

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

COMPLAINT NO.1675 OF 2023

18th day of April, 2024

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

Sri Sriteja Yamparala ...Complainant

Versus

M/s Kavuri Hills Developers (P) Ltd.
...Respondent

The present matter filed by the Complainant herein came up for final hearing on 15.02.2024 before this Authority in the presence of Complainant present in person and Counsel Pratap Kumar on behalf of the Respondent and upon hearing the arguments of the party, this Authority passes the following **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.

A. Brief Facts on behalf of the complainant:

3. Kavuri Hills Developers Private Ltd advertised an upcoming gated community villa project near Tukuguda to our father. It was named Kavuri's Forest Nest on the brochures and their webpage. They claimed the project was RERA and HMDA approved with clear title. Complainant wanted to have a significant chunk of extra land and asked for an adjacent extra villa with no building constructed to keep the land. The Sales team mentioned this is a RERA and HMDA approved project and no deviations are allowed. They

offered us the biggest available plot #422. Hence, my father made an natal deposit on my behalf for Villa #422 on 26.06.2018.

5. Respondent demanded for more payments without giving us an agreement f Sale. Up on repeated requests, they gave us an Agreement of Sale on 02.06.2020.

6. Complainant requested multiple representative of Respondent to inform the status of the project so that they can make some enhancements to their liking at relevant stages. For example, they wanted to include a long term solution for termites in the flooring before the tiles were laid. However the Respondent never communicated with the complainants about the overall project or their individual villa.

7. Complainant father raised many concerns about quality during the construction phase but they were never acknowledged by the developer.

8. Complainant tried reaching out to Respondent many times about the status of his Villa's construction and quality concerns. The Respondent representatives showed no intent and kept giving vague responses to the Complainant.

9. Complainant expressed his intent to Respondent about the property being registered in his name, Respondent mention that the complainant will have to pay full price of the villa to get the property registered in his name. Prior paying the entire amount, the complainant raised few clarifications related to quality of constructions, plot area and timelines as documented in the Agreement of Sale. Respondent never clarified on these concerns.

10. In November 2021, the complainant approached the Respondent to get the property registered but Respondent did not respond for the same. After consistently following up, the property was registered undervalued, in June 2022, though paid the full price as per the Agreement of Sale. However, the complainant was given the land promised as per the Agreement of Sale.

11. After months of registration, no work was progressing ever since and property was being vandalised by workers in the venture, human and animal

faeces on the floor, and a leaking house during the rainy season. On being inquired with the Respondent about the status of the handover, no response received from the Respondent.

12. Respondent has mentally agonized the complainant by hustling his money and not responding.

13. Further no safety or security to the Villa has been provided. On the visit of the villa, it was observed that it remained in a dilapidated state. On asking the respondent representatives to clean the house but to no avail.

14. Further in May of 2023, the Respondent attempted to even from an Owner's Cooperative Society without informing the owners of the Villas. The Respondent has stopped the owners from registering the society as the Society Registration office was asking for Occupancy Certificate (OCs), which Respondent has been possessing illegally and blackmailing owners.

15. As there were no changes of the status of the construction, the complainant tried to reach out the Respondent time and again, and the Respondent continued to disregard the emails until asked for arbitration as stated in the said Agreement of Sale.

16. On meeting the Respondent, they dismissed the concerns raised. While asking for a timeline for completion, the Respondent claimed that they cannot commit to one as many vendors are involved.

17. System of Mygate app is used by Respondent to manage the issues of the villas, pay water and electricity, among other important communications. As the complainant completed the payment of the Villa, he asked for access to join the App. Respondent made up rules that the Complainant need pay the amenities amount and get a NOC from the head office to get admitted into the Mygate app. Complainant objected to this unilateral claim and discussed the same with the representatives from the head office. To which no productive responses were given by the Respondent management.

