

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Complaint No. 174 of 2025

Dated: 12th 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

I.C. Ashok Kumar,

R/o. D.No.3-17-3, 4-1637,

Villa No. 3 & 4, Maharaja Forts, Parvathapur,

Medipally, Medchal-Malkajgiri District, Hyderabad - 500098

...Complainant

Versus

1. M/s Ambitionz N Homez,

Rep by its Managing partner, Sharad Kumar Misra,

R/o. 12-10-52, 1 S, Seethaphal Mandi, Secunderabad - 500061

2. Sharad Kumar Misra,

R/o. 12-10-52, 1 S, Seethaphal Mandi, Secunderabad-500061

3. Kanaka Durga,

R/o. 6-5-422, Self-Finance colony,

Phase-V, Vanasthalipuram, R.R. District.

4. S. Srinivas Reddy,

R/o 3-113, Bheemreddynagar,

Boduppall, Medchal-Malkajgiri District, Hyderabad

5. M. Srihari Prasad,

R/o 9-21/3/7/9, Ashok Nagar,

Boduppall, Medchal-Malkajgiri District, Hyderabad.

...Respondents

The present matter filed by the Complainant mentioned herein above came up for hearing before this Authority in the presence of Counsels for Complainant Mr. Jacob Mudi and Arun Kumar Mudi, and Counsel for Respondents Mr. G. Surender Reddy and upon hearing the submissions of both the parties, 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 dispute involved in the present complaint pertains to a Group Housing Scheme and development of land in the name and style of “M/s. Ambitionz N Homez” situated at Parvathapur, Medipally Mandal, Medchal–Malkajgiri District, in Sy.No.17/A/16 and Sy.No.21, admeasuring Ac.5.23 guntas.

4. It is submitted that the promoters, M/s. Ambitionz N Homez, entered into a Memorandum of Understanding (MoU) with developers Sri Lakshmi Narasimha Swamy Constructions vide Regd. No. 343/2013, dated 07-02-2013, for construction and development of the residential project. The said MoU was entered into between Respondent Nos.1, 2, 4 and 5.

5. It is stated that Respondents Nos. 2, 4 and 5 entered into an Agreement for Sale-cum-Construction of a duplex house with the complainant in respect of Plot Nos. 61D and 61C (part), admeasuring 210 sq. yds., for a total consideration of Rs. 48,00,000/- on 18-04-2013. The complainant, upon finding that the said plots were corner plots adjacent to Musi Nala, requested the respondents to change the allotment, for which the respondents agreed and allotted Plot No.3 (part) and Plot No.4, which were mortgage plots, stating that there were no other plots available.

6. It is further submitted that Respondents Nos. 2, 4 and 5 referred to Condition No.5 of the HMDA technical approval letter and their requisition letter to HMDA seeking one year’s extension to complete the project, assuring the complainant that the project would be completed within one year, after which they would execute and register the sale deed of Plot Nos.3 and 4 in the complainant’s favour. The complainant agreed to purchase the same, and Respondents Nos. 2 and 3 executed an Agreement for Sale in favour of the complainant for Plot Nos. 3 (part) and 4, admeasuring 249 sq. yds. along with a proposed built-up area of duplex house of 2,900 sq. ft., for a total consideration of Rs. 53,94,000/- on 05-03-2014.

7. It is also stated that Respondents Nos. 2 and 3 executed another Agreement of Sale in favour of the complainant for purchase of 85 sq. yds. in Plot No.3 (balance part) for a total

consideration of Rs. 25,00,000/-, dated 30-09-2021, in the context of submitting the final layout to HMDA for release of mortgage plots.

8. It is submitted that the respondents have received Rs. 64,00,000/- out of the total sale consideration of Rs. 78,94,000/- towards Plot Nos.3 and 4, admeasuring 334 sq. yds., along with the built-up area of duplex house of 2900 Sq.Fts in Survey Nos. 17/A/6 & 21 situated in Maharaja Forts, Parvathapur Village, Medipally Mandal, Medchal-Malkajgiri District. The balance amount of Rs.14,94,000/- was to be paid at the time of registration.

