

BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY

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

Date: 22nd April, 2026

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

COMPLAINT NO. 435/2025/TGRERA

Balgam Narendar, S/o Kishtaiah

*(R/o HNo-5-81/P-17, Brindavan housing society,
Kistareddypet, Ameenpur, Hyderabad, Telangana-502319)*

...Complainant

Versus

"M/s. SVM Aditya Homes, represented by its Managing Partner, Sri N. Srinivas Babu,
*(Office at 1st Floor, IKON Towers,
F87V+876, Sai Pruthvi Enclave,
Kondapur, Hyderabad - 500084.)*

...Respondent

The present matter filed by the Complainant came up for hearing before this Authority, in the presence of the Complainant in person, and no one appeared for the Respondents despite due service of notice. After hearing the Complainant's submissions, the matter was set ex parte. This Authority now proceeds to pass the following **ORDER**:

2. The present Complaint has been filed by the Complainant under Section 31 of the Real Estate (Regulation & Development) Act, 2016 (hereinafter referred to as the "Act") read with Rule 34(1) of the Telangana Real Estate (Regulation and Development) Rules, 2017 (hereinafter referred to as the "Rules") seeking appropriate relief(s) against the Respondents.

A. The brief facts of the case, as stated by the Complainants, are as follows:

3. It was submitted by the Complainant, Sri Narendar Balgam, Son of Kishtaiah, residing at H.No-17, Brindavan Housing Society, Kistareddypet, Ameenpur, Hyderabad, that a serious violation under the Real Estate (Regulation and Development) Act, 2016 had been committed

by the builder. The Complainant stated that he had booked a unit initially designated as Villa No. 180 in the project named "Tech Homes," developed by Aditya Squares Projects Pvt. Ltd., on 22-01-2023, by paying a substantial sum of Rs. 25,00,000.

4. It was alleged that the builder had blatantly failed to register the project with the RERA authority, even after the passage of two and a half years since the collection of funds from the buyers. Furthermore, it was averred that the builder had completely failed to obtain the requisite HMDA approval till date, despite providing repeated false assurances to the Complainant.

5. The Complainant submitted that the builder had arbitrarily changed the allotted villa number multiple times, altering it from 180 to 190, and subsequently to 88. It was asserted that these changes were executed without any written consent from the Complainant, resulting in a situation where no final allocation was ever confirmed. Additionally, it was pointed out that the builder had incorporated incorrect survey numbers in the Memorandum of Understanding (MoU). Despite the Complainant making multiple personal visits and the builder making written promises, these critical errors remained uncorrected in the documentation.

6. It was brought to the record that the builder had dispatched an unauthorized cancellation email on 30-06-2025, entirely without the Complainant's consent. Following this arbitrary cancellation, it was alleged that the builder was refusing to respond to any phone calls or emails, and was deliberately denying any clarity regarding the refund of the amounts paid.

7. The Complainant also averred that the builder had made a specific promise to provide a price reduction of Rs. 2200 per square foot and to rectify the document corrections post-December 2024. However, it was stated that these promises ultimately remained completely unfulfilled.

8. Consequently, it was pleaded that the egregious acts and omissions of the builder had caused immense mental harassment and imposed a severe financial burden upon the Complainant, who was forced to incur loan interest at the rate of two percent monthly. The Complainant further emphasized the substantial loss of real estate value appreciation suffered due to these delays and unlawful cancellations, pointing out that the local land rates had increased drastically from Rs. 22,000 per square yard to over Rs. 50,000 per square yard during the intervening period.

B. Relief(s) Sought

9. Accordingly, the Complainant sought the following relief(s)

- i. *Direct the builder to refund my full paid amount 25,00,000 along with interest and compensation.*
- ii. *Investigate the project and initiate action against the promoter for non-registration and illegal activity.*
- iii. *Prevent further sale/allotment until the project is registered with RERA and made compliant.*

C. Point(s) for Consideration

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

- I. Whether the Respondent has violated Section 3 of the Real Estate (Regulation and Development) Act, 2016?
- II. Whether the Complainant is entitled to the relief sought? If so, to what extent?

