

Complaint No. 46 of 2024

21stDay of January, 2025

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

Vineesh Kumar Thati...Complainants

Goli Shravan Kumar

...Respondents

2. The 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"). The Complainant is seeking appropriate directions from this Authority against the Respondent for failure to deliver possession of the residential flat purchased in the Respondent's project.

3. The complainant respectfully submits that upon initial inquiry, SVC Ventures, now known as Bridge Group, assured them that possession of the

apartment would be delivered within 18 months. Relying on this assurance, and to avoid the continued inconvenience of renting, the complainant decided to purchase an apartment and booked a flat on March 4, 2020, making an advance payment of ₹16,67,600, which constituted more than 20% of the total sale consideration.

4. The complainant further submits that, subsequently, it was discovered that the booked apartment fell within the owner's share a fact that was not disclosed initially. Upon learning of this issue, the complainant raised concerns, prompting the owner to offer the apartment for sale. Despite this, the complainant alleges that the promoter continually delayed the execution of the sale agreement, which was ultimately finalized on November 19, 2020. According to this agreement, possession was to be handed over within 30 months from the date of execution, including a 6-month grace period. However, the complainant submits that they were verbally assured of possession within 24 months.

5. It is further submitted that the promoter indicated March 2022 as the possession date, following which the complainant, having paid the full sale consideration, proceeded with the sale deed's execution on September 1, 2021, at the Sub-Registrar's office in Kavadiguda, Secundrabad. However, during the registration, the vendor allegedly committed to delivering possession within an additional six months. As of the date of this complaint, possession has not been granted, and neither the Completion Certificate nor the Occupancy Certificate has been obtained.

6. The complainant submits that they have made a total payment of ₹83,69,549, detailed as follows:

- a. ₹74,71,875 to Shravan Goli (Vendor) for the saleable area at a rate of ₹4200 per square foot, which includes one covered car parking.
- b. ₹8,97,674 to SVC Ventures (Promoter) for amenities, including the applicable GST.

7. Despite these substantial payments, the complainant contends that the apartment remains incomplete, with essential works such as ceiling plastering, acrylic emulsion painting, installation of the storeroom door, and replacement of broken tiles yet to be completed. The complainant further submits that discrepancies in area measurements were observed, including the inclusion of the utility balcony within the carpet area and overcharges for certain areas. Additionally, deviations in the quality of flooring materials from those specified in the agreement were noted, further underscoring the complainant's grievances regarding the promoter's non-compliance with the agreed terms.

B. Relief sought:

- a. Vendor/Promoter has to pay compensation interest as per RE(R&D) Rules from March 2022, for every month delayed until handing over possession of the apartment with complete specifications and amenities in place, along with covered car parking.
- b. Ceiling plastering with acrylic emulsion paint needs to be done as per the requirements mentioned in the specifications.
- c. Store room door needs to be fitted as per the plan.
- d. Cantilevered balcony and utility balcony measurements are not as per the carpet area statement. Need to refund the amount for extra charged SFT on sealable area.

C. Counter filed by respondent no. 2

8. Respondent No. 2, M/s Bridge Constructions Private Limited, respectfully denies all allegations against it and puts the complainant to strict proof thereof.

9. It is submitted that the construction of Flat No. 1005, along with all promised amenities, was completed as per the original understanding with the complainant. The construction adhered to the agreed standards regarding area, materials, quality, and other specified aspects. Respondent

No. 2 further asserts that no extra charges were levied on the complainant, negating any grounds for a refund.

10. The allegations concerning delayed completion are denied. The delay was solely due to the COVID-19 pandemic, a period which RERA authorities condoned through their order dated 01.06.2021.

11. It is submitted that there are no deviations in the construction of the specified flat, which remains in perfect condition as promised by the promoter/builder.

12. The Respondent has completed construction for other flats in the complex and handed them over to their respective purchasers. Respondent No. 2 is fully prepared to hand over possession of the flat to the complainant, who has, however, refrained from taking possession and instead has raised baseless allegations with mala fide intent against the promoter/builder.

13. Respondent No. 2 finally prays that the Hon'ble Authority dismiss the complaint, asserting that the allegations lack merit and are unfounded.

D. Rejoinder by the complainant:

14. In his rejoinder, the complainant reiterates his grievances regarding the construction and handover of his Flat No. 1005 in the Bridge Paramount project. The complainant avers that the flat has not been constructed per the specifications provided in the Agreement of Sale, citing that internal plastering and ceiling plastering remain incomplete, the storeroom door has not been installed, and the dimensions of both the utility and cantilevered balconies deviate from the approved plan.

