

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 BEFORE THE AUTHORITY

Dated 7th September 2023

CMP/210618/0008014

Present

Hon'ble Chairman Shri. H.C. Kishore Chandra

Hon'ble Member Shri. G.R.Reddy

Complainants.....

1. Vikash Singh

2. PRIYANKA THAKUR

House #40 , 304,

1st Avenue Teachers Colony,

1st block koramangala.,

Bengaluru – 560034.

(By Shri. Abheek Saha, Advocate)

V/S

Respondent.....

FRONTIER SHELTERS PVT LTD

NO 422 80 FEET ROAD,

6TH BLOCK KORAMANGALA.

Bengaluru-560095.

(By Shri. Tipperudraswamy, Advocate)

1. This complaint is filed under section 31 of the RERA Act against the project "FRONTIER HEIGHTS" developed by "FRONTIER SHELTERS PVT LTD" of the respondent for the relief of interest on delay period.
2. This project has been registered under RERA vide registration No. PRM/KA/RERA/1251/446/PR/171214/001250.



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3. The said project is situated at S.NO.49 1 2, HARALUR VILLAGE VARTHUR HOBLI , Bengaluru East , Bengaluru Urban.

Brief facts of the complaint are as under:-

4. The complainants have entered into an agreement of sale on 03/10/2018 to purchase a flat bearing No.2041 in the project of respondent. The respondent was supposed to handover the possession of the said flat to the complainants on 30/09/2019. But, the respondent has failed to handover the possession of the said flat as agreed. Therefore, the respondent is liable to pay interest on delay period from 01/10/2019 till handover of possession. Hence, this complaint.

5. After registration of the complaint, in pursuance of the notice, the respondent has appeared before the Authority through his counsel, and has filed statement of objections as under.

6. The respondent denies the entire allegations made against them by the complainants as false. According to him the complainants have failed to pay the installments of the sale consideration in time as and when it has become due as per agreement of sale and construction agreement. The respondent has not levied any penalty or interest over the unpaid sale consideration. As the said project is high rise building, the completion of the building depends on the cash flow. There is a delay in the payments by the purchasers which has led to the delay in completing the project within September 2019. Due to COVID-19 pandemic, lockdown he could not complete the project in time. This Authority has given an extension for 6 months. Some considerable time was consumed in obtaining modified building plan. The respondent was ready and willing to execute the sale deed immediately on completion of the project subject to payment on balance sale consideration.

7. Further, he contends that if the complainants are facing the problems in paying the installments of loan amount and the rent, he is ready to

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cancel the sale agreement and refund the advance paid by the complainant as per RERA Act. Hence, prayed to dismiss the complaint.

8. In support of their claim, the complainants have produced/uploaded documents such as copies of agreement for sale dated 03/10/2018, email, and payment receipts.

9. This matter was heard on 18/04/2021, 30/05/2022, 01/08/2022 and 30/03/2023.

10. Heard arguments of both sides.

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

1. Whether the complainants are entitled for the relief claimed?
2. What order?

12. Findings on the above points are as under:-

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

REASONS

13. **Findings on Point No.1:-** The complainants have approached this forum seeking for the relief of interest on delay period. The grounds urged are that the complainants have booked a flat bearing No.2041 in the project of the respondent by entering into an agreement of sale on 03/10/2018. As per the said agreements the respondent was supposed to handover possession of the said flat to the complainants before 30/09/2019. But till date he has not handed over the possession of the said flat to the complainants.

15. Looking to the averments of agreement, parties herein have entered into an agreement of sale on 03/10/2018. The agreement of sale is a key instrument which binds the parties in a contractual relation so as to be properly enforced in accordance with law, it is quite necessary that it shall be free from any ambiguity and vagueness. As per the terms of



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agreement of sale, the respondent was supposed to handover the possession of said flat to the complainants in September 2019. But the respondent had not completed and handover the possession of the said flat to the complainants till date.

16. As per decision of Hon'ble Supreme Court in appeal No.6750-57/2021, M/S Newtech Promoters vs The State Of Uttar Pradesh it is held as under

Para No.22. 'If we take a conjoint reading of subsections (1), (2) and (3) of Section 18 of the Act, the different contingencies spelt out therein, (A) the allottee can either seek refund of the amount by withdrawing from the project; (B) such refund could be made together with interest as may be prescribed; (C) in addition, can also claim compensation payable under Sections 18(2) and 18(3) of the Act; (D) the allottee has the liberty, if he does not intend to withdraw from the project, will be required to be paid interest by the promoter for every months' delay in handing over possession at such rates as may be prescribed'.

The said principle is aptly applicable to the present case on hand.

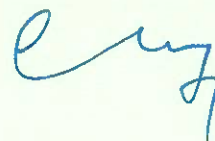
17. As per sec.18 of RERA Act, the respondent is liable to pay interest for delay period. Considering the entire materials available on record, the delay in handing over possession being apparent, this Authority see no legal impediment in allowing the complaint as prayed. The complainants have paid Rs.50,83,456/- (Fifty lakh eighty three thousand and four fifty six only) to the respondent towards entire sale consideration.

18. Therefore, it is incumbent upon the respondent to pay the interest on delay period to the complainants. Accordingly, the point raised above is answered in the Affirmative.

19. **Findings on point No 2:-** In view of the above discussion, the complaint deserves to be allowed. Hence, we proceed to pass the following



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ORDER

In exercise of the powers conferred under Section 31 of the Real Estate (Regulation and Development) Act, 2016, the complaint bearing No. **CMP/210618/0008014** is hereby allowed as under.

1. The respondent is directed to pay interest on delay period on the amount of Rs.50,83,456/- (Fifty lakh eighty three thousand and four fifty six only) at the rate of SBI MCLR+2% from 01/10/2019 till handover of the possession of flat bearing No.2041 in the project FRONTIER HEIGHTS to the complainants within 60 days from the date of this order.
2. The complainants are at liberty to initiate action in accordance with law, if the respondent fails to comply with this order.
No order as to costs.


(G.R.Reddy)
Member
K-RERA


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

