



**THE ANDHRA PRADESH REAL ESTATE REGULATORY AUTHORITY
AT: VIJAYAWADA**

On 22nd day of September, 2025.

Corum: Sri E.Rajasekhara Reddy, Hon'ble Member,
Sri. U.S.L.N.Kameswara Rao, Hon'ble Member,
Sri. A.Jagannadha Rao, Hon'ble Member.

Complaint No.: 20/2024

Between:

Gauthama Budda Township Owners Welfare Association,
(Regd.No.668/2022), #87/1-143,
Gauthama Budda Township,
Sivanandapuram, Kadapa-516004,
Rep by Secretary.

...Complainant

And

M/s. Sai Mitra Developers, Gauthama Budda Township,
Rep by Managing Partners,
H.No.3964619, Siva-Sai Residency,
SivaaRan, Kadapa-516004.

...Respondent

O R D E R

The complaint is filed under Section 31 of the Real Estate (Regulation and Development) Act, 2016, on the ground that the promoter failed to fulfill its promises and thereby failing to perform its obligations.

The complainant is *Gauthama Buddha Township Owners Welfare Association*, duly registered under Registration No.668/2022 dated 26.11.2022, consisting of 146 members who are allottees of plots in the project titled "*Gauthama Buddha Township*" promoted by the respondent.



It is the case of the complainant that the respondent promoted and marketed the said real estate project through advertisements and a prospectus, assuring several facilities and amenities such as a clubhouse, indoor shuttle court with latest equipment, gym, meditation centre, home theatre, function hall, swimming pool, shopping complex, temple, concept park, high-quality children's park, wide roads, underground drainage, CC cameras, and 24-hour security. Believing these representations, the members of the complainant association purchased plots, obtained registered sale deeds, and constructed houses in the township.

The complainant alleges that the respondent has failed to provide most of the promised amenities and has unilaterally altered the sanctioned plan without obtaining the consent of two-thirds of the allottees. The originally approved layout (Ex.A6), vide T.L.P.No.109/2017/A dated 17.07.2017 for Ac.16.82 cents with 145 plots, was subsequently modified (Ex.A7) on 04.07.2019, reducing the extent to Ac.13.622 cents with only 121 plots, and reducing open spaces and roads in violation of Section 14(2) of the Real Estate (Regulation and Development) Act, 2016 ("the Act").

It is further alleged that, despite collecting full consideration from the members, the respondent diverted the building shown as a clubhouse for other purposes by renting it to the District Registrar's Office (Ex.A8) and failed to deliver key amenities such as the clubhouse, home theatre, function hall, swimming pool, shopping complex, children's park with equipment, gym with latest equipment, and functional CC cameras. The indoor shuttle court, though constructed, has been the subject of disputes and unlawful interference instigated by the respondent.



The complainant further submits that the respondent has not registered the project with the Andhra Pradesh Real Estate Regulatory Authority as mandated under Section 3 of the Act, despite advertising, marketing, and selling plots, thereby attracting liability under Section 59 of the Act. It is also alleged that by failing to provide the promised amenities and altering the sanctioned plan, the respondent has committed violations under Sections 12, 14, and 18 of the Act, making him liable for penalties under Sections 61 and 63.

The complainant asserts that the failure of the respondent to provide the promised amenities has caused severe hardship, inconvenience, mental agony, and financial loss to all members of the association, who invested in the project with the expectation of living in a fully developed township with promised facilities.

Accordingly, the complainant seeks the following reliefs:

1. Imposition of penalty of 10% of the project cost on the respondent for violation of Section 3 of the Act;
2. Imposition of penalty of 5% of the project cost for violation of Sections 12 and 14 of the Act;
3. Compensation/damages of ₹3,000/- per month per member from the date of purchase of the property till delivery of all promised amenities; and



4. A direction to the respondent to provide all amenities, including the clubhouse, home theatre, function hall, swimming pool, shopping complex, children's park with equipment, gym with latest equipment, functional CC cameras, and indoor shuttle court, as promised in the brochure and sale deeds.

The Respondent, *M/s. Sai Mitra Developers*, represented by its Managing Partner, submits that the firm was incorporated in 2011 and thereafter acquired Ac.17.17 cents of land in Sy.Nos. 33/3,4,5; 34/2,3,4,5 & 7; 35/1,3A of Putlampalli Village, Kadapa Municipal Corporation, YSR Kadapa District under a registered sale deed dated 09.11.2011. The land was duly converted from agricultural to non-agricultural use by the Revenue Divisional Officer, Kadapa, on 19.10.2012.