9. It is submitted that the Respondent Nos. 2, 4, and 5, had promised to complete the total residential group housing project within 3 years as per the Condition No. 8 of the HMDA approval, and submit a requisition letter for releasing the mortgaged plots and register the sale deed for the said plots in favour of the Complainant in 2015. As the project was not completed on time, extensions were sought twice between 2014 and 2016, with payment of 20% revalidation charges of Rs. 8,82,530/- on 20-02-2015.

10. It is submitted that, without completing the project, the respondents handed over possession of Plot Nos.3 and 4 without executing and registering the sale deed in favour of the complainant. It is further submitted that, on 20-02-2020, the complainant received a property tax assessment notice from the Municipal Commissioner, Peerzadiguda, and upon informing the respondents and receiving no response for six months, undertook self-assessment and started paying property tax and electricity bills in the name of Respondent No.1 from 2017.

11. It is further submitted that the respondents failed to complete the housing project within three years i.e., on or before 12-01-2014 as per the condition no. 8 of HMDA technical approval, dated: 13-01-2011, or even within the extended time till 12-01-2016, and have not paid the revalidation charges to HMDA. Despite repeated approaches by the complainant offering to pay the balance amount of Rs.14,94,000/- and execute the registration, the respondents failed to register the sale deed, citing non-obtaining of Occupancy Certificate and non-release of mortgage by HMDA, even after eleven years beyond the time limit given by HMDA.

12. It is stated that the respondents have failed to obtain Occupancy Certificate from HMDA for the entire project; failed to release the mortgage and register the sale deed of Plot Nos.3 and 4 in favour of the complainant; and failed to complete the 40 feet approach road as per Condition No.17 of HMDA technical approval. The development works of children's play

area and park, clubhouse and gym area, amphitheatre, and walking tracks with percolation tiles, as promised in the brochure, remain pending.

13. It is submitted that the complainant suffered a heart stroke in 2021 due to stress from non-registration of the plots, incurring medical expenses of Rs. 5,00,000/-. It is further submitted that other residents ill-treated the complainant, calling him a private party staying illegally due to non-registration, and did not permit him to contest elections for the “Maharaja Forts Villa Owners Mutually Aided Co-operative Society”.

14. It is further submitted that the complainant continues to pay property tax and electricity bills in the respondents’ name since 2017, causing mental agony and reputational harm. A resident also complained to the Municipal Commissioner, Peerzadiguda, that the mortgage plots were constructed illegally, leading to a notice to Respondent No.2 on 13-07-2023, to which a reply was given on 15-07-2023.

B. Relief(s) Sought:

15. Accordingly, the Complainant sought the following reliefs:

- i. Initiate appropriate action against the respondents for fraud and breach of contract, by awarding compensation.
- ii. Direct the respondents for registration of Plot Nos.3 and 4, admeasuring 334 sq. yds., which was a constructed duplex house D.No.3-17-3, 4-1637, in Sy.No.17/A/6 & 21.
- iii. To compensate the complainant for financial loss, mental anguish, and health deterioration caused by the respondents’ actions.
- iv. To secure the complainant’s rightful ownership and alleviate his prolonged suffering.
- v. To instruct the promoters to obtain RERA registration.

C. Counter on behalf of the Respondents:

16. The Respondents have submitted that the present complaint is not maintainable either in law or on facts. All allegations made by the complainant are denied as false, baseless, and created solely for the purpose of filing the present complaint, except those specifically admitted herein.