18. After persisting with the staff for more than a month, the staff replied that they will start work on the cracks that existed in my villa from the next day. On the first day of this work, an unsupervised labour worker showed us there was no brick behind the plastered wall as the hammer caved in easily. After experiencing this discovery, the Respondent argued and heckling the complainant that they cannot place another solid masonry brick below the beam and so they have to do this. Also, seepage quality issues existed in the part of Villa for all.

19. The entry of the Complainant to the Villa is restricted by the Respondent and was chased to leave the property.

20. On September 3rd, 2023, the Respondent conducted a meeting with the owners of the villa, wherein the Respondent stated that the villa owners will have to pay additional charges for the maintenance and infrastructures charges. Respondent threatened the owners in the meeting that they will cut the basic necessities such as water and electricity if all charges are not paid by the owners.

21. The Respondent restricted the entrance of the complainant to his Villa and threatened him that they will sell the Villa to a third party. Such threats and suggestions were routinely made to the complainant. On 26th October 2023, the Respondent sent final handover demand note for amenities. On enquiring for all the issues raised with respect to the construction were rectified, the Respondent did not respond. The complainant paid the balance amount. On visiting the Villa, it was observed that all the issues raised by the complainant were not fixed. However, the Respondent was compelling the Complainant to sign no concerns notice document to which the complainant denied. The complainant asked for penalty for the late handover an extra land committed during sale. For which no reply was given to the Complainant.

23. Mygate app is used by the property to report issues in the villa, get community announcements and pay for utilities. Without access to it, the property owners cannot get access to power and water. Irrespective of the

entire payment the complainant was not given the access of this app till he signs the no concerns document.

24. The Respondent have not provided all the amenities such as soft water, supermarket, salon and others listed on their webpage, yet they have deceived the complainant to get the full payment including all the amenities.

B. Relief(s) sought

25. Relief Prayer Sought by the Complainant:

1. Direct the developers to rectify the construction deficiencies to ensure the quality of the villa, as per the Agreement of Sale (AoS), ensuring peaceful enjoyment of the property in the future. Additionally, award compensation for the poor quality of the villa, amounting to 2.88 crore.
2. Order the Kavuri Hills Developers to fulfill their commitment to provide 112 sq yds of extra land, as specified in the AoS. Direct compensation for the failure to provide the extra land, amounting to 44.80 lakhs.
3. Adjudicate that the Kavuri Hills Developers benefitted from converting adjacent villas into bigger plots, resulting in premium value for the complainant's property. Award compensation for the premium value of the property, estimated at 4.48 lakhs.
4. Determine the delay in possession beyond the agreed-upon date of March 31, 2021, and calculate the delay fees owed to the complainant. Additionally, order the developers to pay interest on the delay fees at a rate of 4% per month, totaling 10.66 lakhs.
5. Penalize the Kavuri Hills Developers for deceptive advertising practices, leading to false expectations and financial loss for the complainant. Award compensation for the deception, amounting to 40 lakhs.
6. Direct the developers to provide the amenities as promised in the marketing materials and AoS. Award compensation for the amenities not provided, totaling 13 lakhs.

7. Order compensation for the inconvenience and expenses incurred due to shuttle commuting for seven months, amounting to 1.24 lakhs.
8. Adjudge the loss of wages suffered by the complainant in the USA due to the delayed possession of the property, totaling 1.26 crore.
9. Award compensation for the continued disturbance caused by construction equipment and unauthorized individuals in the community, totaling 1 lakh per month.
10. Calculate and order the payment of interest on the amount hustled from the complainant before the commencement of construction, amounting to 1.2 crore.
11. Impose a penalty and interest for the denial of access to amenities despite payment, totaling Rs 100,000 and Rs. 42,464 per month, respectively.
12. Award compensation for mental harassment and disruption of peace, totaling 30 lakhs.
13. Intervene, admonish, and penalize the developers for blocking basic amenities after payment, as well as failure to respond to requests for Service Level Agreements (SLAs), as outlined in the AoS.
14. Order the developers to honor their commitment regarding maintenance charges and provide clarity on the options presented to the complainant.
15. Address the dispute regarding the borewell placement and resolve any agreements conflicting with community interests.
16. Require an apology from individuals involved in defamatory statements against the complainant.
17. Avoid the declaration of project completion until all amenities are fully functional and construction materials are removed from the site.
18. Reprimand the developers for interference in the formation of the Owner's Co-operative Society.
19. Rectify the renaming of the community and clubhouse to align with the agreed-upon terms.
20. Investigate and rectify any structural violations or preferential treatment within the community, ensuring compliance with established regulations.

