

ಕರ್ನಾಟಕ ರಿಯಲ್ ಎಸ್ಟೇಟ್ ನಿಯಂತ್ರಣ ಪ್ರಾಧಿಕಾರ,

Karnataka Real Estate Regulatory Authority,
1/14, 2nd Floor, Silver Jubilee Block, Unity Building Backside, CSI Compound,
3rd Cross, Mission Road, Bengaluru-560027

PROCEEDINGS OF THE AUTHORITY BEFORE BENCH 4

PRESENT:

SHRI RAKESH SINGH, HON'BLE CHAIRMAN

DATED THIS 7th SEPTEMBER 2026

COMPLAINT NO.01520/2025

COMPLAINANTS....

1. SATYENDRA KUMAR SINGH

2. SONIKA KUMARI SINGH

(both are residing at)

1st Floor, 156, 6th main, 5th crss,
KEB Layout, Sanjay Nagar,
Bangalore 560094.

(In person)

v/s

RESPONDENT....

BHARATHIYA URBAN PRIVATE LIMITED

No.1/5 Palace Road,
Bengaluru Urban 560001.

(Rep by Arjun & other Advocate).

PROJECT

NIKOO HOMES IV

REGISTRATION NO

PRM/KA/RERA/1251/472/PR/210731/004208

JUDGMENT

1. The complaint is filed under section 31 of RERA Act, against the project **"Nikoo Homes IV"**, developed by the Promoter **"Bharathiya Urban Pvt.Ltd."** situated at Khatha No.6/1, Sy.No.47, Chokkanahalli Village, Off Thanisandra Main Road, Yelahanka, Bengaluru Urban.
2. The complainants sought for the relief of directing the Respondent to pay delay period interest on the amount of Rs.95,00,000/- paid by them.



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3. This project has been registered under RERA. Vide registration No. PRM/KA/RERA/1251/472/PR/210731/004208. The registration was valid up to 31.07.2025, with an extension of one year granted under Section 6, thereby extending the registration validity up to 31.01.2026.

Brief facts of the complaint is as under:

4. The complainants have booked flat no.C-1204 in the project "NIKOO HOMES IV". The Agreement for Sale was executed on 11.07.2022 for total Sale Consideration of Rs.1,03,97,884/-(Rupees One Crore Three Lakhs Ninety Seven Thousand Eight Hundred and Eighty Four Only) and paid an advance of Rs.10,18,448/-(Rupees Ten Lakhs Eighteen Thousand Four Hundred and Forty Eight Only). The respondent assured the date of delivery of possession on or before 31.07.2025. As per the terms of the contract, the complainants paid the amount as per payment schedule. However, the builder failed to complete the project and did not hand over possession by the agreed date. Even by the end of November 2025, the handover had still not been completed. However, the builder failed to complete the project and did not hand over possession by the agreed date. Even by the end of November 2025, the handover had still not been completed. Hence, this complaint.
5. The Complainants have produced the documents such as copies of Agreement for Sale, Allotment Letter, E-mails and Statement of Account.
6. After registration of the complaint, in pursuance of the notice the Respondent has appeared before this Authority through the counsel. The Respondent has contested the matter by filing the statement of objection and brief written submissions.
7. It is submitted that the Seller/Promoter agrees and understands that timely delivery of possession of the Apartment to the Purchasers and the common

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areas to the association of Purchasers or the competent authority, as the case may be, is the essence of the Agreement. The Seller/Promoter assures to hand over possession of the Apartment along with ready and complete common areas with all specifications, amenities and facilities of the project in place on 31.07.2025, unless there is delay or failure due to war, flood, drought, fire, cyclone, earthquake, any legislation, order or rule or regulation made or issued by the Government or any other authority; or if any competent authority(ies) refuses, delays, withholds, denies the grant of necessary approvals for any reason whatsoever, or if any matters, issues relating to such approvals, permissions, notices, notifications by the competent authority(ies) become subject of any suit/ writ before a competent court, or due to flood, other natural disasters, war, insurrection, epidemic, revolution, riot, terrorist attack, governmental restrictions or so forth which are beyond the reasonable control of the Sellers/Promoters, non-availability of sand, cement, jelly, labour or critical items or any other circumstances beyond the control of the Sellers/Promoters or any other calamity caused by nature affecting the regular development of the real estate project ("Force Majeure").

