Karnataka Real Estate Regulatory Authority Bangalore ನಂ:1/14, ನೆಲ ಮಹಡಿ, ಸಿಲ್ವರ್ ಜ್ಯೂಬಿಲಿ ಬ್ಲಾಕ್, ಯುನಿಟಿ ಬಿಲ್ಟಿಂಗ್, ಸಿ.ಎಸ್.ಐ.ಕಾಂಪೌಂಡ್, 3ನೇ ಕ್ರಾಸ್, ಮಿಷನ್ ರಸ್ತೆ, ಬೆಂಗಳೂರು–560027

BEFORE ADJUDICATING OFFICER, RERA BENGALURU, KAPNATAKA

Presided by Sri K Palakshappa

Adjudicating Officer
Date: 27th MAY 2020

Complaint No	CMP/190923/0004265
Complainant	Dr. Venkatesh A M 106, kalathur layout, Gangamma Circle, Jalahalli, Bengaluru - 560013 Rep. By Sri Girish Kumar, Advocate
Opponeni	M/S Antevorta Developers Pvt. Ltd. 100 feet road, HAL 2 nd stage, indiranagar. Bengaluru-560038

"JUDGEMENT"

1. Dr. Venkatesh A M and his wife Smt. Shashikala being the Complainants jointly filed this complaint bearing No. CMP/190923/0004265 under Section 31 of RERA Act against the project "Glengate" developed by M/S Antevorta Developers Pvt. Ltd, seeking for refund of his amount. The complaint is as follows:

I, Dr. Venkatesh A M & wife Mrs. Shashikala S, jointly booked a flat A1005 in Wing-9 of ?Glengate? project having RERA Reg, No, PRM/KA/RERA/1251/309/PR/171016/000952, promoted by M/s. Antevorta Developers Pvt. Ltd, House of Hiranandani ? Hebbal, at Kodigehalli, Bangalore ? 560092 by paying the booking amount of Rs. 4,00,000 on 5-6-2014 & remaining earnest amount of Rs. 1,365,497.97? on 4-7-2014 & subsequently entered into Sale (Annex-A) & Construction agreement on 08-12-2014. I have paid



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total of Rs. 80, 28,232.18 towards the instalments up to the completion of Slab 18 except final possession payment & interest accrued. On 16-04-2019 I received the payment request letter with dues on possession and for registration. Upon visiting the project site, it was looking like a under construction project site without Security gate, Compound wall, incomplete ramp, vacant land etc. I came to know from already occupied owners that these basic amenities & facilities can?t be completed as some of the Sy. Nos. of Larger Property Schedule, as well as property in Schedule ?A? of my Sale agreement is under litigation for many years & there is an order (Annex-B) from Honourable High Court of Karnataka to maintain Status Cup of vacant sites. Later, I came to know the developer is already party in other ongoing litigations (Annex-D) on the title of Large: Property Schedule of my sale agreement. Also the OC for A klock (Wing-9) ?Glengate? (Building-1) (Annex-E) issued by BBMP ride letter no BBMP/Addl.Dir/JD North/LP/0113/2013/14 dt 03/04/2019 has a condition in para 16, states that ?In case of any false information, misrepresentation of facts or pending court cases, the Occupancy certificate shall be deemed to be cancelled. On default of the above conditions the Occupancy Certificate issued will be withdrawn without any prior notice?. Therefore it is evident that there is a ?pending court case?, therefore this OC is deemed as cancelled. It will be illegal to register the flat with OC which is deemed cancelled. The risks & obligation for the verification of the property title lies with the buyer prior to the registration. Para 15 ?Seller covenant with the Purchaser? on page 19 of sale agreement stipulates following conditions:- 15.1 That the schedule ?B? & ?C? property when conveyed to the Purchaser, it shall be free from attachments, encumbrances, Court or acquisition proceedings of any kind. 15.2 That the seller is the absolute owner of the Schedule ?A? & its title thereto is good, marketable and subsisting and it has the power to convey the same and right to carry on the development as per scheme; ? Since schedule B & C property is a part of Schedule A, the ?Title? itself is under litigation. Builder has violated the terms & conditions stipulated in the agreement. Going ahead with registration of litigated property will be illegal & highly risky. In view of the above grounds, I pray for the cancellation of the Sale & Construction agreement & refund with compensation as per the RERA Act & Karnataka RERA Rules.