D. Observations of the Authority

11. The record clearly indicates that despite due service of notice and Show Cause Notice, duly effected through postal as well as personal service, the Respondent has failed to appear before this Authority or file any written response to contest the allegations made by the Complainant. In these circumstances, and upon being satisfied that due process has been duly followed and all procedural requirements have been complied with, this Authority proceeds ex parte against the Respondent.

Point I

12. This Authority now proceeds to examine whether the Respondent has violated Section 3 of the Real Estate (Regulation and Development) Act, 2016 by undertaking development and sale activities in the project "Tech Homes" without obtaining prior registration with this Authority.

13. Section 3(1) of the Real Estate (Regulation and Development) Act, 2016 provides in unequivocal terms 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 RE (R&D) Act, 2016.

14. The exemption from mandatory registration is available only under Section 3(2) of the RE (R&D) Act, 2016, which provides that no registration shall be required where the area of land proposed to be developed does not exceed five hundred square meters or where the number of apartments proposed to be developed does not exceed eight, inclusive of all phases.

15. In the present case, the Memorandum of Understanding dated 23.02.2023 executed between the parties clearly establishes that the project "Tech Homes" comprises a total of 181 units. Furthermore, the project is proposed to be developed over an area admeasuring Ac. 09.00 gts, which is equivalent to 36,421.74 square meters. It is therefore evident that the project far exceeds both the thresholds prescribed under Section 3(2) of the RE (R&D) Act, 2016, namely the threshold of 500 square meters in respect of land area and the threshold of eight units in respect of the number of apartments or units. The project therefore does not qualify for any exemption from the mandatory registration requirement under the RE (R&D) Act, 2016.

16. It is an undisputed position that the project "Tech Homes" has not been registered with this Authority till date. Despite having collected substantial amounts from the Complainant and other buyers, commencing from 22.01.2023, the Respondent has failed to obtain the mandatory registration under the RE (R&D) Act, 2016 over a period of more than two and a half years. The Respondent has also failed to obtain the requisite layout approval from the Hyderabad Metropolitan Development Authority. Notwithstanding these glaring statutory deficiencies, the Respondent has continued to market, book, and collect amounts from buyers in respect of units in the said project, in brazen violation of the prohibition contained in Section 3(1) of the RE (R&D) Act, 2016.

17. The language of Section 3(1) of the RE (R&D) Act, 2016 is prohibitory and mandatory. Registration of a real estate project is a condition precedent to any act of advertisement, marketing, booking, sale, or offer for sale. The statutory embargo is absolute, subject only to the limited exemptions expressly provided under Section 3(2), which have no application to the present case. By booking units, collecting sale consideration, and executing Memoranda of Understanding with buyers in respect of a project that was neither registered under the RE (R&D) Act, 2016 nor approved by HMDA, the Respondent has committed a clear and continuing violation of Section 3(1) of the RE (R&D) Act, 2016.

18. Accordingly, this Authority holds that the Respondent has violated Section 3 of the Real Estate (Regulation and Development) Act, 2016 by advertising, marketing, booking, and collecting consideration in respect of units in the project "Tech Homes" without obtaining prior

registration of the said project with this Authority. The Respondent is therefore liable for penal action under Section 59 of the RE (R&D) Act, 2016.

Point I is answered accordingly in the affirmative.

Point II

19. Upon a careful perusal of the material available on record, this Authority observed that the Respondent failed to secure the requisite layout and building permissions from the Hyderabad Metropolitan Development Authority (HMDA) for the subject project. In the absence of such mandatory statutory approvals, the Respondent was legally incapable of commencing lawful construction activity at the site, and was therefore entirely unable to start or complete the construction of the project.

20. Despite lacking the fundamental approvals to undertake development, the Respondent collected a substantial sum of Rs. 25,00,000/- (Rupees Twenty-Five Lakhs Only) from the Complainant. This amount was collected towards the sale consideration for a unit initially designated as Villa No. 180, which was subsequently altered to 190 and 88, in the unregistered project titled "Tech Homes." The material on record evinces that the said total consideration was paid in multiple tranches, the details of which are as follows: Rs. 5,00,000/- paid on 26.01.2023 via cheque, Rs. 2,00,000/- paid on 21.02.2023 via NEFT (online), Rs. 8,00,000/- paid on 21.02.2023 via RTGS (online), Rs. 6,00,000/- paid on 22.02.2023 via NEFT, and Rs. 4,00,000/- paid on 23.02.2023 via cash.

