

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

25th Day of July 2025

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

COMPLAINT NO. 74 OF 2024

Doppalapudi Anitha

*(R/o B-706, Brigade Metropolis, Garudacharpayla, Mahadevapura, Whitefield, Bengaluru
Karnataka- 560048)* **...Complainant**

Versus

1. M/s Edifice Projects Pvt. Ltd., Rep. by its Director, E. Praneet Reddy

(Rep by Praneeth Reddy, Plot no.519H/1, Road no,28, Jubilee Hills, Hyderabad)

2. Mr. Praneet Reddy Erusu

(R/o Plot no.519H/1, Road no,28, Jubilee Hills, Hyderabad)

3. E.N. Prasad Reddy

(R/o Plot no.519H/1, Road no,28, Jubilee Hills, Hyderabad)

...Respondents

COMPLAINT NO. 87 OF 2024

Chalichama Deepti

(R/o Flat no.201, Sai Sadnan Apartments, Balkampet Road, SR.Nagar, Hyd- 500038) **...Complainant**

Versus

1. M/s Edifice Projects Pvt. Ltd., Rep. by its Director, E. Praneet Reddy

(Rep by Praneeth Reddy, Plot no.519H/1, Road no,28, Jubilee Hills, Hyderabad)

2. Mr. Praneet Reddy Erusu

(R/o Plot no.519H/1, Road no,28, Jubilee Hills, Hyderabad)

3. E.N. Prasad Reddy

(R/o Plot no.519H/1, Road no,28, Jubilee Hills, Hyderabad)

...Respondents

COMPLAINT NO. 88 OF 2024

Cherukuri Sudha Rani

(Flat no. 196, K,K Towers, Yousufguda, Hyderabad – 500045)

...Complainant

Versus

1. M/s Edifice Projects Pvt. Ltd., Rep. by its Director, E. Praneet Reddy

(Rep by Praneeth Reddy, Plot no.519H/1, Road no,28, Jubilee Hills, Hyderabad)

2. Mr. Praneet Reddy Erusu

(R/o Plot no.519H/1, Road no,28, Jubilee Hills, Hyderabad)

3. E.N. Prasad Reddy

(R/o Plot no.519H/1, Road no,28, Jubilee Hills, Hyderabad)

...Respondents

COMPLAINT NO. 89 OF 2024

Doppalapudi Srinivas Prasad

(R/o2502, Machpherson Drive O, Fallon Missouri, USA, 63368)

...Complainant

Versus

1. M/s Edifice Projects Pvt. Ltd., Rep. by its Director, E. Praneet Reddy

(Rep by Praneeth Reddy, Plot no.519H/1, Road no,28, Jubilee Hills, Hyderabad)

2. Mr. Praneet Reddy Erusu

(R/o Plot no.519H/1, Road no,28, Jubilee Hills, Hyderabad)

3. E.N. Prasad Reddy

(R/o Plot no.519H/1, Road no,28, Jubilee Hills, Hyderabad)

...Respondents

The present Complaint came up for hearing before this Authority in the presence of learned Counsel for the Complainants, Sri P. Suresh Kumar, and learned Counsel for the Respondents, Sri Sunder Kanaparthi. Upon hearing the submissions advanced by both sides and having reserved the matter for orders, this Authority now proceeds to pass the present Order.

COMMON ORDER

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

A. The Brief facts of the case as per allegations/averments contained in the complaint are as follows:

3. The Complainants state that they are the absolute owners of various plots of land, which collectively measure approximately 3,000 square yards (equivalent to about 2,508 square meters). These plots are situated in Survey No. 34/1, Silpa Garden, Block No. 1, Madeenaguda Village, Serilingampally Mandal and Municipality, Ranga Reddy District. According to the Complainants, each of them, along with certain co-owners, executed a Development Agreement-cum-Irrevocable General Power of Attorney (hereinafter "Development Agreement") with the Respondent on 12.12.2015, which was duly registered under Document No. 1365/2016. Under the terms of this agreement, the Respondent was obligated to undertake the development of the land by constructing ten villas, with the understanding that these villas would be shared between the Complainants (as landowners) and the Respondent in an equal 50:50 ratio.

4. The Complainants contend that the Respondent was contractually required to complete construction of the ten villas and deliver them in a fully developed condition to the Complainants within thirty months from the date of obtaining necessary statutory approvals. They submit that while the Development Agreement was executed on 12.12.2015, the Respondent obtained the requisite approvals only in May 2018 approximately twenty- nine months after the date of the Development Agreement and about twenty-two months after the landowners had provided their written consent on 03.08.2016. The Complainants argue that the Respondent failed to offer any credible explanation for this prolonged delay and that such inaction constitutes a clear breach of the contractual obligations.

