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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

COMPLAINT NO. 00427/2024

DATED THIS 29th DAY OF NOVEMBER, 2025

COMPLAINANTS.....

DHANANJAYA &

VARSHA DHANANJAYA,

#N1-8062, Sobha Arena Apartment,
Judicial Layout, Thalaghattapura,
Kanakapura Main Road,
Bangalore - 560109.

(In Person)

V/S

RESPONDENTS.....

1. SOBHA LIMITED,

Sarjapur - Marathahalli ORR
Bellandur Post,
Bengaluru Urban - 560103.

(Rep. by Sri. Sanjay Nair, Advocate)

2. BHAVANI ENTERPRISES,

No. 372, Nilay, RT Nagar Main Road,
RT Nagar, Bangalore-560032.

(None Represented)

**PROJECT NAME &
REGISTRATION NO.**

**SOBHA ARENA - THE SQUARE
(BLOCK 4)**

**PRM/KA/RERA/1251/310/PR/1804
20/001513**

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J U D G E M E N T

1. This complaint is filed on 04/05/2024 under Section 31 of the RERA Act against the project "Sobha Arena - The Square (Block 4)" developed by "Sobha Limited", situated at Surveys no 21/4, 22/1, 22/2 & 22/4 Thalaghattapura Village, Surveys no 37/1, 37/2, 37/3 & 37/4 Mallasandra Village, Uttarahalli Hobli, Bengaluru South, Bengaluru Urban, seeking for the relief of directions to (i) repair the damaged Club House and ensure necessary safety measures as per Section 14(3) of RERA, (ii) furnish and transfer the project insurance details to the Association of Allottees as per Section 16 of RERA, and (iii) grant litigation costs of Rs.50,000/-.
2. This project has been registered under RERA bearing Registration No. PRM/KA/RERA/1251/310/PR/180420/001513, which was initially valid till 31/12/2021. The validity of the project registration was subsequently extended by 9 months due to the impact of Covid-19, and the revised completion date was extended till 30/09/2022.

Brief facts of the complaint is as under:-

3. The Complainants have booked an apartment bearing No. N1-8062 in Block 4 ("The Square") of the Respondent's project Sobha Arena for a total consideration of Rs.1,02,95,004/- (Rupees One Crore Two Lakh Ninety Five Thousand Four Only). The sale deed was executed on 02/09/2022 and possession was handed over on 03/09/2022. The project Sobha Arena comprises four residential blocks, each separately registered under RERA with a common project plan. The last partial Occupancy Certificate was issued in January 2023.
4. The Complainants state that despite completion of all blocks, the Respondent has failed to initiate or complete the process of formation of the Association of Allottees and transfer of common areas, as required under Sections 11(4)(f),

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11(4)(g), and 17 of the Real Estate (Regulation and Development) Act, 2016 ("RERA").

5. Further, on 30/01/2024, a fire accident occurred in the Club House of the project, resulting in complete damage to the ladies' washroom and sauna facility. The Complainants allege that the Respondent has not undertaken repair or restoration work even after several months of the incident. The Complainants also sought details of the insurance policy for the project as mandated under Section 16 of RERA, but the Respondent failed to provide a copy, raising doubts as to whether the project was insured at all. Hence, this complaint.
3. After registration of the complaint, in pursuance of the notices issued by this Authority, the complainant appeared in person, and the advocate for Respondent No.1 appeared and filed a statement of objections, the contents of which are summarized as under:-
4. Respondent No.1 denies all allegations, statements, and averments made in the complaint, except those specifically admitted herein. It is submitted that the complaint is not maintainable either in law or on facts and is liable to be dismissed at the threshold. It is submitted that there is no violation or deficiency in service attributable to the Respondent under the provisions of the Real Estate (Regulation and Development) Act, 2016. The Respondent asserts that the Complainants have no locus standi to maintain this Complaint and that there is no cause of action against the Respondent. It is further submitted that the Complainant No.1 is a habitual litigant who has approached this Authority with unclean hands and that the Complaint has been filed with mala fide intention to harass the Respondent.
5. The Respondent submits that except for the allegation regarding the fire incident in the Club House of the Sobha Arena project, all other averments and statements made by the Complainants are a mere repetition of those

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contained in an earlier complaint filed before this Authority in Complaint No.1220/2023. The Respondent contends that it has already submitted its reply and written submissions in that matter, and therefore, the present Complaint amounts to a duplication of issues already pending consideration before this Authority.

