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

Complaint No. 481 of 2025
Dated: 22nd June 2026

Quorum: **Sri K. Srinivasa Rao, Hon'ble Member**
Sri Laxmi Narayana Jannu, Hon'ble Member

Mr. Pothamestti Venkatesham
H.No. 2-6-86/5/2A, Ram Nagar,
Bhongir Town and Mandal,
Yadadri Bhuvanagiri District,
Telangana State – 508116 **…Complainant**

AND

M/s Shiva Sai Developers Represented by Managing Director ***Gadagoju Shashidhar***
8-2-465, Studio Sycamore Apartment,
Flat No.308, Road No.4, Banjara Hills,
Hyderabad, Telangana – 500034 **…Respondent**

The present matter filed by the Complainant detailed hereinabove came up for hearing on 10-09-2025 before this Authority in the presence of the Complainant in person and the counsel for the Respondent. Upon hearing their submissions, this Authority proceeded 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 read with Rule 34(1) of the Telangana Real Estate (Regulation and Development) Rules, 2017 (hereinafter referred to as the "Rules") seeking appropriate similar relief(s) against the Respondent.

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

3. It was submitted that the Complainant and the Respondents entered into a Development Agreement dated 25.04.2023 in respect of development of the subject property. According to the Complainant, under the terms of the said agreement, the Respondents were required to complete construction and hand over the Complainant's share of the developed property within a period of eighteen (18) months together with a grace period of six (6) months.

4. It was submitted that the agreed period for completion of the project, including the grace period, expired on 25.12.2024. According to the Complainant, despite expiry of the stipulated period, the Respondents failed to complete the construction and hand over possession of the Complainant's share of the developed property.

5. The Complainant further submitted that although additional arrangements were entered into between the parties for continuation of the development activities, the Respondents have continued the construction at a slow pace and the project remains incomplete till date.

6. It was further submitted that several works and amenities forming part of the project have not yet been completed. According to the Complainant, the unfinished works include installation of teak wood doors, provision of municipal water connection, drainage system, borewell connection and motor, lift backup power facility, generator, electrical fittings, plumbing works, landscaping and garden development, CCTV surveillance system, common lighting facilities, and allocation of car parking spaces.

7. The Complainant submitted that owing to the delay in completion of the project and non-provision of the aforesaid facilities and amenities, possession of the Complainant's share of the developed property has not been handed over despite expiry of the contractual period stipulated under the Development Agreement.

8. Aggrieved by the delay in completion of the project and non-handover of possession, the Complainant approached this Authority seeking appropriate reliefs against the Respondents.

B. Reliefs Sought

9. Accordingly, the Complainant sought the following reliefs:

i. *To direct the Respondents to complete the remaining construction works in respect of the Complainant's share, stated to comprise seven (7) flats representing 35% share in the developed property, and hand over possession of the same to the Complainant.*

ii. *To direct the Respondents to obtain the Occupancy Certificate in respect of the project and take necessary steps for release of the three mortgaged flats.*

C. Reply filed by the Respondent

10. At the outset, it was submitted that the averments made in the complaint are false, fabricated, and denied in entirety except those specifically admitted herein. The Respondent further contended that the complaint is not maintainable either in law or on facts and that the Complainant has approached this Authority by suppressing material facts and with ulterior

motives.

11. It was submitted that the Complainant is the absolute owner and possessor of land admeasuring 889 square yards situated in Survey No. 598/E2/1 at Ram Nagar, Bhongir Town, Yadadri Bhuvanagiri District, Telangana, which constitutes the subject property of the present dispute.

12. The Respondent submitted that prior to entering into the development arrangement with the Respondent, the Complainant had already converted the subject land from agricultural to non-agricultural use and had independently obtained the necessary statutory approvals and permissions for development of a residential apartment project comprising stilt plus five upper floors consisting of twenty flats. According to the Respondent, the Complainant had also obtained registration of the project under the provisions of the Real Estate (Regulation and Development) Act, 2016.