17. It is submitted that the land in Sy.No.17/A/6, admeasuring Ac.5.00 gts, and in Sy.No.21, admeasuring Ac.0.23 gts, in all measuring Ac.5.23 gts., situated at Parvathapur Village, was

originally owned by one Bridghubhan Singh. The said owner executed an Agreement of Sale-cum-General Power of Attorney with possession in favour of M/s. Ambitionz N Homez and six partners, bearing Document No.2648/2008, dated 30-05-2008. Subsequently, a deed of reconstitution was executed between the partners on 20-05-2008.

18. The Respondents have stated that M/s. Ambitionz N Homez intended to construct villas in the above said property. Accordingly, the Respondents approached HMDA for permission. After scrutiny of title, HMDA sanctioned the layout vide proceedings No.LP.No.04/LO/ZOI/GTKR/HMDA/2010, dated 13-01-2011, and the layout was prepared as per HMDA's terms and conditions.

19. It is submitted that the complainant approached the Respondents for purchase of a plot in the said layout. After going through the title, HMDA permission, and other documents, as well as inspecting the layout, the complainant agreed to purchase. At the time of entering into the agreement, the Respondents informed the complainant that Plot Nos.1 to 4 were mortgaged with HMDA and that, upon release of the mortgage, a registered sale deed would be executed in the complainant's favour. The complainant agreed and paid advance sale consideration, and an agreement of sale was executed on 05-03-2014 in favour of the complainant.

20. It is further submitted that in the year 2008, the villagers had occupied part of the vendor's land for use as a graveyard, leading to a suit for perpetual injunction for non-interference with the possession vide O.S. No. 860 of 2008 filed before the Hon'ble III Additional Junior Civil Judge, Ranga Reddy District, at L.B. Nagar, which was decreed in favour of the vendor. In the meantime, the Respondents purchased the property in 2011, obtained HMDA permission, and commenced construction of villas in 2011, completing the same by 2015. It is stated that, as the RERA Act came into force only on 01-05-2016, the project was not registered under RERA.

21. The Respondents have submitted that they have made the layout as per the norms of HMDA, but the villagers encroached upon 10 feet of the approach road and constructed compound wall, reducing its width from 40 feet to 30 feet. Due to this, the HMDA has not released the mortgaged plots, including Plot Nos.1 to 4, in the above layout. The Respondents state that they are making efforts to recover the encroached portion, and upon recovery and release of the mortgage, they will execute a registered sale deed in favour of the complainant.

22. It is further submitted that the site is named “Maharaja Forts” and that the complainant had been elected as President of the “Maharaja Forts Welfare Association”, and is therefore fully aware of the encroachment of the 10 feet road by the villagers.

23. It is submitted that the RERA Act, which came into force on 01.05.2016, is not applicable as the layout was made in 2011, and hence this Authority lacks jurisdiction. It is stated that, as the plots were mortgaged to HMDA, they were sold to the prospective purchasers at a lower rate than the prevailing market price. The fact of mortgage was never suppressed and was duly recorded in the agreement of sale executed in favour of the complainant. In view of the above, the Respondents have prayed that the complaint be dismissed with costs as being devoid of merit.

D. Points to be determined:

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

- I. Whether the present complaint is maintainable before this Authority under Section 31 of the Real Estate (Regulation and Development) Act, 2016?
- II. Whether the Complainant is entitled to the relief sought? If so, to what extent?

E. Observations of the Authority:

Point I

Whether the present complaint is maintainable before this Authority under Section 31 of the Real Estate (Regulation and Development) Act, 2016?

25. Upon the perusal of all the pleadings as well as the documents placed on record by the parties, this Authority proceeds with the following observations. The Respondents have raised an objection contending that the present complaint is not maintainable before this Authority on the ground that the subject Project is exempt from the applicability of the Real Estate (Regulation and Development) Act, 2016, as the Act came into force on 01.05.2016, and in the present case the layout was made in the year 2011. It was also submitted that the Respondents obtained HMDA permission and started construction of the villas in the year 2011 and the same was completed in the year 2015 and as such the Respondents have not registered the project with this Authority.

