

**BEFORE TELANGANA STATE REAL ESTATE REGULATORY AUTHORITY**

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

**COMPLAINT NO.633 OF 2023**

**30<sup>th</sup> 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**

Sri Madala Bharat

...Complainant

Versus

1. M/s Sree Sai Raghavendra Constructions  
Represented through its Partner, Sri Siripurapu Srinivas
  2. Sri Siripurapu Srinivas
  3. Smt. Siripurapu Vijaya Lakshmi
  4. Sri Siripurapu Abhiram
- ...Respondents

The present matter filed by the Complainant herein came up for hearing on 18.10.2023, 14.11.2023, 20.12.2023, 31.01.2024, 27.02.2024 and 05.03.2024 before this Authority in the presence of the Complainant in person, and Counsel for Respondent Nos.1 to 4 along with Managing Partner of Respondent No.1 Developer, Sri Siripurapu Srinivas, and upon hearing the arguments, 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 “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.

**Brief facts of the case:**

3. The Complainant submitted that he purchased Flat bearing No. 401, (East Face) Plot No. 105 & 106 in Satya Surya Residency situated at Road No. 3/2 Matrusrinagar, Miyapur, Telangana. That initially Complainant and the Respondent No.1 entered into an Agreement of Sale dated 23.08.2017, for a total sale consideration of Rs.60,00,000/- (Rupees Sixty Lakhs Only). That in the said Agreement of Sale dated 23.08.2017, it was agreed between the parties that the completion and handover of Flat will be on 01.01.2019 i.e., within 16 months from the date of Sale Agreement.

4. He submitted that after completion of earth beams and pillars, disputes arose between Respondent No.2 & other partner of Respondent No.1 Builder, Sri C. Ranga Swamy. He added that the dispute continued till July 2019 & work completely stopped. That, meanwhile, Respondent No.2, forced the Complainant to sign new Sale Agreement with enhancement of cost of Flat from Rs. 60,00,000/- (Rupees Sixty Lakhs Only) to Rs.70,00,000/- (Rupees Seventy Lakhs Only) towards cost escalation due to partners dispute delay. Accordingly, Complainant paid Rs. 15,00,000/- (Rupees Fifteen Lakhs Only).

5. That thereafter, a new Agreement of Sale was executed on 26.06.2020. The Complainant further paid Rs. 13,00,000/- (Rupees Thirteen Lakhs Only) in addition to the above Rs. 15,00,000/- (Rupees Fifteen Lakhs Only). Therefore, the total amount paid by Complainant was Rs. 28,00,000/- (Twenty-Eight Lakhs Only). That as per Development Agreement with Landowner, the Respondent No.1 Builder has to complete construction of Flats by September 2020, but there has been no progress.

6. That on 26th July, 2020, Complainant requested Respondent No.2 to register the skeleton completed Flat, for which, the Respondent No.2 demanded Rs.20,00,000/- (Rupees Twenty Lakhs Only) to be paid immediately i.e., by August 2020 and Rs.22,00,000/- (Rupees Twenty-Two Lakhs Only) signed cheques without date, which is the balance amount of the Flat. That in addition to the above amount, he demanded GST amount of Rs. 1,60,000/- (Rupees One Lakh Sixty Thousand Only) in cash as the firm has already paid GST. Accordingly, the Complainant paid Rs.20,00,000/- (Rupees Twenty Lakhs Only) and gave the signed cheques as sought for by the Respondent No.2. Thereafter, registration of the flat was done on 7th September, 2020.

7. By virtue of this present complaint, the Complainant submits that Respondent is not registered with this Authority despite falling within the jurisdiction of RERA and has thereby violated provisions under Section 3 & 4 of the Act, 2016. That further, the Respondent No.2 sold the Flats in the first floor which are mortgaged to GHMC and even got the same registered. He added that the said Respondent is going to construct the penthouse on the 5th floor terrace without permission from GHMC and for this penthouse, he kept 23 Sq. yards site aside without registering the same

to buyers. He also submitted that the total area of the Plot is 623 Sq. yards and the undivided share of each Flat is 60 Sq.yds. That the total Flats are 10. However, the Respondent No.2 has registered only 600 Sq. yards. and 23 Sq. yards was balance, kept for penthouse.

