

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**

**Dated 9<sup>th</sup> November 2022**

**Complaint No. CMP/201026/0006955**

**Complainant.....**

**Mantri Energia Frontiers**  
162, II Floor, 7<sup>th</sup> "B" Main  
3<sup>rd</sup> Stage, 4<sup>th</sup> Block  
Basaveshwarnagar  
**Bengaluru-560 079**  
(represented by Mr. Mohan  
Kumar & others Advocates)

V/S

**Respondents...**

1. **Mantri Technology**  
Constellation Private Limited  
Mantri House, #41  
Vittal Mallya Road  
**Bengaluru-560 001.**
2. **Mantri Realty**  
No. 9/1, 1<sup>st</sup> Floor, Classic  
Court, Richmond Road  
**Bengaluru-560 025.**
3. **Manyata Infrastruture**  
Development Private Limited  
No.9/1, 1<sup>st</sup> Floor, Classic  
Court, Richmond Road  
**Bengaluru-560 0025.**
4. **R. Suguna**  
No.9/1, 1<sup>st</sup> Floor, Classic  
Court, Richmond Road  
**Bengaluru-560 0025**
5. **Mahaveer T.G.**  
# 12, Dickenson Road  
**Bengaluru-560 043**

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6. **N.K. Narayanaswamy**  
# 2201, 5<sup>th</sup> "C" Cross  
17<sup>th</sup> "A" Main, HAL 2<sup>nd</sup>  
Stage, Indiranagar  
Bengaluru-560 038.
7. **N.J. Murthy**  
# 1104, S.H. Layout  
Kaval Byrasandra  
R.T. Nagar Post  
Bengaluru-560 032
8. **N.J. Lakshminarayana**  
# 1104, S.H. Layout  
Kaval Byrasandra  
R.T. Nagar Post  
Bengaluru-560 032
9. **S. Sheshachar**  
# 53, Rachenahalli Village  
K.R. Puram Hobli  
Bengaluru East Taluk  
Bengaluru-560 045.
10. **S. Chitra**  
# 53, Rachenahalli Village  
K.R. Puram Hobli  
Bengaluru East Taluk  
Bengaluru-560 045.
11. **Shashikala**  
# 53, Rachenahalli Village  
K.R. Puram Hobli  
Bengaluru East Taluk  
Bengaluru-560 045.
12. **S. Srivatsa**  
# 53, Rachenahalli Village  
K.R. Puram Hobli  
Bengaluru East Taluk  
Bengaluru-560 045.

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13. **Aditya Birla Finance Limited, Indian Rayon Compound Veraval**  
GIR Somanath,  
GUJARAT-362266

14. **VISTRA ITCL (India) Limited**  
**The IL & FS Financial Centre**  
22, G-Block, Bandra  
Kurla Complex  
Bandra(E), Mumbai-51

15. **LIC Housing Finance Limited**  
Bombay Life Building  
45/47, Veer Nariman  
Road, Mumbai-400 001.

16. **L & T Finance Limited**  
Unit No.1, 3rd Floor  
116, Pride Hulkul  
Lalbagh Main Road  
Bengaluru-560 045.

17. **Mantri Developers Private Limited**  
Mantri House  
# 41, Vittal Mallya Road  
Bengaluru-560 001.

(represented by Sri.E  
Suhail Ahmed for R1)

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**INTERIM ORDER**

1. The complainant Mantri Energia Frontiers have filed a complaint under section 31 of Real Estate(Regulation and Development) Act, 2016 against the project "Mantri Manyata Energia" developed by the respondent promoter of "**Mantri Technology Constellations Private Limited**". in the limits of Rachenahalli Village, K.R. Puram Hobli, Bengaluru East Taluk, Bengaluru.
2. This project is registered under RERA vide registration no. PRM/KA/1251/309/PR/171014/000439.
3. The gist of the complaint is that respondent no.1 is sisterly/associate/fully owned/subsidiary company of the Mantri Developer Private Limited. Respondent no.2 is a registered partnership firm and is primarily engaged in the business of real estate activities. Respondent-3 is a registered company under the Companies act and primarily engaged in the business of the real estate activities and incorporated in the year 2005. The respondent nos. 4 & 5 are the General power of attorney of certain landlords and business partner and associates of respondent no. 2 & 3. The respondent no. 6 to 12 are the landlords of various portions of the land that is part of the residential project which is the subject matter of dispute herein. Respondent Nos.13 to 16 are NBFCS, which have been made parties to the dispute on account of their financial interest in the project. Respondent No.17 is the flagship company of promoter group and a related party to the promoter entity that has undertaken