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Relief Sought from RERA: Cancellation of Agreement & Refund & Compensation

- 2. In pursuance of the notice issued by this authority, Shri. Girish Kumar Advocate filed Vakalath on behalf of the complainant and the respondent also present. Both side filed their objections and written arguments.
- 3. I have heard the argument
- 4. The point that arise for my consideration is

 Whether the complainant is entitled for the relief of refund or his amount?
- 5. My answer is affirmatively in part for the following

REASONS

- 6. The complainants have booked apartment bearing No.A-1005 in wing 9 in Glen Gate Project. Agreement of sale and Construction agreement have been executed on 08/12/2014. The complainants have paid totally a sum of Rs. 80,28,232.18/-. The complainant himself has said that the developer has sent a notice to him demanding to pay final payment and to take the sale deed.
- 7. By looking into the written argument filed by the parties there are some strange submissions. According to the developer the date of the completion was agreed in the agreement is 46 months plus 6 months grace period from the date of agreement of sale. It means it comes 08/04/2019. But according to the complainant the developer has agreed to complete the project on or before 31/05/2018 itself since the developer himself has given the same date as completion date to RERA authority and he has taken the certificate to that effect also.

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- 8. Contra to the allegation made by the complainant the representative of the developer submits that though the developer has agreed to complete the project as per the date mentioned in the agreement as May 2018, however it is submitted that the developer has made all his efforts to complete the project even earlier to this date. In view of the same he has sen, the mail to the consumer giving assurance for the completion of the project even earlier to the date mentioned in the agreement. But it doesn't mean that it is the date of completion for the purpose of this dispute. In this connection the developer has drawn my attention that he has obtained O.C. on 04/04/2019 which is ahead of completion date as mentioned in the agreement. I find some force in his submission but it is the submission of the complainant that the completion date given by the developer to the RERA Authority as 31/5/2018 and O.C. was issued in the month of April 2019 means it is a clear violation of Section 18.
- 9. Per contra Shri. Chethan has drawn my attention by stating that he has filed an application for extension of time by invoking Section 6 of the Act. I would say that the agreement executed between the parties is binding upon both the parties. The agreement executed in the month of December 2014 and the completion date was scheduled as April 2019 which is the official date of completion. Of course the developer has given the date as 31/5/2018 to RERA with a pond hope of completion of the same within that period but unfortunately it was not possible.
- 10. Learned counsel for the complainant submits that the award may be passed for refund of Rs. 80,34,852/- since the developer has violated S. 18(2) of the Act. However in the written argument filed on behalf of the complainant he said that the complainant is

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entitled for the refund because the developer has breached the agreement to sell and has been forcing the complainant to get the property registered without completing the project that is without Security gate, Compound wall. It is also said that the developer has violated clause 15 of the agreement. According to him the developer has agreed to give the property to the purchaser which is free from attachments, encumbrances, court or acquisition proceedings of any kind and also the seller claims that the seller is the absolute owner of the schedule property and that its title thereto is good, marketable and subsisting, but as per the documents there is a long standing litigation in respect of title before the Hon'ble High Court of Karnataka in W.P. No. 16566-70/2011 and Writ Petition No. 454-45°/2014.

It means the complainant wanted to tell that the developer is having defective title over the land where the project is being developed. It is further alleged that the developer has not disclosed the same when the agreement was executed in the month of December 2014. The developer case is hit by S.52 of Transfer of Property Act is another kind of argument placed on behalf of the complainant. It is his submission that the developer has no right to sell the property which was the subject matter of a dispute. Further it is alleged that the Occupancy Certificate issued on 04/04/2019 has a condition in para No. 16 states that:

In case of any false information, mis-representation of facts or pending court cases, the OC shall be deemed to be cancelled.

