

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY
[Under the Real Estate (Regulation and Development) Act, 2016]

Complaint No. 290 of 2024

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

Between:

Vadla Radha

(R/o. Plot No. 399, Flat No
Road No 3, South End Park Colony,
Mansoorabad, L.B. Nagar,
Hyderabad – 500068)

...Complainant

Versus

1. M/s. Emerald Constructions

(Rep by S. Durga Reddy and V. Srinivas
315, 3rd floor, Sanali Mall, Abids, Hyderabad- 500 001)

2. S. Durga Reddy (AGPA)

(315, 3rd floor, Sanali Mall, Abids,
Hyderabad- 500 001)

3. V. Srinivas (Manager)

(315, 3rd floor, Sanali Mall, Abids,
Hyderabad- 500 001)

...Respondents

The present matter filed by the Complainant herein came up for hearing before this Authority in the presence of the Complainant in person and learned counsel for Respondent Sri N.S.V. Nageswara Rao, C Naga Ramanjulu appeared upon due service of notice; and upon hearing the submissions of the Complainant and Respondents, 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. Brief facts of the case:

3. The Complainant submits that she purchased Plot No.130 in the project “L Emerald” bearing LP No. 000004/LO/PLG/HMDA/2018, developed by the Respondent, on 04.02.2019

for a total consideration of ₹10,50,000/-, which includes development charges of ₹9,00,000/- and as per Registration No. P02400000297. The project was supposed to be developed before 18.12.2020. However, the Complainant contends that even as on this date, the development works have not been completed, and despite repeated approaches, the Respondent has failed to provide any proper or satisfactory response regarding the delay.

B. Relief(s) Sought

4. Accordingly, the Complainant sought for the following reliefs:
 - I. Direct the Respondent to pay the interest amount for the delay from the purchase @24% per annum.
 - II. Delivery of possession with all amenities, i.e., development of roads, drainage system, street lights, etc., within 1 month (since it is registered)

C. Counter Affidavit filed on behalf of Respondent Nos. 1 to 3

5. The Respondent No. 2, S. Durga Reddy, submitted that he is the partner of M/s. Emerald Constructions, and he is a duly authorized agent of the firm vide authorization dated 06.09.2024, and as such, well acquainted with the facts of the case, and filing a counter on behalf of the Respondent firm and on behalf of the Respondents.

6. The Respondents submitted that the Complainant has remitted total sale consideration and the Respondent company has executed the sale deed vide sale deed no. 3264/2019 on 04.02.2019 with S.R.O., Ibrahimpatnam, R.R. Dist., and the sale deed original was handed over to the Complainant on 23.02.2019.

7. That on 28.12.2016, the layout subject land was converted from agriculture to non-agriculture. Respondent filed an application vide application no. 00710/SMD/LT/U6/HMDA/17042017, dated 17.04.2017 for approval of the layout in the site admeasuring 1,27,657.28 Sq. Mtrs in Sy. No.261/p & 262/p, situated at Ibrahimpatnam Khalsa Village and mandal of R.R. District. The said application was processed after the requisite payment was made by the Respondent and a draft layout, vide LP No. 000004/LO/Plg/HMDA/2018, was issued on 19.01.2018. On 04.09.2018, Municipality Ibrahimpatnam has approved the draft layout, and the Respondent has registered the subject venture with TG RERA Vide certificate date 11.02.2019.

8. The Respondents submitted that a complaint was filed before the SECRETARY, HMDA, by Sri D. Sanjeeva Rao & 3 Others against the Respondent based on old pahani documents. The Secretary of HMDA requested the respondents to provide updated pahani documents, but they were unable to do so, as the revenue officials were preoccupied with online revenue record updates, and the revenue portals were not functioning properly due to outdated information and the COVID-19 pandemic. Hearings were conducted on 19-10-2019, 23-11-2019, 28-12-2019, 25-01-2020, 21-03-2020, 21-05-2020, 20-06-2020, 18-07-2020, 27-01-2021 and 13-02-2021. During the process of hearings, the Secretary, HMDA issued stay orders on 26-11-2019, and stay orders were communicated to the Sub-Registrar also on 20-07-2020. Between 19-01-2018 and 26-11-2019, the Respondent submits that they have completed the 50% development (road works, water tank, parks) of the layout site as per the prescribed HMDA norms and the draft layout issued by HMDA was cancelled under section 22-A of the HMDA Act on 24-07-2021 (Ex:B-8). After updating revenue records, we submitted dharani record of the subject land on 06-08-2021 (Ex:B-9) and on 09-02-2022 (Ex:B-11) the respondent requested to revoke of the draft layout cancellation orders dated 24-07-2021, and the HMDA has restored the draft layout orders vide letter dt: 19-02-2022 (Ex:B-12) and copy was served to Sub-Registrar, Ibrahimpatnam for information and necessary action and The Municipal Commissioner, Ibrahimpatnam Municipality, Ranga Reddy District after paying the additional layout fee to the HMDA and in turn Ibrahimpatnam Municipality further levied Rs.21,13,420/- (Rupees Twenty One Lakh Thirteen Thousand Four Hundred Twenty Only).

