

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

11th day of July, 2024

Corum: **Dr. N. Satyanarayana, IAS (Retd.), Hon'ble Chairperson**
Sri LaxmiNarayanaJannu, Hon'ble Member
Sri K. SrinivasaRao, Hon'ble Member

COMPLAINT NO.1832 OF 2023

Between

Smt. Anuradha Kommineni

.... Complainant

AND

M/s Sai Surya Developers

.... Respondent

Complaint No CC024100000056 OF 2023

Between

Sri Chandramohan J

.... Complainant

AND

M/s Sai Surya Developers

.... Respondent

Complaint No CC024100000057 OF 2023

Between

Sri K.Venkata Chandra Sekhar

.... Complainant

AND

M/s Sai Surya Developers

.... Respondent

The complaints have come for final hearing on 18th April, 2024 before this authority, in the presence of Complainants party in persons and Advocate Priya Darshini for representing Respondent in all the complaints and after hearing both the parties, the Authority passes the following:

COMMON ORDER

2. These complaints have 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.

3. The case of the complainants in all the complaints is on similar grounds. Similarly the stand taken by the Respondent in their counters is also same.

A. Facts of the complaint:

5. The complainants have purchased plots in the project "Lake View Park," and the respondent, Satish Chandra Gupta, Managing Director of M/s Sai Surya Developers, failed to register the plots in the name of the complainants. Consequently, the complainants cancelled the allotment and sought for a refund. The following are the amounts paid by each complainant:

- a) Complainant 1: Paid an amount of Rs. 22,66,620/-
- b) Complainant 2: Paid an amount of Rs. 23,22,020/-
- c) Complainant 3: Paid an amount of Rs. 21,19,947/-

6. For Complainant 1, Respondent till date has only Rs. 9 lakhs has been returned by the Respondent and is yet to pay the remaining amount of Rs. 13,66,620/-

7. Further, with the complainant 2, the entire amount is yet to be paid.

8. With respect to Respondent has only refunded 10% of the amount paid and the remaining balance is yet to be paid.

B. Relief(s) Sought:

9. To direct the Respondent to repay the entire amount.

C. Hearing Conducted:

10. A hearing was scheduled on January 18, 2024. No representation was made on behalf of the Respondent, while the complainants appeared in person and reiterated their contentions. The complainants submitted that the Respondent failed to register the plots in their names, leading them to seek cancellation of the plots. Despite the Respondent's repeated false promises to repay the amount, no repayment has been made to date. The complainants requested the Authority to direct the Respondent to repay the entire amount. Due to the absence of representation by the Respondent, the complainants

and the Authority were directed to issue a fresh notice to the Respondent. The matter was then posted for February 7, 2024. On this date, the complainants were present, but no representation was made on behalf of the Respondent. The notices issued by the Authority were returned, and the complainants also failed to serve the notices. Consequently, the Authority directed the issuance of a final notice to the Respondent at an alternative address, including all relevant documents.

11. On February 20, 2024, the Respondent's counsel filed a Vakalatnama, collected copies of the complaints, and requested time to file a reply. The Authority explicitly directed the Respondent's counsel to file a reply within one week and to present oral submissions at the next hearing.

12. On March 7, 2024, no one appeared on behalf of the Respondent. The complainants informed the Authority that the land title belonged to KRR Developers, and a new project construction had already commenced. They stated that M/s Sai Surya Developers (the Respondent herein) had no legal title over the subject property.

13. The Authority sought to ascertain the role of Sai Surya Developers in the project and the legal status of the Respondent's rights, noting that the project promoter was M/s KKR & Scpr Ventures. The complainants were unaware of the Respondent's legal status. They submitted that payments were made to the Respondent, and they had no knowledge of M/s KKR & Scpr Ventures' role. Due to the absence of representation from the Respondent's counsel, the Authority adjourned the matter for a final hearing.

