

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

**Complaint No. 83 of 2024**

**13<sup>th</sup> December, 2024**

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

Golusula Santhosa

...Complainants

Versus

K. Srinivasa Rao

Gopal

Vijay Lakshmi

...Respondent

The present complaint, filed by the Complainant, was listed for final hearing before this Authority on 28th August 2024. Complainant counsel Sri Rajendra Kumar for the Complainant. Respondent 2 appeared in person; however, Respondent 1 and Respondent 3, despite being duly served with notices, failed to appear on any scheduled hearing dates. Given their absence, the Authority proceeds to decide the matter ex-parte with respect to Respondent 1 and Respondent 3, while considering the submissions made by both the Complainant and Respondent 2. After examining the relevant submissions, this Authority proceeds to pass the following **ORDER**:

2. The complaint has been filed under Section 31 of the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred to as the "Act"), read with Rule 34(1) of the Telangana Real Estate (Regulation and Development) Rules, 2017 (hereinafter referred to as the "Rules").

**A. Brief facts of the case on behalf of complainant:**

3. On October 25, 2021, an agreement of sale was executed in Hyderabad between M/s. Sri Punyabhoomi Developers Pvt. Ltd., represented by its Managing Director, K. Sreenivasa Rao (S/o Late Venkateswarulu), and

the complainant, Mrs. GolusulaSanthosha (W/o GolusulaNarsimhulu). In pursuance of this agreement, the complainant paid an amount of Rs. 4,12,500 for an open plot measuring 165 square yards, along with an additional Rs. 10,000 for registration fees. Despite receiving full payment, the respondent, Mr. Sreenivasa Rao, has failed to deliver possession of the plot and register the same in the complainant's name.

4. The complainant submits that, over the past three years, the respondent has avoided personal meetings, ignored phone calls, and has been generally unresponsive to queries related to the delivery of the plot. The respondent's office is reportedly managed by an assistant named Prabhakar, and the Managing Director himself has been absent, offering no clear timelines or assurances regarding the handover of the property.

5. The complainant further submits that there are numerous other purchasers who have similarly paid for plots but have neither received possession of their respective plots nor refunds of their invested amounts. Allegedly, the respondent has continued to evade his obligations, with promises relayed indirectly through an agent named Gopal, claiming that the plots would be delivered soon. These assurances have reportedly been repeated over several occasions, creating frustration among the purchasers, including the complainant, who now seeks the return of the invested amount with interest due to the prolonged delay and lack of transparency from the respondent.

#### **B. Relief Sought:**

6. The owner/managing director K. Sreenivasa Rao of M/s. Punyabhoomi Developers Pvt. Ltd. provided agreement of sale copy by receiving full amount of Rs. 4,12,500 + Rs. 10,000 and not registered and delivered the plot in the name of its customer by name Golusula Santhosha W/o GolusulaNarsimhulu, since last 3 years onwards and committed cheating and fraud as the said person is not attending the office and not sitting in the office and not meeting the customers and not answering the customers phone calls and his whereabouts is not tracing out but by his

rented broker cum agent by name Gopal coming the assurances, that the land will be delivered very soon. This word is hearing since last 3 years onwards but the said person K. Sreenivasa Rao not coming before the customers instead dodging each and every time to the customers. Thus, due to vexed attitude of the rented broker cum agent and owner/managing director by name K. Sreenivasa Rao, complainant is not interested in land and hereby demanding her invested amount of Rs. 4,12,500 + Rs. 10,000 + interest at the rate of 24% per annum from the date of agreement of sale onwards.

**C. Interim Relief:**

7. Prayed for full and final amount of Rs. 4, 12,500 + Rs. 10,000 + interest at the rate of 24% per annum.

**D. Findings:**

1. Whether the complainant is entitled for the relief sought?
2. Whether the respondents have violated provisions of RE(R&D) Act? If so, to what extent?

**Point 1:**

8. This Authority has carefully reviewed the documentary submissions made by the Complainant, as well as the oral arguments presented by Respondent No. 2. Despite due service of notice, Respondent No. 1 and Respondent No. 3 failed to appear before this Authority or provide any response. Therefore, this matter is proceeded ex-parte against Respondent Nos. 1 and 3.

