

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

COMPLAINT NO.103 OF 2024

30th Day of October 2024

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

Order (Sri K. Srinivasa Rao, Hon'ble Member):

Smt. G. Swetha

...Complainant

Versus

M/s Sensation Infracon Private Limited
Represented by its Authorised Signatory,
Mr. C. Vishnu Vardhan Rao

...Respondent

The present matter filed by the Complainant herein came up for hearing on 31.07.2024 and 27.08.2024 before this Authority in the presence of Complainant in person, and Authorized Representatives of Respondent and after 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 read with Rule (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") seeking appropriate relief against the Respondent.

Brief facts on behalf of the Complainant

3. It was submitted that the Respondent executed Agreement of Sale dated 23.01.2020 towards purchase of Unit No.135 of 100 sq.ft. commercial space in

Sensation Fortune Bhoomika Mall & Multiplex and the Complainant paid Rs.6,72,000/- (Rupees Six Lakhs Seventy-Two Thousand Only). Receipts were issued by the Respondent in this regard and the same have been filed by the Complainant. It was further submitted that the Respondent has not started construction till date and failed to complete the project in time. As the Complainant lost confidence in the Respondent, she seeks to withdraw from the project and prayed to direct the Respondent to return Rs.13,00,000/- (Rupees Thirteen Lakhs Only) with interest from 23.01.2020 i.e., date of Agreement of Sale.

Reply on behalf of the Respondent:

4. Respondent filed Reply on 01.08.2024 submitting that the Complainant had booked one unit bearing number- 135 admeasuring 100 sq. feet in the project "SENSATION BHOOMIKA MALL AND MULTIPLEX" and had paid an amount of Rs.6,72,000/- towards sale consideration and the respondent had also issued Agreement of Sale dated 23-01-2020 in favour of Complainant. That due to COVID and change in the operators for the multiplex and change in their specifications, the project could not be completed in time. However, currently, nearly 80 to 100 people are working on the project daily and the operator had fixed its specifications and work is going on.

5. It was further submitted that, the Respondent is ready to register the Complainant unit in her favour, on or before 31.03.2025, subject to payment of stamp duty, registration charges and document handling charges by the Complainant herein. That the Respondent is paying rent for the said space monthly and has also paid the same to the purchaser i.e., Complainant herein during COVID period and in lock down period also. The payments are up to date with no pendency's or dues.

6. That as the RERA time for the project is completed, the Respondent herein had applied for an extension of time for the said project with this Authority and paid the required charges of Rs.77,132.75/- (Rupees Seventy-Seven Thousand One Hundred and Thirty-Two and Seventy-Five Paise Only) dated 05.07.2024. The extension of time is subject to approval by the Authority.

Observations and directions of the Authority:

7. The matter was called for hearing, wherein the Complainant appeared and reiterated the contents of her Complaint. When the Authority questioned as to how the Complainant is seeking refund of Rs.13,00,000/- (Rupees Thirteen Lakhs Only) whereas the amount paid, as mentioned on the Agreement of Sale and the receipts thereof is Rs.6,72,000/- (Rupees Six Lakhs Seventy-Two Thousand Only) only. To which, the Complainant submitted that the remaining amounts were paid in cash and that the Respondent did not issue any receipt to the same.

8. The Authorized Representative of the Respondent submitted specifically in their Reply that an amount of Rs.6,72,000/- (Rupees Six Lakhs Seventy-Two Thousand Only) was duly received from the Complainant but did not admit to receiving any further amounts. It was also submitted by the Respondent that he seeks 6 (six) months' time to refund the amounts paid by the Complainant. Further, that rent is being paid by the Respondents to the Complainant regularly, whereas the Complainant refuted the same saying, last amount for rent was received only in March 2024.

9. After hearing, the Authority did not agree with the Respondent and directed him to seek instructions to complete the refund within 2 months and as the

remaining amounts other than Rs.6,72,000/- (Rupees Six Lakhs Seventy-Two Thousand Only) had no receipts, was to be settled amongst the parties. During the hearing on 27.08.2024, the Respondent agreed to refund the amount within a period of 2 months.

10. This Authority, after hearing the contentions of both the parties and after considering the material filed on record, deems it fit, vide its powers under Section 37 read with Section 18, to direct the Respondent to refund an amount of Rs.6,72,000/- (Rupees Six Lakhs Seventy-Two Thousand Only) along with interest.

11. While the record was being perused, it has also come to the notice of this Authority that the Agreement of Sale was admittedly issued on 23.01.2020. Whereas this Authority granted registration to the Respondent vide Regn. No.P02400001798 on 20.03.2020 i.e., subsequent to executing the Agreement of Sale with the Complainant. Section 3 of the Act, 2016 clearly stipulates that *no promoter shall advertise, market, book, sell or offer for sale, or invite persons to purchase in any manner any plot, apartment or building, as the case may be, in any real estate project or part of it, in any planning area, without registering the real estate project with the Real Estate Regulatory Authority.* Therefore, Respondent was admittedly, in violation of the said provision by executing Agreement of Sale with the Complainant prior to obtaining RERA registration.

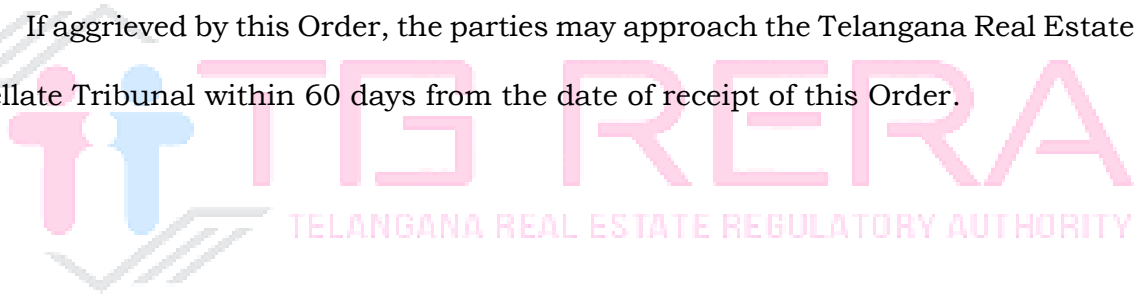
12. In light of the above discussion, this Authority deems it appropriate, vide its powers under Sections 37 and 38 read with Sections 18 and 59(1) to issue the following directions:

- a. As agreed by the Respondent during the course of hearing, the Respondent is hereby directed to refund the total amount paid by the Complainant being

Rs.6,72,000/- (Rupees Six Lakhs Seventy-Two Thousand Only) along with interest at the rate of 10.85% in accordance with Rule 15 of the Rules, 2017 from the date of the Agreement of Sale i.e., 23.01.2020; and

- b. For violation of Section 3, i.e., for executing the Agreement of Sale dated 23.01.2020 with the Complainant without registering the Project with this Authority, this Authority deems it fit to impose penalty of Rs. 20,71,575/- (Rupees Twenty Lakhs Seventy-One Thousand Five Hundred and Seventy-Five Only) 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, failing which appropriate action under Section 63 of the Act, 2016 shall be initiated against the Respondent.

13. If aggrieved by this Order, the parties may approach the Telangana Real Estate Appellate Tribunal within 60 days from the date of receipt of this Order.



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

Sd/-
Sri Laxmi Narayana Jannu,
Hon'ble Member,
TG RERA

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