

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Complaint No. 47 of 2024

25th April, 2025

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

Kum.Miryala Anusha

Kum Miryala Krishnaveni

(Rep by GPA holder, Sri M.Prasad, R/o Flat no. 401, Ravi Shanker Colony, Kuntloor Hayathnagar, Hyderabad,)

...Complainant

Versus

M/s. Gautham Constructions

(Rep by Managing Partner, Sri L.Venkata Ramana, 32-127/120/P, Road no.7, Sri Satya Sai Enclave, old bowenpally, Secundrabad)

...Respondent

The present matter filed by the Complainants herein came up for hearing on 20.12.2024 before this Authority, in the presence of the Representative Sri Miryala Prasad for the Complainants and Counsel Sri B. Ravikiran Singh and Aditya Hemanth for the Respondent. Upon perusal of the material on record and hearing the arguments of both sides, and having stood over for consideration till this day, the following order is passed:

ORDER

2. The Complainant has filed complaint on hand under Section 31 of the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred to as the "RE(R&D) Act"), read with Rule 34(1) of the Telangana Real Estate (Regulation and Development) Rules, 2017 (hereinafter referred to as the "Rules"), alleging commission of violation and contravening of the provisions of the said Act and Rules and sought for the appropriate reliefs against the Respondent.

A. Brief Facts of the Case (as per the allegations/averments in the complaint):

3. The Complainants submit that they purchased Flat Nos. 401 and 402, each admeasuring 1000 sq. ft., situated at Kuntloor, Pedda Amberpet, Hayathnagar, R.R. District, from the Respondent, i.e., M/s. Goutam Constructions, under two registered sale deeds bearing Doc. Nos. 1508/2022 and 1509/2022, dated 07.03.2022. The said flats were purchased as semi-furnished units.

4. Subsequent to the execution of the sale deeds, the Respondent entered into two construction agreements with the Complainants, also dated 07.03.2022. As per the said agreements, the Respondent was required to complete the works stipulated therein. However, the Respondent failed to fulfill these obligations. The Complainants allege that the following works remain incomplete:

- i. The Respondent has not provided drinking water to the flat owners.
- ii. The Respondent has not provided access to CCTV cameras for individual flats, as per the development agreement.
- iii. The Respondent has not formed a Residents' Welfare Association.
- iv. The Respondent has not handed over the original link documents of the apartment to the flat owners.
- v. The Respondent used low-quality electrical wiring instead of quality wires, posing a threat to the safety of the residents.
- vi. The Respondent failed to complete the entire construction work within the stipulated time, resulting in considerable delay and incomplete lighting and LED installations in the parking area.
- vii. The Respondent failed to construct the bathrooms as per the specifications in the development agreement, leading to leakage issues.
- viii. The Respondent used low-quality taps, resulting in further leakage problems and incomplete works in various aspects.
- ix. The Respondent did not complete construction of the watchman's room, including flooring, main door, and wash basin.

- x. As per the approved plan, two water tanks were to be constructed, but only one has been completed.
- xi. The Respondent failed to complete the building earthing and has left unfinished holes.
- xii. The building was not constructed in accordance with the specifications in the development agreement, and substandard materials were used throughout.
- xiii. As per the agreement dated 07.03.2022, if the Respondent failed to complete the works within the stipulated time, he was liable to pay interest at 7% p.a. on the sale consideration and Rs. 10,000/- per month as rent to the Complainants until completion. However, till date, the works remain incomplete.

B. Reliefs Sought:

5. In light of the above facts, the Complainants pray following:
- a. To direct the Respondent to complete all the works as per the development agreement dated 08.02.2020 and the construction agreement dated 07.03.2022 within one month.
 - b. The Complainants further pray that the Respondent be directed to pay compensation of Rs. 10,00,000/- towards mental agony.
 - c. Costs of the complaint.