9. The Respondents submitted that the HMDA has issued a show cause notice dated 20.02.2020 to check and restore the check dams and vagu in Sy.Nos. 261 & 262 in Ibrahimpatnam khaslsa and demanded a compliance report, and after this, Emerald Constructions has approached the irrigation officials and asked for the details of any check dam or water bodies. The Irrigation officials visited the site and earmarked the stream and a buffer zone for the water body on the layout plan. They gave specifications for the construction of a drain for the nala and for the buffer zone and advised some alterations in the layout pattern. The Respondents submitted an undertaking to Irrigation department and got permission for the above construction and upon the above advise the Respondents have incorporated the alterations complied with the HMDA parameters as demanded in the above said show cause notice by restoring the same and in the process of restoring the management has altered the layout without much disturbance, in the order of the plots and their dimensions because some of the plots were already sold by the management. So, without affecting the purchaser's interest

and title, the same has been done, and a joint inspection has been conducted, and permission was accorded by letters dated 21-07-2022 and 27-07-2022. Upon the Irrigation Department's demand, an undertaking from the Emerald constructions was given to the Irrigation Department and on 28-07-2022, the Irrigation Department has accorded permission.

10. The Respondents further submits that the draft layout in Sy. Nos. 261 & 262 of khalsa Ibrahimpatnam, there was a cadastral mistake, and the 150-foot road was shown as it was going through Sy. No. 262, and it was supposed to go along with the existing Zilla Parishad road, a 70-foot road, which is on the edge of Sy. No.261, this 150-foot road mistakenly shown in the master plan 2031 and later master plan was corrected, and the same has been brought to the notice of HMDA, wide letter dated 19-01-2023 by Emerald Constructions all these can be evident from the layout dated 19-01-2018 L.P. No.000004/LO/Plg/HMDA/2018 and the revised layout plan dated 06.01.2024 having an understanding about the mistake the Respondents have sold plots situated in Sy. No.262 only, and as per the revised plan, the plots situated in 262 remained undisturbed. This is one of the major causes of differing with the developmental activity.

11. The Respondents submitted that again the Emerald Constructions applied for a revision of above approved layout with the irrigation permission and got revised layout approval upon paying additional layout fee on 06-01-2024 by the HMDA, and as per the letter sent to the commissioner, Ibrahimpatnam municipality, R.R. Dist., by the HMDA, the general condition no.7 is reproduced here:

"7. The layout applicant is directed to complete the above developmental works within a period of THREE (3) YEARS as per G.O. Ms.No.201, MA dt.16.11.2020 and submit a requisition letter for release of mortgage plots/area which is in favour of Metropolitan Commissioner, HMDA and for approval of final layout duly enclosing letter of Local Body with regard to roads, open spaces taken over by the Local Body."

12. The Respondents further submits that the Executive authority, Ibrahimpatnam, Ranga Reddy Dist., has issued a letter to Respondent company to pay the balance layout fee of Rs.9,61,120/- (Rupees Nine Lakh Sixty One Thousand One Hundred Twenty Only) vide letter dated 17-01-2025 and enable them to sanction and release of draft layout plan, accordingly the Respondent company has paid the said balance layout fee of Rs.9,61,120/- (Rupees Nine Lakh

Sixty One Thousand One Hundred Twenty Only) vide transaction reference Id.827520652, Dt: 23-01-2025, Axis Bank, Himayathnagar Branch, and accordingly the Executive Authority, Ibrahimpatnam Municipality, Ranga Reddy Dist., has technically approved, the draft layout plan sanctioned and released the same to the Respondent company vide letter no. 24-01-2025, acknowledging the payment of the balance amount towards the layout fee. All the developments will be completed in the stipulated time given by the HMDA. Therefore, the question of repayment with interest OR buying back of the subject plot, which is mentioned in the prayer, does not arise. Emerald Constructions never executed any Buy Back agreement or promised to buy at a certain price.

13. The respondents further submitted that has developed further HMDA Layouts namely B-Emerald, E-Emerald, H-Emerald and R-Emerald Layouts in the same relevant time and all the developments were completed and sold out to the prospective purchasers and the Respondent humbly submits that even in the present venture 60% of the developmental activities have been executed instead of legal impediments and remaining works will be completed within a short period and the respondents is having the capacity and having funds to develop the project, only for the administrative permissions the development has been stopped for the past four years and the respondent company is keenly perusing the developments at the site on day to day basis which is evident from the photos filed by the respondent. The respondents are once again registering the subject layout with RERA.