5. The Complainants further aver that a Supplementary Agreement dated 06.09.2017 gave them the impression that all necessary permissions for the project had already been secured, although, in fact, the primary permissions were received only on 14.05.2018. They maintain

that this misrepresentation led them to believe that construction and related activities were proceeding in a timely manner. In the same Supplementary Agreement, it was recorded that the villas would be apportioned among the parties, with Villa Nos. 01, 02, 06, 07, and 08 earmarked for the Respondent and Villa Nos. 03, 04, 05, 09, and 10 for the Complainants and their co-owners. Some Complainants clarify that amongst themselves, they further decided on the allocation of specific villa numbers, driven primarily by concerns regarding construction quality.

6. According to the Complainants, the Development Agreement expressly conferred upon them the right to inspect the construction in order to verify compliance with the agreed specifications. However, they assert that the Respondent either restricted or outright denied their efforts to examine the status of the villas on-site. Several Complainants, who had traveled from abroad specifically to evaluate the progress, claim that they were granted only limited or, in some instances, no access to the premises. This limited opportunity to inspect, it is alleged, contravenes the terms of the Development Agreement, heightens their apprehension about the standard of construction, and casts doubt on the Respondent's adherence to contractual specifications.

7. The Complainants further contend that during their occasional or partial inspections, they observed that the villas designated for them were being built with materials of substandard quality and exhibited workmanship markedly inferior to that of the villas allotted to the Respondent. In particular, they allege that Villa No. 06, which is part of the Respondent's share, features a higher elevation, more robust foundation, and superior interior finishes, while the villas intended for the Complainants show lower elevations, inferior structural elements, and lacklustre finishing. The Complainants emphasize that this stark disparity in construction quality directly violates a core provision of the Development Agreement, which stipulates that uniform standards and specifications must be maintained across all villas.

8. The Complainants also submit that by a letter dated 07.02.2022, followed by subsequent notices, the Respondent informed them that the Greater Hyderabad Municipal Corporation (GHMC) had issued an occupancy certificate for the project and insisted that the Complainants take possession of their respective villas. Relying on these representations, the Complainants visited the site only to find that their villas were neither fully constructed nor fitted with basic amenities, such as water and electricity connections, and were still lacking essential finishing work. They further allege that while footpath and beautification efforts were

carried out around the villas allocated to the Respondent, little to no such work was performed near the villas apportioned to the Complainants, leaving them aesthetically unappealing and seemingly neglected.

9. The Complainants state that the Respondent insisted on their signing a “fully fit and compliance letter,” certifying satisfaction with the quality of construction, failing which the Respondent threatened to impose heavy maintenance charges on the incomplete premises. According to the Complainants, when they refused to sign, the Respondent withheld keys and stationed security guards to prevent their access, thereby wrongfully denying them entry. They submit that, given the glaring structural defects and lack of essential utilities, they could not possibly certify the villas as complete.

10. Several Complainants highlight specific defects, including villa ramps built one foot below road level, making them prone to flooding, subpar tiling and woodwork, dampness in walls, and incomplete plumbing and electrical lines. They submit that, to substantiate these grievances, they commissioned an independent assessment by OMCEE DESIGNS, Hyderabad, which identified forty-seven defects. The Complainants contend that these findings confirm the Respondent’s failure to meet the contractual specifications, industry standards, and minimum habitability requirements.

11. The Complainants aver that the Development Agreement stipulates a delay penalty under Clause No. 11.3, calculated at the rate of Rs. 8 per square foot per month for each villa not handed over within the agreed timeline. They state that, since approvals were granted in May 2018, the thirty-month window lapsed around late 2020 or, by some calculations, September 2021. The Complainants claim that no possession was offered in any meaningful sense until long after that period, and even at present, the villas are allegedly incomplete. They calculate accrued penalties running into lakhs of rupees per Complainant based on the built-up area of their respective villas.

12. It is further submitted by the Complainants that, in addition to not completing construction for the landowners, the Respondent managed to finish and sell all the villas falling under its share, which the Complainants say were built to better standards. This conduct, they contend, reflects mala fide intent and unfair trade practices: prioritizing the Respondent’s villas for sale while neglecting the landowners’ share. The Complainants also allege that the Respondent exceeded its own built-up area entitlement, thereby infringing the 50:50 ratio agreed upon.

13. The Complainants state that the original Managing Director, who signed the Development Agreement on 12-12-2015, suffered a brain stroke in December 2019 and became incapacitated. They attribute subsequent deterioration and lack of accountability to a transition in management to the new head, whose inexperience and commercial greed purportedly led to disregard for contractual obligations. The Complainants, in multiple legal notices dated 09-03-2022, 30-03-2022, 06-06-2022, 23-07-2023, among others—repeatedly requested completion of all pending work, rectification of defects, and compensation for delays, but the Respondent’s replies are said to be evasive and unresponsive to the principal issues.

