

PROCEEDINGS OF THE AUTHORITY BEFORE BENCH 5

PRESIDED BY SHRI G.R. REDDY, HON'BLE MEMBER

Dated 12th December 2023

COMPLAINT NO: CMP/00270/2023

COMPLAINANTS...

**1. V Saravanakumar
No. 24, 25, Bharathi Nagar Extn.,
Near CE Hi,
The Residency Road,
Bangalore-560025.
STATE: KARNATAKA**

(In Person)

Vs

RESPONDENT.....

**Reddy Structure Pvt. Ltd.,
No. 133/1, 2nd Floor,
The Residency Road,
BENGALURU-560025.**

(Mrs. Sujatha H.H, Advocate)

JUDGEMENT

1. This complaint is filed under section 31 of the RERA Act against the project "**Mahaveer Trident**" developed by M/s Reddy Structures Pvt. Ltd., seeking for the relief of interest on delay period.
2. This project has been registered with RERA vide registration No. PRM/KA/RERA/1251/310/PR/190219/002385 valid till 31-12-2021 and extended till 30-09-2023.
3. Said project is situated at BBMP Ward No.192, Khatha/Survey No. 708/28/1, 28/6, Basapura Village, Begur Hobli, Bengaluru-South.



Brief facts of the complaint are as under:-

4. The complainant had purchased a flat bearing No.G-16, in the project of respondent for a total sale consideration of Rs.74,43,800/-(Rupees Seventy Four Lakhs Forty Three Thousand Eight Hundred only). The complainant and respondent had entered into an agreement of sale on 22/10/2021. At the time of entering into an agreement of sale agreement, the complainant had paid the sum of Rs. 51,49,420/-(Rupees Fifty One Lakhs Forty Nine Thousand Four Hundred and Twenty only) on various dates to the respondent. The respondent was supposed to handover the possession of the said flat to the complainant in September 2022 along with 6 months grace period i.e., March 2023. Though more than a year has been lapsed, the respondent has failed to complete the project as agreed and to handover the possession of the said flat to the complainant along with the occupancy certificate. There are some pending works such as tile work, lift installation, wiring, sanitary fitting, painting, amenities and common area. The complainant had already paid 75% of sale consideration to the respondent for the said flat. The respondent had applied for further extension before this Authority and already got covid extension and hence, further extension should not be granted. Hence, this complaint.

5. After registration of the complaint, this Authority had issued notice to both the parties to appear before this Authority. In pursuance of the notices, the complainant has appeared before the Authority and filed amemo of calculation, agreement of sale and payment receipts. The respondent advocate has appeared

before the Authority and filed a vakalathnama but he did not file his statement of objections and not produced relevant documents.

6. In support of his claim, the complainant has produced documents such as copies of agreement of sale, payment receipts and memo of calculation as on 04-08-2023.
7. This matter was heard on 13-09-2023 and 02-11-2023.
8. **On the above averments, the following points would arise for my consideration:-**
 1. Whether the complainant is entitled for the relief claimed?
 2. What order?
9. **My answer to the above points are as under:-**
 1. In the Affirmative.
 2. As per final order for the following.

REASONS

10. **My answer to Point No. 1:-** The complainant had approached this forum seeking for the relief of interest on delay period, requesting for handing over the possession and not to grant further extension. The grounds urged are that the complainant had booked a flat bearing No.G 16 in the project of the respondent by entering into an agreement of sale on 22/10/2021. As per the said agreement, the respondent was supposed to handover possession of the said flat to the complainant on or before March 2023 but, the respondent has not handed over possession of the said flat to the complainant as agreed.
11. Looking to the averments of agreement, parties herein have entered into an agreement of sale on 22/10/2021. 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 agreement of sale, the respondent was supposed to handover the possession of said flat to the complainant in March 2023.

12. 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'.

13. The said principle laid down in the above decision is aptly applicable to the present case on hand.

14. 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. 57,60,660/- (Rupees Fifty Seven Lakhs Sixty Thousand Six Hundred and Sixty only) to the respondent towards entire sale consideration.

15. The complainant has claimed Rs. 5,19,297/- (Rupees Five Lakhs Nineteen Thousand Two Hundred and Ninety Seven only) as

interest on delay period vide his memo of calculation as on 04/08/2023 calculated from 30/09/2022 to 04/08/2023. Despite opportunities given, the respondent has not filed his memo of calculation. Having regard to all these aspects, this Authority concludes that the complainant is entitled for interest on delay period from 30/09/2022.

