao

.....Complainant

-VS-

M/s. Nitesh Estates Limited
(Presently known as
NEL Holdings South Limited)

.....Respondents

JOINT MEMO OF SETTLEMENT

The complainant/allottee and the respondent/promoter in the above complaint jointly submit as under:

1. The complainant is an allottee of a site bearing No. 124 formed in the layout known as "NITESH LONG ISLAND (NLI)" by the respondent-promoter. The complainant alleging that although the promoter has executed an absolute sale deed in favour of complainant in respect of the site allotted to him, have failed to provide basic facilities such as Electricity, Water, STP and amenities such as Club house etc, and have failed to complete the project and handover the project to a duly-formed association of the owners of the sites as promised in the Sale Agreement, and have caused an inordinate delay in this process causing financial losses in terms of interest paid on loan and inability to construct houses and dwell in the layout, living far away from their places of work near the Devanahalli area etc., and therefore, the complainant has filed the complaint before the Authority seeking direction to the promoter to provide the aforesaid facilities and amenities as agreed by the Promoter in the agreement entered into between the parties.

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For NEL Holdings South Limited
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Authorised Signatory

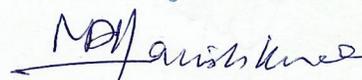
2. The respondent-promoter has stated that the construction of layout is completed; obtained permanent electricity connection to the layout, also constructed a huge capacity of Water Tank and installed Motor to pump water from the borewells to the said water tank, constructed STP plants, and Park and stated that the Club House and the other facilities are under construction.
3. The Parties after due deliberation of their dispute pertaining to the above case in presence of the Judicial and Advocate conciliator have agreed to settle their dispute in the following manner...
4. The promoter has undertaken to complete the following:

A. Provision of Infrastructure

- i The promoter has undertaken to arrange for permanent electric power supply to each plot via the existing transformer, through the underground cabling up to each plot for all the plots in the layout in both Phase 1, Phase 2 and Phase 3 by 31 August 2023.
- ii The promoter has agreed to demonstrate that water is being pumped from borewell via overhead water tank and is reaching the water inlet pipe present in each plot across all plots in the layout in Phase 1, Phase 2 and Phase 3 by 31 August 2023.
- iii The promoter has agreed to demonstrate the drainage system is working based on norms prescribed by relevant Government Authority and that STPs across Phase 1, Phase 2 and Phase 3 are made functional before 31st August 2023.
- iv The promoter has agreed to complete the repair of all the roads and bring them to good working condition before 31st August 2023.



For NEL Holdings South Limited


Authorized Signatory

- v The promoter has agreed to provide Rainwater Harvesting facilities by 31 December 2023.
- vi The Promoter has agreed to complete peripheral boundaries on the all sides of the layout as per the laws applicable protecting the sites formed in the layout by 31st December 2023
- vii The promoter has agreed to install street lighting in working condition across all the streets in Phase 1 and Phase 2 of the layout by 31 August 2023.

B. Completion of amenities

- i The promoter has agreed to complete the construction of Clubhouse and other amenities as given in the sale agreement between NLI promoters and buyers of NLI properties by 31 December 2023
 - i State of the Art Club House
 - ii Fitness Center
 - iii Swimming Pool
 - iv Tennis Court
 - v Dribble Court
 - vi Banquet Hall
 - vii Cricket Ground
 - viii Children Playgrounds
 - ix And Make Provision For:
 - a Convenience Store
 - b Coffee Shop
 - c Creche
 - d Saloon
 - e ATM
 - f Library
- c Handover of layout to the Office Bearers of the Owners Association
 - i The promoter has agreed to complete the formation of NLI owners association with office bearers of the association along with the finalization of Bye Laws of the association as approved by the association on or before 31 December 2023.