14. The Complainants have collectively suffered what they describe as eight years of delay since the agreement date of 12-12-2015, with no viable handover of habitable villas. They contend that this state of affairs constitutes a breach of contract, deficiency in service, and unethical business practice. They highlight that Clause Nos. 23(f), 23(h), and 23(i) require the Respondent to provide essential facilities like water, electricity, and roads, and that such facilities remain absent or incomplete in respect of the Complainants’ villas.

15. In view of these facts, the Complainants seek appropriate relief, including a direction to the Respondent to carry out all pending construction and rectify defects as identified by the independent assessor, to provide all essential connections, and to pay the stipulated penalty for the inordinate delay. They further pray for compensation for mental agony and financial loss occasioned by the Respondent’s failure to fulfill its obligations, as well as for any other remedies this Authority deems fit. The Complainants submit that their claims establish the Respondent’s blatant contravention of the Development Agreement, entitling them to all reliefs permissible under law.

B. Relief(s) Sought

16. In light of the facts and circumstances set forth above, the complainant respectfully prays the following:

- a. To rectify and complete all the incomplete works in Villa Nos. 03, 04, 05, 09, and 10, as listed in Paragraph No. 8 of the respective complaints.
- b. To order the fixing of a separate transformer within the compound of “LA BOUQUET EDIFICE” and provide electricity connection to Villa Nos. 03, 04, 05, 09, and 10 by laying cables as per the agreement and annexures.
- c. To order the Respondents to provide municipal water connection to Villa Nos. 03, 04, 05, 09, and 10.

- d. To order the Respondents to re-lay the ramps of Villa Nos. 03, 04, 05, 09, and 10 to properly converge with the road level, ensuring rainwater does not flow back into the Villas, and to complete the footpaths outside the Villas.
- e. To order the Respondents to elevate the level around the foundation of Villa Nos. 03, 04, 05, 09, and 10 to ensure waterproofing at a higher elevation.
- f. To order the Respondents to assist the Complainant and co-owners of the land in registering their sub-partition of land/villas through a supplemental agreement.
- g. To order the Respondents to pay compensation of Rs. 1,00,00,000/- (Rupees One Crore only) for the delay of three (3) years in executing the work, which as per the agreement dated 12-12-2015, should have been completed by August 2020.
- h. To grant any other relief(s) as this Hon'ble Authority deems fit and proper in the interest of justice.

C. Counter on behalf of the Respondent:

17. The Respondents submit that the present petitions filed by the respective petitioners are wholly devoid of merits and stand unsustainable in both law and fact. The respondent denies each and every allegation contained in the petitions, save for those expressly and specifically admitted herein. All other statements made therein are deemed false, incorrect, and put to strict proof.

18. The Respondents states that there is no delay in completing construction of the villas allotted to the petitioners under the Development Agreement dated 12.12.2015, which was registered on 03.02.2016. As per Clause 11 of the said agreement, the time permitted for construction is a minimum of thirty months and a maximum of forty-eight months from the date all requisite approvals were obtained from the competent authority. Once the Greater Hyderabad Municipal Corporation sanctioned building permits on various dates depending on each villa the respondent completed construction in or around April 2021 and thereafter procured the occupancy certificates from GHMC within the agreed timeline, well before the expiration of forty-eight months.

19. The Respondents submit that upon receiving occupancy certificates, it duly informed each petitioner that their villas were ready for possession. However, despite repeated notices issued via email, messaging platforms, and by registered post, the petitioners declined to accept or acknowledge possession within the statutory two-month period prescribed under Section

19(10) of The Real Estate (Regulation and Development) Act, 2016. The Respondents emphasizes that certain family members did, in fact, occupy one villa, performed a housewarming ceremony there, and even obtained electricity connections independently, yet refused to confirm possession in writing or pay any maintenance charges.

20. The Respondents contend that, in accordance with the Development Agreement, allottees are responsible for separately applying for and bearing the costs of any electricity and water service connections to their respective villas. The Respondents underscores that the Telangana Southern Power Distribution Company Limited and the Hyderabad Metropolitan Water Supply & Sewerage Board require applicants to submit individual ownership documents, identification proofs, and deposit or meter charges; the respondent cannot be held accountable for any delay or failure by the petitioners to secure these connections. The respondent has, however, provided underground cables, water lines up to the sump areas, and the necessary infrastructure at the entrance of each villa.

21. The Respondents further asserts that the petitioners demanded a range of additional or modified civil works during the construction phase. Although the respondent completed such extra works in good faith, the petitioners failed to settle the corresponding costs. In addition, the Development Agreement obligates each petitioner to bear monthly maintenance charges for the common areas and shared facilities from the date the occupancy certificate was issued. None of the petitioners have complied with this obligation or remitted any amounts, thereby causing financial prejudice to the respondent.

