

relying on the prospect of securing housing loans. Unfortunately, these loans were denied due to legal heir issues with the landowner. Consequently, individuals borrowed money at high interest rates to fulfil their payment commitments to the builder, leading to significant financial hardship.

5. As per clause 5.7 of the Agreement of Sale, the developer was obligated to complete house construction within 24 months from the date of the Agreement, with a grace period of 6 months, subject to payments from purchasers. However, this clause lapsed in 2019, and the houses remain incomplete.

6. Despite repeated appeals and requests, the developers have failed to complete construction, leaving the dwelling units unfinished and the properties unregistered.

7. No progress has been observed at the construction site for approximately two years. Per HMDA guidelines, all development works should have been completed within six years from the date of layout permit approval (April 10, 2017), with the Development Agreement period expiring on April 9, 2023.

8. Construction progress stands at only 60%-70%, with no infrastructure development as required by HMDA guidelines.

9. The developers have wilfully violated TS RERA Bye Laws and legislative provisions of the State of Telangana, including G.O.M.S. No. 202 (dated February 31, 2017) and G.O.M.S. No. 6.8 (dated January 11, 2018). This has raised concerns about transparency, efficiency, and the protection of the hard-earned money of employees and small-scale workers.

B. Relief(s) Sought

10. In light of the above, we earnestly request your intervention to:

- a. Direct the respondent to register the allotted villas as per the agreement with the association members.
- b. Take action against the respondent and the owners of the project.

C. Respondent's Reply

11. The complaint has been signed by 28 individuals, many of whom we have no prior association with. The complainants have approached this

authority with malafide intentions, evident from the fact that their complaint was filed a month after the expiration of the RERA registration's validity, which lapsed on April 9, 2023.

12. The complainants must substantiate their claims of payments made by certain individuals without corresponding agreements, and they shall be required to provide strict proof thereof.

13. With the exception of two individuals among the complainants, none of the other persons paid the amounts as claimed by them. A separate sheet detailing the statement of payments made by agreement holders, along with necessary particulars, is attached for reference.

14. Indian Bank sanctioned housing loans to many of these complainants in 2017; however, they failed to comply with the sanction terms and did not avail housing loans during the lifetime of the landowner, who passed away in 2018. The complainants are well aware that the legal heirs did not fulfil their obligation to rectify the DGPA, resulting in the non-disbursement of loans, for which they bear no fault.

15. The units could have been delivered within 30 months if the complainants had made timely payments as per the schedule agreed upon in the sale agreement.

16. The complainants suffered a significant setback due to the death of the landowner, whose legal heirs ratified the DGPA in August 2022. Two of the complainants registered their dwelling units in May 2023 by fulfilling their financial obligations as per the sale agreement. It is crucial to note that the respondents have not increased any prices for the allottees.

17. The respondents request this authority to consider compensation for the delayed payments made by the complainants.

D. Rejoinder:

18. Among the 28 members, several are also purchasers of dwelling units from M/s Cresco Housing Project, Shankarpally. These buyers reside or work in different villages, and some were unavailable during the

submission of the above complaint. Hence, only those who were available at the time signed the application. The management of M/s Cresco Housing Project is well aware of all these buyers.

19. As per the letter, 21 out of 28 members were recognized with Agreement of Sale documents, and 2 were registered in May 2023. In total, 23 out of 28 members have been recognized. The payment receipt vouchers for the remaining members are duly signed by one of the partners.
20. Though some individuals do not possess agreement documents, they have made part payments for their respective units as evidenced by the receipt vouchers. They have not lent money to the management as claimed in their reply letter. Cresco management assured them that the units would be registered directly without the need for an agreement, hence they made the payments.
21. Furthermore, the housing units were promised to be handed over at least by the end of the validity period of the TSRERA registration. The management failed to adhere to the timeline provided by TSRERA, thereby disappointing the complainants.
22. The buyers approached TSRERA after the completion of 5-6 years of this project seeking further guidance and justice, without any malafide intention as alleged in the reply. They did not approach earlier to claim the validity period of the RERA registration, hence they waited until the date of validity of the TSRERA registration.
23. The unit price is as per the rate declared in their leaflet, i.e., 24.5 Lacs, published in the market during the initial period by M/s Cresco Housing Project. Some buyers negotiated a lower rate for their units. The rate mentioned in the Agreement of Sale documents is different. The 90% payment specified in our letter is based on the earlier value. Now, Cresco management is calculating the 90% based on the rate mentioned in the agreement documents. The rate with the excess amount was mentioned in the document with the intention of securing a higher percentage of loans from the bank for the individuals.

