

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Complaint No. 197 of 2024

Dated: 01st July 2025

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

Smt. Mudrakartha Veenadhari

(W/o Dr. Srinivas Mudrakartha, Flat No: 302, Sree vajra Residency, H.No. 1-9-485/9, St. No.6, Lalithanagar, Near Dr. Ambedkar Community Hall, Adikmet, Hyderabad- 500044. Email. Mudrakarthas@gmail.com)

...Complainant

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Versus

M/s. RR Constructions

(representative by Ragir Ritesh, S/o RagirRajeev, Aged 36 years, RR Konstructions, RagirSadan, H.No. Plot no.13, 1-9-548, Lalithanagar, Hyderabad-500044.)

...Respondent

The present matter filed by the Complainant herein came up for hearing on 12.02.2025 before this Authority wherein the Complainant appeared in person and Respondent Counsel, Sri C Yadagiri. upon pursuing the material on record and on hearing argument of the both sides and having stood over for consideration till this day, the following order is passed:

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") seeking appropriate relief(s) against the Respondent.

A. Brief Facts of the Case, as Stated by the Complainant

3. The Complainant, Smt. Mudrakartha Veenadhari, has stated that she is the registered owner of Flat No. 302 in the project known as "Sree Vajra Residency," situated at Lalithanagar, Hyderabad. It is submitted that the said flat was purchased upon full consideration, and the Sale Deed was duly registered in her favour on 13.03.2021.

4. The Complainant submits that the Respondent, Mr. Ragir Ritesh, promoter and builder of the said project, made repeated representations to the effect that he had applied for the Occupancy Certificate (OC). However, despite numerous requests, the Respondent failed to furnish any documentary proof or application number evidencing such application. Consequently, the Complainant undertook independent verification with the Greater Hyderabad Municipal Corporation (GHMC), Secunderabad Zone, and discovered that no such application had been made for over 2.5 years since completion of construction.

5. The Complainant alleges that the Respondent has constructed 10 flats on the site measuring 459.22 sq. meters, although the sanctioned building plan only permitted construction of 8 flats. This unauthorized deviation, according to the Complainant, renders the project liable to be regulated under the provisions of the Real Estate (Regulation and Development) Act, 2016 (RERA), which applies to projects exceeding 500 sq. meters or consisting of more than 8 units.

6. It is further submitted that the Complainant and other residents began occupying their respective units in or around February 2022. Despite this, several essential services and amenities, both dependent and independent of the issuance of OC, have not been provided. These include provision of water supply with an official CAN number, installation of power transformers, diesel generators, rainwater harvesting system, fire extinguishers, and other essential infrastructure. The deficiency has allegedly led to significant inconvenience, recurring water leakage, fungal growth, and even potential electrical hazards, particularly in the recently completed watchman's room.

8. The Complainant further submits that despite the filing of an earlier complaint (CC No. 62/2024/TSRERA) which resulted in a summons being issued to the Respondent, and notwithstanding the Respondent's written assurances of action, the grievances remain substantially unaddressed even after a lapse of four months. Key issues such as application for OC, commissioning of basic amenities, and unauthorized parking continue to persist, resulting in hardship to the allottees.

9. The Complainant has placed on record several construction-related deficiencies, including:

- a. Water inundation in the parking area due to absence of adequate slopes and rainwater shades.

- b. Inferior quality of internal and external painting which is prone to discolouration and stains.
 - c. Substandard plumbing and sanitary fittings necessitating premature replacement.
 - d. Poor plastering quality resulting in cement patches upon minor impact.
 - e. Premature degradation of watchman's room and toilet, which have developed fungal growth and leakages soon after construction, thereby posing health and safety risks.
10. With regard to parking, the Complainant alleges that although the builder does not own any unit in the project, he has been unlawfully and forcibly occupying designated parking spaces for over 2.5 years. It is claimed that he deliberately left Flats 203 and 401 without assigned parking and instead used those spaces to park his personal vehicles, also displaying signage for "RR Konstructions." Additionally, the Respondent allegedly parks multiple vehicles and cycles in the premises despite having sufficient space in his own adjacent residence.

B. Relief(s) Sought:

11. In light of the foregoing grievances, the Complainant has sought the following reliefs from the Authority:
- i. Immediate direction to the Respondent to apply for and obtain the Occupancy Certificate from the concerned municipal authority.
 - ii. An order directing the Respondent to fulfill all obligations as per the Sale Deed and Development Agreement within a time-bound manner, including completion of all pending works and provision of amenities.
 - iii. A written undertaking from the Respondent indemnifying the residents and the Society against any penalties or charges levied by GHMC or any other authority in respect of unauthorized constructions or regularization proceedings under schemes such as BRS/LRS.
 - iv. Compensation in the form of monthly parking charges of ₹1,000 per four-wheeler and ₹500 per two-wheeler, from February 2022 onwards, for the Respondent's unauthorized occupation of the parking spaces.
 - v. Appropriate penalty for harassment and mental agony caused to senior citizens who, after decades of professional life, purchased these homes with the legitimate expectation of peaceful habitation.