22. The Respondents stress that Section 19(10) of The Real Estate (Regulation and Development) Act, 2016 clearly enjoins every allottee to take possession of the villa within two months of the occupancy certificate being issued. Moreover, as soon as the Respondent 1 received the occupancy certificate, repeated intimation were given to the Complainants to collect keys and complete formalities. Instead of complying, the Complainants have raised belated and unfounded allegations of incomplete work, even though the independent engineer's certificates confirm completion, and GHMC granted occupancy certificates only after due inspection.

23. The Respondents refute the contention that there is any deficiency in the standard of construction or that any alleged "incomplete works" warrant further rectification. The villas have been built strictly in accordance with sanctioned plans and applicable building bylaws. The ramp alignments, elevations, and approach roads follow GHMC approvals. Demands for

major alterations beyond the sanctioned plans were neither part of the original agreement nor feasible without further approvals. Nevertheless, the Respondents accommodated extra requests wherever possible, incurring additional expense that remains unpaid.

24. The Respondents dispute the demands for installing a transformer separately within the project premises. No such contractual assurance was given, as electricity is already being supplied via the 11 kV feeder transformer to all villas. Complainants who complied with the statutory requirements have been successfully receiving power. Likewise, water supply in the locality is dependent on the government's pipeline work, sanctioned in 2022, and now under execution. Petitioners must apply directly for individual connections; the respondent bears no liability for such applications or their approval.

25. The Respondents stress that any delays perceived by the petitioners actually stem from their own failure to execute a proper partition deed amongst themselves for the villas allocated in the supplementary agreement dated 06.09.2017. The respondent has no role or responsibility in partitioning or adjudicating how the family members distribute the five villas. One family member took possession, installed additional features (including a lift), and has been enjoying full occupancy. Yet even that member refuses to sign a formal handover document or pay outstanding maintenance amounts.

26. The Respondents rely on the judgment of the Hon'ble Supreme Court in Ireo Grace Realtech Pvt. Ltd. vs. Abhishek Khanna (2021) 3 SCC 241 and on the ruling of the Hon'ble National Consumer Disputes Redressal Commission in Rajesh Agarwal vs. Chintels India Ltd. (2024) 01 NCRDC CK 0113. Both decisions reiterate that once an occupancy certificate is obtained and possession is offered, the homebuyer is contractually bound to accept possession, and cannot subsequently claim delay or deficiency. The Respondents thus submit that the petitioners' attempts to seek compensation and raise allegations regarding so-called "incomplete works" lack both factual and legal basis.

27. The Respondents further asserts that the claim for compensation to the tune of one crore rupees for each petitioner is illogical, excessive, and devoid of merit. Having completed the villas within the contractual timeline counting from the date of GHMC approvals the respondent cannot be penalized for the petitioners' refusal to take timely possession. The respondent has expended considerable resources to maintain the premises and keep the villas in readiness; the petitioners' conduct in neither paying maintenance nor completing their own statutory obligations has caused significant loss to the respondent.

28. In light of the foregoing, the Respondents pray that the Hon'ble Authority dismiss the petitions in line for lack of any substantive or legal grounds. The respondent also respectfully seeks directions for recovery of unpaid maintenance charges and costs of additional civil works executed at the petitioners' request. It is submitted that the petitioners' failure to take possession as per Section 19(10) of The Real Estate (Regulation and Development) Act, 2016 and their ongoing neglect of contractual obligations disentitle them to any relief. The respondent accordingly prays that all claims of the petitioners stand rejected, with costs awarded in favour of the respondent.

D. Rejoinder:

29. The Complainants submit that the petition is maintainable before this Hon'ble Authority and that there is clear jurisdiction to entertain and grant the reliefs sought. The complainant asserts that the respondent cannot take shelter under alleged delays in obtaining permissions from civic authorities and then shift the blame for its inaction. The Complainants contend that once a development agreement was signed, it was incumbent upon the respondent to act promptly, secure all necessary approvals without undue delay, and complete construction in a timely manner. Instead, the respondent delayed the application for permissions by more than two years, resulting in cost escalations and hardships entirely attributable to the respondent's own inaction.

30. The Complainants aver that the Occupation Certificates purportedly obtained in and around August to October 2021 merely reflect GHMC's local body norms rather than any compliance with the specific requirements of the development agreement or supplementary agreement. Contrary to the respondent's contentions, the complainant and the other family members could not take possession of their respective villas because they were neither completed to the promised specifications nor handed over in a fully habitable condition. It is emphatically denied that any landowner refused possession out of frivolous reasons; the villas simply remained incomplete and deficient in vital respects.