It is stated that the respondent obtained layout approvals in 2013 (TLP No.79/2013/A dated 03.06.2013) and subsequently a revised layout approval in 2017 (TLP No.109/2017/A dated 17.07.2017) for Ac.16.82 cents comprising 145 plots with 29.74% earmarked for roads and 10% for open space. Thereafter, due to objections raised by Kadapa Municipal Corporation at the stage of final layout approval, the respondent convened a meeting in 2019 with plot purchasers, obtained their written consent, and applied for a revised layout. The revised plan dated 04.07.2019 reduced the area to Ac.13.622 cents with 121 plots, and was duly approved by DTCP and the Kadapa Municipal Corporation, which issued the final layout approval on 25.07.2019. It is contended that since then no objections were raised regarding the layout.



The respondent disputes the maintainability of the complaint by the Association, contending that its registration is not in conformity with Section 3(1) of the Andhra Pradesh Societies Registration Act, 2001, and that not all plot owners are members of the said Association. It is submitted that the complainant Association lacks legal sanctity and does not represent all allottees.

With respect to the allegation of non-registration of the project under Section 3 of the RERA Act, the respondent states that it was under the bona fide impression that once layout approvals were obtained from DTCP and municipal authorities, separate registration under RERA was not required. It is submitted that non-registration was neither willful nor deliberate, and that subsequently, the respondent has applied for registration with the Andhra Pradesh Real Estate Regulatory Authority (Application ID 300425075334 dated 30.04.2025), which is pending consideration.

Regarding the allegation of unilateral alteration of the sanctioned plan, the respondent asserts that the revised layout was approved after obtaining written consent from purchasers, and that in fact the firm reduced its saleable plots from 145 to 121, thereby incurring a financial loss. It is submitted that no loss has been caused to the purchasers and that the revised plan was sanctioned by competent authorities.

The respondent further contends that amenities were offered subject to terms and conditions, including a refundable membership deposit of ₹50,000 per cent, as stipulated in the sale deeds. As several plot purchasers declined to pay the prescribed amounts, the respondent withdrew certain proposals, including the



construction of a club house and swimming pool. It is submitted that, despite this, the respondent developed other amenities at its own cost, including a high-quality children's park, outdoor gym, CC cameras, shopping complex with five rooms, two indoor shuttle courts with synthetic flooring, and an indoor gym with latest equipment. It is pointed out that the Kadapa Municipal Corporation, in its report dated 05.03.2025, confirmed that except for the clubhouse, remaining amenities were developed in the layout.

It is also contended that the clubhouse building constructed by the respondent was temporarily let out to the District Registrar's Office, but the respondent is prepared to operationalize it as a clubhouse with home theatre and function hall if the plot owners agree to pay the refundable membership deposit and monthly maintenance charges.

The respondent denies allegations of misrepresentation and submits that certain plot owners, without payment of deposits, unlawfully occupied and locked the indoor facilities, forcing the respondent to seek recourse through police complaints and legal proceedings.

It is further argued that there is no privity of contract with several persons included in the complainant's list (serial Nos. 93 to 146), who were never offered amenities under their sale deeds, and hence they cannot claim reliefs against the respondent.

The respondent denies violations of Sections 3, 12, and 14 of the RERA Act, 2016, and asserts that the complaint is misconceived, filed with mala fide intent to exert pressure and extract money. The respondent prays for dismissal of the complaint with exemplary costs.



Pursuant to the directions issued by the Authorized Officer, Andhra Pradesh Real Estate Regulatory Authority, Vijayawada in Complaint No.20/2024 dated 03.02.2025, the Commissioner, Kadapa Municipal Corporation, conducted an inquiry into the status of facilities in the *Gauthama Buddha Township Real Estate Project* and submitted a comprehensive report.