21. Provide compensation for property tax despite lack of access to the property, pending generation of a tax bill.
22. Determine overall compensation, including monthly allowances, interest, and costs incurred, amounting to 7.1068 crores, along with filing and lawyer costs.

C. Reply by the Respondent:

26. The Company has been in the business of real estate, construction, and development since the year 1999. The Company has completed several projects in Telangana, including Kavuri Supreme Enclave, Kavuri Crosswinds, Kavuri Ridge, KKR Square, Kavuri Incor 9, NCL Kavuri Icon, and Kavuri's Lemon Leaf, which are fully occupied and enjoyed by the residents thereof. The Company has a long-standing favorable reputation in the market as a developer of quality projects.

27. At the outset, the Company submits that the averments raised by Mr. Sriteja Yamparala ("Complainant") in the Complaint are false, baseless, and an attempt by the Complainant to prejudice the rights of the Company. The Company submits the following specific responses and true facts regarding the allegations in the Complaint below:

28. The Company has obtained relevant permissions for the construction and development of "Kavuri's Forest Nest." The Company wholly denies the allegations within the Complaint regarding improper permits and misleading advertisements as false, baseless, and a misrepresentation of facts in an attempt to mislead this Honorable forum.

29. The Company has obtained layout permissions for open plots on the land measuring Acres 49 - 26 Guntas situated at Survey No. 55/1, 55/2, 55/3, 55/4 situated at Imanguda village, Maheshwaram Mandal, Ranga Reddy District, Telangana, for the construction of "Kavuri's Forest Nest" ("Project") vide draft L.P. No. 01/LO/plg/HMDA/2018 dated 27.03.2018, the Municipal Commissioner Tukkuguda's Draft Layout vide Procs. No. GI/384/21/2019 dated 14.03.2019. The final layout was obtained on

05.02.2019. The Project has received Telangana State Real Estate Regulatory Authority ("TSRERA") permit No. P02400000545, approved on 20.03.2019.

30. Thereafter, the Company, to meet the demands and requirements of the purchasers, constructed villas in the said Project by obtaining individual permissions for each plot where the construction was being made. The permissions were obtained from the local authority. All the aforementioned facts are within the knowledge of the Complainant and the other purchasers and are mentioned in the Agreements of Sale.

31. The Company and the Complainant executed an Agreement of Sale dated 02.06.2020 ("AOS") for the purchase of Plot No. 459 (Part) and 460 (Part) and Villa No. 422 in the Project (Villa"). As far as the Complainant is concerned, Building Permit No. 3133/WI/2019/0467 from the Office of the Tukuguda Municipality was obtained on 12.03.2021. Subsequently, the Complainant and the Company executed a registered Sale Deed bearing Document No. 11476/2022 dated 01.06.2022 registered at the office of the Sub-Registrar at Maheshwaram ("Sale Deed").

32. The Company has obtained final occupancy certificate (OC") for the Villa vide OC Proceedings No. 243769/TUKUO192/2022/OCC dated 19.07.2022.

33. The Company submits that the Project consists of plots with villas and has a perimeter wall with security and common amenities and has advertised itself accordingly on its website and billboards. The Company has developed the layout Project with houses to meet the requirements of the purchasers. Furthermore, the Complainant was aware of this and executed the AoS, the recitals of which clearly state that the Company would develop the Project "...into a group housing project comprising of individual villas with internal roads, parks, open spaces, water bodies, and a clubhouse with all other allied internal and external services such as the water supply system, sewerage, etc...".

