

**BEFORE TELANGANA STATE REAL ESTATE REGULATORY AUTHORITY
[Under the Real Estate (Regulation and Development) Act, 2016]**

COMPLAINT NO.419 OF 2022

28th March 2024

**Corum: Dr. N. Satyanarayana, IAS (Retd.), Hon'ble Chairperson
Sri Laxmi Narayana Jannu, Hon'ble Member
Sri K. Srinivasa Rao, Hon'ble Member**

Sri K Prabhu

...Complainant

Versus

M/s Bharathi Infra Developers rep by MD. Smt. G.Bharathi

...Respondent

The present matter filed by the Complainant herein came up for final hearing on 18.01.2024 before this Authority in the presence of Complainant present in person and Sri. M Krishna Goud on behalf of the Respondent and upon hearing the arguments of the party, this Authority passes the following

ORDER:

2. The present Complaint has been filed under Section 31 of the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred to as the "RE(R&D) Act") read with Rule 34(1) of the Telangana Real Estate (Regulation and Development) Rules, 2017 (hereinafter referred to as the "Rules") seeking directions from this Authority to take action against the Respondent.

A. Facts of the Case as Stated in the Complaint:

3. The complainant booked 2 plots with M/s. Sree Bharathi Infra & Developers, located at Citizen's Kapur Towers, Flat No.502, 5th Floor, H.No.6-3-347/9A, Dwarakapuri Colony, Panjagutta, Hyderabad-500082, on 12.11.2020, through Google Pay. The booking amount of Rs. 20,000/- was paid under the pre-launch offer price of Rs. 5,500/- per square yard. The complainant booked the plots without seeing the location, relying on the agent's information that they were highway road side plots.

4. On 13.11.2020, the complainant issued two cheques, one from Andhra Bank for Rs. 6, 00,000/- and another from State Bank of Hyderabad for Rs. 2,10,000/-. The Andhra Bank cheque was bounced on 17.11.2020 due to CTS cheque processing issues. The complainant visited the site and decided not to purchase the plots after seeing the location.
5. The complainant informed Smt. Garikipati Bharathi and Sri. Satyanarayana of the decision and requested a return of the amount paid. A sum of Rs. 2,10,000/- was credited to Smt. Garikipati Bharathi's account through an SBI cheque and an online transfer was pending. A year later, on 17.11.2021, the complainant met Smt. Garikipati Bharathi to reclaim the amount paid for the 120 sq yards plot. During this meeting, it was discussed that the plot rates had increased. Smt. Garikipati Bharathi requested the complainant to pay the balance amount and enter into an M.O.U. (Memorandum of Understanding).
6. The complainant entered into an M.O.U. on 2.12.2021 and made a payment of Rs. 1,00,000/-, with a receipt issued on 03.12.2021.
7. Subsequently, on 13.4.2022, the complainant met Smt. Garikipati Bharathi again for plot registration. The complainant was informed that the land conversion would be done by April/May 2022, which was later extended to June 2022. However, no further developments occurred, and the complainant lost faith in the promises made.

B. Relief(s) Sought:

8. The complainant seeks the following relief(s) from this Authority:
 1. Necessary action against Smt. Garikipati Bharathi of M/s. Sree Bharathi Infra & Developers to obtain a refund of Rs. 3,30,000/- with bank interest.
(OR)
 2. Immediate registration of the 120 sq. yards plot in the complainant's name.

C. Hearing Conducted:

9. On the 24th of August 2023 and the 14th of September 2023, the complainant was in attendance, while no representative appeared on behalf of the Respondent. Consequently, the Authority instructed the Complainant to issue fresh notices to the Respondent.

10. Subsequently, on the 31st of October 2023, the complainant appeared, and Mr. M. Goud represented the Respondent. The complainant reiterated the allegations outlined in the complaint. The Respondent has informed the Authority that the project in question is not registered due to disputes arising between the landowners. Consequently, there has been a delay in registering the plot in the name of the complainant. The Respondent also clarified that they are merely an agent and not a developer. However, the Respondent requested additional time to file a reply, citing non-receipt of the complaint copy.

11. On the 4th of November 2023, the Respondent submitted an undertaking, pledging to resolve the matter by refunding the entire sum of Rs.3,30,000/- paid by the Complainant for the aforementioned plot, along with an interest of Rs. 1,00,000/-. The Respondent appealed to the Authority for an extension until the 5th of January 2024 to complete the refund. Consequently, the Authority deemed it appropriate to adjourn the proceedings until the Complainant receives the aforementioned amount.