16. The complainant has established his claim by producing cogent evidence i.e. agreement of sale dated 22/10/2021, payment receipts and memo of calculation etc.,.

17. A thorough verification of the documentary evidence placed by the complainant reveals that his claim is genuine. Having regard to all these aspects, this Authority concludes that the complainant is entitled for interests on delay period as submitted vide their memo of calculation as on 04/08/2023.

Payment Details			
S.NO	TYPE	AMOUNT	DATE
1	TOTAL PAYMENT TILL POSSESSION	57,60,660	30-09-2022
2	SUBSEQUENT PAYMENT 1	1,94,380	30-03-2023
3	TOTAL PRINCIPLE AMOUNT	5,955,040	
4	TOTAL DELAYED INTEREST as on 04/08/2023		5,19,297

S.N O	FROM DATE	TO DATE	NO. OF DAYS	MCLR RATE	INTEREST RATE	INTEREST
INTEREST CALCULATION FOR AMOUNT PAID 5,760,660						
1	30-09-2022	30-10-2022	30	8	10.0 as on 15-09-2022	47,347
2	30-10-2022	30-11-2022	31	8.25	10.25 as on 15-10-2022	50,149
3	30-11-2022	30-12-2022	30	8.35	10.35 as on 15-11-2022	49,005

4	30-12-2022	30-01-2023	31	8.6	10.6 as on 15-12-2022	51,861
5	30-01-2023	28-02-2023	29	8.6	10.6 as on 15-01-2023	48,515
6	28-02-2023	28-03-2023	28	8.7	10.7 as on 15-02-2023	47,284
7	28-03-2023	28-04-2023	31	8.7	10.7 as on 15-03-2023	52,350
8	28-04-2023	28-05-2023	30	8.7	10.7 as on 15-04-2023	50,662
9	28-05-2023	28-06-2023	31	8.7	10.7 as on 15-05-2023	52,350
10	28-06-2023	28-07-2023	30	8.7	10.7 as on 15-06-2023	50,662
11	28-07-2023	04-08-2023	7	8.75	10.75 as on 15-07-2023	11,876
INTEREST CALCULATION FOR SUBSEQUENT PAYMENT 1,94,380						
1	30-03-2023	30-04-2023	31	8.7	10.7 as on 15-03-2023	1,766
2	30-04-2023	30-05-2023	30	8.7	10.7 as on 15-04-2023	1,709
3	30-05-2023	30-06-2023	31	8.7	10.7 as on 15-05-2023	1,766
4	30-06-2023	30-07-2023	30	8.7	10.7 as on 15-06-2023	1,709
5	30-07-2023	04-08-2023	5	8.75	10.75 as on 15-07-2023	286
					TOTAL DELAYED INTEREST as on 04/08/2023	5,19,297

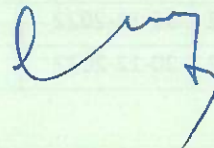
19. Accordingly the point raised above is answered in the Affirmative.

20. **My answer to point No.2:-** In view of the above discussion, I am of the opinion that this complaint deserves to be allowed. Hence, I proceed to pass the following:

ORDER

In exercise of the powers conferred under Section 31 of the Real Estate (Regulation and Development) Act, 2016, the complaint bearing No. **CMP/00270/2023** is hereby allowed.

- Respondent is directed to pay a sum of **Rs. 5,19,297/- (Rupees Five Lakhs Nineteen Thousand Two Hundred and Seven only)** towards delay period interest as on 30-09-2022 to 04-08-2023 the complainant within 60 days from the date of this order.



2. The interest due from 05-08-2023 up to the date of final payment will be calculated likewise and paid to the complainant.
3. Further, the respondent is directed to complete all the pending works in the project bearing no.322, and execute the sale deed of flat and hand over the possession of the same to the complainants.
4. The complainant is at liberty to initiate action for recovery in accordance with law if the respondent fails to comply with the order of this Authority.

No order as to costs.

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(G R REDDY, IRS)
Member, K-RERA

2. The interest due from 05-08-2023 up to the date of final payment will be calculated likewise and paid to the complainant.

3. Further, the respondent is directed to complete all the pending works in the project bearing no. 332, and execute the sale deed of flat and hand over the possession of the same to the complainant.

4. The complainant is at liberty to initiate action for recovery in accordance with law if the respondent fails to comply with the order of this Authority.


(O R REDDY, IAS)
Member, K-ERRA

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