

**BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY**

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

**Complaint No. 129 of 2024**

**Dated this 03.04.2025**

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

**Sakaray Sai Prasad**

*(Flat no.519, B2 Block, Eelegance Apartment, Mettakanigudem, Gajularamaram, Quthbulapur, Medchal  
Malkajgiri Dist, Telangana- 500055)*

**...Complainant**

**Versus**

**M/s Emerald Constructions**

*( Rep by S. Durga Reddy , 315, 3<sup>rd</sup> floor, Sanali Mall, Abids, Hyd – 500001)*

**...Respondent**

This present Complaint came up for hearing on 23.10.2024 before us for hearing in the presence of Complainant appeared in person and Counsel Sri S V Nageshwar Rao for the Respondent and upon hearing both the arguments on both sides and the matter reserved over for the consideration till this date ,this Authority passes the present complaint order.

**ORDER**

2. The Complainant has filed complaint on hand under Section 31 of the Real Estate (Regulation and 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"), alleging commission of violation and contravening of the provisions of the said Act and Rules and sought for the appropriate reliefs against the Respondent.

**A. The Brief facts of the case as per allegations/averments contained in the complaint are as follows:**

3. The Complainant submits that he has purchased Plot No. 131 in the Respondent's project, "L Emerald," a RERA-registered project bearing Registration No. P02400000297.

4. The Complainant executed a Sale Deed for the said plot on 04.02.2019. As per the terms of the project, development was to be completed by 18.12.2020. However, to date, the Respondent has failed to develop the project, and no valid reasons have been provided for the delay.

**B. Relief(s) Sought:**

5. In light of the facts stated in paragraph 4 above, the Complainant prays for the following reliefs:

- a. Direct the Respondent to pay the penalty for the delay as per the provisions of the RERA Rules.
- b. Award interest for the delay in completion of the project at the rate of 24% per annum from the date of purchase until possession is delivered.
- c. Direct the Respondent to buy back the plot from the Complainant at the current market value.

**C. Respondent's Reply:**

6. The Respondent denies all material allegations made in the complaint, except those expressly admitted herein. The Respondent submits that the total sale consideration was duly paid by the Complainant, pursuant to which Sale Deed No. 3260/2019 was executed and registered on 04.02.2019 with the Office of the Sub-Registrar, Ibrahimpatnam.

7. The Respondent states that the subject land was converted from agricultural to non-agricultural use on 28.12.2016. An application for layout approval was submitted in 2017, which culminated in the issuance of Draft Layout bearing LP No. 000004/LO/Pig/HMDA/2018, dated 19.01.2018. Subsequent approvals were obtained from the Ibrahimpatnam Municipality, and the project was duly registered with RERA on 11.02.2019.

8. The Respondent submits that delays in development were occasioned due to a complaint filed by third parties before HMDA. Additional challenges arose due to outdated revenue records and the unprecedented disruptions caused by the COVID-19 pandemic. During the pendency of the HMDA hearings, a stay order was communicated to the Sub-Registrar on 27.02.2020. Notwithstanding these challenges, the Respondent completed approximately 50% of the developmental work between 19.01.2018 and 26.11.2019. Subsequently, the Draft Layout was cancelled by HMDA on 24.07.2021, but was later restored on 19.02.2022 upon submission of updated revenue records.

9. The Respondent further states that HMDA issued a Show Cause Notice on 20.02.2020, raising concerns regarding alleged encroachments on water bodies, including check dams and a vagu in Survey Nos. 261 & 262. Upon receipt of the notice, the Respondent approached the Irrigation Department for clarification. Following a site inspection, the Irrigation Officials demarcated a buffer zone and provided specifications for the construction of a drain (nala) and for the protection of the water body. The Respondent complied with these directives, submitted the requisite undertaking, and obtained necessary approvals. The modifications were executed without affecting the interests or title of existing plot purchasers. Joint inspections were conducted, and approvals were granted by the Irrigation Department vide letters dated 21.07.2022 and 27.07.2022.

10. Subsequently, on 06.01.2024, HMDA approved a revised layout plan, subject to the condition that developmental works be completed within three years, in accordance with G.O.Ms.No.201, MA, dated 16.11.2020. The Respondent was also directed to submit a requisition letter for the release of mortgaged plots/areas in favor of the Metropolitan Commissioner, HMDA, along with a letter from the local body confirming takeover of roads and open spaces. The Respondent is presently awaiting final permission from the Municipal Commissioner, as per proceedings dated 06.01.2024, to proceed with the final phase of development.