C. Respondent Reply:

6. At the outset, it is humbly submitted that the present Complaint filed by the Complainant is neither tenable on facts nor in law, and is liable to be dismissed in limine. The Complaint is not maintainable, and all the allegations made against the Respondent are absolutely false. The Complainant shall be put to strict proof of each and every allegation.

7. Submit that the Complainant has filed an undated and invalid GPA through which he claims to possess the power and locus to approach the Authority in the captioned Complaint. In the absence of essential details like the date on which the said power was conferred, such authority cannot be inferred from the date of stamp purchase or the date of notarization. Such an undated GPA cannot confer locus standi upon the Complainant, and therefore, he cannot maintain the above Complaint. On this count alone, the Complaint is liable to be dismissed with heavy costs.

8. That the Complaint does not disclose any discrepancies for which this Hon'ble Tribunal can exercise jurisdiction under the Telangana RERA Act. Therefore, the Complaint is liable to be rejected for want of jurisdiction.

9. That the Complainant has not purchased any flats in the said building, and as such, all the allegations are driven by mala fide intentions and untenable expectations which have no basis in law. While it is true that the Complainant entered into Agreements of Sale in respect of Flat No. 401 and 402 in "Sai Teja Homes," the Sale Deeds were registered in the names of Miryala Krishna Veni and Miryala Anusha, both of whom are majors. Therefore, if any grievance exists, it is they who are entitled to approach this Hon'ble Tribunal, not the Complainant.

10. That the said Complaint is bad for non-joinder of necessary parties, as the Sale Deeds bearing No. 1508 of 2022 and 1540 of 2022 on the file of the Sub-Registrar, Hayathnagar, show the vendors as Sri Mylavarapu Basaveswar Rao, Sri Rapolu Venkateswarlu, Rapolu Venkata Manga Rao, and Smt. Ponugoti Rajini, represented by M/s. Gautam Constructions. However, the Complaint is filed against only one of the partners of M/s. Gautam Constructions, solely because the answering Respondent did not accede to the Complainant's unreasonable demands. To satisfy his agenda and in complete abuse of process, the Complainant filed the present Complaint. The Complainant demanded a ransom of ₹10,00,000/- and blackmailed the answering Respondent. As the Respondent refused to pay the ransom, the Complainant, with an agenda of extracting money, preferred the present Complaint. This is evident from Relief 5(b), where the same amount is reflected, despite the fact that the Complainant is not entitled to any such unlawful, arbitrary, or criminal relief. The answering Respondent reserves the right to initiate appropriate legal action against the Complainant as per law.

11. That the Complainant approached this Hon'ble Authority without disclosing the true facts of the case and only stated those facts favorable to him. In fact, the Complaint is liable to be dismissed on this ground alone, as the Complainant has approached the Hon'ble Authority with unclean hands.

12. That nothing shall be deemed to be admitted by the answering Respondent merely for want of specific denial, and nothing shall be deemed admitted unless specifically admitted herein.

13. The Respondent deny all averments, assertions, etc., against the answering Respondent, as the same are false, unsubstantiated, and based on presumptions and assumptions. Nothing shall be deemed to be admitted unless specifically admitted herein. Subject to the preliminary objections and contentions raised above, my para-wise reply to the Complaint is as follows:

14. That the answering Respondent has completed all the works as promised in the Sale Deeds. The vendees have given written confirmation that the work was completed to their satisfaction and that the flats were handed over to them ahead of schedule, even though the agreement of sale holder delayed payment to the Respondent by several months. The ledger also shows an outstanding balance of ₹26,669/- in his account, and he has defaulted on payments for extra works amounting to ₹49,900/- per flat.

15. The Complainant has no authority to speak on behalf of the flat owners. Moreover, the demand under Clause 4(1) was never promised. Water supply has been provided to the flats. The allegation is false, frivolous, and untrue, and the Complainant shall be put to strict proof.

