

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Complaint No. 221 of 2025

Dated: 29th November, 2025

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

1. Yarlagadda Ammaji

2. Yarlagadda Atchyuta Ramayya,

R/o. H.No.37-18/16/2, Plot No.821,

Defence Colony, Near Sainikpuri Shopping Center,

Sainikpuri, Malkajgiri, Hyderabad - 500094

...Complainant

Versus

M/s B.V.R. Infra Developers Pvt. Ltd.,

Represented by its Managing Director Mr Bainaboina Venkateswarlu,

O/o. Plot No.31, H.No.8-15-120/C/3/FF, Chintalakunta,

L.B. Nagar Circle, Saroor Nagar, Hyderabad - 500074

...Respondent

The present matter filed by the Complainant mentioned herein above came up for hearing on 18.09.2025 before this Authority in the presence of the Complainant and none appeared on behalf of the Respondent and upon hearing the submissions, 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 "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") seeking appropriate relief(s) against the Respondents.

A. Brief facts of the case:

3. It is submitted that the Complainants purchased a residential plot bearing No. 100, admeasuring 167 square yards, in the project titled "S.V. Electronic City-3" situated in Survey No. 138, Sirigiripur Revenue Village, Maheshwaram Mandal, Ranga Reddy District,

Telangana, for a total sale consideration of ₹23,00,091/- (Rupees Twenty-Three Lakhs and Ninety-One only).

4. The Complainants state that out of the total consideration, they paid a sum of ₹20,00,000/- through a combination of cheque and cash payments, as detailed below:

Sl.No.	Date	Amount	Mode of Payment
1	31.01.2022	₹2,00,000/-	Cheque (No. 000973)
2	05.02.2022	₹4,00,000/-	Cash
3	05.02.2022	₹3,00,000/-	Cash
4	24.04.2022	₹11,00,000/-	Cash
Total		₹20,00,000/-	

5. Subsequently, an Agreement of Sale was executed on 13.06.2023. This agreement stipulated that the Scheduled Plot would be delivered within sixty (60) days from the date of the Agreement of Sale, contingent upon the release of the Scheduled Plot from the existing HMDA mortgage, a condition about which the Complainants assert they were previously misinformed.

6. Despite repeated follow-ups, the Developer failed to deliver the plot. Thereafter, the Developer agreed to register the Scheduled Plot on or before 14.05.2024, and further undertook under a Memorandum of Understanding dated 14.03.2024 to pay an additional sum equivalent to 2% of the consideration as goodwill from the dates of respective payments, in the event of default.

7. However, the Respondent developer again failed to fulfil their obligations as stipulated in the Memorandum of Understanding. Consequently, the Complainants were constrained to lodge a formal complaint before the L.B. Nagar Police Station on 21.01.2025.

B. Relief(s) Sought:

8. Accordingly, the Complainant sought the following relief:

- i. Refund of the full amount paid along with reasonable compensation.

C. Counter on behalf of the Respondent:

9. At the outset, the Respondent denies all the allegations made in the Complaint in toto, except those specifically admitted. The Respondent submits that the Company is a registered

entity bearing CIN U70200TG2020PTC145022 and TAN No. HYDB10360A, both dated 13.11.2020, duly issued by the Ministry of Corporate Affairs. The Company is also registered with the Telangana State Real Estate Regulatory Authority, vide Registration Certificate dated 22.01.2022, and the same is still prevailing.

10. It is submitted that the Complainants initially intended to purchase Plot No.100, admeasuring 167 sq. yards, in the project “S.V. Electronic City-3” situated at Sirigiripur Village, Maheshwaram Mandal, Ranga Reddy District, Telangana, for a total sale consideration of ₹23,00,091/-. However, since the said plot was already mortgaged with the Hyderabad Metropolitan Development Authority (HMDA), the same could not be registered. The Complainants were duly intimated of this fact, and on their acceptance, the Company offered an alternative plot. Accordingly, Plot Nos. 3, admeasuring 220 sq. yards in Survey No. 121 & 122 forming part of the layout known as “RK Avenues” Block-C, situated at Kadthal Village and Mandal, Ranga Reddy District, was registered through a third-party registration vide Document No. 18957/2022 dated 11.10.2022, before SRO Maheshwaram.