9. The Complainant has provided credible evidence of payment made to Respondent No. 1 and submitted a copy of the agreement of sale executed on October 25, 2021. During the hearing, Respondent No. 2 corroborated the Complainant's submissions, affirming that the full consideration amount had been paid by the Complainant and subsequently transferred to

Respondent No. 1. In the absence of any evidence or submission from Respondent No. 1 to contradict these claims, despite being duly summoned by this Authority, it is determined that Respondent No. 1 is liable to refund the entire sale consideration amount collected from the Complainant towards the purchase of the said plot.

10. Under Section 18(1) of the Real Estate (Regulation and Development) Act, 2016, a promoter who fails to complete or deliver possession of a plot is mandated to return the amount received from the allottee along with interest at a rate prescribed under the Act.

11. Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017, specifies that the interest rate payable by the promoter to the allottee shall be the State Bank of India's highest marginal cost of lending rate (MCLR) plus two percent.

12. Based on the latest available data, the highest marginal cost of lending rate (MCLR) of the State Bank of India is 9.00%. Therefore, the applicable interest rate for this case is calculated as 9.00% + 2%, amounting to 11% per annum.

13. While the Complainant has requested interest at a rate of 24% per annum, this Authority is bound by the provisions of the Act and Rules, which stipulate that the prescribed rate of interest is SBI MCLR plus 2%, making the applicable rate 11% per annum.

**Point 2:**

14. Respondent No. 2, who acted as an intermediary in the sale transaction, has asserted before this Authority that he facilitated the sale of the plot to the Complainant in the capacity of a Real Estate agent. However, Respondent No. 2 is not a registered real estate agent, and by engaging in the sale of plots without RERA registration, he has violated Section 9 of the RE(R&D) Act.

15. During the hearing, it was further asserted by Respondent No. 2 that the concerned project, "Simhagiri Precious," is not registered with this Authority. Subsequently, a Show Cause Notice was issued by this Authority to Respondent No. 1, the promoter of the project, dated 12.08.2024, for contravening Section 3 of the RE(R&D) Act by failing to register the project. Despite being duly notified, Respondent No. 1 has failed to appear or make any representation in response to the Show Cause Notice.

16. In light of the above facts, the evidence on record, and the relevant provisions of law, this Authority finds Respondent No. 1 in violation of Section 3 of the RE(R&D) Act for failure to register the project "Simhagiri Precious." Furthermore, Respondent No. 2 is found in violation of Section 9 of the RE(R&D) Act for acting as an unregistered agent and facilitating the sale of plots within an unregistered project.

**E. Directions of the Authority:**

17. 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.20,600/- (Rupees twenty thousand six hundred only) being 5% of the cost of the plot on Respondent 2, Agent for contravening Section 9 of the RE(R&D) Act of 2016. Additionally, the Respondent 2 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 himself under section 9 of the RE(R&D) Act as a Real Estate Agent. The penalty shall be payable in favour of TG 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: and

- II. In accordance with the discussion at Para Nos 15 above, the Respondent 1, Promoter is liable for penalty under Sections 59 for violation of Sections 3 respectively. Rs.1,21,947/- (Rupees one lakh twenty one thousand nine hundred and fourty seven rupees only) is imposed on the Respondent 1, promoter herein payable within 30 days in favour of TG RERA FUNDS through Demand Draft or online payment to A/c No.50100595798191, HDFC Bank, IFSC Code: HDFC0007036; and directs Respondent 1, promoter to restrain himself from marketing, advertising, book, sale or offer for sale or invite any for purchase in any manner without registration and further Respondent 1 is hereby directed to take steps for necessary approvals from Competent Authorities- Planning Body and Local bodies and subsequently obtain registration from this Authority.
- III. The Authority directs the Respondent 1 herein to refund the amounts paid by the Complainant along with interest at the rate of 11.00% within 45 days from the date of the order in accordance with Rule 15 of the RE(R&D) Rules, 2017.
- IV. Upon failure of Respondents to comply with the above directions, under Section 63 of the RE(R&D) Act, 2016 shall be attracted.
- V. No order as to costs.

**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**