11. The Respondent affirms that approximately 60% of the developmental work has been completed despite legal hurdles and other external challenges. The Respondent assures the Hon'ble Authority that the remaining works will be completed within the stipulated timeline.

12. The Respondent contends that there is no deficiency of service in the present case. The plot was duly registered after receipt of full sale consideration, and there exists no defect in title nor any willful delay attributable to the Respondent.

13. The Respondent further submits that the Complainant is not entitled to any of the reliefs sought, including penalties, interest, or a buyback of the plot at present market value. The complaint is misconceived, lacks merit, and is liable to be dismissed.

14. In conclusion, the Respondent respectfully prays that the complaint be dismissed with exemplary costs, as the same is devoid of merit, and the Respondent has at all times complied with applicable laws and regulations. The delays, if any, were due to unforeseen external factors beyond the Respondent's control, and substantial progress has already been made in the development of the project.

#### **D. Rejoinder:**

15. The Complainant filed a rejoinder opposing the claims made by the respondent and reaffirming the allegations of non-compliance and delayed project execution.

16. The complainant purchased Plot No. 131 in the "L EMERALD" project (LP No. 000004/LO/PLG/HMDA/2018) on 04-02-2019, paying a total of ₹10,50,000 (including development charges of ₹9,00,000).

17. According to the RERA registration (No. P02400000297), the project was to be completed by 18-12-2020.

18. The respondent failed to complete the development of the layout within the stipulated timeline.

19. The respondent did not update RERA or the plot owners regarding the challenges faced or seek their approval for an extension of the deadline as per applicable rules.

20. The respondent modified the layout without obtaining prior consent from the plot owners, in violation of their rights and expectations.

21. Despite obtaining approval from the irrigation department on 21-07-2022, the respondent failed to expedite the development process.

22. The respondent delayed approaching HMDA for layout approval until 06-01-2024, further prolonging the project timeline.

23. The complainant denied the respondent's claim of having completed 60% of the development work, asserting that only a water tank, partial drainage, and power pillars were completed.

24. The complainant pointed out that these limited developments were not reported to RERA.

25. Whenever the complainant sought updates, the respondent redirected discussions to a new venture in the Yadadri area and attempted to persuade the complainant to invest there instead.

26. The delay caused significant financial and emotional distress to the complainant, including the inability to resell the plot or use funds tied to its purchase.

27. During the period of delay, the complainant suffered the loss of both parents and faced financial difficulties in meeting their medical expenses due to ongoing loan repayments for the plot. The complainant requested the Authority to direct the respondent to:

1. Compensation of no less than ₹10,000 per month for the delay in development, as per RERA rules.

2. Interest at 24% per annum on the delayed period from the date of purchase, citing a personal loan taken at 11% interest per annum.
3. Purchase the plot at the current market value, as the respondent failed to fulfill their obligations.
4. Compensation for the mental distress caused due to delays, loan burdens, and inability to sell the plot during the development impasse. The complainant emphasized the prolonged and willful delay by the respondent and sought justice for the financial and emotional hardships endured.

#### **E. Observations of the Authority:**

28. The Complainant has approached this Authority seeking redressal under the provisions of the Real Estate (Regulation and Development) Act, 2016 [hereinafter referred to as “the Act”], alleging delay in the development of the project titled “L Emerald” situated within Dream City II, and consequential reliefs including interest under Section 18(1) of the RE(R&D) Act.

29. It is the case of the Complainant that he purchased plot no. 131 admeasuring 200 sq. yards from the Respondent-Promoter by executing a registered sale deed dated 04.02.2019 for a total sale consideration of ₹1,50,000/-. The Complainant has further submitted that an additional sum of ₹9,00,000/- was paid towards development charges to the Respondent, substantiated by receipts on record. As per the RERA registration, the date of completion of the project was declared to be 18.12.2020. However, despite the lapse of the stipulated time, the Respondent has failed to complete the development work.

30. The Respondent, in its reply and oral/written arguments, has contended that the delay in completing the project was not deliberate or mala fide but caused by circumstances beyond its control. The Respondent stated that the project was commenced in 2018, following due approvals (including layout approval from the concerned authority), with 363 plots demarcated, of which 116 plots have been sold. It is argued that due to unforeseen and force majeure conditions, the project development were hindered. It is also contended that the Complainant is not entitled to claim interest, as the possession of the plot was already delivered on the date of execution of the sale deed, and further that claims such as rent are only applicable in cases where flats or apartments are purchased, not in plot sales. The Respondent has also submitted that there was no contractual obligation for buyback and hence the Complainant’s prayer to that effect is misconceived.