8. The Seller/Promoter shall intimate the Purchaser about termination at least thirty days prior to such termination. After that the promoter has to refund of the money paid by the Purchaser. However, where the Purchaser/s do not intend to withdraw from the project, they shall be paid interest at the rate of prevailing Interest rate of SBI highest marginal cost of lending rate plus two percent by the Sellers/Promoters for every month of delay, till the handing over of the possession. The interest payable by the Sellers/Promoters to the Purchasers.

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9. The Respondent admits that the promised date of handover as per the Agreement was 31.07.2025. However, the Respondent contends that the delay in the issuance of Occupancy Certificate by the BBMP amounts to a force majeure event. Further, the Respondent is entitled to an extension of time to hand over the possession of the flat.
10. The respondent obtained project approval, sanction plan, commencement certificate, and construction was completed in April 2025, Fire NOC was obtained and respondent applied to BBMP for Occupancy Certificate on 03.06.2025. The BBMP demanded for ground rent and the WP No.16775 was filed and it was held by the Hon'ble High Court that the demand for ground rent by BBMP was illegal. The BBMP filed Writ appeal No.1050/2025 and the same is pending.
11. In the meantime, the reconstitution of the BBMP under the GBA led to various practical issues that caused delays, which are in no way attributable to the Respondent. On 20.01.2026, the Bengaluru North City Corporation granted Occupancy Certificate to the Project. In January 2026, the Complainants and other allottees were handed over possession. The Respondent has argued that the above undisputed facts and circumstances establish that the delay between 01.08.2025 and January 2026 is solely attributable to the delay in the grant of Occupancy Certificate by BBMP/GBA despite the best efforts by the Respondent.
12. The matter was heard in detail on 30.04.2026. The Complainants have argued in line with her Complaint, and the Respondent has raised the contentions taken in the Statement of Objections. During the course of the hearing, the Respondent submitted that upon receipt of Occupancy Certificate, possession was handed over to the Complainants in January 2026. Hence, the prayer for directions to hand over the Unit does not

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survive. This was not disputed by the Complainants. The Complainants have submitted that seeking delay compensation for the period from 01.08.2025 till 31.01.2026, i.e. 5 months.

13. In such circumstances, the Complainant's prayer having already been worked out, the prayer for delay compensation is not liable to be granted. It is further submitted that in the above circumstances, and for a small period of a few months, the grant of any such relief would be unjust and unfair, not at all in the interests of justice and equity. Wherefore, it is prayed that the Complaint be dismissed in the interest of justice and equity.
14. This matter was heard on 10.03.2026, 13.04.2026, 22.04.2026 and 30.04.2026.
15. Heard arguments.
16. On the above averments, the following points would arise for my consideration:-
- 1) Whether the Complainants are entitled for the relief claimed?
 - 2) What order?
17. My answer to the above points are as under:-
- 1) In the affirmative.
 - 2) As per the final order for the following.

REASON

18. **Finding on point no.1:-** It is admitted fact in this case that the complainants have booked flat no.C-1204 in the project "NIKOO HOMES IV". The Agreement for Sale was executed on 11.07.2022 for total Sale Consideration of Rs.1,03,97,884/- (Rupees One Crore Three Lakhs Ninety Seven Thousand Eight Hundred and Eighty Four Only) and paid an advance

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of Rs.10,18,448/- (Rupees Ten Lakhs Eighteen Thousand Four Hundred and Forty Eight Only). The respondent assured the date of delivery of possession on or before 31.07.2025. As per the terms of the contract, the complainants paid the amount as per payment schedule. However, the builder failed to complete the project and did not hand over possession by the agreed date. Even by the end of November 2025, the handover had still not been completed. However, the builder failed to complete the project and did not hand over possession by the agreed date. Even by the end of November 2025, the handover had still not been completed.