14. The matter was subsequently posted for April 18, 2024. Neither party appeared. Despite ample opportunities and explicit directions from the Authority, the Respondent and its counsel failed to file a reply or appear.

D. Observations of the Authority:

Whether the Complainants are entitled to the relief sought?

15. As the Respondent's counsel failed to file a reply or appear despite explicit directions, the Respondent is set ex parte vide this final order.

16. Upon reviewing the complainants' contentions and submitted documents, it is evident that the Respondent allotted plots numbered 207, 206, and 153 and collected payments for the same. The sale agreement and project brochure indicate that M/s Sai Surya Developers claimed authority to enter into agreements and receive sale consideration for the plots. They agreed to return the advance sale consideration in the event of any disputes or inconveniences.

17. Based on the payment receipts and sale agreements dated February 8, 2022, February 21, 2022, and November 6, 2021, it is evident that the Respondent allotted plots to the complainants. Since the Respondent failed to register the plots in the complainants' names, they sought cancellation. According to the agreements, the Respondent is liable to return the amount paid. Therefore, the Respondent is obligated to repay the entire amount.

Corrected Version:

18. Since 2022, the Respondent has been making false promises to the complainants regarding the refund of their payments, which have not been executed to date. It is unjust for the complainants to be denied interest on the amounts paid. Furthermore, the Respondent's counsel has provided only vague replies during hearings and has failed to submit a written reply despite explicit directions. Additionally, the Respondent has consistently violated the Real Estate (Regulation and Development) Act (RE(R&D) Act) by deceiving the public in various other projects, demonstrating malafide intentions.

19. Therefore, in the interest of the allottees, the Authority believes that the complainants are entitled to interest. Under Sections 37 and 38 of the RE(R&D) Act, the Authority is of the opinion that the Respondent should pay interest as per Rule 15 of the Telangana Real Estate (Regulation and Development) Rules (TG RE(R&D) Rules), which stipulates the Marginal Cost of Lending Rate (MCLR) plus 2% interest. The current MCLR of the State Bank is 8.65%, plus 2%.

20. As the agreement of sale is silent on the due date for handing over possession or registration of the plots, the Authority shall consider the RERA registration up to the validity date, i.e., 14.03.2023. Hence, the Respondent is directed to pay the entire remaining amount paid by the complainants along with interest at 10.65% per annum from the due date of 14.03.2023 until the date of actual realization, within 90 days from the date of this order.

21. It is also noted that the Respondent has repaid a certain amount to Complainants 1 and 3. Therefore, upon consideration, the Authority concludes that the Respondent is liable to repay the remaining amount along with interest to Complainants 1 and 3, and the full amount with interest to Complainant 2, due to the cancellation resulting from the Respondent's failure to register the plots.

22. The Respondent is directed to pay the entire amount owed to the complainants along with interest at 10.65% per annum from the due date of validity of RERA registration, i.e., 01.01.2022, until the date of actual realization, within 90 days from the date of this order.

E. Directions of the Authority:

19. The Authority hereby issues the following directions under Section 37 of the Act to ensure compliance with obligations entrusted to this Authority under Section 34(f):

1. The Respondent is directed to refund the entire amount paid by the complainants. Complainants 1 and 3 have received partial repayments, and the remaining balance, along with interest calculated on the remaining balance, must be refunded within 90 days from the date of this order. The entire amount paid by Complainant 2 must also be refunded, along with interest, within 90 days from the date of this order.

20. In light of the above-mentioned directions, the present complaint stands disposed of. If the Respondent Builder fails to comply with this Order,

appropriate action, including the imposition of a penalty, will be taken as per the provisions under Section 63 of the Act, 2016.

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

Sd/-
Sri. K. Srinivas Rao,
Hon'ble Member
TG RERA

Sd/-
Sri. Laxmi NaryanaJannu,
Hon'ble Member
TG RERA

Sd/-
Dr. N. Satyanarayana, IAS (Retd.),
Hon'ble Chairperson
TG RERA