34. It is also pertinent to note that both the AoS and Sale Deed executed by the Complainant clearly mention that the initial permissions for the Project were received from the HMDA and that the Villa would be constructed as per

the plan sanctioned by the Municipal Commissioner of Tukkaguda. Details of the Project's RERA registration were also provided to the Complainant therein, and therefore, the Complainant had knowledge of the permits obtained by the Company for the Project and Villa. The Complainant is now raising unfounded and vexatious claims after having purchased the Villa with full knowledge and awareness.

35. The Company wholly denies all allegations raised in the Complaint regarding the Company's alleged demands for undue monies from the Complainant as they are incorrect, baseless, and the Complainant is put to strict proof of the same. The Company has only raised demand notices for amounts due from the Complainant for the development of the Villa as per the payment milestones provided in Schedule G of the AoS. The first payment made by the Complainant to the Company for the Villa was made on 26.06.2018, which was after the Company had obtained the requisite permits for the Project from TSRERA.

36. The Company has constructed the Villa according to industry standards and as per mutually agreed terms. The Company wholly denies all allegations raised in the Complaint regarding inferior quality of construction, breaking plaster, seepages, loose bricks, leaks, etc., as they are false, and a misrepresentation of facts in an attempt to mislead this Honorable forum, and the Complainant is put to strict proof of the same.

37. The Company submits that Clause 5 and Schedule-D of the AoS state the specifications, materials, and fixtures that would be provided by the Company to the Complainant in the Villa. The Company also communicated to the Complainant that any additional provisions in the Villa would be at an additional cost to the Complainant, and the Complainant agreed to the same. The Company further submits that the Complainant had provided delayed requests to the Company's inquiries, and hence, the Company was constrained to move forward with the construction and development of the Villa as per the timelines and specifications that were explicitly agreed upon between the Company and the Complainant in the AoS.

38. In an attempt to resolve any disputes and/or concerns amicably, on 01.09.2023, the Complainant forcefully entered the Villa prior to its hand-over from the Company and vandalized the Villa, causing significant damage to the interior and surroundings of the Villa. As of the date, the Complainant has unrestricted access to his Villa, and the Company is apprehensive that the Complainant may cause further damage to the interiors thereof with the assistance of unauthorized persons. The Company submits that, as of the date, the Company has completed repairs of prior damage in the Villa caused by the Complainant, including but not limited to replastering chipped walls and cleaning cement and other debris on the tiles, at its sole cost. The Complainant has attempted to create a false narrative regarding the quality of the Villa and the amounts allegedly owed to the Complainant as a result thereof.

39. The Company and Complainant mutually agreed to revise the extent of the Villa to 398.49 square yards.

40. The Company submits that the pandemic COVID-19 had significantly impacted its business operations starting from the year 2020 up till late 2021, thereby affecting the timelines for the delivery of the villas in the Project. The Company submits that the development of the Villa resumed as soon as labor was permitted on-site by the relevant statutory authorities, and the Villa was completed as soon as possible upon the payment of dues from the Complainant. The Complainant has willfully omitted the exception of Force Majeure in an attempt to mislead this Honorable forum and unlawfully gain from the Company.

41. It is further submitted that all developers/projects were granted an extension for the completion of the real estate project(s) as a result of the occurrence of the COVID-19 pandemic. In any event, the OC was obtained in July 2022. The Sale Deed was executed in June 2022, and no dispute was raised by the Complainant in relation to any alleged delay - therefore, the contention taken now is a pure afterthought.

42. The Company has effectively communicated with the Complainant regarding the status of the Villa.

43. The Company wholly denies all allegations within the Complaint regarding evading calls/emails/messages of the Complainant, as they are incorrect and baseless. The Company submits that they have, at all times, been forthcoming, transparent, and cordial with the Complainant regarding the status of construction of his Villa and any concerns about the quality of construction of the Villa. The Company has provided clarifications to the Complainant repeatedly and upon request, in person, over telephone calls, as well as through emails from members of the management of the Company as well as through its employees and agents. It is also pertinent to note that the demand notices for payments towards the Villa are raised upon the completion of certain construction milestones, as provided under Schedule-G of the AoS, and hence, the Complainant was, at all times, aware of the status of construction and development of the Villa.

