

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

Complaint No. 91 of 2024
Dated: 17th May 2025

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

Darbar MCOR Apartment Members

(Royal Homes Colony, backside Fusion International School, Ameenpur, Hyderabad - 502032)

...Complainant

Versus

M/s MCOR LLP Projects

(Rep by Designated Partner Vadala Ranjendranath- Hyderabad)

...Respondent

The present matter filed by the Complainant herein came up for hearing on 09.01.2025 before this Authority in presence of Complainant and their Counsel Kolli Ganapathi and Respondent Counsel D.Venkateshwara Rao; upon pursuing the material on record and on hearing arguments of the both the parties and having stood over for consideration till this day, the following order is passed:

ORDER

2. The present Complaint has been filed by the Complainant 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 Respondents.

A. The brief facts of the case, as stated by the Complainant, are as follows:

3. The Complainants herein are the allottees and residents of the project known as "Darbar", developed by the Respondent. The Complainants have collectively formed a Resident Welfare Association to represent their grievances and concerns arising from the actions and omissions of the Respondent.

4. It is alleged that, as per the sanctioned layout plan uploaded on the TS-RERA website, each flat was to be allotted a parking space of 125 square feet. Contrary to this, the Respondent

has only provided approximately 100 square feet of parking per flat, thereby reducing the allotted space and carving out five additional parking slots. These additional slots, it is alleged, are being sold by the Respondent to other residents, which has caused inconvenience to the original allottees due to insufficient parking space.

5. The Complainants further allege that despite having received the Occupancy Certificate (OC) in June 2023, the Respondent continues to exercise control over the common parking area. It is stated that the Respondent regularly parks his own vehicle in the common area of the Complainants' apartment premises and retains authority over the five extra parking slots created in deviation of the approved plan.

6. It is also alleged that the Respondent has threatened to occupy the children's play area for his personal use and has denied handing it over to the Complainants' association. The Complainants assert that such threats are in violation of the applicable provisions of the Real Estate (Regulation and Development) Act, 2016, and the conditions of the sanctioned plan.

7. The Complainants have further brought to the notice of the Authority that there are several deficiencies in construction and quality of materials. It is alleged that while the Respondent had committed to providing teakwood doors, low-quality substitutes were installed. Additionally, structural issues such as cracks in the compound and internal walls have emerged, and water leakage is reported beneath the lift shaft. The Respondent has also allegedly made threats to occupy the terrace area, which forms part of the common amenities meant for the benefit of all residents.

B. Relief sought:

- a. To direct the Respondent to surrender the five additional parking slots created in deviation of the sanctioned plan and hand over the same to the Complainants' association, or enlargement of individual parking spaces in accordance with the approved plan as mentioned in RERA webpage.
- b. To award suitable compensation to the Complainants for the poor quality of construction and the mental harassment caused by the Respondent's conduct.
- c. To direct the Respondent to register the designated children's play area in the name of the Complainants' association.

C. Reply of the Respondent:

8. The Respondent has filed a detailed reply denying all the material allegations made in the complaint. At the outset, the Respondent has submitted that the present complaint is false, frivolous, vexatious, devoid of merit, and liable to be dismissed in limine. It is contended that the complaint discloses no cause of action and is barred on various grounds including limitation, jurisdiction, and maintainability.

9. The Respondent contends that the complainant, Mr. Nuthalapati Naga Sri Harsha, had purchased the subject flat from the Respondent in good faith. Despite not having paid the full consideration amount, the Respondent states that the flat was registered in favour of the Complainant. The Respondent further claims that an amount of Rs. 5,00,000/- remains outstanding and that when the Respondent demanded the said balance amount after registration, the Complainant allegedly threatened to initiate complaints before various authorities, including the present complaint before this Authority. The Respondent alleges that the complaint has been filed with mala fide intent and for extraneous purposes.

10. In reply to the allegations concerning parking spaces, the Respondent submits that all parking slots were allotted as per the sanctioned municipal plan, keeping in mind structural constraints such as pillars and driveways. It is further contended that the Respondent has not deviated from the approved layout and has complied with all relevant rules. The allegations regarding reduction in parking slot dimensions and the creation or sale of additional slots are specifically denied.

11. With regard to the quality of construction, the Respondent asserts that all construction work has been carried out as per industry standards and with materials of good quality. The Respondent denies that substandard material was used or that any deviation was made from the promised specifications, including the alleged non-provision of teakwood doors. The allegations regarding cracks in walls, water leakage near the lift shaft, and threats to occupy the terrace or play area are also denied.