16. CCTV cameras are already installed in the common areas. The demand for CCTV access from inside the flats was never contemplated in the registered agreement. Furthermore, such access is not feasible due to privacy concerns, as privacy is a fundamental right. The allegation is denied as false, frivolous, and untrue, and the Complainant shall be put to strict proof.

17. An unregistered association already exists, formed voluntarily by the residents. I, being an owner of a flat in the building, am also paying maintenance to this unregistered association. Regarding registration of the association, a dispute is pending before the Hon'ble High Court for the State of Telangana, and registration can be pursued by the existing association whenever permissible. The allegation is denied as false, frivolous, and untrue, and the Complainant shall be put to strict proof.

18. The demand for handing over original link documents to every flat owner is impractical. There is only one original set, and if the Complainant requires copies, he may obtain certified copies from the concerned Government Authorities. Such demands reflect the Complainant's ill intentions. The Complaint is false, frivolous, and should be dismissed with exemplary costs. The allegation in Para 4(5) is baseless and not maintainable. The answering Respondent used quality materials sourced from original vendors, and the vendees have confirmed in writing that they were satisfied with the quality of construction.

19. The written letters from the vendees clearly indicate that construction was completed ahead of schedule, and possession was handed over. The Complainant is misrepresenting himself as representing "flat owners" without any authority, which clearly reflects mala fide intentions. The allegation is denied as false, frivolous, and untrue.

20. The construction is as per the HMDA-approved plan, and completion was obtained lawfully. The allegation is denied as false, frivolous, and untrue.

21. Earthing has already been provided, and there are no unfinished holes as alleged. The allegation is denied as false, frivolous, and untrue. The allegation is denied as false, frivolous and untrue and the complainant shall be put to strict proof of the same.

22., The Complainant has completely misconstrued the Agreements of Sale and Sale Deeds and has made untenable allegations against the answering Respondent. The allegation is denied as false, frivolous, and untrue.

23. The nature of a prayer and is untenable, extortionate, and cannot be entertained. The Complaint itself is bad for want of jurisdiction, lack of locus standi, and for playing fraud on the Hon'ble Tribunal. It is liable to be dismissed on all counts.

24. For the aforesaid reasons and grounds, the Authority may be pleased to take the counter and reply of the answering respondent on record and dismiss the complaint under reply with heavy costs and pass such other order or orders that this Hon'ble Court may deem fit and proper in the facts and circumstances of this case in the interest of equity and justice.

D. Rejoinder:

25. Submit that the complaint is both factually and legally tenable. The issues raised are genuine and are based on substantial evidence of non-completion of pending works by the Respondent herein. The Respondent applied for RERA permission on 06.12.2021, but in this case, the Respondent had entered into an Agreement of Sale on 12.11.2021 with the Complainant, much prior to obtaining RERA permission. Therefore, the Respondent did not have any right to enter into an agreement without obtaining RERA permission. This itself shows that the Respondent has violated the rules and regulations contained in the RERA Act.

26. That it is hereby denied that the Complainant has filed an undated and invalid GPA under which he claims to have power and locus to approach the Authority in the captioned complaint. It is also hereby denied that the stamp paper is undated or that the date on which the

notarization was done is missing. In fact, on perusal of the GPA filed by me, it clearly contains the date of stamp paper purchase, which is 06.01.2024, and on the same day, the GPA was executed by my daughters in my favour. The same day, in the presence of a Notary Advocate, the executants signed the documents, i.e., on 06.01.2024. The first and second pages of the GPA contain the signatures with the date and seal. Therefore, the GPA in question is valid and was executed in accordance with the relevant laws. The executants are none other than my own daughters.

27. The complaint is filed for non-completion of pending works, and have disclosed all discrepancies in complaint. Therefore, this Hon'ble Tribunal has jurisdiction to entertain the present complaint, which falls under the purview of the Telangana RERA Act.