44. The Company has provided the Complainant with the Final Approved Drawing Layout of the Villa, OC for the Villa, Final Approval Letter for the Villa, and the process for registration to and use of the clubhouse amenities in the Project vide email dated 02.11.2023. The Company submits that even the Exhibits to the Complaint filed by the Complainant highlight several email updates from the Company, which are listed and summarized below for your reference:

45. Thereafter, on 03.11.2023, the Complainant obtained the keys to his Villa through force and threats to the employees of the Company and has brought his own laborers into the Villa without the Company's authorization. The Company submits that Clause 4(a) of the AoS states that the purpose of sale was "To develop an integrated township under the aforesaid scheme through the Developer [Company]. The Purchaser [Complainant] shall not have any option to get constructed the Schedule C' Villa [Villa] through any other person...". The Company submits that its subcontractors and laborers are industry professionals and have been engaged for the construction and development of the Project in line with the specifications agreed with the villa

owners. The Complainant, by himself as well as through his unauthorized laborers, had unlawfully gained access to the Villa and began chipping the walls, leaving cement on the tiles, pulling out brickwork, and had created a hostile atmosphere therein by restricting any inspection by the Company, which is in direct violation of his obligations under Schedule - F of the AoS. The Company further submits that the Complainant has willfully refused to sign the checklist in an attempt to carry out changes within the Villa at the cost of the Company by claiming that these changes were done prior to 'hand-over' of the Villa. The Company submits that, as of the date, the Complainant is currently in possession of both keys to the Villa, and the Company does not have any access thereto. The Company has repeatedly, through emails (dated 04.11.2023) as well as in-person, requested that the Complainant return his keys to the Villa so that the Company may restrict unauthorized persons into the Villa prior to handover but to no avail. The Company had placed security personnel around the Villa in order to protect the structure and avoid any further vandalism.

46. The Company has requested due and payable Maintenance Charges. The Company wholly denies all allegations within the Complaint regarding any additional charges for maintenance and gym usage, contrary to the terms of the AoS, as false, baseless, and the Complainant is put to strict proof of the same. The Company further wholly denies all allegations within the Complaint regarding the alleged failure to provide amenities such as soft water, supermarket, salon, etc., as false, and the Complainant is put to strict proof of the same.

47. The Company submits that soft water treatment facilities are present within the Project. The Company further submits that they have already constructed and allotted provisions for the supermarket and salon, and the villa owners in the Project are deliberating on financially viable and quality vendors to occupy such premises and provide services.

48. The Company submits that the Project was envisioned in 2017, and various agreements of sale were executed with villa owners stating the erstwhile estimated maintenance charges. The Company submits that they

had informed the villa owners in the Project regarding an increase in the estimate of maintenance costs during a meeting dated 03.09.2023, wherein the villa owners were not comfortable with separate usage charges for the clubhouse and consented to an increase in the maintenance charges for the Project. Thereafter, the Company had informed the villa owners and residents in the Project of the increased maintenance charges vide email dated 12.09.2023. The Company has only sought Maintenance Charges from the Complainant in line with the aforementioned understanding.

49. The Company is registering a Cooperative Housing Society in compliance with the applicable laws. The Company wholly denies all the allegations raised in the Complaint regarding the registration of a housing society for the Project without the knowledge and/or consent of the Complainant as false, baseless, and the Complainant is put to strict proof of the same.

50. The Company submits that it has been maintaining the Project in a bona fide manner and has carried out the process for the registration of a cooperative housing society in compliance with the provisions of the law. The Company has conducted a meeting on 23.12.2023, at 11:00 am, inviting all the villa owners/residents in the Project, for discussions regarding the registration of a cooperative housing society in line with the Project's by-laws and thereafter, the Company has filed its application for the same with the relevant authority in compliance with applicable laws.