26. This Authority, however, finds such a contention untenable. The record before this Authority clearly indicates that, although the layout approval was granted by the HMDA in 2011, the project was never completed as per the sanctioned plan or the conditions of approval, and no Occupancy Certificate has been obtained till date. The Respondents themselves have admitted that the 40-foot approach road was not completed and that the mortgage plots, including Plot Nos. 1 to 4, remain unreleased by HMDA. As the Occupancy Certificate for the said project has not been obtained till date, the Project will be considered as an ongoing project under the RE(R&D) Act, and hence the project cannot be treated as a completed project prior to the enactment of the RE(R&D) Act.

27. It is also necessary to refer to the plain language of Section 3(1) of the Real Estate (Regulation and Development) Act, 2016, which reads as follows:

“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:

Provided that projects that are ongoing on the date of commencement of this Act and for which the completion certificate has not been issued, the promoter shall make an application to the Authority for registration of the said project within a period of three months from the date of commencement of this Act:

Provided further that if the Authority thinks necessary, in the interest of allottees, for projects which are developed beyond the planning area but with the requisite permission of the local authority, it may, by order, direct the promoter of such project to register with the Authority, and the provisions of this Act or the rules and regulations made thereunder, shall apply to such projects from that stage of registration.”

28. A plain reading of the above provision makes it abundantly clear that the applicability of the RE(R&D) Act is not determined by the date of sanction of building permission but by the status of completion of the project as on the date of commencement of the Act. Any project for which a Completion Certificate or Occupancy Certificate had not been issued as on the date of commencement of the Act is deemed to be an ongoing project and, consequently, falls within the regulatory ambit of this Authority.

29. In this regard, reference is invited to G.O.Ms.No.60 dated 04.03.2025, issued by the Government of Telangana, whereby Rule 2(1)(j) of the Telangana Real Estate (Regulation and

Development) Rules, 2017, was amended to bring it in consonance with the central enactment. The amended Rule now defines an “ongoing project” as one where development activity is in progress and for which the Occupancy Certificate or Completion Certificate from the competent authority has not been issued as on the date of commencement of the Act under Section 3(1).

30. Therefore, even though the Respondents may have obtained layout permission in 2011 and claim to have completed construction in 2015, the fact remains that the Occupancy Certificate has not been issued for the project to date. This conclusively establishes that the project continues to be an “ongoing project” within the meaning of the RE(R&D) Act. Accordingly, in view of the foregoing facts and findings, this Authority holds that the complaint is maintainable before it under Section 31 of the Real Estate (Regulation and Development) Act, 2016.

Point No. 1 is answered accordingly.

Point II

The Complainant has sought multiple reliefs, which are examined as follow:

a) Initiating appropriate action against the respondents for fraud and breach of contract, by awarding compensation:

31. The allegation of fraud and breach of contract raised by the Complainant does not merit acceptance in view of the express terms of the Agreements of Sale executed between the parties. The first Agreement of Sale, dated 05.03.2014, relating to Plot No. 4 and Plot No. 3 (part), admeasuring 249 sq. yds., along with proposed built-up area of duplex house of 2900 sft., in Survey No. 17/A/6, situated at Parvathapur Village, Ghatkesar Revenue Mandal, Ranga Reddy District, in Clause 3 categorically provides that *“the plot will be allotted after getting mortgage released by HMDA and the construction will be started than after getting clearance from HMDA.”* Likewise, the subsequent Agreement of Sale dated 30.09.2021, executed for Plot No. 3 (part), admeasuring 85 sq. yds., reiterates in Clause 4 that *“the plots will be registered to the purchaser or to their nominees, or any person after the release of mortgage.”*

32. These stipulations leave no scope for doubt that the Complainant was fully aware, at both stages of entering into agreements, that the subject plots were mortgage plots and that

their registration was contingent upon release by HMDA. Thus, the Complainant entered into both transactions with clear knowledge of the mortgage status and the attendant risks.

