

**PROCEEDINGS OF THE AUTHORITY**

**BEFORE BENCH 5**

**Dated 08<sup>th</sup> February 2024**

**PRESIDED BY HON'BLE MEMBER G.R. REDDY**

**COMPLAINT NO: CMP/231/2023**

COMPLAINANT : Mr.Surabhi Srivastava  
A-602, Platinum Lifestyle Apartment  
80ft Road, JP Nagar, 8<sup>th</sup> Phase  
Bangalore : 560 083

(Party in Person)

RESPONDENT / : 1. M/s.Reddy Structures Pvt Ltd  
PROMOTER No.133/1, 2<sup>nd</sup> Floor,  
Residency Road, Bangalore : 25

2. Mr.K.V.Shivakumar  
GPA Holder, Reddy Structures  
Pvt Ltd., No.3, Rajatha, Church Road  
Basavanagudi, Bangalore : 560004

(Ms.Sujatha.H.H, Advocate)

PROJECT NAME & : MAHAVEER TURQUOISE  
REGISTRATION NO. PRM/KA/RERA/1251/310/PR/  
171014/000777

**J U D G E M E N T**

This complaint is filed under Sec-31 of the Real Estate (Regulation and Development) Act, 2016 before this Authority against the project **MAHAVEER TURQUOISE**, praying for a direction to pay delay period interest:



**BRIEF FACTS OF THE COMPLAINT ARE AS UNDER:-**

1. As per the details furnished by the Complainant in the Memo of Calculation, the complainant has entered into an agreement of sale on 01.08.2020 for purchase of an Apartment in the project known as **MAHAVEER TURQUOISE**. The project completion date as per agreement was 31.12.2020. The complainant has paid advance sale consideration amount of Rs.22,47,599/- (Rupees Twenty two lakhs forty seven thousand five hundred ninety nine only) to the respondents. Possession was handed over on 03.12.2022. Since there was a delay of 02 years in handing over the apartment, the complainant has filed the above complaint before the Authority praying for delay period interest.
2. As per the information furnished by the Complainant, it is seen that the completion date is agreed as 31.12.2020. The promoter-respondent was required to complete the project and hand over possession of the apartment by 31.12.2020. In cases where the respondent-promoter has failed to complete or unable to handover the possession of the apartment to the allottee as per the agreed delivery date, the Complainant is entitled to file a complaint before the Authority and the complaint filed by the Complainant is admissible for relief in accordance with Section 18 of the Act.
3. After registration of the complaint, notice was sent to both complainant and respondents to appear before the authority. In response to the Notice, the complainant and Respondent appeared before the Authority on 13.09.2023. Complainant appeared before the Authority and filed MOC with supporting documents and served the same on the respondents. Respondent filed vakalath and prayed



for short date for filing statement of objections. Accordingly the case was adjourned to 02.11.2023.

4. On 02.11.2023, the complainant submitted that they have already filed MOC and served the same on the respondent. Respondent filed statement of objections. Along with statement of objections, the Respondent has produced copies of RERA registration certificate, extension certificate, booking form, agreement of sale, sale deed, occupancy certificate, possession letter in support of their contention. The complainant also submitted copy of sale deed, agreement of sale, payment acknowledgement copies, email communications etc., in support of his contention.

5. On the above averments, the following points would arise for my considerations:-

- a) Whether the Complainant is entitled for the relief claimed?
- b) What order?

6. Findings on the above points are as under:

- a) In the Affirmative
- b) As per final order

**FINDINGS:**

7. The complainant filed MOC for delay period interest together with supporting documents and the same was served on the respondent. The Complainant in support of its contention has produced various documents mentioned above and prayed for awarding delay period interest. The respondents have also submitted

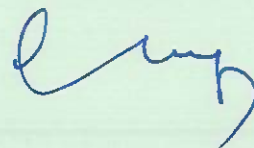
  
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various documents as mentioned above in support of their contention.

8. The Respondent in its statement of objection contended that the project has not been completed within stipulated time due to force majeure events such as scarcity of raw materials, non availability of skilled labours, transport disruption or such reasons beyond the control of the respondent. In addition COVID-19 pandemic and the lockdown have also contributed significantly to the obstacles faced by the respondents. 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 Respondent 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. Therefore, as per Section 18 of the Act, the promoter is liable pay the delay period interest.

9. One of the contentions raised by the respondent for delay in completing the project is on account of Covid-19. Even taking into account the grace period of 6 months after the completion date and Covid-19 extensions of 9 months, the project should have completed by March, 2022. Admittedly, the sale deed was executed and possession was handed over on 03.12.2022. Therefore, the exemption sought by the Respondent on account of Covid-19 for calculation of delay period interest for 9 months and grace period of 6 months as per agreement is not tenable and the same is not agreed




by the Authority. The fact remain that the amounts paid by the Complainant remained with the respondents and there is a cost associated with it to the complainant which is recognised by the Act. The further arguments of the Respondents regarding the issue of GST amount adjustment between the complainant and the Respondents. Since the complaint before the Authority is only with regard to delay period interest which is nothing to do with the GST and hence the issue of GST is not considered by the Authority.

10. On a perusal of the memo of calculation for delay period interest and other documents submitted by the complainant before the Authority, it is evident that the complainant has paid the substantial amount of sale consideration amount and the Respondent has acknowledged the receipt of the same. Admittedly there is a delay in handing over the apartment as per the agreement. The Complainant has served MOC for delay period interest along with supporting documents on the Respondents. The Respondents neither filed any MOC nor filed objections to the MOC filed by the Complainant. Hence the complainant is entitled for delay period interest u/s 18 of the Act.

11. Accordingly, the **point (a)** raised above is answered in the affirmative.

12. **Findings on Point No.b** : In view of the above observations, I conclude that, this complaint deserves to be allowed and accordingly, I proceed to pass 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/00231/2023 is hereby allowed.

2. Respondent is directed to pay interest on delay period at the rate of SBI MCLR + 2 % from 31.12.2020 till the date of handing over possession along with occupancy certificate. The promoter shall pay the interest for the delay period as arrived at by the Complainant amounting to Rs.4,26,010/- (Rupees Four lakhs twenty six thousand ten only) within 60 days from the date of this order. The Promoter-Respondent is also liable to pay delay period interest every month for the subsequent period of delay. The complainant is at liberty to initiate action for recovery in accordance with law if the respondents fail to pay the amount as per the order of this Authority.

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**(G.R. REDDY)**

**MEMBER**

**FIFTH ADDITIONAL BENCH**

**K-RERA**