For NEL Holdings South Limited

[Signature]

Signature

- ii The promoter has agreed to handover the layout with all relevant documentation after having completed and demonstrated that amenities and facilities mentioned above in a meeting of the NLI Owners Association office bearers to which all NLI owners are invited before 31 December 2023.
- iii The promoter has agreed to maintain the layout in a proper manner at their own cost until the handover to the association of the layout is duly completed.
- iv Before the completion of the facilities and handover of the layout to the association if an owner proposes or completes the construction of a house on their plot:
- 1 The promoter shall arrange for temporary power connection to the site of any NLI owner at the time of construction of house within two weeks from the date of the owner upon request to the Engineer of the concerned electric Division and they have further undertaken to provide permanent electricity connection and install electric meter immediately after the owner informs that the construction of the house is completed by working in appropriate authorities like KEB/BESCOM, but the complainant shall bear electricity charges during temporary connection.
 - 2 The complainant/s who undertakes construction of a house will arrange for supply of water for construction of the house at their own cost and agrees to have a temporary soak pit till permanent water connection and STP connection are made functional.
 - 3 The promoter has undertaken to arrange for permanent water connection or 24 hours continuous water supply at their own costs as soon as the owner of a constructed house requests, and will ensure that the sewage from the constructed house is disposed and treated appropriately via the underground sewage pipes.

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For NEL Holdings South Limited.

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Authorised Signatory

5. The Promoter herein has agreed to refund 40% of sinking fund collected by the Promoter from all the Allottees at the time of entering the agreements of sale, which shall be paid to the Association to be formed by the Promoter by 31st March 2024.
6. In the event of the parties failing to perform their respective obligation/s enumerated in this Settlement, the aggrieved party will be at liberty to enforce this settlement by filing an Appropriate Petition before this Authority/A.O.
7. The settlement entered into between the parties is voluntary and out of their free will and volition and therefore, it may be recorded before this LOK ADALAT held on 11.02.2023.



Complainant/s-Allottee/s

For NEL Holdings South Limited

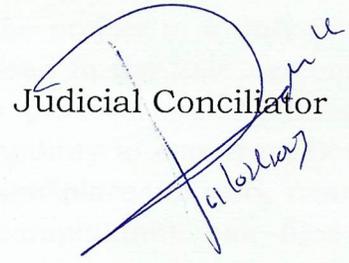

Authorized Signatory

HARISH KUMAR M.D

Respondent Promoter -
(Authorized signatory)



Advocate Conciliator


Judicial Conciliator

Date: 11.02.2023

Place: Bengaluru

5. The Promoter herein has agreed to refund 40% of sinking fund collected by the Promoter from all the Allottees at the time of entering the agreements of sale, which shall be paid to the Association to be formed by the Promoter by 31st March 2024.
6. In the event of the parties failing to perform their respective obligation/s enumerated in this Settlement, the aggrieved party will be at liberty to enforce this settlement by filing an Appropriate Petition before this Authority/A.O.
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Complainant/s-Allottee/s

For NEL Holdings South Limited

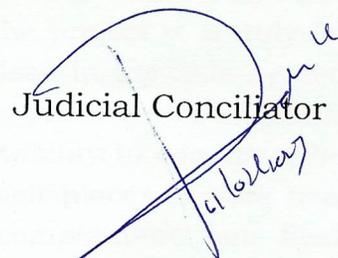

Authorized Signatory

HARISH KUMAR M.D

Respondent Promoter -
(Authorized signatory)



Advocate Conciliator


Judicial Conciliator

Date: 11.02.2023

Place: Bengaluru

KARNATAKA STATE LEGAL SERVICES AUTHORITY
BEFORE THE LOK ADALAT
IN THE KARNATAKA REAL ESTATE REGULATORY AUTHORITY AT
BENGALURU

DATED: 11TH DAY OF FEBRUARY 2023

: CONCILIATORS PRESENT:

Sri. K. Palakshappa Judicial Conciliator

AND

Smt. Sumathi M Advocate Conciliator

COMPLAINT NO. CMP-00001/2023

Between

Sri. M G Ashok RaoComplainant

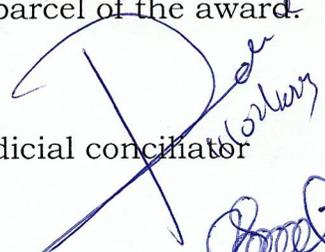
AND

M/s. Nitesh Estates Ltd.,Respondent
Presently known as NHDPL South Pvt. Ltd.,
(By: Mr. Harish Kumar M D,
Authorized Signatory of the Respondent)

Award

The dispute between the parties with regard to the complaint in the above case having been referred for determination to the Lok Adalat and the parties having compromised/settled the dispute in the matter, as per the joint memo filed during the Lok Adalat sitting on dated:11.02.2023, same is accepted. The settlement entered between the parties is voluntary and legal one.

The complaint stands disposed off as per the joint memo and joint memo is ordered to be treated as part and parcel of the award.


Judicial conciliator


Advocate conciliator