15. The Agreement of Sale, executed on 19-11-2020, post-lockdown, does not account for any delay or failure in the project's progress due to "Force Majeure" conditions, and the complainant asserts that the developer did not extend any payment deadlines. Instead, the complainant contends that he was subjected to repeated calls, emails, and undue pressure to make timely

payments under threat of booking cancellation, despite having fulfilled the payment obligations as outlined in the agreement.

16. The complainant further alleges that construction of the 12th floor slab was completed by May-June 2021, and despite multiple reminders, the developer delayed the sale deed registration until 01-9-2021. The developer had committed to hand over possession by March 2022, a timeline unaffected by the Covid-19 pandemic, yet possession remains undelivered. The Agreement stipulates a possession deadline of 30 months from execution, including a six-month grace period, with a provision that, failing timely possession, the developer would pay interest within 90 days of it becoming due. However, the complainant maintains that no such interest has been paid, despite the delay.

17. Moreover, the complainant raises concerns regarding the discrepancies in the balcony measurements, stating that the carpet area falls short of the agreed dimensions, with a balcony width of 4.3 feet against the promised 5 feet, and a utility balcony width of less than 4 feet, impacting a total of four balconies for which he had paid 234 square feet. The complainant submits that, as per the terms, if there is a reduction in carpet area, compensation is due.

18. The complainant has requested a technical assessment by RERA officials to verify the carpet area of the balconies and assess the status of unfinished ceiling plastering. At the time of filing the complaint, the flat was not ready for possession, as the Occupancy Certificate had not been obtained, nor had essential services like LPG connections, water, sanitation, electricity, and other amenities been installed. Furthermore, the complainant contends that the developer has refused to complete the ceiling plastering, painting, and installation of the storeroom door in his flat.

19. Asserting that these actions constitute a violation of Sections 12, 14, and 18 of the Real Estate (Regulation and Development) Act, 2016, the complainant claims that the project delays and failure to deliver possession as agreed amount to non-compliance with the statutory obligations under

RERA. In response to the counter filed by Bridge Constructions, the complainant refutes claims that his complaint is baseless and asserts that all evidence supporting his grievances has been duly submitted.

20. The complainant prays for a decree awarding interest for compensation for each month of delay until the realization of the suit and possession of the flat, in the interest of justice.

F. Observation by the authority:

25. Respondent 1 absent, despite the notices were served to the Respondent and for the same acknowledgment submitted by the Complainant. Hence, respondent 1 has been set ex-parte. Upon a thorough analysis of the documents and arguments presented, the following observations are made:

26. The Complainant booked Flat No. 1005 on March 4, 2020, with the then SVC Ventures, now known as Bridge Group, and paid an advance of ₹16,67,600, constituting over 20% of the total sale consideration. It is claimed that the Respondents assured delivery of possession within 18 months to alleviate the Complainant's burden of paying rent. However, it was later discovered that the flat was part of the owner's share, a fact not initially disclosed. This led to delays in executing the sale agreement, which was eventually signed on November 19, 2020.

27. The Agreement of Sale stipulated that possession would be handed over within 30 months from the date of execution, including a six-month grace period, effectively setting the deadline at May 19, 2023. The Complainant, however, asserts that there were verbal assurances of delivering possession within 24 months, specifically by March 2022. Relying on these assurances, the Complainant proceeded to make full payment, totaling ₹83,69,549, and executed the sale deed on September 1, 2021.

28. The Complainant alleges that despite full payment, possession has not been granted, and the flat remains incomplete with several pending works, such as ceiling plastering with acrylic emulsion paint, installation of the

storeroom door, and replacement of broken tiles. Additionally, there are discrepancies in the measurements of the balconies, with the actual carpet area being less than what was agreed upon, leading to an overcharge for 55 square feet.

29. In response, Respondent No. 2 denies all allegations, stating that the construction of the flat, along with all promised amenities, has been completed as per the original understanding. They assert that the construction adhered to the agreed standards regarding area, materials, and quality, and no extra charges were levied. The delay in possession is attributed solely to the COVID-19 pandemic, which is considered a force majeure event, and extensions were granted by RERA authorities through an order dated June 1, 2021. They express readiness to hand over possession and claim that the Complainant has refrained from taking possession, instead raising baseless allegations with mala fide intent.

30. The Complainant, in his rejoinder, refutes the claims made by Respondent No. 2. He emphasizes that the Agreement of Sale was executed post-lockdown and does not account for any delays due to force majeure conditions. He also highlights that the developer did not extend any payment deadlines and exerted undue pressure to make timely payments under threat of cancellation. The Complainant points out that the 12th floor slab was completed by May-June 2021, and despite multiple reminders, the developer delayed the sale deed registration until September 1, 2021. He maintains that the developer committed to handing over possession by March 2022, a timeline that was unaffected by the pandemic.

