

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Dated: 25th March, 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. 170/2025/TG RERA

R. V. Praveen Kumar

*Jains Sadguru Heights, Flat No-6D,
Manjeera Pipeline Road, Madinaguda,
Hyderabad - 500050, Telangana.*

...Complainant

Versus

1. Ananda Nilyam Developers (P) Ltd., represented by Dasari Kiran Kumar

*D.No: 8-4-510, 1st Floor, BL Plaza,
Opp. Indian Oil Petrol Bunk, Erragadda Main Road,
Hyderabad – 500018, Telangana.*

2. Magnus Elite Homes, represented by Nidamarthy Siva Prasad

*House. No 6-2/231-B, Kukatpally,
Hyderabad-500072, Telangana.*

...Respondents

Complaint No. 171/2025/TG RERA

Gaddam Prathap

*13-6-460/46, Flat 202, Trr Enclave,
Mahesh Nagar Colony, Gudimalkapur Market,
Mehdipatnam, Hyderabad - 500028, Telangana.*

...Complainant

Versus

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*D.No: 8-4-510, 1st Floor, BL Plaza,
Opp. Indian Oil Petrol Bunk, Erragadda Main Road,
Hyderabad – 500018, Telangana.*

2. Magnus Elite Homes, represented by Nidamarthy Siva Prasad

*House. No 6-2/231-B, Kukatpally,
Hyderabad-500072, Telangana.*

...Respondents

The present matter filed by the Complainant herein came up for final hearing before this Authority in presence of Complainant and the Respondent; upon pursuing the material on record and on hearing arguments of both the parties and having stood over for consideration till this day, this Authority proceeds to pass the following **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 Complainants, are as follows:

3. It was submitted that the Complainants, Sri RV Praveen Kumar (Complainant in Complaint No. 170/2025, hereinafter referred to as Complainant No. 1) and Sri Gaddam Prathap (Complainant in Complaint No. 171/2025, hereinafter referred to as Complainant No. 2), had purchased plots in the project "Magnus Elite Homes," bearing TS RERA No. P01100002408 & LP No. 000358/LO/Plg/HMD/2019, located at Indresham, Patancheru, and developed by M/s. Ananda Nilayam Developers Pvt Ltd. It was stated that Sri RV Praveen Kumar purchased plot no. 190 on 02.22.2021, and Sri Gaddam Prathap purchased plot no. 255 on 08.04.2022. Both Complainants submitted that they had made complete payments as per their respective agreements and had their plots registered in their names.

4. The Complainants stated that as per the sale agreements and the commitments made in promotional materials, the Respondent had promised to commence the development work for the venture by May-2021 and complete the entire project by December-2023.

5. It was contended that despite the lapse of the promised timelines, the Respondent has completely failed to initiate even the most basic development work at the project site. The Complainants alleged that to date, there has been no progress whatsoever, which constitutes a clear violation of RERA regulations and a breach of the trust of the homebuyers who have invested their hard-earned money.

6. It was further alleged that the road access to the front of the venture, which was prominently shown in the project's brochure and was a material basis for their purchase, does not exist. This, the Complainants submitted, amounts to a serious misrepresentation on the part of the Respondent.

7. The Complainants stated that they had made several attempts to communicate with the developer regarding the prolonged inaction and lack of progress, but their concerns were not addressed satisfactorily. Given the complete non-commencement of work, lack of transparency, and the failure of the Respondent to adhere to its commitments, the Complainants urged this Authority to intervene and take necessary action to safeguard the interests of the plot buyers.

B. Reliefs Sought

8. Accordingly, the Complainant sought the following reliefs:

- i. Commencement of Development activities as per HMDA norms and the amenities promised in their brochure (attached for reference) with immediate effect to enable all the plot owners construct their own houses for living and securing our property.*
- ii. Expecting a penalty interest of 10-12% p.a. on their negligence and delay (on registered value of the document) for all the financial and mental distress that we undergo.*
- iii. We want our 600 trucks sand back as our plot sand was stolen by 600 trucks by local people as there is no development activity initiated by developer and venture owner for last four years. which we have lodged a FIR for the same.*

C. Counter filed by Respondent no. 1

9. It was submitted by the Respondent No. 1, Ananda Nilayam Developers Pvt. Ltd., represented by its Chairman, that the complaint was not maintainable either in law or on facts and was liable to be dismissed. It was stated that the Complainant sought reliefs including the commencement of development activities, a penalty interest of 10-12% per annum on the registered value for the alleged delay, and the return of 600 truckloads of sand allegedly stolen from the plot. The Respondent No. 1 further submitted that its Chairman, Mr. Dasari Kiran Kumar, was duly authorized to represent the company by a Board Resolution dated 27.01.2025.