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- 12. In view of the same the learned counsel for the complainant has vehemently argued before me that when there is no valid OC, the question of completion of project aces not arise.
- 13. The complainant has also alleged that the developer has established some of the facilities in different places what he has assured and thereby there is violation of terms of agreement. Based upon these allegations the complainant has sought for refund of the amount by cancelling the agreement. Also it is his submission that the developer has violated Section 12 of the Act by giving false advertisement. Further the counsel for the complainant went ahead by saying that the developer has committed fraud on the complainant. It means the reasons for withdrawing from the project is because the developer has given false statement. In support of the same the complainant has filed a memo along with some documents with respect to pendency of writ petitions.
- 14. So, now it is clear that the reasons for withdrawing from the project get so many reasons but Shri. Chetan representative of the developer submits as under:
 - The allegations made at Para 6 of the memorandum of complaint that after receipt of the final demand the complainant had visited the project site and noticed that the security gate, compound wall, incomplete ramp, vacant land etc are subject to its authenticity and this respondent clarifies that more the 95% of the compound wall was completed and a temporary barricade were installed at the entrance of the project and security personal were deployed in the project. This respondent agree that there was some ongoing construction with regard to the larger development and

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the ramp work and central amenities areas were yet to be completed at the point of time. Currently the compound wall, main gate, arreway, security cabin and central amenities were completed.

- The allegation of the complainant at Para 7 of the Memorandum of complaint that the basic facility has been stalled from completion is totally false. The respondent states that they have provided the basic facilities to i've building such as water, electricity, sewage, "It STP etc., The complainant has not appreciated the said facilities provided by respondent. Further allegation that there is a case peraing before the Hon'ble High Court in WA no 16566/2011 is true but this respondent were made as party very recently. When this respondent is not party to the case at all the order to maintain status quo is not applicable for this respondent. This respondent filed Impleading application and the same has been allowed by the court and also the Hon'ble High Court clarified its earlier order and permitted this respondent to construct and complete the pending works on the alleged disputed area. The said case is still pending for final consideration and as on the date there is no impediment to sell the apartment to the customers and also for taking the possession of the apartments. Hence, this respondent has not hidden any litigation with any of its customers.
- The statement of the complainant at Para 8 of the Memorandum of complaint that this respondent is a party in WP no 454/2014 is true but the allegation that the said case was with regard to the title of this

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respondent. During the initial stages of the said case, this respondent had filed us objections to the said case stating that the prayer against this respondent has to be deleted and the court after a detailed arguments and verification of the relevant documents had agreed and ordered for deletion of the said prayer against this respondent. The said fact was also referred in the WA no.16566/2011.

The allegation of the complainant Para 11 of the Memorandum of complaint that this respondent has breached the agreement to sell and forcing the complainant to get the property registered without security gate, compound wall and completed ramp is untenable. The complainant was aware that this respondent has provided all the basic amenities and facilities required for obtaining the sale deed done and to start living there in the project. This respondent has never stopped the construction of the apartment by any order of the court. This respondent were completing the works belongs to larger development in the phased manner. The ramp leading to the basement of the tower was completed and only a portion of the driveway work was pending for completion and the same has been now got completed. Further, as mentioned above 95% of the compound wall work was already completed and as on the date only 1% of the compound wall work is pending.

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15. In furtherance of the same the developer has contended as follows:

The complainant is seeking relief under section 18 of the act. The said clause speaks apout the return of the amount and compensation. The said clause is applicable when the promoter fails to complete or is unable to give possession of the apartment in accordance with the terms of the agreement. In the present case the respondent has completed the construction of the flat before the agreed period and also sent the final demand to the complainant. The complainant has failed to honour the demand made by the expondent and filed this false case against the respondent to make the illegal gain. Further the said building is completed and OC has been received. Further it is said that he has offered the complainant to make the remaining payment to take possession of the said flat. Even then the complainant has not taken the possession. It is the duty of the complainant to take physical possession within 2 months from the date of receipt of OC but he failed to take the same is the argument on the side of the developer. Hence, it is requested to this Hon'ble Authority to direct the complainant to pay the balance amount along with delay interest and to take the possession of the said flat immediately.

16. The prayer for refund was on the ground that writ petition is pending touching some extent of land involved in this project. The same is not in dispute because the same is referred by the developer himself. When that being the case the question of fraud or giving false assurance as alleged by the complainant does not arise. Moreover when the agreement was executed the developer was not a

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party in the said writ petition. When that being the case where is the place for suppression of the pendency of writ petition? I would say that the allottee is entitled for relief only in case of violation or loss as per Section 12 of the Act. Further it is necessary to note here that the developer has entered into agreement with the consumer which is an official document says that the date of completion would be by April 2019 and hence, question of violation of S.12 does not arise.