33. At the same time, it cannot be ignored that the Respondents acted in contravention of the very terms of the HMDA approval vide LP.No.04/LO/ZOI/GTKR/HMDA/2010, dated 13-01-2011. Condition No. 1 of the approval categorically states that mortgage plots (Plot Nos. 1 to 4) are not saleable by the developer until the final layout is approved by HMDA, while Condition No. 9 further stipulates that the applicant shall not be permitted to sell the plots/area mortgaged in favour of HMDA, i.e., Plot Nos. 1 to 4. By entering into an Agreement of Sale in respect of such mortgage plots, the Respondents violated these binding conditions, and such conduct reflects a clear lapse on their part.

34. However, it must be noted that the Complainant was neither misled nor unaware of the mortgage condition. Having twice entered into agreements expressly subject to mortgage release, the Complainant voluntarily assumed the risks associated with such plots. Mortgage plots carry inherent risks as no conveyance or registration can be affected until release by HMDA and any non-compliance of the conditions by the developer may indefinitely delay the release. The Complainant, having consciously accepted these risks and parted with consideration despite being aware of the restrictions, cannot now claim that he was defrauded or that there has been a breach of contract.

35. The inability to secure release of the mortgage within the anticipated period, though unfortunate and attributable to Respondents' failure to comply with HMDA conditions, does not amount to fraud or breach of contract when the contractual understanding itself made release of mortgage a precondition to allotment.

36. Accordingly, this Authority holds that while the Respondents erred in entering into sale agreements for mortgage plots in violation of HMDA conditions, the Complainant, having entered the agreement with knowledge and acceptance of such risks, cannot sustain his claim of fraud or breach of contract. The relief sought under this head is therefore not liable to be granted.

b) Direction to the Respondents for registration of plot No. 3 & 4 and claim for compensation:

37. It is an admitted fact that Agreements of Sale were executed between the parties, substantial consideration amounting to ₹64,00,000/- out of the total agreed sum of ₹78,94,000/-

has already been paid by the Complainant, and possession of the subject plots has been handed over. The Complainant has since been residing in the property and has been discharging municipal obligations, including payment of property tax and electricity bills, in the name of the Respondents. What remains incomplete is the formal registration of the plots in favour of the Complainant, along with payment of the balance consideration of ₹14,94,000/-, which was to be paid at the time of registration.

38. The only impediment cited by the Respondents for non-registration is the non-release of the mortgaged plots by HMDA. It is stated that the 40 feet wide approach road, as sanctioned in the HMDA layout approval, was encroached upon by local villagers, who constructed a compound wall, thereby reducing its width to 30 feet. On account of this encroachment and the consequent deviation from the approved layout conditions, HMDA has refused to release the mortgaged plots, including Plot Nos. 1 to 4. The Respondents contend that they are making efforts to remove the encroachment and restore the road to its sanctioned width so that HMDA may release the mortgage, following which the plots can be registered in favour of the Complainant.

39. While the existence of such encroachment is not in dispute, this circumstance is attributable solely to the Respondents' failure to comply with HMDA conditions and to secure release of the mortgaged plots within the prescribed time. The layout approval clearly required provision of a 40 feet wide approach road as per sanctioned plan, and the Respondents' inability to ensure compliance has directly resulted in HMDA withholding release of the mortgaged plots, thereby preventing execution of sale deeds in favour of the Complainant. Despite the lapse of considerable amount of time, the Respondents have neither obtained the Occupancy Certificate nor ensured release of the mortgage, thereby depriving the Complainant of legal title despite his having performed his part of the contract by paying substantial portion of the sale consideration.

