

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

COMPLAINT NO.1673 OF 2023

10th Day of April, 2024

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

1. Sri G. Ramchander Rao
2. Smt. G. Laxmi ...Complainants

Versus

M/s GRR Realities
Represented by its Managing Director
Sri Gurram Prakash ...Respondent

The present matter filed by the Complainant herein came up for hearing on 02.01.2024 and 30.01.2024 before this Authority in the presence of the Complainant in person and the Respondent remained absent inspite of service of notice and upon hearing the arguments, this Authority passes the following

ORDER:

2. The present Complaint has been filed by the Complainant under Section 31 of the Real Estate (Regulation & 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”) requesting appropriate action against the Respondent Builder.

A. Brief facts on behalf of the Complainant:

3. The Complainants submitted that they purchased flat No.202 at ‘Vasistha Block’ from the Respondent Developer in 2016, which was supposed to be handed over in 2018. They added that despite receiving the entire sale consideration of Rs.11,50,000/- (Rupees Eleven Lakhs Fifty Thousand Only), excluding taxes, the Respondent Builder has failed to hand over the same before 2018 as promised. The Complainants filed a copy of the registered sale deed dated 03.11.2016 bearing document No.11358/2016 which shows that, the project has DTCP approval vide B.P. No.41/2012/W dated 23.01.2012.

4. As the Complainants have not received possession of their flat even after 8 (eight) years of making the payment, they sought for refund of the amounts paid from the Respondent Builder.

B. Observations and directions of the Authority

5. Notices were issued to both parties for hearing on 02.01.2024. Despite being in receipt of the Notice, the Respondent failed to appear. The Complainant No.1 appeared on his behalf and on behalf of Complainant No.2 and reiterated the contents of the Complaint. As the Respondent failed to appear, notice was issued again on 02.01.2024 for hearing on 30.01.2024. Despite being in receipt of the Notice, yet again, the Respondent failed to appear.

6. Meanwhile, to verify the veracity of claims made by the Complainants, an inspection was conducted on the site situated at Survey No.156/A, of Velugumatla Revenue Village, under Municipal Corporation limits of Khammam Urban Mandal, Khammam District. Findings of the Inspection Report dated 03.02.2024 are as follows:

- a. *The building permission was granted by the Regional Deputy Director, Town Planning, Warangal vide BP No.41/2012/W, Dt.23.02.2012 in the name of GRR Srinivasam in gated Community for constructions of Ccellar+Stilt+ G + 4 Floors in Sy. No. 156/A, Velugumatla village within the Khammam Municipal Corporation. This building is named as Vasista Block.*
- b. *The builder has constructed Cellar + Ground + 4 Floors consisting of 40 Flats.*
- c. *The complainant Sri.G.Ramchander has purchased Flat No.202 in 2nd Floor during the year 2016 under an agreement to hand over possession by December 2017. The purchasers / complainants informed that they have paid total sale consideration amount of Rs.11,50,000/- (Rupees Eleven Lakhs Fifty Thousand Only).*
- d. *The building is in skeleton stage with only slabs and walls and it is informed that the construction is made during the year 2016. The cellar and stilt floors covered with debris and bushes.*
- e. *The total building is in ruined stage having no doors, windows, flooring, drainage system, electricity, water supply and others internal and external facilities.*

f. *It appears that the builder / promoter has deceived not only the present complainants but also other 38 flats purchasers.*

7. A clear interpretation of Section 3 makes it clear that projects for which Occupancy Certificate is not obtained as on date of commencement of this Act, have to mandatorily obtain registration before this Authority. In the absence of such registration by the Respondent Builder and on account of no development of the Project as per inspection report, it is clear that the Respondent Builder has violated provisions of Sections 3 and 4 and more specifically Section 11(4)(b) which mandates obtaining of Occupancy Certificate from concerned competent authorities. This act on part of the Respondent is deprecated and therefore, this Authority, while exercising its powers under Section 60, imposed a penalty of Rs.5,94,594/- (Rupees Five Lakhs Ninety-Four Thousand Five Hundred and Ninety-Four Only) on the Respondent vide Order dated 10.04.2024 in a similar connected matter bearing Complaint No.1592/2023 titled "*Sri Y. Eswar Rao vs. M/s GRR Realities*".

8. As far as the Complainant's relief is concerned, as per the Inspection Report, it is clear that the Respondent has failed in its obligation to handover the Flat within time stipulated in accordance with the Sale Deed dated 03.11.2016 bearing document No.11358/2016 and therefore, the Complainant is entitled for complete refund of amount paid along with interest as per Rules. Therefore, the Respondent is hereby directed to cancel the registration of the flat No.202 at 'Vasistha Block' and refund an amount of Rs.11,50,000/- (Rupees Eleven Lakhs Fifty Thousand Only) along with such other additional amounts paid by the Complainant for registration of the Sale Deed dated 03.11.2016 bearing document No.11358/2016 with interest at the rate of 10.65

% (8.65 + 2) as per Rules, 2017 from the date of the Sale Deed i.e., from 03.11.2016 till the date of payment made to the Complainant, within 30 days from the date of the receipt of this Order, failing which appropriate action under Section 63 will be initiated against the Respondent.

9. The complaint is accordingly disposed of.

10. 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) in accordance with Section 44 of the Act, 2016.

Sd/-

Sd/-

Sd/-

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Sri K. Srinivasa Rao,
Hon'ble Member,
TS RERA

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Sri Laxmi Narayana Jannu,
Hon'ble Member,
TS RERA

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