31. Furthermore, the Complainant raises concerns about the discrepancies in the balcony measurements. He states that he paid for a total balcony area of 234 square feet, but the actual carpet area provided is only 179 square feet, resulting in an overcharge for 55 square feet. According to the terms of the agreement, any reduction in the carpet area should entitle the allottee to a refund of the excess amount paid. The Complainant also asserts that essential services and amenities, such as LPG connections, water,

sanitation, electricity, and the Occupancy Certificate, have not been provided, rendering the flat unfit for possession.

32. Upon careful consideration of the arguments and evidence presented, it is observed that the Agreement of Sale explicitly stipulates a possession deadline of 30 months from the date of execution, including a six-month grace period. This contractual deadline has not yet lapsed, and as such, the Respondents cannot be held in default for failing to deliver possession within this timeframe. While the Complainant alleges verbal assurances of an earlier possession date, the terms of the written agreement are binding and take precedence over any oral commitments.

33. Regarding the impact of the COVID-19 pandemic, it is acknowledged that it constitutes a force majeure event that has affected construction timelines across the industry. The RERA authorities have recognized this and granted extensions accordingly. Although the Complainant contends that the Agreement of Sale does not account for such delays and that construction progressed during the pandemic, it is reasonable to consider the widespread disruptions caused by the pandemic as a valid factor contributing to any delays.

34. Concerning the alleged deficiencies in construction and discrepancies in measurements, the Complainant has raised substantial points that merit further examination. The allegations of incomplete works, such as ceiling plastering, painting, and the installation of the storeroom door, as well as the discrepancies in balcony measurements, suggest potential deviations from the agreed specifications. The Respondents, however, deny these claims and assert that the flat has been constructed as per the agreed standards.

35. During the course of the hearing, the Respondent No. 2 sought additional time to complete the pending works and hand over possession of the unit to the Complainant. The Complainant, in the spirit of cooperation, consented to the same. On the subsequent date of hearing, the Respondent

submitted that all pending works had been completed. However, the Complainant contested this assertion, stating that the ceiling plastering remained incomplete and that the surfaces were uneven and not in conformity with agreed standards.

36. The Authority observes that, under Section 11(4)(a) of the Real Estate (Regulation and Development) Act, 2016, the promoter is duty-bound to adhere to the obligations outlined in the Agreement for Sale and the Sale Deed. This statutory provision mandates the promoter to execute the work as per the agreed specifications and deliver the unit to the allottee within the stipulated timeline. The Authority observes that, in the present case, the Respondent No. 2 has failed to conclusively demonstrate that all pending works have been completed in accordance with the agreed specifications. The Complainant's submissions regarding incomplete ceiling plastering and uneven surfacing highlight a failure to meet the obligations stipulated in the Agreement of Sale

37. Further the Complainant claims there has been a delay in handing over of the possession and claims compensation before this Authority for the same. It is essential to understand that the said Act clearly distinguishes between interest and compensation, providing them as distinct entitlements available to the allottees. The adjudication of claims for compensation falls within the jurisdiction of the Adjudicating Officer. The procedure for such claims requires the complainant to file the appropriate application in Form 'N' before the Adjudicating Officer, who is vested under RE(R&D) Act to decide on matters relating to compensation.

G. Directions of the Authority:

38. Upon due consideration of the submissions, documentary evidence, and arguments advanced by both parties, and having regard to the observations made during the proceedings, the following directions under section 37 of the RE(R&D) Act to ensure compliance with obligations imposed upon the under the RE(R&D) Act are issued:

1. Respondent No. 2 is directed to complete all pending works in respect of Flat No. 1005 in accordance with the specifications set forth in the Agreement of Sale dated November 19, 2020.
2. Respondent No. 2 shall address and rectify any discrepancies or deviations, if any, in conformity with the terms and conditions stipulated in the said Agreement of Sale.
3. Respondent No. 2 is further directed to comply with the aforementioned directions within a period of thirty (30) days from the date of this order. Upon compliance, Respondent No. 2 shall hand over possession of the said unit to the concerned party.
4. . Respondent 2 is hereby informed that failure to comply with this order shall attract Section 63 of the RERA act.

39. The complaint is disposed of with these directions. There shall be no order as to costs.

Sd-
Sri. K. Srinivas Rao,
Hon'ble Member
TG RERA

Sd-
Sri. Laxmi Naryana Jannu,
Hon'ble Member
TG RERA

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