- vi. Penalty for violations of statutory norms, lack of communication, and willful non-compliance of written assurances including failure to provide the OC, generator, transformer and other services.
- vii. A regulatory direction to halt all ongoing construction projects of the Respondent until compliance with the present project is ensured, citing willful breach of trust, repeated misrepresentations, and violation of statutory obligations under the RERA Act and municipal laws.

C. Respondent Reply:

12. The Respondent has filed a detailed counter, vehemently denying each and every allegation made by the Complainant. It is his categorical assertion that the complaint is frivolous, devoid of merit, legally and factually untenable, and has been instituted with the ulterior motive of deriving wrongful gain. The Respondent contends that the complaint is nothing but an abuse of the process of law and ought to be dismissed with exemplary costs.

13. The Respondent submits that he, being the developer, had entered into a Development Agreement-cum-General Power of Attorney (GPA) dated 31.08.2019, registered as Document No. 4144 of 2019, with several landowners including Smt. I. Visasla, Smt. Isola Sudha, and Smt. Manjula Kandala, among others. The said agreement pertained to the development of a residential building over Plot Nos. 15 and 16, admeasuring 459.22 sq. meters, situated at Lalithanagar, Adikmet, Zamistanpur, Hyderabad. The Respondent states that pursuant to the said agreement, necessary building permissions were obtained from the GHMC authorities, permitting the construction of a stilt + 4 upper floors structure, comprising eight residential units.

14. The Respondent further submits that the construction was carried out strictly in accordance with the permissions granted by the competent authority. However, he claims that after completion of the construction, the landowners themselves made changes to their allocated flats, specifically by Converting two flats on the second floor into three 2BHK units, and Converting two flats on the fourth floor into four 1BHK units.

15. The Respondent clarifies that such deviations were neither planned nor executed by him, but were independently undertaken by the landowners without his involvement. He disclaims any responsibility for the said unauthorized modifications.

16. The Respondent asserts that the Complainant, Smt. Mudrakartha Veenadhari, purchased Flat No. 302, located on the third floor, having a super built-up area of 1739 sq. ft. (inclusive of common areas) and an undivided share (UDS) of 68.75 sq. yards, by way of a registered Sale Deed dated 13.03.2021, registered as Document No. 1367/2021. He argues that since the transaction was completed by a registered conveyance deed and full consideration was paid, there exists no cause of action against him.

17. Respondent pertains to jurisdiction and maintainability. He contends that Section 3(2)(a) and (b) of the Real Estate (Regulation and Development) Act, 2016, read with the relevant Telangana Rules, exempts projects which Do not exceed 500 sq. meters, and Do not consist of more than 8 apartments.

18. According to the Respondent, the present project falls below both thresholds, since the site area is only 459.22 sq. meters and the approved number of flats was eight. He submits that even the subsequent alterations by landowners do not alter the scope of the original sanctioned plan, which remains below the threshold for RERA applicability. Accordingly, he contends that the project is exempt from registration, and the complaint is thus not maintainable under the RERA Act.

19. The Respondent further points out that the Complainant had earlier filed a complaint on similar grounds before this very Authority, which was subsequently withdrawn. He argues that the current complaint is vexatious, repetitive, and filed with malice, only to harass the Respondent and to seek unjust enrichment. The Respondent prays for dismissal of the complaint with exemplary costs, asserting that it is barred by law, unsupported by facts, and filed with an ulterior motive.

D. Rejoinder

20. The Complainant, by way of rejoinder, has categorically denied the claims and contentions made by the Respondent in the counter. It is her assertion that the Respondent has sought to mislead this Authority by making false, misleading, and unsubstantiated submissions that are contrary to the documents on record. The Complainant specifically rebuts the Respondent's contention regarding non-applicability of the Real Estate (Regulation and Development) Act, 2016, and submits that the very objectives of the Act transparency, accountability, and consumer protection — have been deliberately violated by the Respondent.

