

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

COMPLAINT NO.42 OF 2024

COMPLAINT NO. 57 OF 2024

13th December, 2024

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

Suresh Reddy
Mohammed Yakub
Chakala Rama Gurappa
Ajeesh Kumar
Sahu Satish Kumar
Chinnipilli Vasu Reddy
Borsu Satya Sagar
Yalaka Nagender Yadav
Adepu Srikanth
Sirikonda Ashok Kumar
Gangi Setty Satish Babu
Kandi Alekhya
Boojanapalli Naga Sunil Kumar

...Complainant

Versus

M/s Maha Homes Resp by Santhosh Kumar Gundla & Rupali Raul
Gundla Santhosh Kumar
R.Rohini

...Respondent

The present matter filed by the Complainant herein came up for final hearing on 13.08.2024 before this Authority in the presence of Complainants counsel A.Naveen Reddy and Respondents represented by G.Santosh Kumar and upon hearing the arguments of the party, this Authority passes the following **COMMON 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 "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”) seeking directions from this Authority to take action against the Respondent. The case of the complainants in both the complaints is on similar grounds. Similarly the stand taken by the Respondent in their counters is also same. Therefore for the sake of the convenience and to avoid repetitions the pleadings from the complaint no.57/2024 are referred below

A. Brief Facts on behalf of the complainant:

3. The complainants submitted that the respondents are the absolute owners, possessors, and enjoyers of the open plot bearing No. 891.28, 87/part (west side part), and 88, totaling 1066 sq. yards or 891.28 sq. mtrs, in Survey No. 386, situated at Isnapur Village, Patancheru Mandal, under G.P. Isnapur, Sanga Reddy District, Telangana State. This was acquired through registered Sale Deed vide Doc No. 11192/2019 of Book I, dated 11.03.2019, and Doc No. 19588/2019 of Book I, dated 02.05.2019, both registered at R.O. Sanga Reddy, Sanga Reddy District, Telangana State.

4. The complainants submit that the second respondent, a partner of M/s MAHA Homes, obtained HMDA Permission Letter dated 31-Jan-2020, vide application No. 25257/SKP/R1/U6/HMDA/28062019, sanctioned for stilt + 5 floors over an extent of 891.22 sq. mts.

5. The complainants submitted that, in reference to the preceding point, the respondents should have registered the project “MAHA Homes – Muthyam” with the RERA Authority but failed to do so.

6. The complainants submit that the second respondent promised complainants (2, 5 & 8) that the project would be completed by March 31, 2021, during the purchase process. However, the respondents failed to meet this deadline, and on April 11, 2022, the HMDA authorities issued the occupancy certificate for the apartment “Maha Homes – Muthyam” Block. While the complainants were provided with the occupancy certificate by the respondents, the project completion certificate has not yet been issued.

7. The complainants further submitted that there are structural discrepancies between the approved plans and the actual construction. The

respondents did not build the apartment in compliance with HMDA approvals. Additionally, the apartment was constructed with substandard materials, resulting in multiple wall cracks within a year, damage to the basement floor and slab, and leaks in the walls and water tank.

8. The complainants submit that the second respondent assured them during the procurement process that a drinking water connection would be part of the project. However, without applying for the connection, the respondent demanded and collected an additional amount of ₹45,000 from the complainants. He further assured them that the connection would be provided three months after the occupancy certificate was received. Despite this, the respondents failed to provide the drinking water connection. Instead, they held the money for two years and eventually returned it without explanation or prior communication. When questioned by the complainants, the respondents failed to provide a satisfactory answer.

9. The complainants submitted that the respondents had assured them that each flat would have water purifier provisions, but this was not delivered. The respondents failed to provide both the drinking water connection and the promised provisions for water purifiers.

10. The complainants also submitted that the respondents constructed two blocks, Maha Homes-Madhuram and Maha Homes-Muthyam, side by side. However, the water tank for the Muthyam block is situated next to the septic tank for the Madhuram block, causing water contamination and posing health risks to the residents of Muthyam block.