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to execute the project by entering into contractual understanding/agreements of sale with the allottees. Vide memo dated 9/3/2021, the complainant has prayed that the complaint against respondent no.17 may be dismissed as withdrawn for the reasons stated in the memo. In view of this, the Authority orders deletion of respondent no.17 from the complaint and respondent no.18 is renumbered as respondent no.17 and further proceedings are conducted.

4. It is submitted that the originally the respondent was registered as Mantri Technology Constellation Private Limited and currently renamed as M/s Buoyant Technology Constellations Private Limited, however on the records of this Hon'ble Authority, the respondent no.1 continue to reflect the name of Mantri Technology Constellation Private Limited. The complainant has also filed an application under Order VI Rule-17 r/w Section 151 of the CPC and Sec.31 r/w Sec.36 of the Real Estate (Regulation and Development) Act, 2016 along with an affidavit duly signed and sworn to by the Chairman of the complainant, praying this Hon'ble Authority to amend the complaint by deleting respondent no.17(Karnataka Real Estate Regulatory Authority). The Authority has allowed the amendment sought by the complainant and deleted respondent no.17 from the complaint filed by the complainant.

5. It is submitted that the respondent no.1 has started the advertised calling upon people for purchase apartment in the residential project, which would be developed in Rachenahalli Village, Krishnarajapura

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Hobli, Bengaluru East Taluk in the name and style of the Mantri Manyata Energia in the year 2012.

6. It is submitted that respondent no.1 had promised various outdoor and indoor amenities which are described as below:

- Outdoor Amenities: Swimming pool with toddler's pool
- Thematic landscape garden and water features
- Atrium with lounge at the entrance of each block
- Jogging/walking trail
- Outdoor exercise area
- Children play area
- Open amphitheatre/seating steps
- Outdoor party area with barbeque pits
- Multipurpose court
- Entrance Plaza
- Basket ball post
- Pickup-drop off point indoor amenities/clubhouse
- Well equipped Health club
- Gymnasium
- Steam room(separate for ladies and gents)
- Sauna(separate for ladies and gents)
- Massage room (separate for ladies and gents)
- Squash court, table tennis/billiards table
- Indoor Badminton
- TV room/Mini theatre with seating & surround system
- Aerobics/Karaoke room/Yoga hall with music system
- Beauty Parlour/hair saloon
- Cafeteria area Laundromat, Telemedicine & health room
- Business center, ATM of leading Bank, convenience store
- Café/Esspresso bar, Multipurpose Party hall, Meditation Hall, Creche, Chess/crrom & other indoor games, Library/Reading Room, cards room, concierge other amenities

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- Buy Back Scheme: under this scheme the buyer has to pay 10% of the sale consideration value as own contribution and remaining has to be financed through pre approved banks only.
7. It is submitted that the respondent no.2 has declared that he is the absolute owner of various survey number in all measuring 6 acres 6.5 guntas in several Sy.No. 2/2, 44/3, 47/2A, 51/1, 54/1A, 57/1,64/1, 66/2 etc., Rachenahalli Village, KR Puram Hobli, Bengaluru East Taluk,Bengaluru.
8. Respondent no.1 and respondent no.2 had agreed to sharing mechanism of the sale proceed and in also for area sharing if any etc. It is further submitted that as per clause 2.10 of the aforesaid JDA No.1, the respondent no.1 and respondent no.2 had agreed that the respondent no.2 shall be liable and shall provide indemnity to respondent no.1 with regards to mortgage executed in favour of State Bank of India. Further, the complainant is totally unaware of the status of the aforesaid loan, as to whether the said loan is still subsisting or cleared. The respondent no. 1 & 2 have not disclosed the same before the Hon'ble Authority or the customers.
9. It is submitted that the website information further disclose that the respondent no.1 has completed only 87% of the overall work in the Mantri Manyata Lithos whereas, completed only 3% of the overall work in the Mantri Manyata Energia. However, going by the detail uploaded and as reflected by the website of this Hon'ble Authority, the respondent no.1 is not updating as per the mandate of the RERA Act.