31. The Complainants submit that it is false for the respondent to assert that certain family members, including one occupying Villa No. 10, had duly taken possession and that others failed to occupy their villas on flimsy grounds. The Respondents were well aware of how the villas were partitioned among the family, as is evident from its own statements referencing specific alterations, electrical reworks, and so-called "extra civil works" in each villa. These details clearly show the respondent's knowledge of which villa belonged to which owner.

Despite such knowledge, the respondent did not address the repeated complaints about incomplete finishing, sub-standard materials, and lack of proper utility connections.

32. The Complainants further state that the respondent's reference to "alterations demanded by the owners" is grossly inaccurate. In reality, what the respondent calls "alterations" were corrections of deficiencies and completion of the promised specifications. The Respondents tried to impose a rigid condition that the keys to any villa would only be handed over if the owners signed a declaration stating the villas were fully completed as per the development and supplementary agreements. The Complainants highlight that none of the villas were indeed fully completed. When members of the family went to inspect the site, the Respondents, on several occasions, kept them waiting without granting access to the villas, thus compounding the harassment and delay.

33. The Complainants assert that no legitimate monthly maintenance charges can be levied for unfinished or partly finished villas that were never properly handed over. It is unethical and unlawful to charge for maintenance when the developer has neither formed any owners' association as required by the development agreement nor provided completed common areas and facilities. In many instances, the respondent demanded arbitrary sums for "maintenance" despite there being no evidence of any actual upkeep or services rendered in the incomplete structures.

34. The Complainants vehemently denies the Respondent's narrative that the landowners requested extensive "extra civil work" in each villa, promising to pay additional costs. On the contrary, the respondent left major aspects of the construction only partially finished and repeatedly failed to meet promised standards of quality. Any suggestion that the complainant or family members owe money for supposed extras or reworks is belied by the fact that much of the so-called "extra work" was simply the respondent's obligation to fix sub-standard finishes, insufficient electrical cabling, drainage connections, or other contractual requirements. The complainant specifically points out that the respondent's demands for borewell debris cleaning charges, drainage rework fees, or tile upgrades are wholly unjustified, as the development agreement obligates the respondent to deliver clean, completed villas in accordance with agreed technical and quality specifications.

35. The Complainants further state that the Respondents shifted responsibility for obtaining separate electrical transformers and water or sewage connections onto the landowners, even though the development agreement clearly shows that such tasks lay with the respondent. The

respondent's own counter reveals that municipal water lines were never operationally connected to the villas at the time possession was allegedly offered. Without water supply, sewage outlets, or a dedicated power transformer, no reasonable person could occupy the villas.

36. The Complainants underscore that, although one family member did a ceremonial function in Villa No. 10, there was no actual liveable occupation. That individual was forced to take a temporary electricity line from the street pole simply to carry out interior work, as the respondent failed to provide the promised separate transformer or complete the electrification as per the development agreement. This singular event does not absolve the respondent of its numerous contractual breaches or justify the demand for monthly maintenance from any of the villa owners.

37. The Complainants refute the Respondent's attempt to invoke judgments purportedly claiming that owners must apply for utility connections individually. Those rulings do not apply to the facts here, since the respondent explicitly took on obligations in the development agreement to provide the necessary infrastructure and to deliver fully functional villas. The occupant certificates the respondent relies upon cannot conceal that the villas lacked crucial basic amenities at the time of supposed completion.

38. The Complainants pointed out that any references by the Respondents to the family's internal partition are a mere smokescreen. The internal arrangements among the complainant and other co-owners have no bearing on the respondent's duty to build and hand over fully compliant, habitable villas. The Respondent's repeated allegations about incomplete partition documents are thus irrelevant and were clearly raised only to sidestep its own failures.

38. The Complainants submitted that numerous written and oral requests were made to the Respondents to remedy specific construction defects, yet critical issues such as levelling of the villas, rectifying lower floors compared to surrounding areas, ensuring ramps, and providing final finishing remain unresolved. Despite some minor fixes here and there, the Respondents persistently refused to finalize the key works or to turn over complete sets of original title deeds and records, making it impossible for the complainant to proceed with normal occupancy or further improvements.

39. The Complainants maintain that the Respondent's counterclaims seeking to collect maintenance arrears or lump-sum amounts for alleged extra works are transparent attempts at arm-twisting the owners into accepting sub-par construction. It is not lawful for a developer to demand monthly dues for property never truly delivered as per the agreed scope. Equally

baseless are the inflated figures claimed for cables, drainage, or rework, which stem from the respondent's inadequate initial implementation.