11. The complainants submitted that, as the project has HMDA approval, the respondents were required to follow the approved layout and G.O.Ms. No. 168 dated 07.04.2012 when allocating car parking. However, the respondents failed to comply and sold the car parking spaces, including them in the total sale consideration.

12. The complainants further submitted that fire protection measures, including the installation of fire extinguishers, were not adhered to. This negligence resulted in a fire accident on the fifth floor. The respondents are

responsible for ensuring that fire safety and structural stability comply with the TS Fire Service Act, 1999.

13. The complainants submit that three car parking slots were allocated dangerously close to electricity meter boards/panels. This poses a significant risk, especially during water pipe leaks, and violates the TS Fire Service Act, 1999.

14. The complainants submit that the respondents failed to provide an individual transformer for the Muthyam block in accordance with HMDA approval. Instead, the transformer was shared with the Madhura block. Despite objections from the Muthyam block owners noted in the HMDA final activation report, the second respondent remained unresponsive.

15. The complainants further submitted that the respondents did not construct a proper rainwater harvesting system on the terrace. This omission caused water logging on the terrace (southwest corner and south side of the building), leading to severe structural damage and cracks in the apartment.

16. The complainants submit that the respondents failed to provide the necessary link documents related to the land (Pahani, Kesara, land conversion, etc.), approval copies, warranty certificates, property insurance copies, approval structures, and payment receipts. The respondents are not providing the required documentation and payment receipts.

17. The complainants submit that the respondents are obligated to clear all dues and taxes, if any, before handing over the project to the buyers. However, the respondents did not pay the pending electricity charges or property taxes. The complainants discovered that the apartment electricity bills were overdue. Upon the buyers' collective request, the respondents cleared 50% of the pending amount—₹13,175 (out of ₹26,350)—leaving the remaining amount to be paid by the buyers.

18. The complainants submit that the second respondent, without performing property mutation in the buyers' names to provide property tax notices, collected an additional amount of ₹6,000 from the complainants and

failed to provide the same. The respondents also refused to issue a payment receipt for the collected amount.

19. The complainants submit that the respondents have an obligation to adhere to HMDA laws and regulations concerning the construction of BT roads; however, they failed to comply.

20. The complainants submit that the respondents were required to ensure the formation and registration of an association of allottees within three months of 51% of the units being booked. The respondents failed to fulfill this obligation.

21. The complainants submit that the lift installed by the respondents was of poor quality and was not properly initialized. As a result, it required maintenance starting from May 2022, causing significant inconvenience to elderly residents and expectant mothers. Low-quality wiring materials were used, leading to the failure of the motherboard. Consequently, the complainants had to bear the cost of approximately ₹1,00,000 for the lift repair.

22. The complainants submit that poor-quality painting materials were used, which caused the paint to fade completely within six months.

23. The complainants submit that, on March 6, 2022, the second respondent held a meeting with the flat owners/buyers to discuss pending and unresolved issues. During this meeting, the second respondent assured the complainants that the first respondent would take care of project maintenance for two years and that a drinking water connection would be provided within three months of receiving the occupancy certificate. Relying on the respondent's assurances, the complainants paid the remaining balance of the sale consideration.

24. **Other Constructional Flaws:**

a. Substandard construction quality, with numerous wall cracks appearing throughout the building within one year. The basement floor is deteriorating, and the main gate is rusted and cracked.

- b. The security room was constructed using temporary cement walls.
- c. Shower taps were not installed in the bathrooms.
- d. Apartment windows were not equipped with rain roofs or supports.
- e. Low-quality materials were used for painting, plumbing, and electrical work.
- f. A garbage disposal system was not installed.

25. The complainants submit that the facts unequivocally demonstrate that the respondents employed unfair practices and procedures in selling apartments to prospective buyers.

26. The complainants further submit that the respondents not only failed to fulfill their promises but also subjected them to mental torture through acts of cheating, emotional blackmail, suppression of facts, threats, and arrogance, causing significant monetary loss.