14. The Respondents submitted that Respondent No. 3, i.e., V. Srinivas, is not a director as the complainant mentioned in the cause title, but the Respondent No. 3 is a manager.

15. The Respondents submitted that the deficiency of service would arise only if the respondent fails to register the plot in spite of complete payment of sale consideration by the complainant or if there is any defect in the title of the said property in favour of the complainant and there is no willful default or intentional act of the respondent and the respondent is not at fault, the complainant is not entitled for repayment with interest or buying back of the subject plot by the respondent or any other relief(s) as prayed for and hence in conclusion, the Respondent prayed this Hon'ble Authority to dismiss the complaint.

D. Rejoinder

16. The Complainant in her rejoinder submitted that the Respondent failed to complete the development of the L Emerald layout before the due date, 18.12.2020, as per RERA No.

P02400000297 and the Respondent failed to get consent from the plot owners on the modification of the layout as mentioned in affidavit submitted and the Respondent failed to complete developments after getting approval from irrigation department on 21.07.2022 and the Respondent submitted that after getting irrigation approval Respondent has wilfully failed to reach HMDA for approval of layout immediately instead Respondent paid layout fee on 06.01.2024, there by delaying the developments required and the Respondent claim about completing development of 60% done by responded is denied as there was only water tank and partial drainage supply, power pillars were completed and also as mentioned by respondent in affidavit by Respondent counsel and the development made in the project were not reported to RERA authority till date.

D. Points for consideration:

17. After deliberating upon the contentions of the parties, the following issues arise for consideration by the Authority: *Whether the Complainant is entitled to the reliefs as prayed for? If yes, to what extent?*

E. Observations of the Authority:

18. From the documentary material placed on record, it stands established that the Complainant purchased Plot No. 130, admeasuring 200 Sq. Yards (167.28 Sq. Mtrs) in the layout known as “L-Emerald, Dream City-II”, situated in Sy. No. 262 of Khalsa, Ibrahimpatnam Village and Mandal, Ranga Reddy District. The transaction was duly completed through a registered Sale Deed bearing Document No. 3264/2019 dated 04.02.2019 at SRO, Ibrahimpatnam. The said Sale Deed remains valid and undisputed, and no allegation of fraud, suppression, or vitiating circumstances has been raised by either party.

19. The Complainant has stated that he paid a total sum of Rs. 10,50,000/-, comprised of Rs. 1,50,000/- towards sale consideration and Rs. 9,00,000/- towards development charges. The project was scheduled to be completed by 18.12.2020, as per the RERA registration. It is the Complainant’s case that the development remains incomplete. The Respondent, in its written and oral submissions, contends that the delay was neither intentional nor mala fide, but attributable to circumstances beyond its control. It is submitted that the project commenced in 2018 with due approvals, with 363 plots demarcated and 116 plots sold. The Respondent argues that force majeure events impeded development, and further contends that the Complainant is not entitled to interest because possession of the plot was delivered at the time of registration

of the sale deed. Additionally, the Respondent submits that rent or compensation is not applicable in plot transactions and that no contractual buyback exists.

20. The Respondents, however, unequivocally admits that development at the site remains incomplete. It attributes the delay to multiple external factors, including an HMDA stay order, objections from the Irrigation Department, and the Covid-19 pandemic. The Respondent reiterates that despite earnest efforts, these impediments have hindered progress. Nevertheless, such submissions do not alter the admitted fact that the promised development works remain pending to date.

21. The Respondents has filed certain photographs alleging ongoing development activities such as road formation and installation of street-light poles. It is also submitted that a revised draft layout was issued by HMDA on 06.01.2024 and that the final layout approval is expected shortly. The Respondent further states that it has filed a fresh application for RERA registration extension, however, records of this Authority confirm that the said application was returned with shortfalls on 11.06.2025 and that the Respondent has not complied with those deficiencies till date.

22. Upon careful consideration, this Authority notes that although physical possession of the plot may have been delivered contemporaneously with execution of the sale deed, delivery of possession without completion of development works does not amount to fulfilment of the promoter's statutory obligations. The project's RERA registration expressly stipulated 18.12.2020 as the completion date, by which the promoter was required to complete all development obligations, including internal roads, electricity, drainage, water facilities, and other approved infrastructure. Mere delivery of an undeveloped plot cannot extinguish the promoter's liability under the RE(R&D) Act.

23. The Respondent No. 1 seeks to justify the delay by attributing it to external circumstances, including the revocation of the 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 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 circumstances, on the contrary, demonstrate a lack of due diligence and regulatory awareness at the time of launching the project and executing sale deeds. A promoter is expected to verify all regulatory constraints

prior to marketing or selling plots. Having failed to do so, the promoter cannot now seek refuge under such impediments to avoid statutory liability.