51. The Company submits that the Complainant has repeatedly attempted to instigate other homeowners in the Project to make false claims against the Company. The Company further submits that the Complainant had approached the Municipal Office with false claims against the Company but was informed that the OC for the Villa was provided to the applicant, i.e., the Company. Thereafter, the Complainant had approached the Municipal Commissioner as well as various police officers in the locality with false information, and when the Complainant was informed that their claims were unfounded and that the construction of the Project is in compliance with the

law, they began issuing threats to such governmental officers and approached this Honorable forum with false and vexatious claims.

52. The Company further submits that Clause 17 of the AoS clearly stipulates that the Complainant would be a member of the society for the Project.

53. The Company has, at all times, acted in a professional and courteous manner towards all residents/owners in the Project. The Company wholly denies all allegations of defamation, threats, force, fraud, extortion, or blackmail within the Complaint as they are incorrect, baseless, and the Complainant is put to strict proof of the same.

54. The Company has, at all times, interacted with the Complainant in a professional manner and has only requested for the amounts due as per the terms mutually agreed in the AoS. The Company further denies all allegations raised within the Complaint regarding any preferential treatment of homeowners as false, baseless, and the Complainant is put to strict proof of the same.

55. It is also pertinent to submit that the TSRERA is an adjudicatory body specifically established and empowered to regulate and promote real estate in Telangana, in compliance with the Real Estate (Regulation and Development) Act, 2016 ("Act"). The Company submits that the Complaint has been filed merely to harass the Company and does not have any basis either in facts or in law and has been instituted in an unlawful attempt to bring these issues within the scope of TSRERA's adjudication.

56. The Company submits that the OC was issued by the relevant authority to the applicant thereof, which was the Company and thereafter, the Company handed over the OC for the Villa to the Complainant vide email dated 02.11.2023.

57. The Company submits that they have provided biometric lock and access to the residents in the Project for the clubhouse amenities and all such sensitive biometric information is stored in compliance with applicable data protection legislation.

58. The Company submits that the allegations raised in the Complaint regarding the TSREERA, Hyderabad Metropolitan Development Authority, and Office of the Municipality of Thukkaguda are not relevant to the adjudication of the present dispute, do not concern the Company, and therefore, do not warrant a response herein. The Company further submits that all allegations within the Complaint regarding the Complainant's travel to and from the U.S.A. as well as his alleged loss of income in the U.S.A. are irrelevant to the adjudication of the present Complaint and do not warrant a response.

59. Finally submit that the Complainant has issued the complaint with false and misleading facts, and the Complainant is not in any manner aggrieved under the provisions of the RERA Act or entitled to any of the remedies or reliefs claimed under the Complaint. The Complainant has no cause for action, and the present Complaint has been issued with a mala fide intention to prejudice the rights of the Company. Therefore, in light of the above-mentioned, request this authority to reject the Complaint filed by the Complainant as being misconceived.

D. Rejoinder

60. In response to the developer's submission, it is imperative to highlight the glaring inaccuracies, misleading claims, and deliberate attempts to obfuscate the truth. The developer's rejoinder is replete with falsehoods, devoid of credibility, and attempts to deflect responsibility.

1. The Respondent claims a long reputation of quality projects, yet fails to acknowledge the absence of RERA regulations during that time. The comparison between a single building and a 50-acre project is fallacious. Furthermore, the developer's failure to declare previous projects in the RERA application for the current project raises serious questions about transparency and compliance with regulations.
2. a. The evidence provided clearly demonstrates the company's deceptive advertising practices, misleading customers about the nature of the project and approvals obtained. The failure to obtain necessary

permissions for the villa project is a violation of the Real Estate Act of 2016.

b. The developer's negligence in updating RERA quarterly further underscores their lack of accountability.

c. The discrepancy between the date of the development agreement and the RERA application highlights a clear violation of regulations. The developer's failure to distinguish between open plots and villa projects is misleading and unacceptable.