8. The Complainant submitted that Respondent Nos.2, 3 and 4 are not willingly constructing the Project and have no intention to handover the Flat, as already 6 years were completed by August 2023.

9. In lieu thereof, he prayed to direct the Respondents to pay rent from 1 January 2019 to till date @ Rs. 30,000/- per month + Rs. 2000/- as maintenance (period from 01.01.2019 to 31.07.2023, 55 months @ Rs. 32,000/-) = Rs. 17,60,000/- (Rupees Seventeen Lakhs and Sixty Thousand Only). That Respondent has enhanced cost of Flat from, Rs. 60,00,000/- to Rs. 70,00,000/- i.e., Rs. 10,00,000/- due to dispute between the partners of the Respondent No.1 Builder. As the delay does not accrue to the Complainant, said enhanced price to be returned to the Complainant.

**Reply by the Respondent:**

10. *Per contra*, Vide reply dated 27.02.2024, the Respondent No.2, representing Respondent Nos.1, 3 and 4, denied all the averments in the Complaint and submitted that Complainant himself admitted before this Authority that he has to pay Rs.12,00,000/- (Rupees Twelve Lakhs Only) towards payment of the Flat and Rs.2,00,000/- (Rupees Two Lakhs Only) for GST. He submitted that the Complainant is threatening the workers to do additional works to his flat and the workers refused to do extra/additional works to his Flat.

11. It was submitted that the Respondent No.2 received notices from Miyapur Police dated 28.12.2018 and 05.06.2019 to stop construction carried by the Respondent firm wherein the police stated that there is existence of interim orders in I.A.No.169/2015 in O.S.No.38/1993 dated 20.07.2017 and all these facts are known to the Complainant and the Complainant voluntarily came forward to purchase the Flat.

12. He submitted that the Respondent No.1 Company invested huge amounts for construction of the present apartment and with great difficulty, the Respondent No.1 Company completed the apartment despite the existing of the interim orders and small miscellaneous works are pending. It was also submitted that the Respondent No.1 Company is ready to handover the flat within 60 days from the date of receipt of the balance amount of Rs. 14,00,000/- (Rupees Fourteen Lakhs Only) (Rs.12,00,000/- towards consideration and Rs.2,00,000/- towards GST) and other miscellaneous amounts from the Complainant.

13. In conclusion, he prayed that the Complainant is not entitled to any relief and prayed to direct the Complainant to pay the balance amount of Rs. 14,00,000/- (Rupees Fourteen Lakhs Only) to the Respondent No.1 Company within 50 days, so as enable the Respondent No.1 Company to handover the finished flat to the Complainant.

**Rejoinder by the Complainant:**

14. The Complainant filed a detailed rejoinder dated 05.03.2024, primarily submitting that the Respondent No.2 is merely delaying the project for reasons best known to him. He submitted progress of the Project by showing latest photographs of the Project site. He added that, upon verification, the Respondent No.1 Company is not registered with GST and that therefore, he is not liable to pay any GST amount to the Respondent. He reiterated that he was forced to pay the enhanced price of Rs.10,00,000/- (Rupees Ten Lakhs Only) and that the same ought to be returned. He also submitted that the Respondent is attempting to mislead this Authority by stating that there is a stay on construction directed by the civil court. As such, he submitted that there is no such order and that the Respondent Builder has influenced the police officials in procuring a false notice of halting the construction.

15. The Complainant also submitted that the Respondent has failed to comply with the provisions of the Act, 2016 by not handing over the flat on time that has caused severe hardship to the Complainant and his family. Further, he added that the Respondent No.2 is violating the GHMC plan and constructing a penthouse without any sanction from the competent authority. Accordingly, he prayed to direct the Respondent to handover the flat at the earliest.