19. The Respondent stated that the delay is covered under "Force Majeure" Acts and further claimed that an extension of project registration under Section 6 of the RERA Act has been obtained, and therefore no compensation is payable. Grant of extension of project registration under Section 6 of the RERA Act does not extinguish or dilute statutory right to pay compensation under Section 18 of the RERA Act, 2016. Obtaining the Occupancy Certificate is a statutory obligation of the promoter within the stipulated timeline of 31st July, 2025 and delay in securing the same cannot be treated as a blanket force majeure event.
20. The learned Advocate appearing for the Respondent has contended that the Agreement for Sale contains a clause stipulating that any delay in obtaining Government approvals, sanctions or permissions shall be treated as an event beyond the control of the Promoter and that the Promoter shall not be liable for any consequential delay. This contention cannot be accepted in the facts and circumstances of the present case. Merely because such a clause forms part of the Agreement for Sale and the Allottees have signed the same, it cannot, by itself, absolve the Promoter of its statutory obligations under the Real Estate (Regulation and Development) Act, 2016. Such contractual

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stipulation, being subject to and required to be read consistently with the statutory scheme of the RERA Act and the Rules framed thereunder, cannot be construed as conferring an unrestricted exemption upon the Promoter from the statutory liability arising under Section 18 of the Act. The Allottees, having entered into a standard-form Agreement for Sale prepared by the Promoter, cannot be presumed to have voluntarily waived or surrendered their statutory rights merely by signing the said Agreement. The fact that such a clause was incorporated as part of the standard contractual terms, without any real or effective opportunity for the Allottees to negotiate or alter the same, cannot operate to defeat the statutory protection afforded to them under the RERA Act. In any event, a force majeure clause cannot be invoked as a blanket defence where the alleged delay is attributable, wholly or partly, to the acts, omissions, deviations or non-compliances on the part of the Promoter itself. Therefore, the Respondent cannot take shelter under the said contractual clause so as to avoid its liability to pay delay period interest under Section 18 of the RERA Act.

21. The complainants have never consented to any waiver of compensation or to any revised possession timeline. Even as on date, the complainants have not received lawful possession with Occupancy Certificate, and suffered financial loss, mental agony, and hardship due to continued delay caused by the Respondent. The cause of action for the present complaint is continuing in nature, as the delay persists and compensation for the delayed period has neither been paid nor acknowledged by the Respondent.
22. It is contended in the statement of objection that during the course of the hearing, the Respondent submitted that upon receipt of Occupancy Certificate, possession was handed over to the Complainants in January 2026. Hence, the prayer for directions to hand over the Unit does not survive. This was not disputed by the Complainants. In accordance with

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Section 18 of the Act, the question of granting delay compensation is to be determined solely in accordance with "the terms of the Agreement for Sale".

23. The main contention of the respondent is that the Government Authorities have delayed for granting necessary approvals and Occupancy Certificate and it should be considered as force majeure event. The promoter is entitled to the extension of the time due to such delays which comes under force majeure conditions. It is stated that the BBMP/Bangalore North City Corporation has delayed the granting of Occupancy Certificate. Therefore, the respondent is not liable to pay delay period interest. But on perusal of the documents it is revealed that, there is a deviation in construction and after imposing compounding fee the Bangalore North City Corporation (BNCC) issued Occupancy Certificate. Therefore, as on the contractual completion date, the project was not completed due to promoter caused deviations and alteration and it is not due to any force majeure event. Even, Occupancy Certificate was issued after inspection of the spot by the Officers of the Town Planning Section. Therefore, the delay cannot be attributable to the Government Authorities. Therefore, the respondent is liable to pay delay period interest till the date of delivery of possession.
24. Section 14 of the RERA Act states that the promoter shall not make any additions and alteration in sanction plan, layout plan, and specifications and the nature of fixtures, fittings amenities described there in respect of the apartment, plot, building, as the case may be, which are agreed to be taken, without previous consent of that person/allottees. Therefore, the respondent is liable is under section 18 of RERA Act for delays caused due to deviation of the plan without the consent of the allottees.
25. As per section 11(4) of RERA Act, the promoter shall be responsible for all obligations, responsibility and functions under the provisions this Act or the

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rules and regulations made there under to the allottees as per the Agreement of Sale. Here in this case there is delay on part of the respondents and the delay is not properly explained by the respondent. Therefore, the respondent is liable to pay delay period interest till handing over possession at such rate as may be prescribed under the RERA Act and Rules.

26. In the judgement rendered by the Hon'ble Supreme Court of India in Appeal No.6750-57/2021 M/s Newtech Promoters V/s 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."