17. S.18 is meant to protect the interest of the consumer to some extent. His prayer for refund of his amount is only because the litigation is pending on the file of Hon'ble High Court of Karnataka. Though the developer has agreed in the agreement to complete the project on or before April 2019 but he has obtained the OC just 4 days ahead to complete the date as mentioned in the agreement. When the project is officially completed the allottee cannot be permitted to demand for refund of his amount. In this connection I would refer some decisions of different authorities who have held that it is not proper to order for refund when the project is officially ready for occupation.

a. Haryana Real Estate Regulatory Authority

in

CMP No. 326/2018

dated 27/11/2018

Mr. Ashok Jaipuria v. M/S Ireo private limited:

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Keeping in view the present status of the project and intervening circumstances, awarding of refund of the paid amount to the complainar. With the termination of agreement dated 26.10.2012 at this belated stage would not serve the ends of justice and this will also hamper the very purpose of completion of project and interest of existing allottees who wishes to continue with the project.

As such complement is entitled for delayed possession charges @ 10.75% p.a. as per the provisions of section 18(1) of the Real Estate (Regulation & Development) Act, 2016 tili actual handing over the offer of possession failing which the complainant is entitled to withdraw from the project

Complaint No. 743/2018

Puneet Dhar & Billa Dhar

v.

M/s Supertech Ltd.

The complainants are demanding refund of the entire amount paid till date but keeping in view the current status of the project and the revised date as per the RERA registration certificate, giving refund at this time will hamper the interest of other allottees in the project. So, the complainants are not allowed to get refund and they will get interest for delay @ 10.75% p.a. from the due date of possession till the possession is actually delivered.

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c. Complaint No. 65/2018

Pramod Kumar Agarwal

V

S.S. Group Pvt. Ltd.,

However, keeping in view the present status of the project and intervening circumstances, the authority is of the view inat in case refund is allowed in the present complaint at this stage of the project, it will adversely affect the rights of other allottees who wish to continue with the project. However, the complainant will be entitled to a prescribed rate of interest till the date of handing over of possession.

d. Complaint No. 145/2018 Smt. Pushpa Gupta

v.

M/s. VSR Infratech Pvt. Ltd.,

Thus the authority, exercising powers vested in it under Section 37 of the Haryana Real (Regulation & Development) Act, 2016 hereby issue directions to the respondent to promoter is directed to pay interest at the prescribed rate of 10.75% per annum for every month of delay. Promoter is allowed to adjust amount if due against the allottee and shall be allowed to charge interest at the same rate of 10.75%. calculation sheet be shared with the allottee within 7 days. Allottee has

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alleged that necessary information was not shared by the respondent, accordingly promoter is directed to share necessary information with the allottee concerning the unit allotted to her so that she may not be kept in dark.

e. Complaint No. PKL 451/2018,

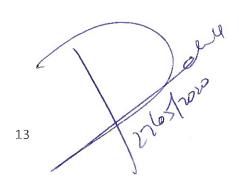
Manoj Suneja

V.

TDI Infrastructure Pvt. Ltd,

Keering in view the conduct of the respondents, they will not be entitled to the benefit as ordered by the undersigned in Complaint Case No. 49 of 2018-Parkash Chand Arohi Vs Pivotal Infrastructure Pvt. Ltd.

The request of the complainant for refund of money cannot be accepted for the reason that the respondents have developed the colony and have obtained a part competition certificate and have offered the possession to the complaints. When the possession is offered, the complainant cannot be allowed refund but they shall be entitled to compensation for the period of delay



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d. Maharashtra Real Estate Regulatory Authority Mumbai

CMP No. CC02500000004479

Bharacshwar Pathak

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Sanvo Resorts Pvt. Ltd.

Simple present tense used in the starting line of section 18 clearly indicates that the provision shall apply only all the project is incomplete or the promoter is unable to give possession. Once the project construction is complete or possession is given, as the case may be, the said provision ceases to operate.

- 18. From the above discussion made by different authorities it is clear that when the project is completed then the question of refund does not arise. The representative of the developer has already said that the developer had issued final demand with a request to take possession but the complainant has failed to do so.
- 19. Under the same now the case of the parties has to be summarized and to say that though the developer has given the official date for completion of his project as April 2019 but he has taken the OC before the completion date. Of course the developer has committed a wrong thing that he had given the date of completion to RERA also ahead of his date mentioned in the agreement. But however he has obtained the occupancy certificate within the time mentioned in the agreement for completion of his project.