As per the report, the status of facilities is as follows:

- Club House: Not yet constructed within the layout.
- Indoor Shuttle Court: Constructed with two racket nets and wooden floor mat; equipment is functional and in working condition.
- Gym with Latest Equipment: Constructed and equipped with fitness massage machine (1), treadmills (2), cycling machines (2), weightlifting station (1), and dumbbells; all equipment is functional.
- Meditation Centre: Constructed and actively being used.
- Home Theatre: Not constructed.
- Function Hall: Not constructed.
- Swimming Pool: Constructed but not maintained; presently non-functional.
- Shopping Complex: G+1 structure with 12 rooms constructed but not yet operational.
- Temples: Two temples (Lord Rama and Shirdi Sai Baba) constructed and functional.
- Concept Park: Developed and available for public use.



- Children's Park: Constructed with jungle gym, slides, swings, merry-go-round, and open gym equipment (hip twister, shoulder twister, single cross trainer, and spinner).
- Concept Roads with Rock Sofas: Constructed; each road has four rock sofas.
- Drainage & Rainwater System: Underground drainage not provided; however, surface drainage and rainwater harvesting system are in place and functional.
- 40 Feet CC Roads: Fully formed within the layout.
- CC Cameras: 24 CCTV cameras installed at all junctions, operational.
- 24-Hour Security: Security guards deployed at the main gate.

The Commissioner thus reported that while certain facilities such as roads, parks, temples, security, CCTV, gym, meditation centre, and indoor shuttle court have been provided, other facilities including the clubhouse, home theatre, function hall, underground drainage, and fully functional swimming pool remain incomplete or non-operational.

The complainant has sought imposition of penalty for non-registration of the project under Section 3 of the Act. The Respondent has admitted that the project was not registered at the relevant time but has submitted that an application for registration dated 30.04.2025 (Application ID 300425075334) has since been filed and is pending consideration before the Authority.

However, since the application for registration is presently pending before the Authority, the issue of penalty for non-registration shall be separately considered by the Authority in accordance with law.



This Authority called for a factual report from the Commissioner, Kadapa Municipal Corporation, regarding the status of amenities in the project. The Commissioner, after due inspection, has filed a report dated 03.02.2025, which records the following position:

Certain facilities such as roads, concept park, temples, children's park, outdoor gym, indoor shuttle court, gym with latest equipment, meditation centre, shopping complex (not operational), CCTV surveillance, and 24-hour security have been developed.

Other facilities such as the clubhouse, home theatre, function hall, underground drainage system, and fully functional swimming pool have not been provided or are non-operational.

The Respondent has contended that amenities were offered subject to terms and conditions, including a refundable membership deposit of ₹50,000 per cent as stipulated in the sale deeds.

In particular, the clubhouse facility was expressly promised in the brochure and sale documents. Therefore, the Respondent is under a statutory obligation to provide the clubhouse and related facilities. Imposing a refundable membership deposit as a precondition for enjoyment of such facility is unsustainable under the Act.



Accordingly, this Authority directs as follows:

- i. The Respondent shall complete and operationalize the clubhouse facility at its own cost, without insisting upon the refundable membership deposit of ₹50,000 per cent from the allottees.
- ii. The Respondent may, however, collect only reasonable monthly maintenance charges towards upkeep and operation of the clubhouse and allied facilities, as permissible under the Act and Rules.
- iii. The allottees shall pay such maintenance charges regularly for use of the clubhouse facilities.

Insofar as the complainant seeks compensation/damages for delay and non-provision of amenities, the same falls within the jurisdiction of the Adjudicating Officer under Section 18 read with Section 71 of the Act. Accordingly, the claim for damages is referred to the learned Adjudicating Officer for adjudication in accordance with law.

In view of the above findings and directions, the complaint is disposed of with the following directions:

1. The Respondent is directed to provide and operationalize the clubhouse facility as promised, without insisting on the refundable membership deposit, and to allow allottees to use the same on payment of reasonable monthly maintenance charges.
2. The claim for compensation/damages is referred to the Adjudicating Officer under Section 18 of the Act for adjudication.
3. Subject to the above directions, the complaint stands disposed of.



*An appeal lies to the Appellate Tribunal within a period of 60 days from the date of receipt of a copy of the order, as per Section 44 of the Real Estate (Regulation and Development) Act, 2016.

(Typed as per the dictation of the Authority, corrected, and pronounced by the Authority in open court on this 22nd day of September, 2025.)

Sd/-

Sri. A.Jagannadha Rao
Member

Sd/-

Sri.U.S.L.N.Kameswara Rao
Member

Sd/-

Sri. E.Rajasekhara Reddy
Member

//Forwarded:: By Order//



Page 11 of 11