27. In the judgment reported in Civil Appeal no.3581-3590 of 2020 at Para 23 between M/s Imperia Structures Limited Vs Anil Patni & Another by Hon'ble Supreme Court it is held that:

"In terms of section 18 of the RERA Act, if a promoter fails to complete or is unable to give possession of an apartment duly completed by the date specified in the agreement, the promoter would be liable, on demand, to return the amount received by him in respect of that apartment if the allottee wishes to withdraw from the project. Such right of an allottee is specifically made "without prejudice to any other

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remedy available to him." The right so given to the allottee is unqualified and if availed, the money deposited by the allottee has to be refunded with interest at such rate as may be prescribed. The proviso of section 18(1) contemplates a situation where the allottee does not intend to withdraw from the project. In that case, he is entitled to and must be paid interest for every month of delay till the handing over of the possession. It is upto the allottee to proceed either under section 18(1) or under the provision of section 18(1). The case of Himanshu Giri came under the later category. The RERA Act thus definitely provides a remedy to an allottee who wishes to withdraw from the project or claim return on his investment."

28. Therefore, it is incumbent upon the Respondent to pay the delay period interest which is determined as under as :

Payment Details

S.NO	TYPE	AMOUNT	DATE
1	TOTAL PAYMENT TILL POSSESSION AS PER AGREEMENT	96,69,999	31-07-2025
2	SUBSEQUENT PAYMENT	7,23,035	14-01-2026
3	TOTAL PRINCIPLE AMOUNT	1,03,93,034	
4	TOTAL DELAYED INTEREST as on 17/01/2026	4,95,468	

Interest Calculation

S.NO	FROM DATE	TO DATE	NO. OF DAYS	MCLR RATE	INTEREST RATE	INTEREST
INTEREST CALCULATION FOR AMOUNT PAID TILL POSSESSION 96,69,999						
1	31-07-2025	31-08-2025	31	8.9	10.9 as on 15-07-2025	89,520
2	31-08-2025	30-09-2025	30	8.85	10.85 as on 15-08-2025	86,235
3	30-09-2025	30-10-2025	30	8.85	10.85 as on 15-09-2025	86,235

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S.NO	FROM DATE	TO DATE	NO. OF DAYS	MCLR RATE	INTEREST RATE	INTEREST
4	30-10-2025	30-11-2025	31	8.85	10.85 as on 15-10-2025	89,109
5	30-11-2025	30-12-2025	30	8.85	10.85 as on 15-11-2025	86,235
6	30-12-2025	17-01-2026	18	8.8	10.8 as on 15-12-2025	51,502
INTEREST CALCULATION FOR SUBSEQUENT PAYMENT 7,23,035						
1	14-01-2026	14-02-2026	31	8.8	10.8 as on 15-12-2025	6,632
					TOTAL DELAYED INTEREST as on 17/01/2026	4,95,468

29. The purport and object of RERA Act is to develop and promote Real Estate Sector and at the same time to safeguard the interest of purchasers. The Act gives protection to home buyer and enhanced transparency and "Accountability" in Real Estate transactions and ensures efficient project execution as per plan and dispute resolution.
30. Having regard to all these aspects and the cogent evidence placed on record it would be just and appropriate to direct the Respondent/Promoter to pay delay period interest till actual date of possession. Accordingly, the point No.1 is answered in the affirmative.
31. The final order in the present complaint could not be passed within the stipulated period as prescribed under section 29(4) of the Real Estate (Regulation and Development) Act of 2016, due to multiple adjournments sought by Advocates/Parties and other procedural reasons.
32. **My answer to the point no.2:-** In view of the above discussion, this complaint deserves to be allowed. Hence, I proceed to pass the following order.

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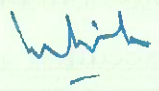
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ORDER

In exercise of the powers conferred under section 31 of the Real Estate (Regulation and Development) Act, 2016, the Complaint bearing No.001520/2025, is hereby allowed as under:

- i) The Respondent is hereby directed to pay an amount of Rs.4,95,468/-(Rupees Four Lakhs Ninety Five Thousand Four Hundred and Sixty Eight Only) delay period interest, calculated @ the rate of SBI MCLR + 2% from 31.07.2025 till 17.01.2026 as provided under the RERA Act, to the complainants within 60 days from the date of this order.
- ii) The complainants are at liberty to initiate action in accordance with law, if the Respondent fails to comply with this order.

No order as to costs.


(RAKESH SINGH)
CHAIRMAN
K-RERA