

**BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY**

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

**Complaint No. 275 of 2024**

**Dated: 30<sup>th</sup> May, 2025**

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

1.Eluri Venkata Pavan kumar  
*Flat No.201, Deetya's Elegance*  
*Plot No. A-20, SBH Colony*  
*Saidabad, Telangana-500059*

2.Eluri Krishna Priya  
*Flat No.201, Deetya's Elegance*  
*Plot No. A-20, SBH Colony*  
*Saidabad, Telangana-500059*

**...Complainant(s)**

**Versus**

Sai Deetya Developers, Rep. by Venkatesh Vuppala  
*H. No. 1-10-160/A, 2<sup>nd</sup> floor*  
*SML Ashok Nagar, Street No. 7*  
*Hyderabad-500020*

**...Respondent**

The present matter filed by the Complainants herein came up for hearing on 30.01.2025 before this Authority in the presence of Complainants in person and none appeared on behalf of the Respondent despite service of notice, and therefore he was set ex-parte, and after hearing the Complainant, this Authority passes the following ORDER:

2. The present Complaint has been filed by the Complainants under Section 31 of the Real Estate (Regulation & Development) Act, 2016 (hereinafter referred to as the "Act") read with Rule 34(1) of the Telangana Real Estate (Regulation and Development) Rules, 2017 (hereinafter referred to as the "Rules") seeking appropriate relief(s) against the Respondent.

**A. Brief Facts of the Case:**

3. The complainants submitted that the builder collected the first advance payment of Rs. 25,00,000/- (Rupees Twenty-Five Lakhs Only) in June 2022 towards semi-finished flat bearing no. D-201 in 2<sup>nd</sup> floor of "Deetya's Elegance", stating that he was in the process of obtaining RERA registration for the project. To support his claim, the builder shared a document

purporting to be an application form for RERA registration and gave repeated assurances that the project would be duly registered. However, it has now come to light that the builder never registered the project under RERA, and the entire representation was false and fraudulent from the outset.

4. The complainant further submitted that the land on which the project is being constructed measures approximately 662 square meters and comprises a total of 10 units. In accordance with the Real Estate (Regulation and Development) Act, 2016 and the GHMC building permit conditions, any project on a land parcel exceeding 500 square meters or comprising more than 8 units is mandatorily required to be registered under RERA. As per Section 3 of the Real Estate (Regulation and Development) Act, 2016, it is mandatory to register a project with RERA if the area of land proposed to be developed exceeds 500 square meters or the number of apartments exceeds eight, inclusive of all phases. Despite this clear mandate, the builder failed to register the project, and no valid justification has been provided for this non-compliance.

5. The complainant also submitted that, as per the agreement, payments were to be made in a phase-wise manner based on the progress of construction. However, in the midst of the project, the builder began harassing the complainant and other buyers to pay the entire remaining amount by December 2022, regardless of the stage of construction. Additionally, the builder pressured the complainant to execute the registration of the property by September 2022. Under duress and repeated coercion, the complainant paid a total of INR 1.32 crores, relying on the builder's promises that the handover for interior work would be done by March 2023, and the full project, along with all promised amenities, would be completed by June 2023. However, it is important to note that the Agreement of Sale mentions December 2023 as the project completion date, highlighting inconsistencies in the builder's commitments and actions.

6. The complainant submitted that in August 2024, the builder circulated a letter from GHMC indicating a deviation in the approved plan by approximately 120 square yards. As per the GHMC communication, a penalty of INR 34.93 lakhs was imposed on the builder to regularize the deviation. Despite this, the builder has failed to make the payment as of 25th September 2024. This non-payment poses further risks to the legality and regularization of the building and reflects the builder's negligent and non-compliant approach.

7. Further, the complainant submitted that the builder is presently making attempts to construct an unauthorized 6th floor without obtaining the necessary approvals from the relevant authorities. This action is in clear violation of building norms and planning permissions and may endanger the structural safety and regulatory standing of the entire project. The complainant urges the concerned authorities to immediately investigate and intervene to prevent any further illegal construction.

8. The complainant also submitted that several parts of the project remain incomplete, severely affecting the readiness and usability of the property. Specifically, the flats on the west side lack essential fittings such as windows, doors, and electrical wiring. Moreover, crucial infrastructure such as the lift, generator, staircase railing, designated parking, external painting, Occupancy Certificate (OC), water supply, and individual electricity meters are yet to be provided. These deficiencies have delayed possession and created undue hardship for the complainant and other homebuyers.