28. The flats were purchased by GPA holder, father of the complainant in the name of my daughters. The funds were provided by father of the Complainants for the purchase of the flats. Initially, the Agreement of Sale was entered into between the Respondent and father of the Complainants-GPA holder, dated 12.11.2021, and part sale consideration was paid to the Respondent herein. As per the Development Agreement, Flat Nos. 401 and 402 fell to the share of M/s. Goutham Constructions. The said flats were purchased from the Respondent only. Therefore, the landowners are not necessary parties in this complaint. It is also specifically denied that we demanded an amount of Rs. 10,00,000/- from the Respondent. The Respondent is put to strict proof of the same. We never demanded any money from the Respondent.

29. That, complainants have paid the entire amount to the Respondent, and there is no outstanding balance as stated by the Respondent in the counter. Also, I am not liable to pay any amounts for the extra works, as in fact, the Respondent has not done any extra work in Flats 401 and 402.

30. That the Respondent has not provided drinking water till today and also has not provided CC camera access to the flats. In fact, since the beginning, I have been requesting the Respondent to form an association and to hand over all original link documents to the association. Till today, the Respondent has not taken any steps in this regard.

31. That the Respondent has not constructed the watchman room till today and has also not constructed the apartment as per norms. The Respondent has failed to carry out the pending works till today.

32. That the Respondent's statement in the counter that the construction was completed before time and handed over to the respective purchasers is hereby denied. In fact, he never completed the entire works and never handed over the flats in time to the purchasers, including complainants herein.

33. That, before passing any orders in this complaint, if this Hon'ble Authority appoints any Advocate Commissioner or any qualified Structural Engineer to verify whether the entire works are completed or not, and to verify the quality of construction of the residential building constructed by the Respondent, the truth will come out.

34. That the Respondent obtained the signatures of my daughters without disclosing the true facts, and my daughters were not aware of the construction activities and discrepancies in the construction of the building. The written letter given by my daughters was without any knowledge of the construction activities and completion status. The Respondent may have influenced my daughters to sign the letter, potentially misrepresenting the true facts.

E. Observations of the Authority:

35. Upon perusal of the material on record, including the documentary submissions and oral arguments advanced by both parties, this Authority is of the view that the central grievance raised in the complaint pertains to the non-completion of certain works in the subject project by the Respondent Promoter and the alleged delivery of units with several defects requiring rectification.

36. The Respondent, in its written submissions and oral arguments, denied all allegations levelled by the Complainants and, in particular, raised a preliminary objection regarding the locus standi of the complainants' father, Mr. M. Prasad, who is representing the complainants as their General Power of Attorney (GPA) holder.

37. The Respondent contended that the General Power of Attorney furnished by the complainants is undated, lacks a stamp of purchase, and does not carry any evidence of notarization, thereby rendering the GPA invalid and incapable of vesting representational authority.

38. Upon careful scrutiny of the GPA dated **06.01.2024**, this Authority notes that the document is duly signed by both complainants. It explicitly authorizes their father, Mr. M. Prasad, to

represent them before RERA authorities and the GPA is notarized on the same date of the purchase of stamp paper, i.e., 06.01.2024

39. It is a well-established principle of law, reinforced by the doctrine of natural justice, that a GPA holder may institute or pursue legal proceedings on behalf of the principal, provided such power is expressly granted. In the present case, the GPA has been validly executed and notarized, and the same is produced for the purpose of representing the complainants before this Authority in the instant proceedings. As such, this Authority finds no merit in the Respondent's objection and accordingly rejects the contention raised regarding lack of locus standi of the GPA holder.

40. During the course of the proceedings, this Authority, exercising powers under Section 35 of the Real Estate (Regulation and Development) Act, 2016, directed its office to conduct an on-site inspection of the project and submit a report on the grievances raised by the complainants.

