#### BEFORE TELANGANA STATE REAL ESTATE REGULATORY AUTHORITY

#### [Under the Real Estate (Regulation and Development) Act, 2016]

# COMPLAINT NO.255 OF 2023 28th Day of 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 V.Vamsi Krishna

...Complainant

Versus

Sri Nadipilli Laxmi Maohar Rao

...Respondent

The present matter filed by the Complainant herein came up for final hearing on 15.02.2024 before this Authority in the presence of Complainant and Respondent present in person 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. Brief facts on behalf of the complainant:

3. The Complainant alleges that the Respondents, who are involved in the real estate development business, misrepresented the carpet area of the property in question. According to the Complainant, the Respondents stated that the carpet area of the property was 1020 square feet (Sft), whereas, in reality, it was only 732 Sft. This alleged misrepresentation is a central issue in the case and forms the basis of the complaint.

4. The Complainant further contends that, prior to the execution of the sale agreement, the Respondents collected an advance payment of Rs. 2,00,000/- from the Complainant. This advance payment is a substantial sum, and the Complainant argues that it was taken under questionable circumstances.

#### B. Relief Sought:

5. To direct the Respondent to refund the advance amount of Rs. 2,00,000/- and invoke section 13(1) of the Real Estate (Regulation and Development) Act, 2016 (RE(R&D) Act) and seeks the penalization of the Respondents in accordance with the provisions of the said Act.

### C. Hearing Conducted:

- 6. A hearing was scheduled on the 4th of October 2023, during which no representative appeared on behalf of either party.
- **7.** Subsequently, the case was called on the 2nd of November 2023, wherein the complainant was personally present. The complainant was instructed to serve the summons notice for the next hearing date to the Respondent and to submit the acknowledgment to the Authority.
- 8. On the 21st of December 2023, both parties appeared. The Respondent informed the Authority that the combined carpet area and common area amounted to 1020 sft. Additionally, it was asserted that before the flat purchase, the complainants were shown the property, and only after thorough discussion was the token amount collected. However the Respondent agreed to repay the entire amount to the Complainant.
- 9. The Respondent requested a 2-month period to repay the amount, and the bench directed the Respondent to provide a Demand Draft of the entire amount paid by the complainant before the Authority on 30.01.2024.On 30.01.2024, the Respondent requested some more time to repay the amount.

#### D. Observations by the Authority:

- 10. During the hearing, the complainant informed the Authority that during the visit to the office of the Respondent, the concerned party did not disclose the specific details of the selected flat, such as carpet area, built-up area, or super built-up area. Consequently, the complainant was led to believe that the total built-up area mentioned in the brochure referred to the carpet area. However, upon visiting the site, she misinterpreted the built-up area as carpet area, and neither Respondent has not separately indicated the carpet area in the brochure.
- 11. Given that this discrepancy was unsatisfactory to her, the complainant opted not to proceed with the purchase of the flat. Subsequently, she sought relief from the Telangana State Real Estate Regulatory Authority (TS RERA) to reclaim the amount paid to the builder.
- 12. Upon careful consideration, the Authority has determined that both parties failed to reach a mutual understanding regarding the area, and the Respondent neglected to provide adequate explanation regarding the details of the subject unit's area. In light of the need to protect the interests of the complainant, the Authority has decided to order the Respondent to refund the amount paid by the complainant.

#### E. Directions of the Authority:

- 11. Hence, the Authority hereby issues this order and provides the following direction under Section 37 of the RE(R&D) Act 2016 to ensure compliance with obligations imposed upon the promoter as per the functions entrusted to the Authority under Section 34(f) of the RE(R&D) Act of 2016:
  - I. The Respondent is directed to refund the entire amount of R.2, 00,000/- to the complainant within 15 days from the date of the receipt of this order.
- 12. In the lieu thereof, the present complaint stands disposed of.

13. 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 RE(R&D) 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

