

**BEFORE THE STATE CONSUMER DISPUTES REDRESSAL COMMISSION
OF TELANGANA AT HYDERABAD**

C.C. NO. 54 OF 2019

Between:

Pragada Srinivas,
S/o Venkateswarlu,
Aged about 37 years,
R/o H.No.12-33, Adarsh Nagar,
Balanagar, Hyderabad.

Complainant

Vs.

1. M/s. Villa Orchids, Rep. by its
Managing Partner Anand Mehta,
Office at 5-4-187/3 & 4,
Soham Mansion, M.G.Road,
Secunderabad.
2. M/s. Venkataramana Constructions Rep. by its
Managing Partner A. Rama Reddy,
Office at 2-3-35, Sri Sai Residency,
Amberpet, Hyderabad



..... Opposite parties

COMPLAINT FILED UNDER SECTION- 17(1)(a) OF C.P. ACT

The address for service of summons, notices, etc. on the above complainant and opposite parties are as shown in the above cause title.

Brief Facts of the Complaint:

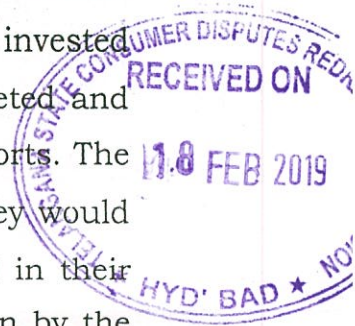
1. The complainant is an employee working in private sector and he intended to own a house at Hyderabad as he was not having any own house, in the Opposite parties venture in Sy. No. 1 to 7 of Kowkur village, Bollaram Mandal, Secunderabad. It is further submitted that the Opposite parties were developed the above land and constructing the houses / villas in the above Sy. No.1 to 7 for profit motive and the same are selling to the needy public. In the process of development and sales, the 1st Opposite Party issued several advertisements for sale of their plots, individual house and construction of villas, and for promotion of sales business and wide publicity with regard to their quality of construction. It is submitted that the 1st Opposite Party who is builder and was having real estate business for more than 50 years and also constructing the individual houses and villa/flats in and around Hyderabad and Secunderabad areas for profit motive. It is submitted that, the 2nd OP for the reasons best known to them that they have entered into a construction agreement with the 1st Opposite Party for development of

the undeveloped plots in Sy.no. 1 to 7 of Kowkur village with reasonable rates with an intention to sell the same to the public and get more consideration and profit. The 2nd Opposite Party approached the 1st Opposite Party and offered to give their plots for development which was accepted by it and thus the Opposite Parties 1 & 2 entered into a development agreement. As per this development agreement, the 1st Opposite Party has to construct and arrange purchasers for the houses/villas with a reasonable rates and also to arrange sale of the houses, villas to third parties. Further as per the agreement, the 1st Opposite Party have a right to sell the plots agreed for development under the above agreement and the 2nd Opposite Party has no right to interfere with the construction or sale of the houses/flats except they are entitled to receive the amounts as per the development agreement between them.

2. It is submitted that the 1st Opposite Party after entering into the development agreement, it has taken possession of the plots and developing the same as per the agreement by selling the said Plots to 3rd parties and also paying consideration to the 2nd Opposite Party as per the agreement. In the process of the development, the 1st OP made an advertisement of their houses/villas to be constructed at Sy. No. 1 to 7 of Kowkur village and the same was offered to the general public. It is not out of place to state that the 1st Opposite Party is running construction business for a long time and it is having good reputation in the market. Thus, the complainant came to know the activities of the 1st Opposite Party on the lands of the 2nd Opposite Party in sy. No.1 to 7 of Kowkur village and the complainant approached them to purchase a villa from the 1st Opposite Party.
3. The complainant has approached to the 1st Opposite Party after coming to know that they had undertaken a venture under the name and style of M/s. Villa Orchids in Sy. No. 1 to 7, Kowkur, Bollaram, Secunderabad since they had given wide publicity and advertisement through their representatives. The complainant was so convinced by the reputation which was projected by the 1st Opposite parties that they are reputed builders and that the investment made by him will be a good investment and he can live cozily in the villa going to be constructed by them with all modern amenities and facilities. Therefore, having convinced about the projections made by the 1st Opposite Party, the complainant booked villa No.89 of an extent of 180 sq yards with built up area of 1940 Sft for a

total sale consideration of Rs.65,00,000/-. At the time of booking the villa he had paid an amount of Rs. 25,000/- on 22-01-2018 and again on 22-02-2018 an amount of Rs.2,00,000/- were paid by the complainant.