10. The Respondent No. 1 denied all allegations made against it in the complaint, except for those that were specifically admitted therein. It was contended that the Complainant was put to the strict proof of each and every averment, save for formal matters such as the description of the parties and registered documents.

11. It was submitted that the Respondent No. 1 had sold and executed a registered sale deed in favour of the Complainant No. 1 in respect of Plot No. 190, admeasuring 200 sq. yds. and

in favour of the Complainant No. 2, Plot No. 255, admeasuring 183 sq. yds. in Survey No. 189 at Indresham Village. It was stated that the sale, vide Document No. 9010 of 2021 dated 22.02.2021 with respect to Complainant No. 1 and Document no. 13289 of 2022 dated 08.04.2022 Complainant No. 2, was made against the receipt of valid sale consideration and that physical possession was delivered on an 'as is where is' basis.

12. The Respondent No. 1 further submitted that it had purchased the said property from Respondent No. 2, M/s. Magnus Elite Homes, vide registered sale deed Document No. 9004 of 2021.

13. It was submitted that the original landowners, Mr. Nidamarthi Siva Prasad and Mrs. Nidamarthi Maha Lakshmi, owned and possessed land admeasuring Ac. 12.10 gts. in Survey No. 191 and Ac. 7.35 gts. in Survey No. 189 respectively, at Indresham Village, by virtue of various registered sale and ratification deeds.

14. It was stated that the said original landowners jointly developed their respective land parcels into a residential layout named 'Magnus Elite Homes', for which they obtained layout approval from the Hyderabad Metropolitan Development Authority (HMDA) vide LP No. 000358/LO/Plg/HMDA/2019, dated 20.12.2019.

15. The Respondent No. 1 contended that the original landowners alienated the property to a third party, from whom the Respondent No. 1 purchased plots bearing Nos. 230, 252, 253, 254, and 255. It was asserted that the Respondent No. 1 was a bona fide purchaser of these specific plots for valid consideration and had no connection with the remaining property within the gated community.

16. It was further submitted that the Respondent No. 1 had no involvement with the development project being carried out by Respondent No. 2, M/s. Magnus Elite Homes, and was, in fact, a victim in a similar position to the Complainant. It was contended that as per the HMDA approval dated 20.12.2019, the developer was granted a period of six years to complete the development works. Therefore, the Respondent No. 1 argued that the time for completion extended until 20.12.2025, rendering the present complaint premature.

17. It was submitted that certain plots within the layout were mortgaged to the Metropolitan Commissioner, HMDA, as per mandatory provisions. The Respondent No. 1 suggested that it was open for the Authority to initiate appropriate action against Respondent No. 2 or, in the alternative, to refer the matter to HMDA for necessary steps.

18. With regard to the allegation of theft of 600 truckloads of sand, it was submitted that the Complainant had suppressed the fact that following the registration of a criminal case, the sand was recovered. It was further contended that the recovered sand was utilized for leveling the ground within the layout, with the financial contribution and active participation of Respondent No. 1.

19. It was contended that the brochure submitted by the Complainant, which carried the name of Respondent No. 1, was never materialized or executed because a proposed marketing agreement with Respondent No. 2 for the entire project failed to come to fruition.

20. The Respondent No. 1 submitted that the claim for interest was not tenable. It was argued that since the registered sale deed had been executed and physical possession was delivered to the Complainant, and as there was no agreement for payment of interest between the parties, the relief for interest did not arise.

21. Finally, Respondent No. 1 reiterated that it was also a victim in the matter, like the Complainants.

D. Counter filed by Respondent no. 2

22. It was submitted by the Respondent No. 2 that the allegations made in the complaint were denied as being concocted, false, and untenable. It was contended that the Complainant was therefore put to the strict proof of the said allegations made against this Respondent.