40. The complainant therefore prays that this Hon'ble Authority take note of the Respondent's deficiencies, latches, and failure to hand over villas fit for occupation and direct the respondent to complete all outstanding works, provide the requisite utilities, and fulfil every obligation imposed by the development agreement and supplementary agreement. Further, the complainant requests that all baseless claims for maintenance or extra work charges be dismissed and that appropriate compensation be awarded for the delay, the sub-standard construction, and the hardships that the complainant has endured due to the respondent's conduct.

41. Wherefore, the Complainants humbly pray that the Hon'ble Authority be pleased to allow the present petition and grant all such reliefs as are just and proper under the circumstances. The Complainants reiterates that each submission herein underscores the respondent's breaches, the continued incomplete state of the villas, and the injustice faced by the Complainants, thereby entitling the Complainants to the reliefs sought.

E. Points for consideration are as follow:

42. Taking into consideration the allegations made by the complainant and the submissions made by the Respondent in the counter and the counter narrated herein above, rejoinder submitted by the complainant and rejoinder narrated herein above and as also the arguments submitted during the course of arguments on both sides, the points that arise are as follow:

1. Whether the present complaints are maintainable before this Authority?
2. Whether the Respondent has violated the provisions of the Real Estate (Regulation and Development) Act, 2016?
3. Whether the Complainants are entitled to the reliefs sought?

F: Observation by the Authority:

43. Points 1 and 2 are taken up together, as they are interlinked and rest upon a common factual and legal substratum.

Point 1&2:

44. The Respondents have raised a preliminary objection as to the maintainability of the complaints, contending that the Complainants, being original landowners under a Development

Agreement-cum-General Power of Attorney (DGPA), do not qualify as “allottees” under Section 2(d) of the Real Estate (Regulation and Development) Act, 2016. It is further contended that each villa admeasures less than 500 sq. metres and therefore falls outside the threshold for mandatory registration under Section 3(2) of the RE(R&D) Act.

45. This Authority finds both limbs of the Respondents’ objection to be devoid of merit and misconceived, both in fact and in law.

46. From the documentary record and admitted facts, it is evident that the Complainants, being landowners, executed a registered DGPA in favour of the Respondent-promoter, thereby transferring possession and development rights over their respective land parcels. In consideration thereof, the Respondent undertook to construct and deliver five specific villas one to each of the five landowners. These specific units were formally allotted under Supplementary Agreements dated 06.09.201

47. There is no material on record to suggest that the Complainants had any involvement, control, or participation in the planning, execution, sale, or marketing of the real estate project. No profit-sharing, joint decision-making or promoter arrangement exists. The contractual arrangement is in the nature of a barter land exchanged for specific completed residential villas and consideration in kind, and not a joint development venture in the legal or commercial sense. Thus, the contention that the Complainants are promoters is fallacious and untenable.

48. As per Section 2(d) of the RE(R&D) Act, an “allottee” includes any person to whom a plot, apartment, or building has been allotted, sold, or transferred by the promoter, and includes subsequent transferees. The Complainants were allotted specific residential villas under formal agreements, and such allotment formed the core consideration for the DGPA. In this context, the Complainants clearly fall within the ambit of the term “allottee” under the Act.

48. The second leg of the objection pertains to the applicability of the RE(R&D) Act on the ground that each constructed villa is below the threshold of 500 sq. metres. This Authority finds such an argument unsustainable.

49. It is observed that the Respondent obtained a composite layout approval for the entire land over an extent of 2,508 sq. metres (approximately 3,000 sq. yards), vide proceedings No. 103067/02/11/2016/HO/539 dated 06.05.2017. The subsequent construction of villas with individual approvals for construction of the villas was obtained by the Respondent. For this, reference to section 3 and 2(zn) of the RE(R&D) relied on:

2(zn) “real estate project” means the development of a building or a building consisting of apartments, or converting an existing building or a part thereof into apartments, or the development of land into plots or apartments, as the case may be, for the purpose of selling all or some of the said apartments or plots or building, as the case may be, and includes the common areas, the development works, all improvements and structures thereon, and all easement, rights and appurtenances belonging thereto;

Section 3 of the RE(R&D) Act states:

—(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: Provided that projects that are ongoing on the date of commencement of this Act and for which the completion certificate has not been issued, the promoter shall make an application to the Authority for registration of the said project within a period of three months from the date of commencement of this Act: Provided further that if the Authority thinks necessary, in the interest of allottees, for projects which are developed beyond the planning area but with the requisite permission of the local authority, it may, by order, direct the promoter of such project to register with the Authority, and the provisions of this Act or the rules and regulations made thereunder, shall apply to such projects from that stage of registration.