21. The Complainant asserts that the Respondent has deliberately evaded the mandatory registration requirements of the RERA Act by constructing 10 units instead of the 8 units sanctioned under the building permit, thereby bringing the project within the regulatory ambit of the Act. It is submitted that the Development Agreement-cum-General Power of Attorney (DAGPA) executed between the Respondent and the landowners expressly contemplated 11 residential units. The Complainant relies on the DAGPA, along with email communications, building permits, and subsequent sale agreements, to establish that the Respondent consciously created a structure that would, in effect, exceed the registration threshold under RERA, and thereafter failed to reconcile the sanctioned plan with the development agreement, thereby exposing his mala fide intent to circumvent regulatory compliance.

22. The Complainant further submits that the landowners, being senior citizens suffering from health complications, entrusted the Respondent with Power of Attorney in good faith, assuming that he would manage all statutory obligations. However, the Respondent willfully failed to fulfill his responsibilities, particularly Clause 31 of the DAGPA, which obligated him to obtain requisite approvals and statutory clearances, including the Occupancy Certificate (OC). The Complainant reiterates that even if the project area is below 500 sq. meters, the moment more than 8 units are constructed or sold, registration becomes mandatory under Section 3(2) of the Act, thereby nullifying the Respondent's justification.

23. The Complainant points to the serious hardship and adverse consequences suffered by the allottees owing to the non-issuance of an Occupancy Certificate, even after a lapse of more than three years from construction completion. In the absence of an OC, basic civic amenities such as a CAN number for water supply have been denied to the residents. The Complainant categorically refutes the Respondent's attempt to shift blame onto the landowners for the creation of additional flats post-construction. It is submitted that the DAGPA itself mentions second-floor units as three-bedroom flats, and there is no evidence of any post-construction alteration by landowners. On the contrary, the Respondent has actively installed nameplates for all 10 flats and facilitated their registration through individual sale deeds, thereby admitting to their existence and his role in creating them.

24. The Complainant also brings to light that the earlier complaint filed before this Authority was withdrawn only on the strength of written assurances made by the Respondent, including undertakings given to the allottees and to the Chairman of RERA, promising completion of pending works within a specific time. The Complainant submits that the

Respondent failed to honor these commitments, necessitating the filing of the present complaint. The breach of assurances, coupled with failure to deliver essential services, demonstrates the Respondent's consistent non-compliance and disregard for the rights of allottees.

25. In particular, the Respondent has failed to provide:

- a. Mandatory amenities such as a functional transformer, adequate water storage facilities, and fire extinguishers;
- b. Lift of proper specification, as promised in the promotional materials;
- c. Essential structural and safety features, such as waterproofing of the terrace, remediation of seepage issues, and reinforcement of compound walls.

26. The Complainant, therefore, asserts that the project, in reality, consists of 10 residential units, as borne out from factual and documentary records. Consequently, the issue of applicability of the RERA Act no longer survives for adjudication, and the Respondent must be held accountable under the provisions of the Telangana Real Estate (Regulation and Development) Rules, 2017. The Complainant prays that the Authority invoke the relevant penal provisions of Sections 59 and 60 of the Act against the Respondent for failure to register the project and for breach of statutory obligations.

E. Observation of Authority:

27. Before proceeding to adjudicate the reliefs sought by the Complainant, this Authority considers it necessary to address the preliminary objection raised by the Respondent pertaining to the maintainability of the complaint on grounds of jurisdiction. The Respondent contends that the present project is exempted from registration under Section 3(2)(a) and (b) of the Real Estate (Regulation and Development) Act, 2016.

28. The relevant statutory provision under Section 3(2) of the Act reads as follows:

Notwithstanding anything contained in sub-section (1), no registration of the real estate project shall be required—

(a) where the area of land proposed to be developed does not exceed five hundred square meters or the number of apartments proposed to be developed does not exceed eight inclusive of all phases:

29. It is the Respondent's contention that the sanctioned development, as per Building Permit No. 2/C15/13133/2019 dated 19.08.2019, relates to a plot measuring 459.22 square

metres and comprises a stilt plus four upper floors, cumulatively accounting for eight units. On this basis, the Respondent seeks exemption from the mandatory registration requirement under Section 3(2) and, consequently, argues that this Authority lacks jurisdiction.

30. However, upon perusal of the record, including the sanctioned plan and the Development-cum-General Power of Attorney (DGPA) executed between the landowners and the Respondent developer, it is clearly evidenced that a total of 11 residential units have been constructed in the project. In particular, it is observed that:

- i. The second floor comprises three flats (instead of the two sanctioned),
- ii. The fourth floor comprises four flats (instead of the two sanctioned),
- iii. These deviations result in a total of 11 units, thereby exceeding the threshold limit under Section 3(2).