**B. Relief(s) Sought:**

9. Aggrieved by the acts of the Respondent, the Complainants pray for the following:

*I. Completion of the project immediately along with Parking allocation to all the flats along with all the amenities.*

*II. Builder to be penalized as this projected was supposed to be RERA registered as no.of.flats are 10 and the land area is 662 Sq meters. Please note that he has done similar delays in other projects as well. Please note the builder has shared the RERA application for this project and later avoided registration which is a clear Fraud.*

*III. Builder should not build 6th floor as he shared us the project plan and GHMC approval only for Stilt plus 5 floors only.*

**C. Points for consideration:**

10. Upon due deliberation of the pleadings, contentions, and documents placed on record by the Complainants, the following issues arise for consideration before this Authority:

*I. Whether the Respondent has violated Sections 3 and 4 of the Real Estate (Regulation and Development) Act, 2016, by failing to register the project titled “Deetya’s Elegance” with this Authority? If so, whether the Respondent is liable to be penalized for such violation?*

*II. Whether the Complainants are entitled to the reliefs as prayed for? If yes, to what extent?*

**D. Observation of the Authority**

10. This Authority has carefully examined the pleadings, documents, and submissions on record. It is noted that due notice of the proceedings was duly issued and served upon the Respondent, with acknowledgments placed on record. In addition, this Authority ensured compliance with principles of natural justice by directing personal service of notice. The Respondent had appeared on the first date of hearing, whereupon this Authority directed him to file a detailed written submission in response to the allegations made by the Complainants. However, despite the opportunity granted, the Respondent failed to file any written submission and remained absent on subsequent date of hearings without any justification. In view of the Respondent's non-compliance with the directions of this Authority and continued absence thereafter, he was proceeded against ex parte. The matter has accordingly been adjudicated based on the pleadings, documents, and submissions available on record from the Complainants.

11. This Authority, having proceeded to adjudicate the matter ex parte in accordance with law, now turns to the core substantive issues starting with the Respondent's failure to secure mandatory registration of the project "Deetya's Elegance" under the Real Estate (Regulation and Development) Act, 2016. Section 3(1) of the RE(R&D) Act, 2016 *categorically prohibits any promoter from advertising, marketing, booking, selling, or offering for sale any plot, apartment, or building in a real estate project without prior registration of the project with the Real Estate Regulatory Authority*. Registration is not a mere procedural formality it is the foundational safeguard that ensures that a project is being developed in compliance with approved plans, that funds collected from allottees are protected, and that promoters are held accountable under a transparent regulatory framework. Further, Section 4 lays down the essential documents and declarations that must accompany an application for registration, including title documents, sanctioned plans, and timelines for project completion. The statutory scheme is designed to ensure that only those projects that meet minimum legal and technical standards are permitted to enter the market. Any attempt to circumvent these requirements strikes at the very object and purpose of the RE(R&D) Act and invites strict scrutiny and penal consequences. It is in this legal context that the conduct of the Respondent must be evaluated.

12. On the question of registration of the project “Deetya’s Elegance” with this Authority, it is noted that while the Respondent submitted an application seeking registration under Section 4 of the RE(R&D) Act, 2016, the same was found to be incomplete and deficient in essential particulars. Upon preliminary scrutiny, this Authority issued a communication requiring the Respondent to explain why penal action should not be initiated under Section 59 for having advertised, marketed, sold units, and collected substantial sums from allottees without securing valid registration of the project. Despite the query, the Respondent chose not to furnish any response or rectify the deficiencies. In view of this non-compliance, the Authority treated the application as defective and was not processed further for grant of registration.

13. Significantly, the record reveals that the Respondent misrepresented the status of the project to the Complainants by asserting that the process of registration was underway and even went so far as to share what was purported to be an application form for RERA registration. This was done despite the Respondent’s failure to comply with the mandatory procedural and documentary requirements necessary for obtaining registration under the RE(R&D) Act, 2016. This misrepresentation induced reliance by the Complainants and facilitated the collection of substantial payments, thereby defeating the very purpose of the statutory safeguards envisioned under the Real Estate (Regulation and Development) Act, 2016. Such conduct amounts to a deliberate evasion of the statutory framework and squarely attracts the penal consequences envisaged under Section 59(1) of the RE(R&D) Act, 2016, which provides that any promoter who contravenes Section 3 shall be liable to a penalty extending up to ten percent of the estimated cost of the project, as determined by the Authority. Hence, Point I answers in affirmative.