(2) Notwithstanding anything contained in sub-section (1), no registration of the real estate project shall be required— (a) where the area of land proposed to be developed does not exceed five hundred square meters or the number of apartments proposed to be developed does not exceed eight inclusive of all phases: Provided that, if the appropriate Government considers it necessary, it may, reduce the threshold below five hundred square meters or eight apartments, as the case may be, inclusive of all phases, for exemption from registration under this Act; (b) where the promoter has received completion certificate for a real estate project prior to commencement of this Act; (c) for the purpose of renovation or repair or re-development which does not involve marketing, advertising selling or new allotment of any apartment, plot or building, as the case may be, under the real estate project. Explanation.—For the purpose of this section, where the real estate project is to be developed in phases, every such phase shall be considered a stand alone real estate project, and the promoter shall obtain registration under this Act for each phase separately.

49. Section 2(zn) of the Real Estate (Regulation and Development) Act, 2016 unequivocally defines a “*real estate project*” to include the development of land into plots for the purpose of sale. In the present case, the Respondent had obtained a composite layout approval over a total extent of 2,508 sq. metres (approximately 3,000 sq. yards) well in excess of the statutory exemption threshold of 500 sq. metres stipulated under Section 3(2)(a) of the RE(R&D) Act. The Respondent’s subsequent act of obtaining piecemeal construction approvals for individual villas each falling below the 500 sq. metre limit appears to be a deliberate and calculated attempt to circumvent the mandatory requirement of project registration under the RE(R&D) Act.

50. This Authority unequivocally condemns such stratagems. Any attempt by a promoter to fragment an integrated project in order to evade regulatory oversight strikes at the very foundation of the statutory scheme enacted for consumer protection, transparency, and accountability in the real estate sector. Such conduct cannot be countenanced. The Respondent’s approach constitutes a clear abuse of process and a subversion of legislative intent. This Authority puts the Respondent, and similarly placed promoters, on notice that any repetition of such regulatory evasion shall invite stringent action under the provisions of the Act, including but not limited to prosecution under Section 59.

51. In view of the foregoing, the project in question squarely qualifies as a “*real estate project*” under Section 2(zn) of the Act and is mandatorily required to be registered under Section 3. The failure of the Respondent to register the project constitutes a direct violation of Sections 3 and 4 of the Act. Accordingly, the Authority holds that the Respondent is in breach of its statutory obligations and is liable to be proceeded against under Section 59 of the RE(R&D) Act.

52. In substance, the Complainants stand on the same legal footing as any end-consumer or homebuyer. They were assured delivery of specifically allotted constructed villas within stipulated timelines. Their grievances, which relate to delay in delivery, substandard construction, and breach of contractual assurances, fall squarely within the jurisdiction of this Authority and are precisely the kinds of disputes that the regulatory framework under the RE(R&D) Act is intended to address. The legislative purpose of the RE(R&D) Act to protect the interests of allottees and ensure accountability of promoters would be defeated if such Complainants are denied access to regulatory redress.

Point 3:

53. The Complainants have sought directions from the Authority to direct the Respondent promoter to rectify the structural defects and other deficiencies in the villas allotted to them. The issue, therefore, warrants examination under Section 14(3) of the Real Estate (Regulation and Development) Act, 2016. Section 14(3) of RE(R&D) Act reads as under:

(3) 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 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.

54. Section 14(3) of the RE(R&D) Act casts a mandatory obligation on the promoter that in case of any structural defect or any other defect in workmanship, quality, provision of services, or any other obligations under the Agreement for Sale, if brought to the notice of the promoter by the allottee within a period of five years from the date of handing over possession, the promoter shall rectify such defects without further charge, within thirty days.⁵³ In the present case, the Developer-General Power of Attorney (DGPA) dated 02.12.2015 executed between the Complainants and the Respondent forms the foundational contractual document. The annexures to the DGPA stipulate the Edifice Project Villa Specifications, which the Respondent was obligated to comply with. Additionally, the Supplemental Agreement dated 06.09.2017 reiterated these commitments.

55. The Authority notes that a joint inspection of the villas was carried out by both parties through Omcee Designs, and a detailed report dated 16.11.2022 was submitted. The inspection identified specific items that require rectification in alignment with the agreed specifications under the DGPA and Supplemental Agreement. These identified deficiencies shall be rectified by the Respondent promoter in compliance with their statutory and contractual obligations.

56. The Respondent promoter contends that certain additional requests raised by the Complainants during the inspection were not part of the original specifications or contractual commitments. While this may be true, the Authority confines its directions strictly to such items that are expressly stipulated in the original DGPA and supplemental agreement. Any demand beyond such scope cannot be imposed on the Respondent.

57. Therefore, the Respondent promoter is hereby directed to complete all the agreed specifications and rectify all deficiencies in the villas of the Complainants in accordance with the commitments made under the DGPA dated 02.12.2015 and the Supplemental Agreement dated 06.09.2017.