13. It was further submitted that after obtaining the aforesaid approvals, the Complainant approached the Respondent for development of the subject property and consequently the parties entered into a registered Development Agreement-cum-Irrevocable General Power of Attorney bearing Document No. 3289/2023 registered before the Sub-Registrar, Bhongir.

14. The Respondent submitted that prior to execution of the said Development Agreement, a public notice was issued calling upon any person having objections or claims in respect of the subject property to come forward. According to the Respondent, no objections or claims were received from any person at that stage.

15. It was further submitted that at the time of execution of the Development Agreement, the Complainant represented and assured that the subject property was free from all encumbrances, disputes, and claims including any family disputes. According to the Respondent, the Complainant had specifically indemnified the Respondent against any future title disputes, partition suits, or claims from family members under the terms of the Development Agreement.

16. The Respondent submitted that subsequently, to the Respondent's surprise, summons were received from the Hon'ble Principal Junior Civil Judge, Bhongir in O.S. No. 182 of 2023, a partition suit concerning the subject property, wherein the Respondent was arrayed as a party.

17. It was submitted that immediately upon receipt of the summons, the Respondent questioned the Complainant regarding the said litigation and the Complainant allegedly assured the Respondent that the matter would be resolved at the earliest. According to the Respondent, relying upon such assurances, construction activities were continued.

18. The Respondent further submitted that under the terms of the Development Agreement, an interest-free refundable security deposit of ₹40,00,000/- (Rupees Forty Lakhs only) was paid by the Respondent to the Complainant and the same was required to be refunded by the Complainant upon completion of the slab work. According to the Respondent, the slab work was completed in January 2024 and thereafter the Respondent repeatedly requested refund of the said amount, but the Complainant failed to repay the same.

19. It was further submitted that the Complainant's brother, who owns neighbouring land adjoining the project property, has allegedly been spreading false propaganda against the Respondent and obstructing prospective purchasers from purchasing flats in the project, thereby adversely affecting sale of units in the project.

20. According to the Respondent, the Complainant neither resolved the pending family dispute nor refunded the refundable deposit amount of ₹40,00,000/-, resulting in severe financial hardship to the Respondent and affecting continuation of the remaining construction activities.

21. The Respondent further contended that owing to the pending partition suit and injunction proceedings relating to the subject property, the Respondent has been subjected to financial loss, uncertainty, and mental agony.

22. It was submitted that instead of resolving the disputes relating to title and refund of the deposit amount, the Complainant has filed the present complaint with mala fide intention and by suppressing material facts from this Authority.

23. The Respondent further contended that the present dispute does not fall within the jurisdiction of this Authority as the Complainant is not an allottee or prospective purchaser under the project, but is the landowner and co-developer under the Development Agreement.

According to the Respondent, both parties are jointly interested in completion of the project and therefore the present dispute essentially arises out of inter se contractual obligations under the Development Agreement.

24. It was further submitted that despite the disputes and financial constraints, nearly 80% of the construction work has already been completed, including slab work, brick work, plastering, and painting work, and only minor works remain pending.

25. The Respondent denied that there has been any intentional delay on its part in completing the project. According to the Respondent, the delay has occurred primarily on account of the Complainant's failure to refund the security deposit amount of ₹40,00,000/- after completion of slab work and also due to the pendency of the partition litigation concerning the subject property.

26. The Respondent further contended that the Complainant deliberately suppressed the pendency of O.S. No. 182 of 2023 and other disputes relating to the property while filing the present complaint and selectively relied upon portions of the Development Agreement without disclosing the obligations cast upon the Complainant thereunder.

27. It was submitted that under the terms of the Development Agreement, the Complainant's 35% share in the developed property already stands identified and allotted and therefore no supplementary agreement is required. According to the Respondent, the Complainant is already entitled to and deemed to be in possession of the allotted share by virtue of the registered Development Agreement itself.