24. In some cases, the management has issued a receipt voucher for the excess amount as well. This was mutually agreed upon during the document writing. Calculating the amount of 90% based on the agreement document is felt to be unjust. The Cresco management is well aware of this issue.
25. It is true that Indian Bank sanctioned housing loans for a few individuals in November 2017. The loan process was in progress when, unfortunately, the landowner died in April 2018, an unforeseen event. Cresco management informed the bank authority to halt loan issuances as the landowner's demise could lead to legal heir issues in the future. Consequently, the bank denied issuing the loan. As per their letter, they obtained the legal heirs certificate in August 2022.
26. If the buyers had not paid the amounts as per the schedule, Cresco management could have issued warning letters to the individuals with deadlines for payment. Hence, it is clear that buyers paid the amounts as and when requested. Cresco Housing Project's management did not inform the individuals about the progress of the work. How can individuals be aware of the work progress unless the builder informs them, especially as they reside in different locations? Therefore, it is incorrect to blame the buyers for not paying as per schedule.
27. Additionally, it should be noted that the office of Cresco Housing Project was relocated to Hyderabad, and there is no office or representative available at Shankarpalli. This has caused inconvenience for the buyers to approach the appropriate person. Often, phone calls go unanswered. Hence, it is incorrect to blame the buyers for not paying as per schedule.
28. Calculating the overall revenue of the project based on the payments made by the 28 individuals is not understood.
29. It is true that two of the above members had their dwelling units registered in May 2023, but 19 units/plots were registered during the lifetime of the landowner.

30. We would like to bring to your notice that in August 2020, some buyers were ready for the registration of their units. One buyer paid a bank challan for Rs. 120,000, towards registration and stamp duties as per management guidelines. Unfortunately, one of the partners objected to proceeding with the registration process, stating that they had no authority to sign the registration papers.

E. Hearing Conducted

31. A hearing was conducted on 11.10.2023, during which no representatives appeared on behalf of the Complainants, and the Respondent requested additional time to file a reply. A fresh notice for appearance was issued to the Complainants.

32. On November 9, 2023, both parties appeared before the authority. The Complainants asserted that they had purchased the unit between the years 2014 and 2019. The Respondents have only registered four units to date. When questioned about the delay in completing the project, the Respondents stated that they were unable to complete the project due to the Complainants' failure to pay the sale consideration amount. Furthermore, ongoing disputes between the partners contributed to the delay. The Respondents also asserted that they have no association with all the members of the concerned association and have only allotted villas to two or three members. Consequently, the authority directed the Complainants to submit relevant documents evidencing that the villas in the concerned project have been allotted to all members of the association.

33. The Complainants contended that the Respondents did not provide the required documents to avail a loan, which prevented them from paying the remaining balance. Denying these allegations, the Respondent informed this authority that they were facing issues in providing the necessary documents due to the death of the landowner.

34. Meanwhile, on 21.12.2023, S. Jagdishwar Rao, Advocate for Mr. Ashok, a member of the association, filed a separate Vakalatnama and requested time to file a reply. Despite explicit directions to submit relevant documents with respect to the allotment of villas of all the members, the association failed to

do so. On subsequent hearing dates, Mr. Ashok's advocate requested additional time to file a reply, citing that the Respondent had not provided the relevant documents to the Complainant. A fresh notice has been served to the Respondent for the next hearing date.

35. When questioned about the absence of the members of the complainant association at the last three hearings and the lack of submitted documents or substantive evidence indicating their allotment in the concerned project, Mr. Ashok, Vice President of the association, stated that the members were no longer interested in proceeding with the matter. However, no written application to this effect was submitted to the Authority. Additionally, Mr. Ashok expressed his willingness to pursue the matter himself and submitted the Rejoinder.

F. Observations of the Authority

36. The points for consideration before the Authority is as follow:

- a. Whether all 28 members can be recognized as allottees of the concerned project.

37. Point A. The Authority notes that the Complainants, along with Form M, submitted a list of 28 members who purportedly purchased villas in the Respondent's project. The Respondent, however, denies recognizing these 28 members as legitimate allottees, asserting that most of these individuals have no association with their project.

38. The Complainant association, in its rejoinder, maintains that all 28 members have been allotted villas, though only two have been officially registered. Despite this claim, the Complainant association failed to provide this Authority with substantial documentation—such as agreements, payment receipts, or allotment letters—to demonstrate that each of the 28 members entered into an agreement with the Respondent or made payments.

39. It is a well-established principle that the burden of proof lies on the party asserting a claim. In this instance, the Complainant association failed to provide sufficient evidence, aside from documents pertaining to three

individuals, namely Sri Sunil Kumar, M. Ashok, and L. Janardhan, these documents alone confirm their status as allottees.

40. Therefore, due to the lack of substantial evidence confirming that all 28 members have been allotted villas, this Authority cannot recognize all 28 members as allottees of the concerned project. The formed and registered Association lacks sufficient evidence to support that all members are allottees of the concerned project; hence, the Authority cannot consider this Association as valid.

41. In light of the aforementioned observations, the Authority hereby dismisses the complaint on the grounds that the Association is deemed invalid and the present complaint cannot be tenable. Consequently, the Authority will not delve into the merits of the reliefs sought, rendering the entire complaint infructuous.

42. However, the complainant association member, Mr. Ashok, who has requested to continue with the matter individually and has made an advocate file a Vakalatnama, retains the liberty to approach the Authority with a fresh complaint.

43. 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) 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