11. It is further submitted that despite such registration, the Complainants later expressed disinterest and voluntarily cancelled the registered Sale Deed in respect of Plot No.3 at Kadthal Village. Thereafter, they insisted upon registration of the original Plot No.100 in Survey No.138 (actual Survey No. 136). The Respondent once again informed the Complainants that Plot No.100 remained under HMDA mortgage and could not be registered at that time.

12. It is submitted that the Complainants, while insisting on the registration of Plot No.100, further demanded that the same be registered on or before 14.05.2024, failing which the Respondent should pay an additional 2% goodwill amount on the payments made by them. As the Respondent had no other option, a Memorandum of Understanding dated 14.03.2024 was executed, whereby the Respondent agreed to repay the amounts paid by the Complainants along with an additional 2% goodwill. The Respondent submits that there is no default on its part, since an alternative plot was already offered and registered in favour of the Complainants through third-party registration.

13. It is submitted that the Respondent is making efforts to secure release of Scheduled Plot No.100 and, upon such release, the plot will be registered in favour of the Complainants. In the alternative, the Respondent is prepared to offer another plot in the project at the prevailing price, as per the Complainants’ choice, and get it registered in their favour.

14. The Respondent further submits that, if this Hon'ble Authority comes to a conclusion that the Respondent is guilty of not registering the scheduled property, the Respondent is prepared to either offer another plot to the satisfaction of the Complainants, or to compensate the Complainants as per the Memorandum of Understanding dated 14.03.2024.

15. In the light of the above, the Respondent prays that the Complaint be dismissed with exemplary costs, and this Hon'ble Authority may pass such other orders as deemed fit and proper in the circumstances of the case and in the interest of justice.

D. Points to be determined:

16. Based on the facts and circumstances placed before this Authority, the following questions arise for adjudication:

- I. Whether the Respondent has violated Sections 3 & 4 of the RE(R&D) Act, 2016 by not registering the project, *S.V. Electronic City-3*?
- II. Whether the Complainant is entitled to the relief sought? If so, to what extent?

E. Observations of the Authority:

Point I

17. Upon careful examination of the pleadings, documents, and submissions made by both parties, it is observed that the Complainants had booked a residential plot bearing No. 100, admeasuring 167 square yards, in the project titled "*S.V. Electronic City-3*", situated at Survey No. 138 (actually Survey No. 136), Sirigiripur Revenue Village, Maheshwaram Mandal, Ranga Reddy District, for a total sale consideration of ₹23,00,091/-. Out of the said amount, the Complainants have paid ₹20,00,000/- between 31.01.2022 and 24.04.2022 through cheque and cash payments. Subsequently, an Agreement of Sale dated 13.06.2023 was executed between the parties, wherein it was stipulated that the said plot would be registered within sixty (60) days from the date of the agreement, subject to release of the plot from an existing HMDA mortgage.

18. This Authority, during the course of proceedings, issued a *Show Cause Notice* to the Respondent for violation of Sections 3 and 4 of the Real Estate (Regulation and Development) Act, 2016, in respect of the said project. However, the Respondent failed to file any reply or explanation to the said notice. In its counter, the Respondent merely stated that its company is

registered with the Telangana State Real Estate Regulatory Authority under a certificate dated 22.01.2022, which it claims to be still valid. However, the Respondent neither provided a registration number of the project nor produced a copy of such registration certificate in support of its contention.