27. The complainants respectfully submit that they have exhausted all other means, including email notices and complaints, to seek a remedy. Therefore, they now approach this Hon'ble Authority Dispute Redressal Commission, requesting appropriate action against the respondents and suitable relief for their willful negligence and deficiency in service.

B. Relief(s) sought:

28. In view of the facts mentioned above, the complainants pray for the following relief(s):

- i. Direct the respondents to submit the project completion certificate to the complainants.
- ii. Direct the respondents to register the project (MAHA HOMES-MUTHYAM) as a RERA project in strict compliance with the provisions of the TS RERA Act.

- iii. Direct the respondents to compensate complainants (2, 5 & 8) for rent, bank interest, and the delay in the possession of the flats for the period from April 1, 2021, to April 30, 2022, in accordance with the RERA Act.
- iv. Direct the respondents to provide a drinking water connection, which is a mandatory amenity, and rectify the failure to provide water purifier provisions.
- v. Direct the respondents to allocate car parking slots as per HMDA approval and G.O.Ms. No. 168 dated 07.04.2012.
- vi. Direct the respondents to install fire extinguishers as per HMDA approval and the TS Fire Service Act, 1999.
- vii. Direct the respondents to relocate the electricity meter board panel to a safer location to prevent fire hazards due to water pipe leaks, in compliance with the TS Fire Service Act, 1999.
- viii. Direct the respondents to install an individual transformer for the apartment block.
- ix. Direct the respondents to construct a rainwater harvesting system as per HMDA approval and commitments made.
- x. Direct the respondents to form and register a legal association of allottees for the Muthyam block and submit all original link documents to the association.
- xi. Direct the respondents to provide all necessary payment receipts, apartment insurance for three years, and any pending documents for individual complainants.
- xii. Direct the respondents to pay the remaining initial electricity bill amount of ₹13,175 to the temporary association.
- xiii. Direct the respondents to comply with BT road construction as per the affidavit submitted to HMDA and the RERA Act.
- xiv. Direct the respondents to install a new, branded lift in the apartment.
- xv. Direct the respondents to repaint the apartment walls with two coats of Asian Paints.
- xvi. Request this Hon'ble Authority to investigate the fraudulent, unfair, and deceptive practices committed by the respondents in cheating

prospective buyers of flats and take appropriate legal action against them.

- xvii. Direct the respondents to pay the complainants ₹50,000 towards the cost of legal expenses.
- xviii. Pass any other orders that this Hon'ble Authority may deem fit in the facts and circumstances of the case.

C. Respondent Reply:

29. The respondent submits that the respondent has purchased the land and applied for permission to construct apartments consisting of Ground + 5 upper floors in the year 2019. The construction was completed in accordance with the permission granted by HMDA, without any deviations on the said land.

30. Regarding the RERA registration, the respondent states that during his inquiry at the office, he was informed that RERA registration was not mandatory at that time.

31. The respondent could not visit the RERA office due to the COVID-19 pandemic. Additionally, RERA provided an extension for completing the project within an additional time frame, which the respondent adhered to.

32. The construction was delayed by three months in the years 2021-2022 due to the impact of COVID-19. This delay was caused by a shortage of labor and government orders to halt construction work for several months.

33. The delay of three months was neither wilful nor intentional but was solely due to the reasons mentioned above.

D. Points for consideration:

34. on basis of rival contentions of the parties and law on the subject, the Points that arise for consideration in this case are as under:-

1. Whether the Complainants are entitled for the reliefs sought and if so, to what extent?
2. Whether the Respondent has violated provisions of RE(R&D) Act, 2016?

35. Point 1 and 2: The issues raised under Point 1 and Point 2 are inherently interconnected. Any deliberation or findings on point one will inevitably have a bearing on the other. Therefore, in the interest of judicial propriety and to avoid redundancy, it is appropriate to address and decide both points through a common discussion.