**Observations and Directions of the Authority:**

16. During hearing, the Respondent, while countering the Complainant submitted that the Complainant is merely raising allegations which are not true and that upon completion of payment by the Complainant, the Respondent shall handover the flat to the Complainant at the earliest. The Respondent also raised issues with regard to

the technical difficulties being faced by the Respondent for completion of the Project such as procuring ground water, pipeline issue, etc. However, he sought 2 months' time to address such issues and handover the flat to the Complainant. He added that on account of stay on the construction by the civil court, the Project could not be completed and that therefore, delay cannot be attributed to the Respondent in this regard.

17. In the Rejoinder submitted by the Complainant, various outstanding matters were delineated, pertaining to the obligations yet to be fulfilled by the Respondent Builder in relation to the completion of the Project. This Authority directed the Respondent to submit a detailed point-wise reply to the said obligations to be completed by the Respondent within 2 days, but the Respondent Builder has failed to file any such additional documents despite specific directions from this Authority.

18. First and foremost, this Authority has perused the documents and learnt that the Respondent is not registered with TS RERA despite the Project having fallen in the jurisdiction of the Authority. Therefore, vide Order dated 18.10.2023, this Authority imposed a penalty of Rs.9,92,682/- (Rupees Nine Lakhs Ninety-Two Lakhs Six Hundred and Eighty-Two Only) for violation of Section 3 & 4 of the Act, 2016.

19. Given the factual background and contextual elements of the ongoing case, it can be said that, admittedly, the registration of the flat was done on 07.08.2020 vide Doc. No.10475/2020. In the said document, only a "semi-finished" flat is registered in favour of the Complainant. Further, as per the said document, the vacant physical possession has also been handed over to the Complainant, but admittedly, the said

handover has not taken place. In this respect, it is observed that the Complainant had an obligation to execute an additional agreement for the completion of construction and handover at a specified juncture. Regrettably, the parties failed to fulfil this requirement, thereby causing detriment to the Complainant.

20. Further, as per photographs submitted by both parties, the construction of the Project is pending in several aspects and requires considerable time to complete the same. Given the Respondent's clear failure to adhere to the agreed-upon timeline for delivering the Flat to the Complainant, as specified in the Sale Agreement dated 26.06.2020, and their subsequent inability to complete construction and procure the occupancy certificate, it is evident that the Respondent has contravened Section 11(4)(a), (b), (d), and (e) of the Act, 2016.

21. Therefore, this Authority having perused the material on record, including pleadings of the parties, photographs filed by the parties and the contentions raised by them during the course of the hearings, passes the following directions:

1. Complainant to pay the outstanding amounts to the Respondent No.2 excluding GST. Only after the Respondent produces valid receipts of the GST payment, shall the Complainant transfer the GST amount to the Respondent No.2; and
2. While exercising its powers under Section 61, this Authority deems it fit to impose a penalty of Rs.4,66,976/- (Rupees Four Lakhs Sixty-Six Thousand Nine Hundred and Seventy-Six Only) for apparent violation of Section 11(4)(a), (b), (d), and (e) payable by the Respondents in favour of TS RERA FUNDS



through Demand Draft or online payment to A/c No.50100595798191, HDFC Bank, IFSC Code: HDFC0007036 within 60 days;

3. This Authority previously imposed penalty of Rs.9,92,682/- (Rupees Nine Lakhs Ninety-Two Lakhs Six Hundred and Eighty-Two Only) for violation of Section 3 & 4 of the Act, 2016. The Respondents are directed to remit this penalty within 30 days, as otherwise appropriate action under Section 63 will be initiated.
4. Respondents are jointly and severally liable to complete the construction within 90 days and handover the flat to the Complainant as has been promised in the Agreement of Sale dated 26.06.2020.

21. In lieu thereof, the present Complaint stands disposed of. Parties are hereby informed that non-compliance of the orders of this Authority shall attract penalty under Section 63 of Act, 2016.

22. 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 Section 44 of the Act, 2016.

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

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

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