d. The developer's actions regarding plot sales and construction agreements raise serious doubts about their intentions and integrity.

e. The issues raised regarding occupancy certificates and incomplete villas point to gross negligence and potential corruption within the company.

f. The discrepancy between the project's advertised amenities and the reality further exposes the developer's deceptive practices.

g. The lack of clarity in agreements and the developer's dismissive attitude towards purchasers' concerns is deeply concerning.

h. The developer's demands for undue monies and blackmail tactics demonstrate a blatant disregard for ethical business practices.

i. The developer's excuses regarding the functionality of RERA's webpage and HMDA's requirements are unfounded and indicative of their attempts to evade accountability.

3. The ESCI report and additional evidence highlight serious deficiencies in the construction quality and adherence to industry standards. The developer's lack of evidence to refute these claims further strengthens the complainant's case.

4. The developer's failure to provide evidence of agreements and changes in plot sizes raises doubts about their credibility and integrity.

5. The lack of communication from the developer regarding project completion dates and delays are unacceptable, and their attempts to evade responsibility are transparent.
6. The developer's claims of communication with the complainant are refuted by documented evidence, and their continued possession of crucial documents undermines the complainant's rights.
7. The developer's repetition of demands for undue monies further highlights their unethical business practices.
8. The evidence presented regarding restrictions on access and harassment by the developer is deeply concerning and warrants further investigation.
9. The developer's extortion of maintenance charges without completing amenities or forming a cooperative society is a clear violation of consumer rights and must be addressed.
10. The developer's arguments lack substance and fail to refute the complainant's claims.
11. The developer's hostile treatment of owners and delays in project completion are unacceptable and demonstrate a pattern of disregard for consumer welfare.

Findings:

61. During the conducted hearing, the Respondent requested the Authority to direct a third-party investigation, to which the complainant also consented. Consequently, the Engineering Staff College of India was directed to inspect the subject Villa via letter dated 11.01.2024. Subsequently, the Inspection report, vide ESCI/PD/TPQC/TSRERA/13/2023-24 dated 06.02.2024, was submitted to this Authority. The Inspection report has provided a detailed inspection, conducted in the presence of both parties, listing concerns raised by the complainant. As per the Report, there are few concerns to be rectified by the Respondent Builder regarding the subject Villa.

62. Section 14(3) stipulates as follows:

"In case any structural defect or any other defect in workmanship, quality, or provision of services, or any other obligations of the promoter as per the agreement for sale relating to such development is brought to the notice of the promoter within a period of five years by the allottee from the date of handing over possession, it shall be the duty of the promoter to rectify such defects without further charge, within thirty days, and in the event of the promoter's failure to rectify such defects within such time, the aggrieved allottees shall be entitled to receive appropriate compensation in the manner as provided under this Act."

63. After perusal of the complaint petition, the aforementioned section, written reply of the Respondent and ESCI Inspection report, the Authority comes to the following conclusions:

1. As the complainant has paid the total consideration amount as agreed upon by both parties during the hearing, the complainant is entitled for all necessary facilities in the concerned villa. Hence, the respondent shall provide power supply and water supply immediately.
2. If any defective floor tiles or water dadoing tiles are noticed on the ground floor, they shall be rectified as observed by the inspection team.
3. The wrought and put of the bedroom & toilet doors of the ground and first floors, which are loosely fitted, shall be rectified.
4. The damaged UPVC window mosquito mesh shall be replaced.
5. The impervious coat on the roof slab, duly providing with KHURRAS at the junction of water spouts, shall be rectified.
6. Junction treatment at slab and masonry wall of the South-West wall needs to be rectified with corrective measures to arrest the moisture/Dampness into the bedroom.