23. It was submitted that while the project name, M/s. Magnus Elite Homes was registered with the Authority by Respondent No. 2. The Complainants had purchased an undeveloped plot bearing Nos. 190 and 255 from Respondent No. 1, M/s. Ananda Nilayam Developers Pvt. Ltd. It was therefore contended that the obligation to undertake development works as per the approved plan rested with Respondent No. 1.

24. The Respondent No. 2 contended that the complaint was silent regarding the payment of any development charges by the Complainant to either Respondent. It was argued that in the absence of any averment that such charges were paid, the complaint could not be maintained. It was further submitted that the layout plan itself identified Respondent No. 1 as the developer, and therefore, any grievance for non-commencement of development ought to have been initiated solely against Respondent No. 1.

25. It was submitted that the Complainants' own averment, referencing a sale agreement and commitments made by the developer to complete the project, revealed that any such agreement was entered into with Respondent No. 1. It was argued that any recitals or promises contained in the said sale agreement were binding only between the Complainant and Respondent No. 1, further establishing that Respondent No. 1 was the developer in question.

26. It was further submitted that the Respondent No. 2 had not collected any amounts towards development from any plot purchasers and, as such, was under no obligation to commence development works. It was pointed out that the Complainant's statement about attempting to communicate with "the developer" was vague. In light of these facts, the Respondent No. 2 contended that it had no concern with the Complainant and prayed to be discharged from the proceedings.

27. The Respondent No. 2 addressed the three reliefs sought by the Complainant. With regard to the first relief for commencement of development, it was argued that the complaint failed to specify who the responsible developer was and to whom development charges were paid. Regarding the second relief for penalty interest, it was submitted that the complaint was silent as to the basis of such a claim against Respondent No. 2. Finally, concerning the third relief for the return of 600 truckloads of sand, it was contended that the complaint did not allege how Respondent No. 2 was responsible for sand availability or its alleged theft. It was therefore submitted that none of the reliefs sought could be maintained against Respondent No. 2.

28. For the reasons stated above, it was prayed that the Hon'ble Authority be pleased to dismiss the complaint against the Respondent No. 2.

E. Rejoinder filed by the Complainants for the Counter of Respondent no. 1

29. It was submitted by the Complainants in their rejoinder that the reply filed by Respondent No. 1, Ananda Nilayam Developers Pvt. Ltd., was denied.

30. The contention that Respondent No. 1 was a mere bona fide purchaser was denied. It was submitted that Respondent No. 1 was a registered real estate company that had marketed the entire project through its agents and had sold numerous plots to the public, including the plots belonging to the Complainants.

31. It was further submitted that Respondent No. 1 had collected monies from the Complainants specifically towards development charges and that the proposed developments were clearly detailed in the promotional brochure provided by the said Respondent.

32. It was contended that despite repeated follow-ups by the Complainants regarding the development activities, Respondent No. 1 had failed to complete the promised works. It was further stated that Respondent No. 1 had issued a written assurance on its official letterhead, undertaking to complete all development by December 2024.

33. It was submitted that when a theft of 600 truckloads of soil occurred from the property, Respondent No. 1 had neither intervened in the matter nor provided any funds for the procurement of replacement soil or for the subsequent levelling of the ground.

34. It was averred that Respondent No. 1 had represented itself as the developer and had printed all proposed developments, along with the RERA and HMDA approval numbers, in its brochure, but had subsequently failed to execute the works as promised.

35. It was submitted that Respondent No. 1 had advertised direct access to the main road (Indresham Road) as a key feature of the venture in its brochure. It was contended, however, that this was a misrepresentation, as the actual access to the layout was through an external plot and not directly from the main road as promised.

36. It was contended that the onus was on Respondent No. 1 to coordinate with Respondent No. 2 to ensure the completion of all pending development activities.

37. It was further submitted that approximately 18 plots were sold through what was alleged to be an illegal subdivision, for which no housing permissions had been obtained. It was contended that this act appeared to have been carried out with an intention to deceive the plot owners

F. Rejoinder filed by the Complainants for the Counter of Respondent no. 2

38. It was submitted by the Complainants in their rejoinder that the reply filed by Respondent No. 2, M/s. Magnus Elite Homes, was denied.