19. Upon verification of records available with this Authority, it is found that the certificate referred to by the Respondent pertains to a different project titled “*S.V. Golden City-V*”, situated in Survey Nos. 62P and 63P at Ramanuthula Village, Amangal Mandal, Ranga Reddy District, registered under Project Registration No. P02400003957 dated 22.01.2022, valid up to 17.12.2023. It is therefore evident that the registration cited by the Respondent pertains to a different project altogether and is unrelated to the project in question, i.e., “*S.V. Electronic City-3*”.

20. The HMDA draft layout approval dated 11.05.2022 placed on record by the Respondent reveals that the project “*S.V. Electronic City-3*” pertains to open plots in Survey Nos. 136 (Part) and 138 (Part), admeasuring a total extent of 26,619.22 square metres, situated at Sirigiripur Village, Maheshwaram Mandal, Ranga Reddy District. This layout is clearly distinct from the registered project referred to by the Respondent and falls within the purview of the present complaint. Further, the said layout clearly corresponds to the land on which the Respondent has developed the project titled “*S.V. Electronic City-3*”.

21. In this context, it is relevant to refer to Section 3(1) of the Real Estate (Regulation and Development) Act, 2016, which categorically provides that:

“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.”

22. The exemption provided under Section 3(2)(a) of the RE(R&D) Act, applies only to projects where the land proposed to be developed does not exceed 500 square metres, or where the number of apartments proposed does not exceed eight, inclusive of all phases. In the present case, the project “*S.V. Electronic City-3*” clearly involves development over an extent of 26,619.22 square metres, which far exceeds the exempted limit prescribed under the RE(R&D) Act, thereby mandating registration of the project with this Authority prior to any advertisement, booking, sale, or collection of consideration from allottees.

23. Further, under Section 4 of the RE(R&D) Act, every promoter is required to make an application for registration of a real estate project along with all requisite disclosures. In the present case, there is no evidence on record to show that the Respondent had ever applied for such registration. On the contrary, the material on record shows that the Respondent has entered into an Agreement of Sale with the Complainants and collected substantial amounts without obtaining registration, thereby contravening Sections 3 and 4 of the RE(R&D) Act.

24. The plea of the Respondent that the Company is registered based on the certificate pertaining to “SV Golden City-V”, cannot absolve it of the statutory obligation to register the specific project “S.V. Electronic City-3.” Each project is required to be separately registered under Section 3 of the RE(R&D) Act, and the registration obtained for a different project cannot be extended or applied to another distinct project.

25. Accordingly, this Authority holds that the Respondent has violated Sections 3 and 4 of the Real Estate (Regulation and Development) Act, 2016, by marketing, booking, and collecting consideration for plots in an unregistered project titled “S.V. Electronic City-3.” Therefore, the Secretary of TG RERA is directed to initiate steps against the Respondent under Section 59 of the RE(R&D) Act, for the said violation.

Point No. I is answered accordingly.

Point II

26. Upon a detailed consideration of the pleadings, documents, and submissions of both parties, this Authority observes that the Complainants had purchased Plot No. 100 admeasuring 167 square yards in the project “S.V. Electronic City-3” for a total sale consideration of ₹23,00,091/-, out of which a sum of ₹20,00,000/- was paid between 31.01.2022 and 24.04.2022 through cheque and cash payments. The Complainants contend that an Agreement of Sale dated 13.06.2023 was executed, under which the Respondent undertook to deliver the scheduled plot within sixty (60) days, subject to its release from the existing HMDA mortgage, a condition regarding which the Complainants assert that they were never informed prior to execution of the agreement. It is further submitted that even after execution of a subsequent Memorandum of Understanding dated 14.03.2024, wherein the Respondent undertook to complete registration on or before 14.05.2024, the Respondent failed to fulfil its obligations.

27. The Respondent, in defence, submits that the Complainants were fully aware that Plot No. 100 was mortgaged with HMDA and that registration could be completed only upon release of the said plot. The Respondent further submits that an alternative plot in another project at Kadthal Village was offered and registered in favour of the Complainants by means of third-party registration. According to the Respondent, the Complainants voluntarily cancelled the same and insisted upon registration of the original mortgaged plot.