14. The documentary record reveals that the Complainants and the Respondent executed an Agreement of Sale dated 30.08.2022 in respect of Flat No. D-201 in the project “Deetya’s Elegance.” The original consideration of ₹66,00,000/- was subsequently revised to ₹1,40,00,000/- by mutual consent, with the Complainants having paid ₹1,32,00,000/- towards the total sale price. A registered Sale Deed dated 29.09.2022 for Flat no. 201 in 2<sup>nd</sup> floor of “Deetya’s Elegance” having built up area of 2300 sqft. Along with two car parking in stilt floor, records the original amount as having been paid in full. This level of financial commitment indicates the bona fide of the Complainants and places a corresponding legal obligation upon the Respondent to ensure lawful and timely completion of the project.

15. Clause 18 of the Agreement of Sale stipulates that possession would be delivered within 15 months from the date of the first payment, with an additional grace period of 3 months. As the first payment was made on 17.06.2022, the deadline for handover, exclusive of grace period, expired in September 2023. Despite lapse of over 19 months beyond this deadline, possession remains undelivered. Such delay, absent any cogent explanation or justification, constitutes a serious breach of contractual obligations. Moreover, the approved GHMC Building Permit (2693/GHMC/CHR/2022-BP) dated 08.08.2022 sanctions construction on a plot of 662.61 square meters, restricted to stilt plus five floors. These facts point not merely to a failure in performance but to a broader disregard for both contractual commitments and regulatory compliance.

16. Before assessing entitlement to relief, it is essential to determine the applicability of the Real Estate (Regulation and Development) Act, 2016 to the present project. Section 3(1) of the RE(R&D) Act, 2016 mandates that no promoter shall market, sell, or offer for sale any unit in a real estate project without obtaining registration, unless such project qualifies for exemption under Section 3(2). The present project, having a land area in excess of 500 square meters and comprising 10 residential units, does not qualify for any such exemption. Accordingly, registration under the RE(R&D) Act, 2016 was mandatory.

17. It is further clarified that applicability of the RE(R&D) Act, 2016 does not hinge on whether a project is registered. Section 2(zn) defines a “real estate project” in broad terms, and Section 2(zk) defines a “promoter” as *any person who undertakes such development*. These definitions are sufficient to bring the project within the regulatory domain of this Authority. In *Newtech Promoters and Developers Pvt. Ltd. v. State of Uttar Pradesh & Ors.* [(2021) SCC OnLine SC 1044], the Hon’ble Supreme Court affirmed that *the Authority is vested with jurisdiction to entertain complaints under Sections 12, 14, 18, and 19 even in cases of unregistered projects, if such registration was otherwise mandated*. Therefore, the Respondent cannot circumvent statutory liability merely by failing to register the project.

18. The Complainants have alleged that the Respondent is undertaking construction of an unauthorized sixth floor, in contravention of the GHMC permit which permits construction only up to stilt plus five floors. It is submitted that no approval has been obtained from the competent authority for such additional construction, nor has the consent of the allottees been sought, as required under law. The allegation raises a serious concern with respect to potential violation of Section 14(1) of the RE(R&D) Act, 2016 which mandates that the promoter shall



execute the project strictly in accordance with the sanctioned plans. The Respondent is hereby directed to strictly comply with the sanctioned plans approved by the competent authority, and any deviation therefrom shall constitute a violation of Section 14(1) of the RE(R&D) Act, 2016, attracting appropriate legal consequences as per law.

19. As regards delay in possession, Section 18(1)(a) provides that where a promoter fails to hand over possession in accordance with the terms of the agreement, the allottee shall be entitled to interest for the period of delay. The Complainants have opted not to withdraw from the project and instead seek completion and delivery. The Respondent, via letter dated 28.01.2025, has assured the owners of the “Deetya’s Elegance” that possession would be given by 31.03.2025. Despite this assurance, possession has not been delivered within the stated timeline. The Respondent is, therefore, liable under Section 18(1)(a) for failure to deliver possession in accordance with the agreed terms.