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20. The complainant has alleged that the developer has not disclosed the pendency of dispute. Further it is alleged that the land where the project is constructed itself is in dispute. The complainant has said that though the developer has obtained the OC which is not legally acceptable since there is a clause saying that the same will be deemed to be cancelled in case there is false information. By highlighting this point it is said that the developer has suppressed before the competent authority while obtaining the occupancy certificate. But I would say that the developer is not directly involved in the said writ petition. Recently he has filed an application to implead himself in the same and got some favorable order. Now the complainant has alleged that the developer has misled him by not disclosing pendency of the writ petition. In this regard Sri Chethan representing the developer has given his explanation as under:

The complainant in order to deceive and make illegal gains are trying to mislead this Hon'ble authority by misrepresenting the facts. Hence at any stretch of imagination, the allegations made in the complaint cannot be believed. Reason being even though we had committed that the possession of the said apartment will be given in the year 2019, the apartment was ready due to delay in obtaining the occupancy certificate which is not attributed to the delay by the developer, the Occupancy certificate was received in the month of April 2019 and the same was also been communicated with the complaint. However this Respondent has completed the project well within timelines provided and agreed with the complainants.

2/05/2020

Karnataka Real Estate Regulatory Authority Bangalore ನಂ:1/14, ನೆಲ ಮಹಡಿ, ಸಿಲ್ವರ್ ಜ್ಯೂಬಿಲಿ ಬ್ಲಾಕ್, ಯುನಿಟಿ ಬಿಲ್ಟಿಂಗ್, ಸಿ.ಎಸ್.ಐ.ಕಾಂಪೌಂಡ್, 3ನೇ ಕ್ರಾಸ್, ಮಿಷನ್ ರಸ್ತೆ, ಬೆಂಗಳೂರು–56002/

- 21. From the above explanation it is clear that there is no any intention to cheat the allottees but he has taken effort to complete the project. I would say that the complainant has not verified what the case which is pending is and what is the role of this developer. Under those circumstances this authority has to look into S.72 of the Act while deciding the issues:
 - While Adjudicating the Quantum of Compensation or interest, as the case may be, under section 71, the adjudicating officer shall have due regard to the following factors namely:-
 - a. The amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;
 - b. The amount of loss caused as a result of the default;
 - c. The repetitive nature of the default;
 - d. Such other factors which the adjudicating officer considers necessary to the case in furtherance of justice.
- 22. In view of the same as there is no any allegations regarding the misuse of the money or diversion towards personal use then the authority has to mould the relief of the complainant by balancing the interest of the parties. It is an admitted fact that the developer has already obtained the occupancy certificate and he had already issued a final demand notice claiming the last installment showing his readiness to deliver the physical possession. It was the duty of the complainant to take the possession by tendering the installment. As per the discussion there is no any fault on the part of the developer but because of pendency of writ petition the complainant

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has decided to take back his amount. As per the discussion made by me it is not correct on the part of this authority to pass an order for refund. The complainant is entitled for the relief as per S.18 only in case of violation or loss caused to him. In this regard it was brought to my notice that the developer has been permitted to put up the compound wall, gate, road in the project. Of course it is subject to result of the writ appeal. But one thing is clear as on today there is no threat on the title of the developer. The allegation of the complainant is that the developer has violated S.18(2) has no force. There is no cause o hold that the developer has violated S.18(2) since the writ appeal is still pending. It further means as on the date of agreement with the complainant or during the pendency of this complement there is no any final decision touching the title of the developer. The permission given by the Hon'ble High Court gives a sigh of relief to the parties. Hence, there is no force in the coat ntion taken by the complainant.

- 23. By summarizing the above discussion I would like to conclude the case of the parties as under:
 - a) As per S. 18 of the RERA the question of grant of compensation or for refund of amount does arise only in case there is violation of terms of Agreement of sale. The developer has not violated the terms since he has completed the project within the time mentioned in the agreement. The date given to RERA as 31/05/2018 is not the material for consideration of the same.
 - b) The developer has obtained the OC from the competent authority where the question of title over the land was not the subject matter.



