

PROCEEDINGS OF THE AUTHORITY

BEFORE BENCH-5

PRESIDED BY HON'BLE MEMBER G.R. REDDY

COMPLAINT NO.CMP/220811/0009873

Dated 3rd NOVEMBER, 2023

COMPLAINANTS : 1. Mr.Naga Surya Narayana Maroju &
2. Ms.Durga Sravanthi Maroju

Both are residing at
143, 1st Floor, 2nd Stage,
4th Cross, Ashraya Layout
Garudacharpalya, Mahadevapura
Bangalore : 560 048

(Party in Person)

RESPONDENT /
PROMOTER : 1. M/s.Raja Housing Limited
F-2, Raja Mahalakshmi, No.12
Basappa Road, Shanthinagar
Bangalore : 560 027

(By M/s.Agraa Legal, Advocates)

2. Mr.K.Purushotham Reddy
No.29/1, 'Shree Chowdeshwari Nilaya'
2nd Cross, Anand Nagar,
Chinnapanahalli, Marathahalli Post
Bangalore : 560 037

(None represented)

PROJECT NAME &
REGISTRATION NO. : RAJA RITZ AVENUE-PHASE-I
PRM/KA/RERA/1251/446/PR/
171028/001242

J U D G E M E N T

The Complainants have filed the above complaint before this Authority against the project **RAJA RITZ AVENUE-PHASE-I**, situated at Sy.No.184 & 185/1, Khata No.1008, Hoodi Village, K.R.Puram Hobli, Bangalore, praying for a direction to pay Delay Period Interest.

BRIEF FACTS OF THE COMPLAINT ARE AS UNDER:-

1. The Complainants have entered into an agreement of sale with the Respondents on 22.04.2021 for purchase of an apartment. The project completion date as per agreement was 31.10.2021. The complainants have paid an amount of Rs.74,86,784/- (Rupees Seventy Four Lakhs Eightysix Thousand Seven hundred eighty four only) to the respondents till the date of complaint. Since there was delay of more than one and half years in handing over the apartment, the complainants have filed the above complaint before the Authority praying for a Direction to the Respondents to pay Delay Period Interest.

2. On a perusal of the sale agreement, it is seen that the completion date is agreed as 31.10.2021. The promoter-respondents were required to complete the project and hand over possession of the apartment by 31.10.2021. In case where the respondent-promoter has failed to complete or unable to handover the possession of the apartment to the

allottee as per the agreement, the Allottee has a right to file a complaint before the Authority and hence this complaint is admissible for relief in accordance with Section 18 of the Act.

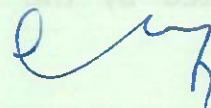
3. After registration of the complaint, notice was issued by the Authority to both complainants and the Respondents to appear before the Authority. In pursuance of the notice, issued by the Authority, the Complainants have appeared in person and the 1st respondent has appeared before the Authority through its counsel and filed statement of objections.

4. The 1st Respondent filed its statement of objection to the complaint filed by the complainants. In the said statement of objections, the 1st respondent has contended that the Complainants have not made proper and necessary parties as respondents before this Hon'ble Authority as the entire sale consideration is paid to the Land owner and the land owner is required to be made as a party respondent. The 1st Respondent also submitted that the delay in completion is on account of Covid-19 pandemic and there is delayed payment by the Allottees which is directly attributed to the delay in completion of the project. Further, the 1st Respondent also submitted that there is increase in the cost of materials as a result there is no sufficient inflow of cost to purchase the materials. Hence the project could not be completed within the date mentioned in the agreement. Further, the Respondents also submitted that they have got extension of 9 months granted by the Authority for completion of the project till

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31.10.2021. It is seen from the records made available before the Authority that in spite of granting Covid-19 extension of 9 months, the project could not be completed before the extended period of 31.10.2021. The respondents have sought to explain the delay by referring to above issues which are nothing but routine requirements of compliances and construction related issues which are required to be handled by the Promoter of any project who has undertaken to develop the real estate project. None of the reason submitted by the Respondents has any force and legal validity to justify the delay in completion of the project and provide any exception from the application of Section-18 of the Act. Since the respondents did not complete the project even after getting Covid-19 extension of 9 months, the exemption for payment of delay period interest will not accrue to the benefit of the Respondents and therefore, the Respondents are liable pay the delay period interest to the complainants. Further if any loan is taken, the allottees have to pay interest during this period also despite the fact that the money is with developers for their use.