12. On the 18th of January 2024, both parties were present, during which the Complainant informed this Authority that the Respondent had not approached him for either registration or a refund. In response, the Respondent requested the Authority to grant additional time to repay the amount or, alternatively, to register a plot in another project. However, the Authority was of the view that an adequate time period had been provided to the Respondent to file a reply and repay the amount to the complainant. As the Respondent failed to fulfil either of these commitments by the 5th hearing, the Authority rejected the request of the Respondent for any more additional time.

D. Observations of the Authority:

13. On the above pleadings, the points that arise for consideration are:

1. Whether the Respondent has violated the provision of section 9 of the RE (R&D) Act?
2. Whether the complainant is entitled for the reliefs sought?

Point 1:

14. The Respondent herein, who claims to be the agent as submitted to the Authority during the hearing, is not a registered agent. Furthermore, the Respondent has facilitated the sale of the plot to the complainant, thereby violating Section 9 of the RE(R&D) Act. During the hearing, the Respondent asserted that the concerned project is not registered under this Authority. Despite being aware that the said project lacks registration under the Telangana State Real Estate Regulatory Authority (TS RERA), the Respondent engaged in advertising the project venture titled "HARI HARA-1 Homes and Villa Plots" and facilitated the sale of the plot to the complainant. Thus taking into consideration the aforesaid facts on record as well as relevant provision of law and admission by the Respondent for publishing the project and selling the plot, this is a fit case to impose penalty under section 62 of the RE(R&D) Act for violation of section 9.

Point 2:

15. Taking into account the facts and circumstances of the present case, the complainant herein has requested either registration of the plot or a refund of the amount with interest. However, during the hearing, the respondent informed the Authority that ongoing disputes among the landowners prevented the registration of the plot. Consequently, the complainant agreed to accept a refund of the amount with interest. Since the respondent acknowledged the delay in repayment to the complainant and failed to register the allotted plot in a timely manner, they are responsible for refunding the entire amount with interest. The respondent's admission that the project was discontinued due to disputes among the landowners

establishes their liability under section 18 of the RE(R&D) Act. Therefore, according to the provisions of the RE(R&D) Act of 2016, the respondent is obligated to refund the entire amount with interest to the complainant. As the Respondent stated in its undertaking dated 04.11.2023, submitted to the Authority, that they would pay one lakh rupees as interest to the complainant, the same shall be applicable. Hence, the principal amount of Rs. 3,30,000/-, plus the agreed interest of one lakh rupees by the Respondent, shall be payable to the Complainant.

E. Directions of the Authority:

15. In the light of findings of the Authority as recorded above, the following directions under section 37 of the RE(R&D) Act to ensure compliance of obligations cast upon the promoter as per the function entrusted to the Authority under section 34(f) of RE(R&D) Act, are issued:

- i. The Authority, exercising its power under Section 62 of the RE(R&D) Act, imposes a penalty of Rs. 36,600/- (Rupees thirty six thousand only), for contravening Section 9 of the RE(R&D) Act of 2016. Additionally, the Respondent is directed to strictly comply with the Real Estate (Regulation and Development) Act, 2016, and refrain from engaging in any marketing or selling activities of any Real Estate projects without registering itself under section 9 of the RE(R&D) Act as a Real Estate Agent. The penalty shall be payable in favour of TS RERA FUNDS through a Demand Draft or online payment to A/c No.50100595798191, HDFC Bank, IFSC Code: HDFC0007036, within a period of 30 days from the date of receipt of this order.
 - ii. The Respondent is directed to refund the entire amount of Rs. 3,30,000/- along with interest of Rs. 1,00,000/- as agreed by the Respondent shall be within sixty days from the date of the receipt of this Order.
16. In lieu of above findings and directions, the present complaint stands disposed off. The parties shall bear their own cost. The parties are hereby informed that failure to comply with this Order shall attract section 63 of the Act.

17. If aggrieved by this Order, the parties may approach the TS Real Estate Appellate Tribunal (vide G.O.Ms.No.8, Dt.11-01-2018, the Telangana State Value Added Tax Appellate Tribunal has been designated as TS Real Estate Appellate Tribunal to manage the affairs under the Act till the regular Tribunal is established) as per Section 44 of the Act, 2016.

Sd/-

**Sri. K. Srinivas Rao,
Hon'ble Member
TS RERA**

Sd/-

**Sri. Laxmi NaryanaJannu,
Hon'ble Member
TS RERA**

Sd/-

**Dr. N. Satyanarayana, IAS (Retd.),
Hon'ble Chairperson
TS RERA**