28. Before addressing the rival contentions, it is necessary to examine compliance by the Respondent with the statutory mandate of the Real Estate (Regulation and Development) Act, 2016. Section 13(1) of the Act clearly provides that: *“A promoter shall not accept a sum more than ten per cent of the cost of the apartment, plot, or building, as the case may be, as an advance payment or an application fee, from a person without first entering into a written agreement for sale with such person and register the said agreement for sale, under any law for the time being in force.”*

29. In the present case, the Respondent collected a substantial sum of ₹20,00,000/-, which is nearly 87% of the total consideration, prior to execution of the Agreement of Sale dated 13.06.2023. Thus, the Respondent has clearly violated Section 13(1) of the RE(R&D) Act by collecting more than ten percent of the cost of the plot without first entering into and registering a written agreement for sale.

30. With respect to the mortgage status of the plot, the Respondent has admitted that Plot No. 100 was mortgaged with HMDA. The Respondent has further admitted in the counter that it is still “making efforts to get the said plot released from HMDA.” Condition No. 1 of the HMDA draft layout approval dated 11.05.2022 categorically prohibits the sale of mortgaged plots and specifically states that plots mortgaged in favour of HMDA, i.e., Plot Nos. 85 to 92 and 94 to 102, shall not be permitted to be sold. Plot No. 100 falls squarely within this prohibited category. Therefore, the act of entering into an Agreement of Sale and collecting substantial consideration for a mortgaged plot is in direct contravention of the HMDA approval conditions.

31. As per Condition No. 9 of the HMDA approval, the Respondent was obligated to complete the development works within a period of three years from the date of approval and thereafter submit a requisition for release of the mortgaged plots for final layout approval. The approval is dated 11.05.2022; hence the Respondent ought to have completed developmental

works and obtained release of the mortgaged plots by 11.05.2025. However, the Respondent's own averment that it is still making efforts to secure release of the said plot from HMDA mortgage, demonstrates non-compliance with this essential condition. There is no material placed on record to show any steps taken to complete developmental works within the stipulated period.

32. This Authority deems it necessary to comment upon the conduct exhibited by certain promoters who, after collecting substantial amounts from unsuspecting allottees, seek to incorporate clauses in the Agreement for Sale providing for the "release of mortgage" or similar encumbrances at a later stage. Such practices place allottees in a highly vulnerable position, as they are left with no meaningful choice but to adhere to these dictated terms after having already parted with significant consideration. This Authority firmly holds that such conduct is impermissible, contrary to the mandate of the Real Estate (Regulation and Development) Act, 2016, and undermines the legislative intent of securing transparency and protection to homebuyers. This Authority, therefore, strongly deprecates and prohibits such practices, and cautions promoters against adopting any device or arrangement that compromises the rights and interests of allottees.

33. In the present case, the Respondent has acted in dual contravention, first, by collecting substantial consideration without entering into a registered Agreement of Sale, and second, by entering into an Agreement of Sale in respect of a mortgaged and non-saleable plot in violation of HMDA conditions. Furthermore, as held under Point No. 1, the project itself is unregistered, in violation of Sections 3 and 4 of the RE(R&D) Act. The Respondent has therefore acted in complete disregard of statutory requirements and regulatory conditions.

34. As regards the Respondent's assertion about offering an alternative plot, the documents placed on record indicate that a Sale Deed dated 11.10.2022 was executed by one Yelishetty Rajkumar in favour of the Complainants for Plot No. 3, admeasuring 220 square yards in a layout known as "R.K. Avenues" at Kadthal Village for a consideration of ₹4,62,000/-. The Complainants later sold this plot to one Nelavelli Saraladevi through Sale Deed dated 21.06.2023. These appear to be independent third-party transactions, arising from mutual arrangements between the parties concerned, and cannot be construed as performance of the Respondent's obligations under the Agreement of Sale for Plot No. 100.