64. The complainant alleges that M/s Kavuri Hills Developers allowed the collection of money from purchasers prior to obtaining the building permit. According to the sales agreement, it is evident that the Respondent builder collected advance payments for the purchase of the subject villa from October 2018 before entering into the agreement of sale. The Respondent applied for

TS RERA registration on 15.12.2018 and obtained registration on 27.03.2019. Hence, it is evident that the Respondent offered to sell or market the villa in the concerned project before even obtaining or applying for RERA registration.

Section 3 read as under:

Prior registration of real estate project with Real Estate Regulatory Authority.—(1) No promoter shall advertise, market, book, sell or offer for sale, or invite persons to purchase in any manner any plot, apartment or building, as the case may be, in any real estate project or part of it, in any planning area, without registering the real estate project with the Real Estate Regulatory Authority established under this Act.

65. The plain reading of the aforementioned section makes it clear that no promoter shall promote real estate project before RERA registration. As the Respondent without RERA registration collected the sum of advance for the concerned Villa it is a violation of section 3 of the RE(R&D) Act 2016.

66. The complainant has alleged that there has been a delay in completion of the construction of the Villa as per the timelines agreed by the parties in the Agreement of Sale. The Authority observes that, that as per clause 6(a) of the said agreement, the possession of the Villa shall be handed over by 31.03.2021 with a grace period of 3 months. However, respondent denying to the allegations stated that due to Covid-19 pandemic it had significantly impacted their business operations. On consideration of submissions made by both the parties regarding contravention of the provision of the Act, the authority is satisfied that due to the force majeure, that is due to Covid-19, there were unforceable circumstance and their consequences in which the Respondent had no control over and hence the delay undertook.

67. After duly verifying the project approvals, the HMDA has issued approvals for open plot developments and not gated communities. Further, the Respondent has advertised the said project as a Gated Community in brochures circulated/advertised. However, in its Agreement of Sale or Sale Deed, the Respondent has mentioned the project as a group housing project

and not gated community. The Authority views that as it is a group housing project, and practically at the site, all these houses were secured with a compound wall with gates hence, benefits of a gated community are already enjoyed by the complainant.

68. The Authority observes that the complainant is seeking compensation in the present complaint. It is essential to understand that the Act clearly distinguishes between interest and compensation, providing them as distinct entitlements available to allottees. This Authority does not possess the jurisdiction or authority to grant compensation as specifically sought by the complainant.

Directions of the Authority:

69. Therefore, vide this Order, this Authority deems it fit to direct the Respondent Builder to make necessary changes and rectify the defects as follows within 45 days from the date of the receipt of this Order and submit proof of such rectification after the completion of the stipulated time period:

1. The Power supply and Water supply shall be immediately provided.
2. Rectify Defective floor tiles and water dadoing tiles shall be rectified as observed by the inspection team.
3. The wrought and put of the bedroom & toilet doors of the ground and first floors, which are loosely fitted, shall be rectified.
4. The damaged UPVC window mosquito mesh shall be replaced.
5. The impervious coat on the roof slab, duly providing with KHURRAS at the junction of water spouts, shall be rectified.

70. For contravening section 3 of the RE(R&D) Act, this Authority, exercising its powers under section 59 of RE(R&D) Act, imposes a penalty of Rs. 4,94,469 /- This penalty is imposed for marketing/selling villas of the Project prior to RERA registration of the project before this Authority. The amount is payable in favour of TSRERA FUND through a Demand Draft or online

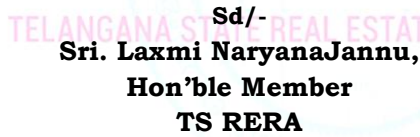
payment to A/c No.50100595798191, HDFC Bank, IFSC Code: HDFC0007036, within 30 days of the receipt of this Order by the Respondent/Promoter.

71. In lieu of the above-mentioned directions, the present complaint stands disposed of. Upon the failure of the Respondent Builder to comply with the present Order, appropriate action, including imposition of a penalty, will be taken as per provisions under Section 63 of the Act, 2016.

72. 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
TS RERA



Sd/-
Sri. Laxmi NaryanaJannu,
Hon'ble Member
TS RERA



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