36. The complainants have sought a total of 18 reliefs as detailed in para 28. The Authority has carefully examined each of these reliefs and addresses them point by point as follows:

- i. The complainants have requested the Respondent to hand over the Completion Certificate. Upon review, the Authority observes that the Respondent obtained the Occupancy Certificate from competent authority on 11.04.2022, as evidenced by the submitted records, and the same has been provided to the allottees. It is pertinent to clarify that the Completion Certificate is issued by the architect of the project and is a prerequisite for obtaining an Occupancy Certificate from the competent authority. Since the Occupancy Certificate incorporates the requisite completion details and has already been handed over to the complainants, their prayer in this regard is without merit.
- ii. The complainants have also raised concerns regarding the registration of the project with this Authority. The Authority notes that the Respondent applied for HMDA permission on 28.06.2019 and received it on 31.01.2020 (Permission No. 025257/SKP/R1/U6/HMDA/280622019). This timeline indicates that the project commenced after the Real Estate (Regulation and Development) Act, 2016 (RE(R&D) Act) came into effect. Section 3 of the RE(R&D) Act mandates that no promoter shall advertise, market, or sell any real estate project in a planning area without registering the project

with the Authority. The Respondent's explanation that he was unaware of the registration requirement does not absolve him of this statutory obligation. The legal principle of *ignorantia juris non excusat* (ignorance of the law is no excuse) applies here, reinforcing that promoters are expected to be fully informed of their legal responsibilities. The Authority finds the Respondent in violation of Section 3 of the RE(R&D) Act for initiating marketing and sales activities without obtaining RERA registration. However, since all plots in the project have already been sold through execution of sale deeds, the primary objective of RERA registration ensuring transparency and safeguarding consumer rights during the marketing phase and as further obtained occupancy certificate from competent authority has become redundant. Nevertheless, the Respondent's non-compliance undermines the regulatory framework and the consumer protection intent of the Act. Accordingly, the Authority holds the Respondent liable for non-compliance and reserves the right to impose penalties under the applicable provisions to uphold the objectives of the legislation and deter future violations.

- iii. The complainants seek compensation in their present complaint. The Authority clarifies that the RE(R&D) Act distinguishes between interest and compensation, treating them as separate entitlements. As per the Act, this matter is transmitted to Adjudicating officer on the matter of compensation specifically as sought by the complainants.
- iv. The complainants have contended that the Respondent failed to provide a Manjeera water connection despite collecting ₹45,000 from them and the same were returned unnoticed. The complainants allege that the Respondent assured them that the connection would be provided within three months of obtaining the Occupancy Certificate. During the hearing, the Respondent admitted to collecting ₹45,000 from the complainants with the intent to arrange the water connection. However, the Respondent later discovered from the competent authority that laying the required pipeline was not feasible. The Authority observes that the Respondent's assurance to the complainants was made without

prior verification with the competent authority, leading to an unfulfilled promise. While the complainants have prayed for directions to rectify the failure, the Authority cannot issue such an order when the provision of a pipeline is not feasible. The complainants may approach the appropriate competent authority to address this matter.

- v. The complainants have sought the allocation of car parking slots as per HMDA approvals and G.O. Ms. No. 168. The Authority notes that as per G.O. Ms. No. 168, dated 07.04.2012, the stilt parking provided are deemed to be satisfied.
- vi. The Authority views that the transformer provided for both the blocks have the capacity and KV if satisfied, there is no objection in having common transformers.
- vii. The Respondent shall lay the BT road for the complainant's project.
- viii. The complainants have sought a direction to the respondent promoter to install fire extinguishers in the project in compliance with HMDA approvals and the Telangana State Fire Service Act, 1999. The Real Estate (Regulation and Development) Act, 2016 (RE(R&D) Act) obligates the promoter to comply with all applicable laws, including those prescribed by competent authorities. The National Building Code (NBC) and the Telangana State Fire Service Act, 1999, mandate the implementation of fire safety norms, including the installation of fire extinguishers at accessible locations as a basic requirement in all projects. It is the promoter's responsibility to ensure that these fundamental safety measures are adhered to. In view of the statutory requirements, this Authority directs the respondent promoter to install adequate fire extinguishers in the project to ensure compliance with fire safety regulations.
- ix. The complainants have sought rectification of the rainwater harvesting system. The respondent promoter is directed to rectify the rainwater harvesting system to ensure its functionality and compliance with applicable standards.
- x. Section 11(4)(e) of the RE(R&D) Act mandates the promoter to facilitate the formation of an association, society, or cooperative society of the