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10. It is submitted that more than 60% of the apartment in the Mantri Manyata Energia has been sold to various purchasers including the complainants. But the respondents have failed to disclose as to how many apartments are sold and the same is not available for public view as contemplated under the RERA Act and Rules. Further, the respondent no.1 has disclosed that only 3% of the work has been complete, but, however have collected Rs.75,17,75,632/- out of total required sum of Rs.475,92,28,759/- which includes cost of land and cost of construction. It is very clear that the respondents have failed to discharge their statutory obligation as per the RERA Act and Rules.
11. It is submitted that the respondent had furnished few of the approvals and NOCs that are required from various authorities. Further, most of the permission and approvals have already lapsed due to passage of time or by non performance on the part of the respondents. Respondent no.1 has caused lot of financial irregularities and mismanaged the funds collected from public. It is further submitted that the LIC Housing Finance Limited has preferred petition before the National Company Law Tribunal and if the said matter is admitted, it is very likely that the complainant project might get into litigation, virtually effecting investment of all the members of the Association.
12. More importantly, the respondent no. 4 to 12 should also be declared as promoters and necessary affidavit and declaration ought to be obtained in order to safe guard the interest of the allottees.









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13. It is submitted that the respondents have collected huge sum of money on the name of advance maintenance before the completion of the project itself. The complainants most humbly submit that the respondents have failed to fulfil condition 2(iii) wherein the promoter shall deposit seventy per cent of the amount realized by the promoter in a separate account to be maintained in a schedule bank to cover the cost of construction and land cost to be used only for that purpose as per sub clause(D) of the Clause(1) of the Sub-Section(2) of the Section 4 of the RERA Act. The respondents have purposely suppressed the actual facts that the project which is sought for registration, was to be completed much earlier than what is sought before the Authority. Hence, this complaint.
14. After registration of the complaint, in pursuance of notice served, the respondent has appeared before this Authority through their counsel and filed written objections.
15. The matter was heard on 27/07/2021, 10/08/2021, 02/09/2021, 09/11/2021, 10/01/2022, 29/03/2022, 17/05/2022, 14/06/2022, 22/06/2022, 28/06/2022, 12/07/2022, 03/08/2022, 10/08/2022 and on 20/09/2022.
16. The complainants have paid substantial sale consideration to the respondents towards purchase of their apartments. The promoter has failed to keep up his promise to deliver the possession of their flats to the complainants within the prescribed timeline. The project is incomplete and is on ongoing project.

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17. Aggrieved by the action of the respondent-1, the complainants have sought relief for a direction to the respondents to initiate action under section 35 and other related provisions to investigate the large scale mismanagement of funds by way of forensic audit. The Advocate for complainant has filed a memo dated 26.09.2022 for conducting forensic audit of the books of account of the respondent-1 under section 35 by appointing M/s JAA & Associates, Chartered Accountants, having their office at No: 364, 2<sup>nd</sup> floor, Ashwath Lakshmi Mansion, 16<sup>th</sup> Main, 4<sup>th</sup> T-Block, Jayanagar, Bengaluru to ascertain the genuineness or otherwise as to whether the respondent no.1 has invested the huge sum so collected from the complainants towards the construction of their flats or otherwise mismanaged the funds for other purposes.
18. On consideration of the submissions of the complainant, the following order is passed.

**INTERIM ORDER**

The Authority hereby appoints M/s JAA & Associates, Chartered Accountants to conduct forensic audit of the books of account of the respondent-1 under section 35 of the Act, with immediate effect. The terms of references and remuneration shall be communicated to the auditors after the assignment is accepted by them.

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2. Further, the complainant is hereby directed to bear the cost towards the forensic audit, by depositing the amounts with the Authority as per the Audit invoices approved by the Authority from time to time.

  
(D. Vishnuvardhana Reddy)  
Member-1  
K-RERA

  
(Neelmani N Raju)  
Member-2  
K-RERA

  
(H.C. Kishore Chandra)  
Chairman  
K-RERA

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