6. It is further submitted that the alleged fire incident in the Club House occurred long after the completion of the project and after the maintenance of the Club House had been duly handed over to the Sobha Arena Apartment Owners' Association on 2nd November 2019. The said Association has since been maintaining and managing the Club House independently. The Respondent clarifies that after completion of one year of maintenance by it, all related systems, including fire safety and electrical systems, were duly handed over to the Association, and thereafter, the Respondent had no control or responsibility over the day-to-day upkeep or functioning of the Club House.
7. The Respondent further states that an investigation into the alleged fire accident was undertaken by the Sobha Arena Apartment Owners' Association, which appointed an independent agency to ascertain the cause of the incident. As per the findings of that agency, the fire was caused due to overheating of the sauna electric heater located in the ladies' restroom of the Club House, and there was no structural or design defect in the building or its electrical system. Hence, the Respondent cannot be held responsible for the said incident.
8. It is the specific contention of the Respondent that the Complainants have not made the Sobha Arena Apartment Owners' Association a party to the present proceedings, even though the Association is the proper and necessary party responsible for the maintenance of the Club House. Therefore, the Complaint suffers from non-joinder of necessary parties. The Respondent also denies the allegation that it failed to assist in the repair of the Club House. On the

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contrary, the Respondent states that a joint meeting was held with the Association in March 2024, where it extended its cooperation and support for the restoration work, and the Association subsequently undertook the necessary steps to repair and restore the Club House.

9. The Respondent categorically denies that there is any structural defect in the Club House or that there has been any violation of Sections 14, 16, or 17 of the RERA Act. It is submitted that the Club House has been duly completed in accordance with the sanctioned plan and building specifications, and occupancy certificates have been issued by the competent authority. As the project was handed over to the registered Apartment Owners' Association more than five years ago, the Respondent has no role or responsibility in relation to the renewal of insurance or subsequent maintenance of the Club House.
10. The Respondent submits that the Complainants have tried to introduce new and irrelevant allegations and documents relating to matters already pending adjudication in the earlier complaint. Such attempts, it is contended, are impermissible and intended only to mislead this Authority. Hence, prayed to dismiss the complaint.
11. In support of their claim, the complainant has produced documents such as copy of possession letter, occupancy certificate for Block 4, High Court Order for OC correction, BDA Notice to Sobha for Block 4 and Block 1 OC Correction, picture of fire accidents happened in club house, mail notification to Sobha to give copy of common area insurance dated 30/01/2024, mail notification to sobha limited to repair the club house dated 03/03/2024, District registrar of co-operative societies confirmation that Sobha Arena Apartment Owners Association is not registered under KAOA 1972 and Affidavit filed by Sobha in RERA with respect to Common Area Title Transfer.

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12. In support of its defence, the respondent No.1 has submitted documents such as copy of acknowledgment handing over the Fire systems of club house to the 'Sobha Arena Apartment Owners Association' on 02/11/2019, the acknowledgement handing over the Electrical System to the Association on 30/09/2023, investigation report dated 28/02/2024 given by the Agency appointed by the Association, photographs and online case status extract.
13. This matter was heard on 10/01/2025, 12/02/2025, 03/03/2025, 17/03/2025 and 09/04/2025.
14. **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?
15. **Our answer to the above points is as under:-**
1. In the Partly Affirmative.
 2. As per final order for the following

REASONS

16. **Our finding on point No. 1:** This complaint, filed on 04.05.2024 under Section 31 of the Real Estate (Regulation and Development) Act, 2016, concerns the project "Sobha Arena – The Square (Block 4)" developed by the first respondent, Sobha Limited. The Complainants, who are allottees of Apartment No. N1-8062 in Block 4 of the said project, have approached this Authority seeking directions to the promoter to repair the damage caused to the Club House following the fire accident that occurred on 30.01.2024, to furnish and transfer the insurance documents pertaining to the project as mandated under Section 16 of the Act, and to award litigation costs. The project stands registered under No.

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PRM/KA/RERA/1251/310/PR/180420/001513, its validity having been extended due to Covid-19.

17. The Complainants contend that although their sale deed was executed on 02.09.2022 and possession was handed over on 03.09.2022, the promoter has failed to complete its statutory obligations relating to formation of the Association of Allottees and transfer of common areas, and has also failed to repair the Club House which suffered significant damage in the fire incident. They assert that the promoter has neither undertaken repairs nor provided any copy of the insurance policy, raising concerns regarding compliance with Section 16 of the Act.
18. The first respondent has filed objections denying all allegations. It is contended that the complaint is not maintainable, is repetitive of issues pending in an earlier complaint filed by the Complainants, and that the Complainants have no locus to raise matters pertaining to common areas without impleading the Association. The promoter asserts that maintenance of the Club House and common facilities was handed over to the Sobha Arena Apartment Owners' Association as far back as 02.11.2019, and that thereafter the promoter had no responsibility over day-to-day operations or upkeep. It is further submitted that an independent investigation initiated by the Association concluded that the fire was caused due to overheating of the sauna heater and not due to any defect in construction or electrical systems attributable to the promoter. The promoter therefore disclaims liability for repairs.
19. Upon consideration of the pleadings, documents and submissions placed before the Authority, it is not in dispute that construction of the project, including the Club House, was completed in 2018 and that the occupancy certificate was issued on 03.05.2018. The materials produced by the promoter also demonstrate that the maintenance and management of the