24. The records further show that the RERA registration of the project lapsed on 18.12.2020. The Respondent No. 1 filed a fresh registration application after obtaining the revised draft layout, but the same was returned with shortfalls on 11.06.2025, which remain unaddressed. This continued non-compliance reflects promoter negligence and a disregard of statutory obligations. The Respondent No. 1 cannot claim unforeseen circumstances while simultaneously ignoring mandatory compliance requirements for project continuation.

25. Section 18(1) of the Real Estate (Regulation and Development) Act, 2016 mandates that where a promoter fails to complete or is unable to give possession of an apartment, plot or building by the date specified, he shall be liable, at the option of the allottee, either to return the amounts received with interest, or, where the allottee does not intend to withdraw from the project, to pay interest for every month of delay till handing over possession, at the prescribed rate. Thus, once delay is admitted, liability under Section 18(1) operates automatically, irrespective of whether possession was delivered without completion of promised development.

26. Considering that the Complainant has been awaiting completion since 2020, and in view of the Respondent's own admission that the development works remain incomplete, this Authority is of the considered view that the statutory liability under Section 18(1) of the RE(R&D) Act stands unequivocally attracted. Although the original project completion date under the RERA registration was 18.12.2020, which the promoter failed to adhere to, it is noted that the Government of Telangana granted a uniform extension of project timelines by one-and-a-half years owing to the Covid-19 pandemic. Extending the benefit of such relaxation to the Respondent No. 1, the delayed period shall accordingly be computed from 18.06.2022. Consequently, the Complainant becomes entitled to interest at the prescribed rate under Section 18(1) from 18.06.2022 until the Respondent No. 1 completes all promised development works in accordance with the sanctioned layout and hands over the plot as a fully developed plot in terms of the obligations disclosed at the time of sale.

27. The Respondents have submitted that a revised draft layout approval was issued by HMDA on 06.01.2024 and that the final approval is presently under consideration. In order to safeguard the interests of the remaining allottees and to ensure that the project does not remain

in a state of perpetual incompleteness, this Authority deems it necessary to issue specific directions. Accordingly, the Respondents are hereby directed to complete all pending development works strictly in conformity with HMDA norms and in compliance with all obligations under the RE(R&D) Act, 2016 and the sanctioned layout, within a time-bound period to be reckoned from the date of this Order, and subject to securing the final layout approval from the competent authority.

28. Further, the Respondents shall continue to pay interest to the Complainant, calculated at the prescribed rate under Section 18(1) of the RE(R&D) Act, from 18.06.2022 until such time as the final layout approval is obtained, all the promised development works are fully completed, and the plot is handed over to the Complainant as a fully developed plot strictly in accordance with the sanctioned plan.

29. In addition, the Respondents is hereby restrained from undertaking any marketing, selling, advertising, inviting of purchasers, or offering to sell any plots in the said project until a valid and fresh RERA registration is duly obtained. Any act in contravention of Section 3 of the RE(R&D) Act shall attract penal consequences under Section 63, and continued non-compliance may also warrant initiation of proceedings for declaring the Respondent No.1 as a defaulter for persistent disregard of the statutory mandate and the directions issued by this Authority.

J. Directions of the Authority:

30. In view of the detailed observations made hereinabove and upon careful consideration of the pleadings, documents placed on record, the submissions made by both parties, and applicable provisions of the RE(R&D) Act, 2016, this Authority is of the considered opinion that the Complainant is entitled to the following reliefs:

- a) The Respondent No. 1 is directed to pay interest for the period of delay in completing the development of the plot, calculated from 18.06.2022, being the date arrived at after granting the Respondent No. 1 the benefit of 18 months of extension due to Covid-19, as allowed by the Government of Telangana, over and above the assured completion date of 18.12.2020 and 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 10.75% per annum until the Respondent No.1 secures final layout approval from the competent authority

- b) The Respondent No.1 is restrained from advertising, marketing, offering for sale, inviting purchasers, or effecting any sale transactions in respect of any plot within the said project until a valid and fresh RERA registration is obtained in accordance with Section 3 of the RE(R&D) Act. Any act in contravention of this direction shall constitute a violation of Section 3 and shall render the Respondent No.1 liable for penal action under Section 63, apart from any other statutory consequences, including initiation of proceedings for being declared a defaulter for continued non-compliance.
- c) In addition, the Respondent No. 1 is directed to immediately comply with the shortfalls communicated by the Authority in 11.06.2025 in respect of the Respondent's application for RERA registration. The Respondent No. 1 shall comply and submit all requisite documents and clarifications without delay, failing which this Authority shall be constrained to initiate proceedings under the RE(R&D) Act, 2016 for non-compliance of regulatory directives.
- d) Failure to comply with the above directions shall attract penal consequences in accordance with the provisions of 63 of the RE(R&D) Act, 2016.

31. As a result, the complaint is disposed of accordingly. 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