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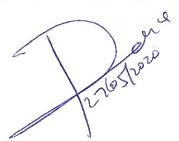
- c) There are two important grounds to the complainant to go out of the project is that the developer has not completed the project by providing necessary amenities and second is that the title over the land.
- d) So for as title is concerned I have already discussed and said that the developer has already taken the favourable order and there is no any judicial order directing the developer not to sell the flats.
- e) Moreover the developer was not at all the party to the proceedings and later he himself has impleaded as party and as such the question of misleading the complainant does not arise and question of defective title does not arise. The writ petition is still pending and no order or adjudication has been emerged. It is very premature to presume regarding the title.
- f) The developer has taken the necessary permission from the competent authority to develop the project and after completion of the same he has obtained the Occupancy Certificate from the competent authority which cannot be questioned here. There is no judicial order of injunction against the developer.
- g) Learned counsel for the complainant has vehemently argued that the developer has suppressed the pendency of the writ petition but I have already answered to the same. The complainant cannot now demand for the refund of the amount since the project has been completed by obtaining the OC within due time. The OC has been obtained and the complainant has been called for taking sale deed. In this regard the developer submits that he has already invited the complainant to take physical possession after tendering the amount

The amount

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payable to him. But instead of doing so, this complaint has been filed after coming to know about the receipt of OC and after the notice for invitation was issued. The filing of this complaint after the receipt of OC itself is not correct.

- h) The complainant has not given proper reasons in filing the complaint after receipt of OC. The complainant has taken many contentions at the time of argument by drawing my attention to different aspects. But the important aspect is as to refund of the amount at this stage. Why I am saying because the developer has did his task in completing the project. The only point raised by the complainant is regarding the title for which I have already said that the dispute was pending between original owner where the present developer has no connection whatsoever and as such the apprehension of the complainant has no force.
- i) However when I gone through the objection statement of the developer where he has contended as under:
 - ".....The allegation of the complainant at para 11 of the Memorandum of Complaint that this respondent has breached the agreement to sell and forcing the complainant to get the property registered without security gate, compound wall and completed ramp is untenable. The complainant was aware that this respondent has provided all the basic amenities and facilities required for obtaining the sale deed done and to start living there in the project. This respondent has never stopped the construction of the apartment by any order of the court. This respondent was completing the works belongs to larger development in the phased



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manner. The ramp leading to the basement of the tower was completed and only a portion of the drive way work was pending for completion and the same has been now got completed. Further, as mentioned above 95% of the compound wall work was already completed and as on the date only 1% of the compound wall work is pending....."

- 24. By reading the above paragraph where the developer himself has admitted that even after taking OC from the competent authority some of the amenities were not completed. This objection statement was filed on 31/12/2019 where as the OC was obtained on 03.31.2019. It means even though the OC was received some of the amenities were pending and as such the stand taken by the developer that the complainant has failed to take the physical possession despite the invitation loses force. The developer shall call the allottee only everything was completed to occupy the same. When that being the case the developer shall not impose interest on the due amount. With this observation I would like to say that the complaint has to be allowed in part by directing the complainant to comply S.19(10) of the Act along with S. 19(6).
- 25. As per S.71 (2) RERA, the complaint will have to be closed within 60 days from the date of filing. In this case the complaint was filed on 23/09/2019. In the present case, the developer has appeared for the first time on 31/12/2019 by filing objection statement. The advocate representing the complainant has filed his written complaint and written argument along with citation. In view of the same the complaint is being disposed of with some delay.

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In the meanwhile on account of natural calamity COVID-19 whole nation was put under lock down completely from 24/03/2020 till 17/05/2010 and as such this judgment could not be passed and as such it is with some delay. With this observation, I proceed to pass the following.

ORDER

- a. The complaint no. CMP/190923/0004265 is allowed in part.
- b. The developer is directed to give physical possession of the flat bearing No. 1005 on the 10th floor in the project Glen Gate in Block A within 30 days from today in compliance of S. 19(10) of the Act.
- c. The complainant is directed to pay the actual amount of due to the developer within the above said period in compliance of S. 19(6) to make it possible to get sale deed as per S. 17 r/w 19(10) of the Act.
- d. The developer is also directed to pay Rs. 5000/- as cost.
- e. Intimate the parties regarding this order.

(This Order is Typed, Verified, Corrected and pronounced on 27/05/2020)

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