58. The Complainants have also prayed for directions to the Respondent to provide a dedicated transformer within the project premises of "La Bouquet Edifice" and to ensure electricity and water connections to Villa Nos. 03, 04, 05, 09, and 10 in accordance with the agreements and annexures.

59. The Respondent has submitted that electricity connections have been provided up to the distribution board of each villa using underground cable networks up to the villa entrance. For individual connections, it is the mandate of the Southern Power Distribution Company of Telangana Limited (TSSPDCL) that the allottees must individually apply by furnishing proof of ownership, Aadhaar, and making the necessary payments such as security deposit and meter charges.

60. The Authority finds merit in the Respondent's submission. Once the internal electrical infrastructure has been provided by the promoter up to the entrance of the villas, the onus lies on the individual allottee to apply for and obtain an individual service connection from TSSPDCL by complying with statutory requisites. The Respondent promoter cannot be held liable for such individual obligations.

61. Similarly, the water pipeline infrastructure that is part of the promised amenities must be provided as per specifications; however, the operational connection to municipal or local water supply shall follow due procedures of the concerned department. If infrastructure is found lacking in the internal water connectivity to the specified villas, the same shall be rectified by the Respondent.

62. The Complainants have raised objections regarding the leveling and elevation of the villas vis-à-vis the sanctioned plans. The Respondent has obtained an Occupancy Certificate (OC) for the said villas from the competent municipal authority, which raises a presumption of conformity with the sanctioned plan.

63. If the Complainants still allege deviations from the sanctioned plans, such as improper levelling or elevations that are not in conformity with the approved layouts, the proper recourse for them would be to approach the competent planning authority for necessary action. This

Authority cannot adjudicate upon disputes requiring technical re-verification of sanctioned plans beyond its statutory jurisdiction.

64. It is undisputed that although the agreement was executed in December 2015, the Respondent secured layout approval only in May 2018 and obtained individual building permits in August 2019. The Respondent has relied on Clause 11 of the DGPA, which provides a construction period of up to 48 months from the date of sanction.

65. Thus, computing the timeline from the date of final sanction (August 2019), the Occupancy Certificate obtained by October 2021 appears to be within the outer limit contractually agreed between the parties. Further, email correspondences dated 27.09.2021 and 17.01.2022 reveal that the Respondent informed the Complainants about the completion of the villas and their readiness for possession.

66. While the Complainants chose to withhold acceptance of possession owing to dissatisfaction with the construction quality, they were not denied the opportunity to take over their respective villas. Hence, the obligation to get the properties registered also lies with the Complainants.

67. Therefore, the Authority directs the Respondent to complete the process of handing over possession by facilitating registration of the villas in the names of the Complainants immediately. The Respondent shall also rectify all identified defects and provide all assured amenities in accordance with the DGPA and Supplemental Agreement.

G. Directions of the Authority:

68. In view of the detailed observations made hereinabove and upon careful consideration of the pleadings, documents placed on record, the submissions made by both parties, and applicable provisions of the Real Estate (Regulation and Development) Act, 2016, this Authority is of the considered opinion that the Complainants are entitled to the following reliefs:

- a. The Respondent promoter is directed to complete and rectify all defects and deficiencies in the villas bearing Nos. 03, 04, 05, 09, and 10, strictly in accordance with the specifications contained in the Developer-General Power of Attorney (DGPA) dated 02.12.2015 and the Supplemental Agreement dated 06.09.2017. This shall include all items identified and recorded in the joint inspection report dated 16.11.2022, to the extent that such items form part of the agreed contractual specifications within forty-

five (45) days from the date of the Order, in view of the observations made in para 47 & 48.

- b. The Respondent is further directed to facilitate immediate registration and handover of possession of the respective villas to the Complainants, if not already completed. The Complainants, in turn, are directed to cooperate in the process and execute all necessary formalities for the same.
- c. The Authority finds that the project undertaken by the Respondent promoter falls within the definition of a "real estate project" under Section 2(zn) of the RE(R&D) Act, and was liable to be registered under Section 3 of the RE(R&D) Act. The Respondent's failure to register the project is a violation of Sections 3 and 4 of the RE(R&D) Act.
- d. For violation of Sections 3 and 4 i.e., for non-registration of the concerned project the Respondent is liable for penalty under Sections 59 and 60 respectively, therefore, the Respondent 1 is directed to pay penalty of Rs. 15,29,416/- (Rupees Fifteen lakh twenty nine thousand four hundred and sixteen only) payable within 30 days from the date of this Order, in favour of TGRERA FUND through a Demand Draft or online payment to A/c No. 50100595798191, HDFC Bank, IFSC Code: HDFC0007036;

69. Failure to comply with above said directions by the Respondent shall attract penalty in accordance with Section 63 of the RE(R&D) Act, 2016.

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

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