31. Upon careful consideration of the facts, submissions, and documents placed on record, this Authority finds that while it is admitted that the physical possession of the plot was delivered to the Complainant at the time of registration of the sale deed, it is also the settled legal position that mere delivery of possession without completion of promised development works does not constitute full compliance under the Act. The RERA registration of the project itself discloses the intended date of completion as 18.12.2020, by which time all development obligations were required to be fulfilled.

32. The Respondent seeks to justify the delay by attributing it to external circumstances, including the revocation of HMDA layout plan on 24.07.2021 due to alleged misrepresentation, which was later restored on 19.02.2022. Additionally, records show that the Irrigation Department raised objections due to illegal encroachment upon the Kocheruvu Kalva stream and check dam, wherein the Respondent was compelled to provide an undertaking not to undertake any construction within the buffer zone. These instances clearly reflect a lack of due diligence on part of the Respondent prior to launching the project and executing sale deeds. This Authority is of the view that the Respondent, having failed to exercise the requisite caution and failing to disclose such regulatory impediments to the Complainant, cannot now seek to avoid liability for delay.

33. The Complainant has sought interest at the rate of 24% per annum for the period of delay. Section 18(1)(b) of the Act entitles the allottee to interest for every month of delay till handing over of possession accordance with the terms of the agreement for sale. In the present case, although the sale deed has been executed, the development of the project remains incomplete, which constitutes “failure to complete” within the meaning of Section 18 of the RE(R&D) Act.

34. However, in terms of Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017, the rate of interest payable by the promoter to the allottee is at the highest Marginal Cost of Lending Rate (MCLR) of State Bank of India plus 2%, and not 24% as claimed by the Complainant. Therefore, the claim for interest at the rate of 24% is declined, but interest as per the statutory rate shall be allowed from 18.12.2020 till actual completion of development.

35. It is further observed that the Complainant’s plea for buyback of the plot lacks any contractual basis. No clause or undertaking in the registered sale deed or elsewhere on record



suggests that the Respondent had agreed to repurchase the plot under any contingency. Therefore, the claim seeking buyback relief is liable to be rejected.

36. In the light of the above facts and observations made, this Authority is of the considered view that since the respondent has failed to deliver physical possession of the flat to the Complainant on the promised date and continued to delay the delivery of possession, which constitutes a breach of its obligations under the act and hence it is held that the Respondent is liable to be proceeded against for contravention of Section 18(1) of the RE(R&D) Act.

37. Further, the registration of the project has lapsed as on 18.12.2020. In view of the ongoing proceedings, the Respondent has obtained a revised layout plan from HMDA on 06.01.2024 and is presently awaiting the issuance of the final revised layout permission. The Respondent shall reapply for registration under RERA upon receipt of the said permission. Until such time, the Respondent is restrained from undertaking any marketing, advertisement, sale, or offer for sale of any plot in the said project, unless due registration and compliance under the provisions of the Act is obtained

#### **E. Directions of the Authority:**

38. 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 reliefs as prayed by him, and the same is allowed in his favour, and the Respondent is hereby directed as follows:

- a) The Respondent is directed to pay interest for the period of delay in completing the development of the plot, calculated from the date assured under the RERA registration, i.e., 19.12.2020. The rate of interest payable by the promoter to the allottee shall be at the highest Marginal Cost of Lending Rate (MCLR) of the State Bank of India plus 2%, which amounts to 9% per annum. The arrears of interest accrued from 19.12.2020 till the date of this order shall be paid by the Respondent to the Complainant within a period of 90 (ninety) days from the date of this order.
- b) The Respondent is further directed to forthwith initiate steps to apply for registration of the project under Section 3 and 4 of the Real Estate (Regulation and Development) Act, 2016, based on the revised layout plan obtained from the competent authority. Until such registration is duly obtained, the Respondent is restrained from engaging in any form of marketing, advertisement, sale, or offer for sale of any plot in the said project..

c) Failure to comply with the above directions shall attract penal consequences in accordance with the provisions of Section 63 of the said Act, 2016.

40. As a result, the complaint is disposed of accordingly. No order as to costs.

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

**Sd-  
Sri. Laxmi NaryanaJannu,  
Hon'ble Member  
TG RERA**

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