41. The Inspection Report dated 19.09.2024 was accordingly filed and has been considered. The Authority records its findings on the following issues:

- a. The Complainants alleged that, as per the construction agreement dated 07.03.2022 and 08.03.2022 the Respondent undertook to provide drinking water facility to complainants. The inspection report corroborates that such a facility has not been provided to date. Accordingly, in view of the assurance given in the Construction Agreement, this Authority directs the Respondent Promoter to immediately take steps to provide a drinking water connection/facility to the complainants' unit.
- b. The Complainants claimed that CCTV systems were to be installed individually for each flat owner. The inspection report confirms that CCTV cameras have been installed in common areas only. Upon verification of the relevant Development Agreement and terms of engagement, it is observed that the Respondent was never obligated to provide CCTV cameras to individual units, and the Agreement only provided for installation in common areas only. The Respondent has complied with this. Therefore, no relief can be granted on this count, and the demand of the complainants is declined as being contrary to the agreed terms.
- c. It is undisputed that the Association of Allottees has not yet been formed for the said real estate project. Under Section 11(4)(e) of the Act, it is the duty of the Promoter to facilitate the formation of such Association. This Authority holds that while the actual formation of

the Association rests with the allottees, it is the statutory obligation of the Promoter to enable such formation, including calling meetings and encouraging voluntary membership. Accordingly, this Authority directs the Respondent Promoter to enable and facilitate the formation of the Association of Allottees of the project by taking the following steps within 60 days by convene a meeting of all allottees and Assist in registration of the Association under the relevant Act with the Registrar of Societies.

- d. Further, upon successful registration of the Association, the Promoter is directed to hand over all original link documents and relevant project records to the Association. The Complainants raised several construction-related defects, invoking Section 14(3) of the Act. This section obligates the Promoter to rectify structural or workmanship defects brought to their notice within 5 years of handing over possession.

Based on the inspection report and submissions, the following observations are made:

- i. The inspection team observed that tile joints in the bathrooms are left open, leading to seepage and dampness in the lower walls due to use of improper joint filler. Accordingly, the Respondent is directed to undertake proper grouting of tile joints and rectify the dampness issue in the concerned units within 30 days.
- ii. The complainants alleged substandard fittings. However, the inspection report confirms that the taps and switchboards are of reputed brands, though currently damaged. It is observed that such items are subject to normal wear and tear due to use. Considering that three years have passed since possession, this Authority holds that the Promoter cannot be held liable to replace or repair such items unless a latent defect is proven. Hence, no direction is warranted on this point.
- iii. The inspection report confirms that earthing has been carried out by the Respondent Promoter. No further issue remains to be addressed under this head.
- iv. Complainants alleged that, as per the sanctioned plan, two water tanks were required but only one has been constructed. Upon inspection, it was found that a single tank of dimensions 5.5 m x 2.7 m has been constructed, and its capacity exceeds that of two smaller tanks. Therefore, this Authority holds that the Promoter has sufficiently complied with the functional requirement, and no further action is required.

42. The Complainants have sought compensation of ₹10,00,000/- towards mental agony. It is noted that under the scheme of the RE(R&D) Act, such relief falls within the exclusive

jurisdiction of the Adjudicating Officer under Section 71, read with Section 72, and must be claimed through Form N. Accordingly, the complainants are at liberty to file an appropriate application in Form N before the Adjudicating Officer, if they so desire, for adjudication of their claim for compensation.

F. Directions of the Authority:

43. 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 reliefs as prayed by him, and the same is allowed in his favour, and the Respondent is hereby directed as follows:

- a. Respondent is directed to immediately take steps to immediately take steps to provide a drinking water connection/facility to the complainants' unit.
- b. Respondent is directed to enable and facilitate the formation of the Association of Allottees of the project by taking the following steps within 60 days from the date of the receipt of this Order.
- c. Respondent is directed to undertake proper grouting of tile joints and rectify the dampness issue of washrooms in the concerned units of the complainants within 30 days.

44. Failure to comply with above said directions by the Respondent shall attract penalty in accordance with Section 63 of the said Act, 2016.

45. As a result, the complaint is disposed of accordingly. No order as to costs.

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

**Sd-
Sri. Laxminaryana Jannu
Hon'ble Member
TG RERA**

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