40. The Complainant, having paid a substantial portion of the sale consideration and having been in possession of the property, cannot be indefinitely deprived of registration on account of the Respondents' defaults. The statutory obligation under Section 11(4)(f) of the RE(R&D) Act requires the promoter to *"execute a registered conveyance deed of the apartment, plot or building, as the case may be, in favour of the allottee along with the undivided proportionate title in the common areas to the association of allottees or competent authority, as the case may be, as provided under section 17 of this Act;"*

41. In terms of Section 11(4)(b) of the Real Estate (Regulation and Development) Act, 2016, the promoter is statutorily obligated to be responsible for obtaining the completion certificate or the occupancy certificate, as the case may be, from the competent authority, and to make the same available to the allottees individually. The scheme of the RE(R&D) Act clearly envisages that it is the promoter's primary and non-delegable obligation to complete the project in its entirety and secure the requisite occupancy or completion certificate, thereby ensuring lawful possession to the allottees. Therefore, the pendency of encroachment disputes or technical objections with HMDA, cannot absolve the Respondents of their statutory responsibility to complete the process of obtaining requisite approvals, secure release of the mortgaged plots, and execute the conveyance in favour of the Complainant.

42. Accordingly, this Authority directs the Respondents to take all necessary steps to rectify the impediments, including recovery of the encroached portion of the approach road if required, and to obtain an Occupancy Certificate for the project at the earliest. Within thirty (30) days from the date of receiving the Occupancy Certificate, the Respondents shall secure release of the mortgaged plots from HMDA and thereupon execute and register the sale deed in favour of the Complainant in respect of Plot Nos. 3 and 4, admeasuring 334 sq. yds., along with the constructed duplex house D.No.3-17-3, 4-1637, in Survey No. 17/A/6 & 21, in the project Maharaja Forts situated at Parvatapur Village, Ghatkesar Revenue Mandal, Ranga Reddy District, subject to the Complainant simultaneously tendering the balance sale consideration of ₹14,94,000/- as agreed between the parties.

43. The Complainant has also sought compensation for financial loss, mental anguish, and health deterioration allegedly suffered on account of the Respondents' conduct. This Authority notes that the jurisdiction to determine and award compensation vests with the Adjudicating Officer under Section 71 of the RE(R&D) Act, upon filing of an application in the prescribed manner. Accordingly, the Complainant may file a separate application in Form 'N' before the Adjudicating Officer for the claim for compensation.

c) Instruction to the promoters to obtain RERA registration of the project

44. As determined under Point I, the project in question qualifies as an "ongoing project" within the meaning of Section 3 of the RE(R&D) Act, 2016, since no Occupancy Certificate has been issued to date. Ordinarily, such a project is required to be registered with this Authority, and the promoter is under a statutory obligation to comply with the mandate of Section 3.

45. However, in the present case, it is an admitted fact that all villas in the project have already been sold to the respective purchasers. In such circumstances, directing registration of the project at this stage would serve no meaningful purpose, since there are no unsold units to be marketed or conveyed.

46. Consequently, this Authority is not inclined to issue a direction for registration of the project under Section 3 at this juncture. Nevertheless, the Respondents remain bound by all other obligations flowing from the agreements executed with the Complainant and from this Authority's present directions, including securing release of the mortgaged plots and completing registration in favour of the Complainant.

F. Directions of the Authority:

47. In exercise of the powers conferred under Section 37, this Authority issues the following directions:

1. The Respondents are hereby directed to take all necessary steps to rectify the impediments, including recovery of the encroached portion of the approach road if required, and to obtain an Occupancy Certificate for the project from the competent authority at the earliest. Within thirty (30) days from the date of receipt of the Occupancy Certificate, the Respondents shall secure release of the mortgaged plots from HMDA and thereupon execute and register the Sale Deed in favour of the Complainant in respect of Plot Nos. 3 and 4, admeasuring 334 sq. yds., along with the constructed duplex house D.No.3-17-3, 4-1637, in Survey No. 17/A/6 & 21, in the project Maharaja Forts situated at Parvatapur Village, Ghatkesar Revenue Mandal, Ranga Reddy District, subject to the Complainant simultaneously tendering the balance sale consideration of ₹14,94,000/-.

48. 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.

49. 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