allottees, in accordance with applicable laws. It is, therefore, the respondent promoter's obligation to enable the formation of such an association for the allottees of the concerned project. Additionally, as per Section 11(4)(b) of the Act, the promoter must hand over all documents and approvals obtained from the relevant competent authorities to the association upon its formation. Consequently, the respondent promoter is directed to facilitate the formation of the association for the allottees and subsequently transfer all relevant documents to the association.

- xi. The complainants have contended that the respondent promoter is obligated to clear all dues and taxes before handing over the project. However, the promoter has failed to pay pending electricity charges and property taxes in full. The complainants discovered these outstanding dues after taking possession. The evidence submitted, including a billing statement from the Southern Power Distribution Company dated 13.07.2022 in the name of "Maha Homes," shows an outstanding amount of ₹26,350. While the respondent promoter cleared 50% of this amount upon request, the remaining dues remain unpaid. As per Section 11(4)(g) of the RE(R&D) Act, the promoter is required to pay all outgoings, including electricity and property tax dues, before transferring the project to the allottees. Failure to do so renders the promoter liable even after the transfer. Accordingly, the respondent promoter is directed to refund the remaining 50% of the amount paid by the allottees towards these outstanding dues.
- xii. The complainants have raised concerns regarding fading paint. As per Telangana RERA Rule 38, Annexure Clause 12, under the defect liability period, painting is categorized as subject to wear and tear. The complainants' demand for repainting after two years of use falls under this exception. Hence, this Authority cannot grant relief for repainting.
- xiii. The respondent promoter is directed to adhere strictly to the sanctioned plan approved by the competent authority and ensure that no deviations are made from the

E. Directions of the Authority:

38. In light of the above, this Authority, by virtue of this Order, deems it appropriate to issue the following directions to the Respondent Builder:

39. The Respondent is directed to undertake and complete necessary changes and rectifications as detailed below within 60 days from the date of receipt of this Order. Upon completion, the Respondent shall submit documentary evidence of compliance to this Authority.

- a. For contravening Section 3 of the RE(R&D) Act, this Authority, exercising its powers under Section 59 of the said Act, imposes a penalty on Respondents Rs 6,58,226/- (Six lakh fifty eight thousand two hundred and twenty six rupees only). This penalty is imposed for marketing/selling villas of the Project without registering the project before this Authority. The amount is payable in favor of TGRERA FUND through a Demand Draft or online payment to A/c No. 50100595798191, HDFC Bank, IFSC Code: HDFC0007036, within 30 days of receipt of this Order by the Respondents/Promoter.
- b. The Respondent shall strictly adhere to the sanctioned plan approved by the competent authority.
- c. The Respondent shall lay the BT road.
- d. The Respondent is directed to install adequate fire extinguishing facilities within the concerned project premises in compliance with applicable regulations.
- e. The Respondent shall rectify the deficiencies in the rainwater harvesting system to ensure its proper functioning.
- f. The Respondent is further directed to refund an amount of Rs. 13,175/- (Rupees Thirteen Thousand One Hundred and Seventy-Five only) to the Association of Allottees of the said project. Such refund shall be made immediately upon the registration of the said Association under the applicable law.
- g. The Respondent is hereby mandated to facilitate the formation of the Association of Allottees in accordance with the relevant statutory provisions and ensure the association's registration within the prescribed legal framework.

- h. Upon the formation and registration of the Association of Allottees, the Respondent is directed to hand over all original and relevant documents pertaining to the concerned project to the Association, in compliance with applicable laws and regulations.
40. The Complaint stands disposed of with the aforementioned directions.
41. No order as to costs.
42. The parties are hereby informed that failure to comply with this Order shall be liable for penalty in accordance with Section 63 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
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TG RERA
TELANGANA REAL ESTATE REGULATORY AUTHORITY