12. The Respondent has further submitted that, on a bare reading of the complaint, it is evident that the Complainants are attempting to pressurize the Respondent into a commercial settlement and that there exists no proper consumer-service provider relationship warranting adjudication by this Authority. It is contended that the nature of the disputes raised, even if assumed to be true, do not fall within the jurisdiction of this Authority and are civil in nature, and may at best be adjudicated by a competent civil court.

13. The Respondent has alleged that the complaint is intended to harass and malign the Respondent and that the Complainants have not made out any prima facie case for the reliefs sought. The Respondent has denied any liability for compensation on account of alleged mental harassment, unfair trade practices, or poor quality of construction, and has put the Complainants to strict proof of each and every allegation made.

14. The Respondent has also submitted that if the Authority considers it appropriate to constitute any committee for technical inspection regarding the quality of construction, he is willing to cooperate and participate. However, the Respondent contends that the cost for such committee inspection should be borne by the Complainants.

15. In conclusion, the Respondent has prayed for the dismissal of the complaint in its entirety with exemplary costs, as the same is alleged to be devoid of merits, misconceived, and filed with an ulterior motive to harass the Respondent and tarnish his reputation.

D. Observations of the Authority:

16. Upon a careful perusal of the material available on record, including the pleadings and documents filed by both parties, the core issue that arises for consideration before this Authority is: *“Whether the Complainant Association is entitled to the reliefs sought in the present complaint under the provisions of the Real Estate (Regulation and Development) Act, 2016?”*

17. At the outset, this Authority notes that as per Section 14(1) of the Real Estate (Regulation and Development) Act, 2016, the promoter is legally bound to carry out the development of the real estate project in accordance with the sanctioned plans, layout plans and specifications as approved by the competent authority. The said provision is mandatory in nature and imposes a statutory obligation upon the promoter to adhere strictly to the approved plans without any deviation unless permitted by law. Sanctioned plans are sacrosanct and cannot be altered unilaterally by the promoter.

18. As per the sanction plan, stilt floor car parking consist of 25 parking lots, and the same maybe followed by the Respondent. The Respondent shall remain bound by the obligations under Section 14 of the RE(R&D) Act to adhere to the sanctioned plan.

19. With respect to the grievance regarding the children's play area and common facilities, including the allegation that the Respondent continues to exercise control over common areas

despite the issuance of Occupancy Certificate, this Authority deems it appropriate to refer to Section 17(1) of the Act, which clearly mandates that the promoter shall hand over possession of the common areas to the Association of Allottees upon obtaining the Occupancy Certificate.

20. The promoter cannot retain any ownership or control over the common areas post-issuance of the Occupancy Certificate. The ownership and management thereof vests exclusively with the Association of Allottees. The promoter cannot assert any dominion or administrative authority over the said common areas merely on the ground of having developed the project.

21. It is further noted with concern that the Respondent has failed to file any reply or explanation in response to the above allegation concerning continued control and use of common areas. The silence of the Respondent in this regard leads this Authority to draw an adverse inference. Accordingly, the Respondent is hereby directed to forthwith hand over the physical possession and control of all common areas to the Association of Allottees, in strict compliance with Section 17(1) of the Act.

22. As regards the prayer for compensation for alleged construction defects and quality-related grievances, this Authority observes that such a relief falls within the exclusive jurisdiction of the Adjudicating Officer under Section 71 of the Act, read with Rule 35(1) under Form 'N' of TG RE(R&D) Rules, 2017. The Complainants are therefore at liberty to file a separate complaint in Form 'N' before the Adjudicating Officer, seeking compensation, if so advised, in accordance with law.

E. Directions of the Authority:

23. 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 her favour, and the Respondents are hereby directed as follows:

- a. The Respondent shall strictly adhere to the sanctioned plans as approved by the competent authority. Any deviation from the sanctioned plan shall attract penal consequences as envisaged under the provisions of the Real Estate (Regulation and Development) Act, 2016.
- b. The Respondent is directed to hand over the physical possession of the common areas of the project to the Association of Allottees in accordance with Section 17(1) of the

RE(R&D) Act. The Respondent is further restrained from interfering in any manner with the administration, control, or use of the said common areas, as such rights exclusively vest with the Association of Allottees upon issuance of the Occupancy Certificate.

24. The Respondent is hereby cautioned that failure to comply with the above directions shall render them liable for penal action under Section 63 of the Real Estate (Regulation and Development) Act, 2016, for non-compliance with the orders of the Authority.

25. The complaint stands disposed of in the above terms. There shall be no order as to costs.

**Sd-
Sri. K. Srinivasa Rao
Hon'ble Member
TG RERA**

**Sd-
Sri. Laxminaryana Jannu
Hon'ble Member
TG RERA**

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