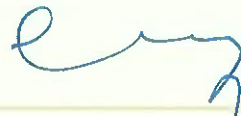
5. During the course of hearing the Complainants have requested time to file necessary application to bring the land owner as party respondent in the above complaint and serve the copy of the same to the Developer/land owner before the next date of hearing and the developer is also given an opportunity to file objections, if any, in bring the land owner as party respondent and the case was adjourned to 30.08.2023.



On 30.08.2023 the Complainants have filed an application with a request to implead Mr.K.Purushotham Reddy, the land owner, as Respondent No.2 to adjudicate the claims before this Authority as Mr.K.Purushotham Reddy is also a party to the agreement for sale as well as sale deed executed in favour of the complainants. The Complainants have submitted that there was no option to include Mr.K.Purushotham Reddy, the land owner while filing the above complaint. Authority has issued notice to Mr.K.Purushotham Reddy to appear before the Authority on 27.09.2023 and submit any documents in support of his claim. The 2nd Respondent received the notice sent by Registered post and failed to attend the hearing scheduled on 27.09.2023 and hence, he was placed ex-parte.

6. The 1st Respondent has submitted copy of the agreement of sale, copy of the sale deed, registration certificate issued by the Authority and the extension certificate issued by the Authority in support of its contention. On the other hand the Complainants have produced copies of the receipts for having paid the sale consideration, email correspondence, agreement of sale along with MOC for delay period interest.

7. On a perusal of the documents filed and submissions made before the Authority by both the parties, admittedly there is no dispute with regard to amount paid by the complainants till the date of complaint and also delays in completion of the project. It is evident that complainants have paid advance



sale consideration amount and admittedly there is a delay of more than one and half years in handing over the apartment as per the agreement. Hence the complainant is entitled to delay period interest u/s 18 of the Act and accordingly a memo of calculation is submitted by the Complainant.

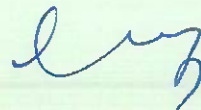
8. The Complainant has submitted before the Authority that the Respondents have executed the sale deed on 08.03.2023. Possession was taken over by the Complainants with a delay of more than one and half years. The Complainants have submitted the MOC for delay period interest and served on the Respondents. The Respondents did not dispute the MOC for delay period interest filed by the Complainant. From the documents referred to above, submitted by the complainant, it clearly establishes that there is a delay in handing over possession of the apartment and the Complainants are entitled to Delay Period Interest as per the Act.

HENCE, the Authority passes the following:

ORDER

1. In exercise of the powers conferred under Section 31 read with section 18 of the Real Estate (Regulation and Development) Act, 2016, the complaint bearing CMP/220811/0009873 is hereby allowed.

2. The Respondents are hereby directed to pay interest on delay period at the rate of SBI MCLR + 2 from 31.10.2021 till the date of possession i.e., 08.03.2023. The Respondents



shall pay the interest for the delay period as arrived at by the complainant amounting to Rs.9,88,054/- (Rupees Nine Lakhs Eighty Eight thousand fifty four only).

3. The Respondents are also directed to pay interest on Rs.9,88,054/- (being the delay period interest awarded up to the date of possession i.e., 08.03.2023) for the subsequent period of delay in payment of the delay period interest to the Complainant at the rate of SBI MCLR + 2% up to the date of payment/realisation.

4. The Respondents are directed to pay the amounts awarded at Sl.No.2 & 3 of the operative portion of the order within 60 days from the date of this order. The Complainants are at liberty to initiate action for recovery in accordance with law, if the respondents fails to pay the amount as per the orders of this Authority.


(G.R. REDDY)
MEMBER
FIFTH ADDITIONAL BENCH
K-RERA