39. It was submitted that while the plot owners were not privy to the terms agreed upon between Respondent No. 1 and Respondent No. 2, the Layout Permit for the project was in the name of Respondent No. 2. It was therefore contended that both Respondents were jointly

responsible and were obligated to coordinate with each other to complete the developments as per the brochure and HMDA norms.

40. It was further submitted that the responsibility for providing access to the main road (Indresham Road) and for handing over all internal roads to the Sangareddy Municipality, as per the applicable norms, rested with Respondent No. 2.

41. It was contended that when a theft involving 600 truckloads of soil occurred, Respondent No. 2 had neither intervened in the matter nor provided any funds for procuring replacement soil or for the subsequent levelling of the ground.

42. It was reiterated that Respondent No. 2 was obligated to coordinate with Respondent No. 1 to complete all pending development activities.

G. Points for Consideration:

43. Upon a careful perusal of the record and the submissions advanced by both parties, oral as well as written, this Authority is of the view that the following points arise for determination in the present complaint:

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

H. Observations of the Authority

POINT I

44. The principal relief sought by the Complainants is a direction to the Respondents to forthwith commence and complete all development activities within the venture in accordance with HMDA norms and the representations made in the project brochure. Before examining the entitlement to this relief, this Authority finds it necessary to determine which of the two Respondents bears the statutory liability for completion of the development works.

45. The definition of "promoter" under Section 2(zk) of the Real Estate (Regulation and Development) Act, 2016 includes any person who develops land into a project for the purpose of selling plots to other persons, and any person who obtains the requisite statutory permissions and registrations for the purpose of such development. The Explanation to Section 2(zk) further provides that where the person who develops the plot for sale and the person who sells the plots

are different persons, both of them shall be deemed to be promoters and shall be jointly liable as such.

46. Applying the above definition to the facts of the present case, this Authority observes that the Layout Permission for the project "Magnus Elite Homes" bearing LP No. 000358/LO/Plg/HMDA/2019 dated 20.12.2019 was granted by the Hyderabad Metropolitan Development Authority in the name of Respondent No. 2, M/s. Magnus Elite Homes, represented by Sri Nidamarthy Siva Prasad. The obtaining of a layout permission from HMDA is not a mere procedural formality. It is a substantive statutory act by which the holder of the permission assumes the obligation to develop the land in accordance with the sanctioned layout plan and to complete all infrastructure and amenities stipulated therein within the approved timeline. The layout permission in the present case was granted to Respondent No. 2, and it is Respondent No. 2 alone who is recognised by HMDA as the entity responsible for the development of the project.

47. More significantly, it is an admitted and undisputed fact that the project "Magnus Elite Homes" is registered with this Authority bearing RERA Registration No. P01100002408, in the name of Respondent No. 2. By virtue of having applied for and obtained registration under the RE (R&D) Act, 2016, Respondent No. 2 has irrevocably assumed the role of a "promoter" under the Act. The registration of a real estate project under Section 4 of the Act is accompanied by a statutory declaration and commitment to complete the project within the declared timeline, maintain the RERA portal with updated information, and fulfil all obligations towards the allottees as mandated under the Act. These obligations are personal to the registered promoter and are non-delegable. Respondent No. 2, having sought and obtained the benefits of RERA registration including the right to market and sell plots in the project cannot now seek to disown the corresponding statutory obligations attached to such registration.

48. With regard to the role of Respondent No. 1, M/s. Ananda Nilayam Developers Pvt. Ltd., this Authority notes that Respondent No. 1 purchased certain plots within the layout from the original landowners and thereafter sold and executed registered sale deeds in respect of the said plots in favour of the Complainants. By virtue of having purchased plots within the layout for the purpose of resale to the public, Respondent No. 1 falls within the definition of "promoter" under Section 2(zk) of the RE (R&D) Act, 2016. However, the role of Respondent No. 1 in the present matter is confined to that of a purchaser and re-seller of individual plots. Respondent No. 1 does not hold the HMDA layout permission, is not the registered promoter

under RERA, and has not undertaken any obligation towards HMDA or this Authority with respect to the development of the common infrastructure and amenities within the layout.