4. The complainant came to know that the 1st Opposite Party is their builder, who had undertaken construction works of the villa and 2nd Opposite Party the land owner and that they had entered into a Memorandum of Understanding for development of the project for construction of villa and thus both of the O.P.s had undertaken the work for the construction of the villa, in which the complainant has booked a villa No.89. The Opposite Parties had also provided an opportunity to the complainant and like other investors he booked villa in the said project for payment of the sale consideration by instalment scheme and the payment can be made by way of instalment depending upon the construction of the villa. The Opposite Parties supposed to complete the villa no.89 and the complainant can pay the amounts as per the scheme provided by them. The complainant as well as others who had invested their money's expecting that the construction has to be completed and they will occupy the property and live in the same with all comforts. The complainant had also expressed to the Opposite Parties that they would pay the total sale consideration for the villa is to be completed in their project so that he can occupy the same but no effort was put in by the OP.s either to take up the venture by construction of the villa as per the assurances given to the complainant. After waiting for a considerable period as the Opposite Parties did not come forward to complete the construction of the villas even though the complainant had booked a villa on the said assurance that construction would be completed and physical possession would be given to the complainant and he made all the preparations for making the payment to the Opposite Parties by raising substantial amounts and keep it part for the purpose. Thus the complainant had also issued a legal notice to the OP.s on 17-4-2018 demanding the Opposite Parties to furnish the information as regards the exact date of delivery of physical possession of the villa and also for payment of the agreed sale consideration but inspite of receiving the said notices there is no response from them. Thus the complainant has filed the complaint before this Hon'ble Commission and the same was withdrawn as the Commission was observed that there is no cause of action to file the complaint. Thereafter he had personally approached the 1st opposite party and expressed that he had invested money by booking villa No.89 on the assurance given by it but it was not fulfilled promise



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made by it. Then it was informed by the 1st opposite party the construction activity is going on the plot by him for construction villa in the project but it is not as per the specification and structure shown to the complainant and that the same was made by the 2nd opposite party with intention to black mail and to get more money and houses from them. Further this action of the 2nd opposite party is without their consent or information and the same is against the development agreement entered by it. Further they have promised to get the complainant plot/booked for him by consulting and settling the matter with the 1st opposite party and the same will be informed within a week or so but no steps been taken till date and no information from them.

5. It is submitted that the complainant has invested the money for the hope he will get the villa from the opposite party no.1 on paying the balance installments and consideration of the house as per the terms of the contract/booking form. Further the complainant has shown the booking plot to all his family members and also informed to his relatives that they are going to get the villa in plot No.89 to be constructed by the 1st opposite party. Now contrary to the agreed terms of the booking application, but it has not rendered the service which is expected by the complainant for the part consideration paid and balance to be paid as per the booking terms. Thus there is a deficiency of rendition of services by the Opposite Parties who failed to complete the construction and give physical possession to the complainant in respect of villa No.89 which he had booked on 22-01-2018. It was also admitted fact that the OP No.1 had advertised and propagated the building of villa in their venture and also provided applications to public, complainant booked the said villa No.89 but the OP did not facilitate the complainant by completion of the villa which caused loss to the complainant. It is submitted that the services are agreed to be provided by the Opposite parties are within the scope of the CP Act and the complainant is a consumer and therefore he is entitled to claim damages and compensation in addition the promised service completion of the villa on plot 89 as per the booking terms and conditions.

6. It is submitted that the OP-1 & 2 are doing the business for profit motive and they have also made advertisement for sale of their flats/ villas which attracted the complainant and he booked Plot no.89 by paying advance amount of Rs.20,000/- and later on 22.01.2018 paid consideration of Rs.3,00,000/- and Rs.2,05,000/- thus complainant is a

consumer for the service availed from OP.s for consideration, thus the consumer complaint is maintainable.

7. It is submitted that the OP extracted money from the complainant but they have not fulfilled their promise to complete the villa as per the agreement entered by the parties. Consequently, the complainant sustained monetary loss in addition to pain and suffering. It is submitted that due to non-providing of villa /house by the OP, the complainant has suffered mental agony and pain and suffering addition to monetary loss, thus complainant is estimated compensation of Rs.5,00,000/- towards mental agony and suffering and pain and the OP.s are liable to pay the same.