35. In view of the above findings, this Authority holds that the Respondent is in clear breach of its statutory and contractual obligations, and the Complainants are justified in seeking withdrawal from the project. Accordingly, the Complainants are entitled to refund of the entire amount of ₹20,00,000/- paid by them.

36. As regards the claim for interest, this Authority observes that although the Agreement of Sale dated 13.06.2023 does not specify a fixed date for completion of registration or delivery of possession, the obligations of the Respondent cannot be viewed in isolation. The HMDA Draft Layout Approval dated 11.05.2022 categorically mandated the Respondent to (i) complete all developmental works within three (03) years, (ii) obtain final layout approval, and (iii) secure release of mortgaged plots within the said period. These conditions form an integral part of the Respondent's statutory and contractual obligations.

37. Despite such clear mandates, the Respondent has miserably failed to comply with any of the above obligations. The very act of entering into the Agreement of Sale with the Complainant without obtaining release of mortgaged plots and without securing final approval amounts to a blatant violation of the express conditions of HMDA. Further, even as of the date of the present proceedings, the Respondent has not obtained the Final Layout. Although the Respondent has submitted that he is "making efforts" to secure release of the plot, no application for Final Layout has been placed on record to substantiate such claims. This Authority therefore finds such submissions to be evasive, unsupported, and intended merely to delay the inevitable compliance.

38. The Authority also notes that in the Memorandum of Understanding dated 14.03.2024, the Respondent expressly assured that registration would be completed by 14.05.2024. However, even thereafter, the Respondent did not take the basic step of applying for release of Final Layout, thereby demonstrating wilful non-compliance and continuous default.

39. The Complainant has been waiting for years for possession, while the Respondent has engaged in a pattern of providing repeated dates, assurances and shifting timelines, without taking any consequential action to release the mortgaged plot or comply with statutory requirements. The Respondent's conduct, therefore, squarely attracts the consequences under Section 18(1) of the RE(R&D) Act, 2016, as the Respondent has failed to complete the project and deliver possession within the time prescribed under law. In such circumstances, the claim for interest is not only justified but is legally warranted.

40. Accordingly, in exercise of powers under Section 18(1) of the Real Estate (Regulation and Development) Act, 2016, this Authority holds that the Respondent is liable to refund the entire amount received from the Complainant, together with interest at the rate as per Rule 15 of TG RE(R&D) Rules,2017, calculated from 13.06.2023, being the date of execution of the Agreement of Sale, till the date of actual refund, without any delay. The liability to pay interest shall continue until the Respondent fully satisfies the refund in accordance with this order.

Point No. II is answered accordingly.

F. Directions of the Authority:

41. In exercise of the powers conferred upon this Authority under Sections 37 and 38 of the Real Estate (Regulation and Development) Act, 2016, and in furtherance of the findings and conclusions drawn hereinabove, the following directions are hereby issued:

- i. The Authority, taking note of the Respondent's violations of Sections 3 and 4 of the Real Estate (Regulation & Development) Act, 2016, hereby directs the Secretary, Telangana RERA, to immediately initiate steps under Section 59 of the RE(R&D) Act, for imposition of appropriate penalty upon the Respondent, subject to the approval of the Authority, for the aforesaid violations.
- ii. The Respondent is further directed to refund the entire amount of ₹20,00,000/- (Rupees Twenty Lakhs only, along with interest at the rate of 10.75% per annum (SBI MCLR of 8.75% + 2%) calculated from 13.06.2023, till the date of actual refund. The said refund together with interest shall be made within thirty (30) days from the date of receipt of this order.

42. Failing to comply with the above-said direction by Respondents shall attract penalty in accordance with Section 63 of the RE(R&D) Act, 2016.

43. 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 Laxmi Narayana Jannu,
Hon'ble Member,
TG RERA

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