21. As the Respondent failed to deliver possession of the subject villa and could not fulfill its basic developmental obligations, the statutory protections afforded to the allottee are triggered. In this regard, it is pertinent to refer to Section 18 of the RE (R&D) Act, 2016, which is reproduced below:

"18. Return of amount and compensation. —

(1) If the promoter fails to complete or is unable to give possession of an apartment, plot or building, —

(a) in accordance with the terms of the agreement for sale or, as the case may be, duly completed by the date specified therein; or

(b) due to discontinuance of his business as a developer on account of suspension or revocation of the registration under this Act or for any other reason,

he shall be liable on demand to the allottees, in case the allottee wishes to withdraw from the project, without prejudice to any other remedy available, to return the amount received

by him in respect of that apartment, plot, building, as the case may be, with interest at such rate as may be prescribed in this behalf including compensation in the manner as provided under this Act:

Provided that where an allottee does not intend to withdraw from the project, he shall be paid, by the promoter, interest for every month of delay, till the handing over of the possession, at such rate as may be prescribed.

(2) The promoter shall compensate the allottees in case of any loss caused to him due to defective title of the land, on which the project is being developed or has been developed, in the manner as provided under this Act, and the claim for compensation under this subsection shall not be barred by limitation provided under any law for the time being in force.

(3) If the promoter fails to discharge any other obligations imposed on him under this Act or the rules or regulations made thereunder or in accordance with the terms and conditions of the agreement for sale, he shall be liable to pay such compensation to the allottees, in the manner as provided under this Act."

22. Applying the aforesaid statutory mandate provided under Section 18(1) of the RE (R&D) Act, 2016 to the facts of the present case, it is evident that the Respondent egregiously failed to complete the construction and was unable to give possession of the promised unit to the Complainant. Consequently, the Complainant is well within his rights to demand a withdrawal from the project and seek a return of the amount paid. Therefore, this Authority holds that the Complainant is entitled to the full refund of Rs. 25,00,000/-, along with interest at the rate prescribed under Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017, i.e., State Bank of India's highest Marginal Cost of Lending Rate (MCLR) plus 2% per annum, calculated from the date of payment until the date of actual realization.

Accordingly, Point II is answered in the affirmative.

E. Directions of the Authority

23. In accordance with the discussions and findings recorded hereinabove, this Authority, in exercise of the powers conferred under Sections 37 and 38 of the Real Estate (Regulation and Development) Act, 2016, issues the following directions to the Respondent:

- i. The Respondent is directed to refund the entire amount of Rs. 25,00,000/- (Rupees Twenty-Five Lakhs Only) to the Complainant, along with interest at the rate of 10.75% per annum (SBI MCLR of 8.75% + 2%) calculated from the respective dates of payment until the date of actual and full refund, within 30 (thirty) days from the date of this Order.

- ii. The Respondent is strictly restrained from undertaking any further advertisement, marketing, booking, sale, or offer for sale of any plot, apartment, or building in the unregistered project "Tech Homes" until the mandatory project registration is obtained from the Telangana Real Estate Regulatory Authority under Section 3 of the RE(R&D) Act, 2016.
- iii. The Authority, taking note of the Respondent's (M/s. SVM Aditya Homes) violation of Section 3 of the Real Estate (Regulation and Development) Act, 2016 by marketing and selling units without obtaining mandatory registration, hereby directs the Secretary, Telangana RERA, to immediately initiate steps under Section 59 of the RE(R&D) Act, 2016, for the imposition of an appropriate penalty upon the Respondent, subject to the approval of the Authority, for the aforesaid violations.
- iv. Failure to comply with directions (i) and (ii) by the Respondent shall attract stringent penal action in accordance with Section 63 of the RE(R&D) Act, 2016.
24. In view of the above, the present complaint is disposed of. No order as to costs.

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

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

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