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Club House were handed over to the Association on 02.11.2019 after expiry of the initial maintenance period. The investigation report filed by the promoter, which was commissioned by the Association itself, records that the fire accident was caused due to overheating of the sauna heater. There is no material on record that establishes any structural, design or electrical defect attributable to the promoter which could bring the matter within the ambit of Sections 14 or 17 of the Act. Once maintenance stood handed over, the responsibility for day-to-day upkeep and safety of common amenities vested solely with the Association. In these circumstances, this Authority finds no basis to direct the promoter to undertake repairs of the Club House for an incident that occurred long after the handover of maintenance.

20. However, the complaint also raises the issue of compliance with Section 16 of the Act. Since this provision imposes a mandatory statutory duty upon the promoter, the Authority considers it appropriate to reproduce it in full. Section 16 of the Real Estate (Regulation and Development) Act, 2016 reads as follows:

16. Insurance of real estate project.—

(1) The promoter shall obtain all such insurances as may be notified by the appropriate Government, including but not limited to insurance in respect of—

(i) Title of the land and building as a part of the real estate project; and

(ii) construction of the real estate project.

(2) The promoter shall be liable to pay the premium and charges in respect of the insurance specified in sub-section (1) and shall pay the same before transferring the insurance to the association of the allottees.

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(3) The insurance as specified under sub-section (1) shall stand transferred to the benefit of the allottee or the association of allottees, as the case may be, at the time of promoter entering into an agreement for sale with the allottee.

(4) On formation of the association of the allottees, all documents relating to the insurance specified under sub-section (1) shall be handed over to the association of the allottees."

21. Section 16 thus makes it incumbent upon the promoter to obtain the requisite insurance, pay all premiums and charges up to the stage of handover, and thereafter to hand over all insurance documents to the Association of Allottees. These obligations are mandatory and independent of the question of who maintains the common areas or when any subsequent incident occurs. Compliance with Section 16 must be demonstrated by the promoter through production of insurance policies, premium receipts, and documents showing transfer of the benefit of insurance to the Association.
22. In the present case, the promoter has not produced any document before this Authority to show that the mandatory insurance in respect of the Club House or allied amenities had been obtained or that the premium charges were paid prior to handover. No policy documents, renewal documents or transfer records have been furnished. The contention that the maintenance was handed over in 2019 does not absolve the promoter of compliance with Section 16, as the statutory duty to obtain and transfer insurance is independent of maintenance responsibilities. Where a promoter fails to obtain such insurance or fails to transfer the same to the Association, any loss that ought to have been covered under such insurance cannot be placed upon the allottees or the Association.
23. In view of the above, the Authority finds that while the promoter cannot be held liable to repair the Club House on account of the fire accident which

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occurred after handover, the promoter remains under a mandatory statutory obligation to furnish to the Association of Allottees all documents relating to the insurance taken in respect of the project amenities, including the Club House, together with proof of payment of premium, as required under Section 16 of the Act. Accordingly, the point raised above is answered in the partly affirmative.

24. 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.
25. **Our findings on point No. 2:-** In view of the above discussion, this complaint deserves to be partly allowed. Hence, we 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. **00427/2024** is hereby partly allowed as under:-

1. The promoter (Respondent No.1 – Sobha Limited) is directed to furnish to the Sobha Arena Apartment Owners' Association all documents relating to the insurance obtained under Section 16 of the Real Estate (Regulation and Development) Act, 2016, in respect of the entire project including the Club House and common areas / facilities (such as insurance policy copies, premium payment receipts, endorsement /

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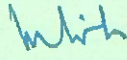
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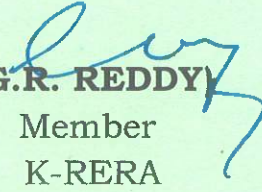
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transfer of benefit of insurance, etc.) within 30 days from the date of receipt of this order.

2. In the event the promoter fails to produce such insurance documentation within the stipulated period, the promoter shall be held liable to bear the expenses for repair and restoration of the Club House damaged in the fire incident dated 30.01.2024, as such liability would arise directly from non-compliance with Section 16 of the Act.
3. Except to the extent indicated above, no other relief can be granted. The complainants are at liberty to approach the Apartment Owners' Association for all issues pertaining to maintenance and day-to-day administration of common areas.

No order as to costs.


(RAKESH SINGH)
Chairman
K-RERA


(G.R. REDDY)
Member
K-RERA

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