8. In view of the above facts and circumstances the complainant prayed the Hon'ble Commission to direct the Opposite parties to make the construction of the villa as per the application received from the complainant on 22-01-2018 and give physical possession on receiving the balance sale consideration amount from the complainant or in the alternative if the OP fails to construct the villa No.89 and refused to give constructed villa No.89, the Hon'ble Commission may direct the OP.s to refund the amount received from the complainant along with the interest @ 24% p.a. from the date of receipt till payment in addition to the liquidated damages to Rs.10,00,000/- (Rupees ten lakhs only) and costs to the complainant. It is further submitted that pending disposal of the complaint if the opposite parties particularly the 2nd opposite party having to complicate the issue it is started construction and also learnt that they having intention to create any third parties interest on the Plot No.89 of an extent of 180 sq yards in the venture M/s. Villa Orchids in Sy. No. 1 to 7, Kowkur, Bollaram, Secunderabad, then the entire issue will be complicated and the complainant will not get the same. Therefore, it is just and proper in the interest of justice to direct the opposite parties not to create third parties interest on the above Plot No.89 of an extent of 180 sq yards in the venture M/s. Villa Orchids in Sy. No. 1 to 7, Kowkur, Bollaram, Secunderabad including alteration of physical features of the said property, otherwise the complainant will be put to irreparable loss and injury.

Jurisdiction:

9. It is submitted that the OP.s are having their offices at Secunderabad and the property is where the complainant was ~~booked~~ ^{booked} for the villa is ~~50.00 Lakhs~~ ^{Value above Rs 50.00 Lakhs}

[Signature]



situated at Secunderabad, thus this Hon'ble commission have jurisdiction to entertain the suit. Further the claim of the complaint is more than Rs. 50,00,000/- and below Rs.1,00,00,000/- as such the complaint is within the pecuniary and territorial jurisdiction of this Hon'ble commission.

Cause of action:

10. It is submitted that the OP-2 who is owner of the land and he entered a development agreement with the 1st OP, basing on it the 1st opposite party made advertisement of sale of houses/villas, on such the booked the villa on plot no.89 in the venture i.e. M/s Villa Archids 22.01.2018 by paying advance amount, the complainant another part consideration amounts on 22.02.2018 to the 1st opposite party, the opposite parties failed to start the construction as such the complainant gave legal notice on 17.04.2018 and the same was received by them, the opposite parties, 2nd opposite party gave reply dt. 01.09.2018 stating that the 1st opposite party is contracting house on it against the development agreement and promised to settle the issue within 10 days from that date with the 1st opposite party but not settled as on date. Thus the complaint is within Limitation period.

Court fee:

11. It is submitted that basing on claim of the complainant, the claim is more than Rs. 50,00,000/- and below Rs.1,00,00,000/- and basing on it the complainant obtained DD for Rs. 9,000/- + 2,000/- and paid fixed court fee of Rs. 4,000/- (Rs. 4,000/- + 2,000/-) in favour of the Telangana State Consumer Disputes Redressal Forum. Hence this complaint.

Prayer:

12. It is therefore prayed that this Hon'ble commission may be pleased to allow complaint by directing opposite parties No.1 & 2;
- To complete construction of house /villa No.89 of an extent of 180 sq yards in Sy. No. 1 to 7 of Kowkur village, Bollaram Mandal, Secunderabad with built up area of 1940 Sft as promised in the agreement and provide amenities. (Value of Rs. 65,00,000)
 - Alternatively direct the Opposite parties to refund the amount of Rs.5,25,000/- with interest at 24% p.a. from the date of receptive date of

payments along with liquidated damages to Rs.10,00,000/- (Rupees ten lakhs only).

- c) To pay an amount of Rs.5,00,000/-towards compensation for mental agony and suffering
- d) To award costs of Rs.50,000/-
- e) To pass such other order or orders as this Hon'ble commission deem just and proper.

Verification

I, Pragada Srinivas, S/o Venkateswarlu, Aged about 37 years, R/o H.No.12-33, Adarsh Nagar, Balanagar, Hyderabad I have gone through the complaint contents mentioned in paragraphs 1 to 12 above are true and correct to the best of my knowledge, information and hence verified.

Counsel for complainant

Dated 30-09-2019

LIST OF DOCUMENTS

Sl. No.	Date	Description of Document	Page Nos.
1	11.01.2018	Agreement of Sale	1-18
2	19.01.2018	Booking Form of the O.P.No1.	19
3	19.01.2018	Receipts issued by the O.P.No1 while receiving the amounts of Rs.20,000/-	20
4	22.01.2018	Receipts issued by the O.P.No1 while receiving the amounts of Rs.3,00,000/-	21
5	22.01.2018	Receipts issued by the O.P.No1 while receiving the amounts of Rs.2,05,000/-	22
6		Villa plan issued by the opposite party No.1	23
7	22.01.2018	Undertaking/ Request of the complainant father to transfer the payments made by him to the complainant etc.	24
8	17.04.2018	Legal notice on behalf of the complainant to O.P.s	25-27
9	18.04.2018	Postal receipts	
10	01.06.2017	Incorporation Certificate	28
11	01.9.2018	Reply Notice of The 2 nd O.P.s	29-30

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G. VASANTHA RAYUDU.
Counsel for Complainant