31. While the Respondent attempts to evade liability by placing the blame solely on the landowners, alleging that the modifications were carried out by them unilaterally, such an explanation is both evasive and untenable. The Respondent cannot wash its hands off the statutory obligations under the Act by shifting blame to the landowners when the DGPA itself reflects a plan with 11 units and there is no evidence to show that the construction was unauthorized by the developer.

32. This Authority finds such a defense to be an afterthought and a clear attempt to circumvent the regulatory mechanism established under the RE(R&D) Act. It is reiterated that the intent of the Legislature, as evident from the Preamble of the RE(R&D) Act, is to establish accountability and transparency in the real estate sector and protect the interests of homebuyers. Permitting promoters to escape the rigour of the Act by taking such vague pleas would defeat the very object and purpose of the legislation.

33. Accordingly, this Authority holds that the project does not fall within the exemption contemplated under Section 3(2) and, therefore, was mandatorily required to be registered under Section 3(1) of the Act. Failure to register the project renders the promoter liable for penalty under Sections 59 and 60 of the RE(R&D) Act. The jurisdictional objection raised by the Respondent is thus rejected.

34. This Authority also records its strong displeasure and condemnation of such evasive conduct by the Respondent-promoter. Let it be categorically declared that any promoter found engaging in practices designed to circumvent the provisions of the RE(R&D) Act, especially through misrepresentation of project size or number of units, shall be dealt with

strictly. The Authority shall not hesitate to initiate penal and criminal proceedings, where warranted, to preserve the sanctity of the RE(R&D) Act and uphold consumer protection.

35. The Complainant has sought directions to the Respondent to obtain the Occupancy Certificate (OC), which is an obligatory statutory requirement upon completion of any real estate project. As per Section 11(4)(b) of the RE(R&D) Act:

The promoter shall be responsible to obtain the completion certificate or the occupancy certificate, or both, from the relevant competent authority as per local laws or other laws for the time being in force and to make it available to the allottees individually or to the association of allottees, as the case may be

36. It is evident from the record that the OC has not been obtained by the Respondent. This amounts to a serious breach of statutory duty and has a direct impact on the rights and legal security of the allottees. Accordingly, the Respondent is directed to immediately apply for and obtain the occupancy certificate from the competent authority forthwith and ensure that a copy thereof is handed over to the association of allottees.

37. Further, the Complainant has alleged certain deficiencies in the quality of construction and essential services, including non-functional transformer and water inundation. As per Section 14(3) of the RE(R&D) Act, a promoter is statutorily obligated to rectify structural defects or poor workmanship brought to his notice within a period of 30 days.

38. The Respondent, through its own letter dated 22nd May 2024, has acknowledged the said deficiencies and assured residents of rectification. Despite such acknowledgment, the rectifications have not been carried out. This amounts to a continuing breach. The Respondent is accordingly directed to rectify the following issues within 30 days from the date of receipt of this Order:

- a. Make the transformer functional and ensure consistent power supply;
- b. Rectify water inundation and ensure proper drainage and waterproofing measures.

39. As regards the Complainant's prayer for compensation on account of construction deficiencies, this Authority observes that such reliefs are within the exclusive jurisdiction of the Adjudicating Officer appointed under Section 71 of the RE(R&D) Act read with Rule 35(1) of the TG RERA Rules, 2017. The Complainant is therefore at liberty to approach the Adjudicating Officer by filing a complaint in Form 'N', seeking appropriate compensation.

F. Directions of the Authority:

40. Based on the facts submitted, evidence on record, and the findings given thereon by us as discussed herein above, this Authority holds that the complainant is entitled to the relief as prayed by him, and the same is allowed in his favour, and the Respondent is hereby directed as follows:

- a. For violation of Sections 3 and 4 i.e., for non-registration of the project – “*Sree Vajra Residency*”, the Respondent is liable for penalty under Sections 59 and 60 respectively, therefore, the Respondent is directed to pay penalty of Rs.2,81,276/- (Two lakhs eighty one thousand two hundred and seventy six only) payable within 30 days in favour of TGRERA FUND through a Demand Draft or online payment to A/c No. 50100595798191, HDFC Bank, IFSC Code: HDFC0007036;
- b. The Respondent is directed to immediately apply for and obtain the Occupancy Certificate, and upon receipt, furnish the same to the association of allottees.
- c. The Respondent is directed to rectify water inundation and ensure the transformer is functional, within 30 days from the date of receipt of this Order.
- d. The Respondent promoter is hereby prohibited from advertising, marketing, booking, or selling any real estate project that falls within the ambit of Section 3 of the RE(R&D) Act without valid registration with this Authority. Any future violation shall attract stringent penal action, including prosecution under Section 59(2) of the Act and possible debarment from further development activity under Section 7.

41. The complaint stands disposed off. 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**