



**PROCEEDINGS OF THE AUTHORITY**

**DATED 12<sup>th</sup> MARCH 2020**

<b>Ref. No.</b>	<b>CMP/171022/0000153</b>
<b>Complainant</b>	<b>TILAK GAITONDE</b> Sucheta Chandra Apartment 17A Cross, 10 <sup>th</sup> A Main Malleshwaram Bengaluru-560055 (Rep. by: Sri Rishabha Raj Thakur, Advocate)
<b>Opponent</b>	<b>KSR Properties Pvt. Ltd.,</b> 23, Sankey Apartment, Square Sankey Cross Road, Sadashivanagar Bengaluru -560003 (Rep.by :Sri R.Muralidara, Advocate)

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

1. TILAK GAITONDE, Complainant has filed this complaint bearing complaint no.CMP/171022/0000153 under Section 31 of The Real Estate (Regulation and Development) Act 2016 (Act) against the project KSR CORDELIA developed by "KSR Properties Pvt. Ltd.," as the complainant is an Allottee in the said project. The complaint is as follows:

1. KSR properties Pvt. Ltd., has not delivered as per its commitments in the agreement to build. 2. KSR Properites Pvt Ltd have not reigstered KSR Cordelia residential apartments project under RERA Complaint details: The construction for KSR Cordelia residential apartments project started way back in 2011 at Hebbal Dasarhalli. Builder committed to complete both block A and B of the project by February 2015 with grace period of 6 months which becomes August 2015. Builder had not completed even 40% of the work at that time. With very slow progress of work at the site, builder is not able to deliver the project even today. Now the buyers of the flats in KSR Crodedia project feel that we are cheated by the builder as they are not able to provide us space to live even after completion of two years of committed delivery date. All the interest for the money we paid to the builder is lost and we had been

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## Karnataka Real Estate Regulatory Authority,

# 1/14, 2nd Floor, Silver Jubilee Block, Unity Building Backside, CS. Compound,  
3rd Cross, Mission Road, Bengaluru-560025



*paying rent for the currently occupied rented promises. We want builder to complete the project as soon as possible and compensate the buyers for whatever amount they have lost due to delays.*

*Relief Sought from RERA: Register MSR under RERA and compensate buyers*

2. This project is not registered with RERA, Karnataka. The present complainant has filed his complaint seeking for possession with delay compensation. Similar complaints are filed with the Authority for seeking Registration of the Project, seeking award of compensation for the delay and issue of directions to the Project Promoter to handover the possession of the apartment as required and complete the Registration of the property as required under the Act. All such complaints seeking similar relief are heard by the Authority.
3. In response to the summons issued by this authority, the parties were present. The complainant is represented by his advocate Sri.Rishabha Raj Thakur and the developer is represented by his advocate Sri R. Muralidhar.
4. Issues raised by the Complainant and the objections and explanations submitted by the Respondent are taken into consideration.
5. The complainant has sought delay compensation from the developer. According to the complainant, the developer has executed agreement of sale on 07.07.2012 wherein the developer has agreed to deliver the possession of his unit bearing No.CA-06-09 on or before 07/08/2015. It is alleged by the complainant that the project has not been completed till date, in all its aspects such as external and internal development works and the requisite amenities.
6. The developer has appeared through his counsel and filed detailed objection to the allegations made by the complainant. In para-5 of the objection statement he has admitted that there is

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## Karnataka Real Estate Regulatory Authority,

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delay, but he has given his excuses stating that there was a delay due to various reasons such as labour problem, demonetisation, implementation of GST and other reasons. It is said by the developer that he has more than 150 happy customers, but the complainant has not paid required amount as per agreement and showing hostile attitude. It is also alleged by the developer that the purchasers have formed a group and giving bad image to the others against the developer. Further he has submitted that it is a Joint Development Agreement where it was agreed to construct 272 units out of it 176 is belonging to the developer. He further submitted that he has agreed to pay Rs.6 per sq.ft, per month as delay compensation and the complainant has also taken that compensation. It is submitted that the complainant cannot seek more than Rs.6 per sq.ft., per month as it is agreed in the agreement.

7. Since the developer has submitted that he has paid delay compensation @ Rs.6 per sq.ft. per month, it proves that there is a delay. Therefore, the authority need not discuss much to give finding on finding on that aspect. We would say that, the developer is bound to compensate as per Sec.18 and 19 of the Act. Before the commencement of this Act, the developer was bound to give compensation as per Section 8 of Karnataka Apartment Ownership Act 1972 where the interest by way of delay compensation has to be paid on the total amount in the form of interest @ 9% p.a. After induction of the Act, the delay compensation is @ 2% above the MCLR of SBI commencing from 01.05.2017 on the total amount paid by the complainant. When that being the case, the compensation as mentioned in the agreement has no force at all. It is not correct on the part of the developer to say that he is obliged to pay Rs.6/-per sq. ft. per month. As per the agreement the developer has to complete the project on or before 07/08/2015 from the date of agreement including grace period. It is not correct on the part of the developer to say that the complainant who had taken the

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**Karnataka Real Estate Regulatory Authority,**  
# 1/14, 2nd Floor, Silver Jubilee Block, Unity Building Backside, CS. Compound,  
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compensation @ Rs.6/-per sq. ft., per month is debarred from claiming the compensation as per the Act. As per the submission made by the complainant, the developer was expected to complete the project on or before 07/08/2015, but till today it is not completed. The developer who has paid the compensation admitting the delay is an important aspect to award compensation here because the developer has compensated the complainant at the rate of Rs.6/- per sq.ft., is very much low, since the complainant is entitled for delay compensation as per Rule 16. Hence, the complaint has to be allowed.

8. Hence the following order:

**ORDER**

- a. The Complaint filed by the complainant bearing No.CMP/171022/0000153 is hereby allowed.
- b. The developer is hereby directed to pay delay compensation @ 9% p.a. simple interest on the total amount paid as on 08/08/2015 till 30.04.2017 as per KOFA Act and @ 2% above the MCLR of SBI simple interest on the total amount commencing from 01.05.2017 till possession is delivered, with amenities, and after obtaining occupancy certificate.
- c. The compensation amount already paid by the developer shall be deducted from the amount payable by the developer as per this order.
- d. The promoter of the project is directed to deliver the possession of the apartment, after ensuring that all the internal and external development works are completed and the requisite amenities are provided, without further delay.

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## Karnataka Real Estate Regulatory Authority,

# 1/14, 2nd Floor, Silver Jubilee Block, Unity Building Backside, CCI Compound,  
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- e. The promoter is also directed to Register the apartment in favour of the Allottee Complainant, after obtaining Occupancy Certificate.
- f. The developer is hereby directed to pay Rs.5,000/- as cost of the petition.
- g. As regards the Registration of the Project, a separate order is passed, a copy of which shall be sent to the Complainant as well as to the Respondent.

Intimate the parties regarding the order.

*(D. Vishnuvardhana Reddy)*  
(D. Vishnuvardhana Reddy)

Member-1

K-RERA

*(Adoni Syed Saleem)*  
(Adoni Syed Saleem)

Member-2

K-RERA

*(M.R. Kamble)*  
(M.R. Kamble)

Chairman

K-RERA