20. In light of the cumulative findings herein spanning violations of Sections 3, 4, and 18 it stands established that the Respondent has not only defaulted contractually but also failed in his legal duties as a promoter. These breaches defeat the very objectives of the Real Estate (Regulation and Development) Act, 2016, which seeks to promote transparency, accountability, and consumer protection in the real estate sector. Consequently, point No. I&II for consideration, as framed under Paragraph 10, are answered in the affirmative.

21. The Authority views the conduct of the Respondent with utmost seriousness and records its strong disapproval of the Respondent’s repeated and wilful defiance of the statutory obligations under the Real Estate (Regulation and Development) Act, 2016. Despite having filed a RERA registration application in the year 2022, the Respondent has consistently failed to submit the mandatory documentation required for processing the same. This non-compliance has persisted despite the issuance of a detailed Show Cause Notice and service of personal notice thereafter.

22. The Respondent has neither entered appearance before this Authority nor complied with any of its directions, thereby exhibiting a deliberate and calculated disregard for the rule of law and the regulatory mandate of this Authority. This pattern of indifference is not isolated. Multiple complaints have been instituted before this Authority against the Respondent, all of which disclose similar transgressions namely, failure to register projects, concealment of material information, and a total abdication of statutory responsibilities.

23. In each of these complaints, the Respondent has abstained from participation, has failed to file replies, and has not presented any defense, thereby demonstrating a continuing and conscious pattern of non-cooperation and regulatory evasion.

24. This Authority takes a stern view of such conduct, which undermines the objectives and sanctity of the RE(R&D) Act. The Authority hereby places on record that it shall consider this repeated and wilful defiance as an aggravating factor while adjudicating the pending and future matters concerning the Respondent.

25. Accordingly, the Secretary, Telangana RERA, is hereby directed to initiate a comprehensive enquiry into all projects associated with the Respondent, including any ongoing, completed, or proposed developments. A detailed and fact-based report shall be submitted to this Authority within fifteen (15) days from the date of this Order. The said report shall specifically examine and comment upon:

- (a) the registration status of each project, if any;
- (b) compliance with statutory obligations under the Real Estate (Regulation and Development) Act, 2016; and
- (c) any instances of misrepresentation or violation, particularly under Section 3 of the said Act.

The Complainants are also advised to extend full cooperation to the Secretary and his team by furnishing details of any other projects of the Respondent known to them, so as to assist this Authority in taking such further regulatory and penal action as may be warranted under law.

**E. Directions of the Authority:**

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

- a. The Respondent is hereby directed to complete the construction of the project and hand over possession of the subject flat, along with the agreed car parking space, to the Complainant within a period of ninety (90) days from the date of this Order.
- b. In view of the established violations of Sections 3 and 4 of the Real Estate (Regulation and Development) Act, 2016, the Respondent is held liable for penalties under Sections 59 and 60 respectively. Accordingly, the Respondent is



directed to remit a penalty amount of Rs. 6,99,406/- (Rupees Six Lakh Ninety-Nine Thousand Four Hundred and Six only) within thirty (30) days from date of this order, in favour of TG RERA FUND through a Demand Draft or online payment to A/c No. 50100595798191, HDFC Bank, IFSC Code: HDFC0007036;

- c. The Respondent is further directed to forthwith comply with the direction of this Authority and complete the registration of the project “Deetya’s Elegance” under Application No. REA02500039017, in accordance with Section 4 of the RE(R&D) Act, 2016 and the Rules framed thereunder.
- d. Pending the grant of such registration, the Respondent is strictly prohibited from advertising, marketing, booking, selling, offering for sale, or inviting any person to purchase, in any manner whatsoever, any units in the said project “Deetya’s Elegance,” either directly or indirectly.

27. The Respondent shall comply with all the applicable rules and regulation and complete the project as per sanctioned plan.

28. The Respondents are hereby informed that failure to comply with the directions issued herein shall attract further penal consequences under Section 63 of the RE(R&D) Act, 2016.

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

Sd/-

Sd/-

Sd/-

**Sri. K. Srinivasa Rao**

**Hon’ble Member**

**TG RERA**

**Sri. Laxminaryana Jannu**

**Hon’ble Member**

**TG RERA**

**Dr. N. Satyanarayana, IAS (Retd.)**

**Hon’ble Chairperson**

**TG RERA**