49. The duty to develop the layout, complete the common infrastructure, and obtain the final layout approval from HMDA is inextricably linked to the holding of the layout permission and the RERA registration, both of which stand in the name of Respondent No. 2 alone. The obligation to complete the development works is therefore not one that can be fastened upon Respondent No. 1, who was merely a purchaser of individual plots within an already sanctioned layout.

50. The contention of Respondent No. 2 that the obligation to develop rests entirely upon Respondent No. 1 on the ground that the plots were sold by Respondent No. 1 and that Respondent No. 2 collected no development charges from the Complainants is wholly untenable. The statutory liability of a registered promoter under the RE (R&D) Act, 2016 does not arise from the collection of development charges or from the existence of a direct contractual relationship with each individual allottee. It arises from the fact of registration itself and from the holding of the HMDA layout permission. The internal arrangement between Respondent No. 1 and Respondent No. 2, and the question of who collected what amount from whom, is a matter entirely between the two entities and cannot be set up against the Complainants to defeat their statutory rights. The Complainants are not privy to such internal arrangements and cannot be prejudiced by them.

51. This Authority further observes that Respondent No. 2 has contended that no development charges were collected by it from the Complainants or from Respondent No. 1. In this regard, it is directed that Respondent No. 2 shall ascertain the position of development charges with Respondent No. 1, and in the event that such charges have not been collected, Respondent No. 2 is at liberty to collect the same from Complainants and utilise the said amounts for the purpose of completing the development works. Respondent No. 2 is directed to ensure that the project is developed and completed in all respects, including the provision of internal roads, electricity connections, drainage systems, water supply, and all other promised amenities and infrastructure, and to deliver the fully developed layout to the allottees in accordance with the sanctioned plan and HMDA norms.

52. Accordingly, this Authority holds that the duty and statutory obligation to complete all development works in the project "Magnus Elite Homes," including the provision of all promised infrastructure and amenities in accordance with the sanctioned layout plan and

HMDA norms, rests solely and exclusively upon Respondent No. 2, M/s. Magnus Elite Homes, represented by Sri Nidamarthy Siva Prasad, being the holder of the HMDA layout permission bearing LP No. 000358/LO/Plg/HMDA/2019 and the registered promoter of the project under RERA Registration No. P01100002408. Respondent No. 2 is accordingly directed to forthwith commence and complete all pending development works and to obtain the final layout approval from HMDA within 6 (six) months from the date of receipt of this Order.

53. With regard to the second relief, the Complainants have sought penalty interest for the negligence of the Respondents and for all the financial and mental distress that they have undergone. Such claims being in the nature of compensation, the Complainants are at liberty to approach the Adjudicating Officer under Section 71 of the RE (R&D) Act, 2016, if so advised.

54. With regard to the third relief sought by the Complainants, namely, a direction to pay compensation equivalent to the current market value of 600 truckloads of sand for the alleged loss of property due to theft facilitated by the Respondents' failure to secure the project site, this Authority is not the appropriate forum for adjudication of such disputes. The Complainants are accordingly at liberty to approach the appropriate court or forum of competent jurisdiction for redressal of this grievance, in accordance with law.

I. Directions of the Authority

55. In light of the discussions and findings made hereinabove, this Authority, vide its powers under Sections 37 and 38, issues the following directions:

- i. Respondent No. 2, M/s. Magnus Elite Homes, represented by Sri Nidamarthy Siva Prasad, being the holder of the HMDA layout permission bearing LP No. 000358/LO/Plg/HMDA/2019 and the registered promoter of the project under RERA Registration No. P01100002408, is directed to forthwith commence and complete all pending development works in the project "Magnus Elite Homes" in accordance with the sanctioned layout plan and HMDA norms and deliver possession of the respective plots to the Complainants within 6 (six) months from the date of receipt of this Order.
- ii. Respondent no. 2 may collect development charges from the Complainants for the purpose of completion of the development of the project if not collected.

- iii. Respondent No. 2 is further directed to obtain the final layout approval from the Hyderabad Metropolitan Development Authority.
- iv. Failing to comply with the above directions shall attract penal action against the defaulting Respondent in accordance with Section 63 of the RE (R&D) Act, 2016.
56. In view of the above, the present complaints are disposed of. No order as to costs.

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

Sd/-
Sri Laxmi Narayana Jannu,
Hon'ble Member,
TG RERA

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