28. It was further submitted that obtaining Occupancy Certificate and release of the mortgaged flats is directly dependent upon resolution of the pending litigation and refund of the deposit amount by the Complainant. According to the Respondent, unless the litigation is resolved and sufficient funds are available, the Respondent is not in a position to complete the remaining works and obtain Occupancy Certificate for the project.

29. The Respondent further contended that due to the pending partition suit and injunction proceedings, sale or alienation of units in the project would expose the Respondent and prospective purchasers to multiplicity of litigation. However, according to the Respondent, the

Respondent remains entitled to deal with the flats allotted to the developer's share in accordance with the terms of the Development Agreement and the same would not affect the share allotted to the Complainant.

30. It was specifically denied that the project is unregistered under the provisions of the Real Estate (Regulation and Development) Act, 2016. According to the Respondent, the project is duly registered with TG RERA and the allegations made by the Complainant in this regard are false.

31. The Respondent further contended that there are strong reasons to believe that the partition suit in O.S. No. 182 of 2023 has been instituted collusively at the instance of the Complainant and his family members solely to create complications relating to the subject property and harass the Respondent.

32. Accordingly, the Respondent contended that the Complainant is not entitled to the reliefs sought in the complaint and that the complaint is liable to be dismissed with exemplary costs for suppression of material facts and abuse of process of law.

33. The Respondent finally submitted that the photographs of the building and copies of summons received in the partition suit have been placed on record for consideration of this Authority.

34. Accordingly, the Respondent prayed that the complaint be dismissed with costs and such other orders be passed as this Authority may deem fit and proper in the circumstances of the case.

D. Rejoinder/Explanation filed by the Complainant

35. The Complainant denied the averments made in the counter filed by the Respondent except to the extent specifically admitted and contended that the submissions made by the Respondent are false, baseless, and misleading.

36. It was submitted that the Complainant is not conversant with the English language and that the Development Agreement was entirely prepared by the Respondent and its representatives. According to the Complainant, the agreement was executed relying upon the

oral assurances given by the Respondent that the refundable security deposit amount of ₹40,00,000/- (Rupees Forty Lakhs only) would be repaid only after completion of the entire construction and release of the mortgaged flats from the authorities concerned.

37. The Complainant further submitted that he subsequently came to know that the Development Agreement contained a clause stipulating refund of the said deposit amount immediately upon completion of slab work. According to the Complainant, he was unaware of the said condition at the time of execution of the agreement as he could neither read nor understand the contents of the agreement drafted in English and had relied solely upon the oral explanation furnished by the Respondent at the time of execution.

38. It was further submitted that the Complainant's 35% share in the developed property, consisting of seven flats, remains incomplete and continues to be under mortgage with the authorities concerned. According to the Complainant, owing to the non-release of the mortgaged units and incomplete status of the project, the Complainant is unable to deal with or sell his allotted share in the project.

39. The Complainant submitted that only after completion of the project, release of the mortgaged flats, and obtaining necessary approvals including Occupancy Certificate, would the Complainant be in a position to sell his share and thereafter refund the refundable security deposit amount to the Respondent.

40. The Complainant denied the contention of the Respondent that the project is substantially complete and submitted that several works and amenities forming part of the project are still incomplete. According to the Complainant, the pending works include provision of watchman room, V-floor flooring, greenery and landscaping around the apartment, electrical transformer, cellar lighting, drainage sump, ground floor water sump, lift backup facility, generator installation, electrical fittings, plumbing fittings, and car parking facilities.

41. It was further submitted that several specifications and amenities allegedly agreed under the Development Agreement including teak wood doors, UPVC windows, external and internal painting works, flooring works, granite staircase and corridor works, kitchen fittings, toilet fittings, parking tiles, municipal and bore water supply facilities, generator backup, lift installation, sanitary fittings, CCTV surveillance, intercom facility, and hardware fittings are

yet to be completed by the Respondent.

42. The Complainant contended that despite expiry of the agreed construction period of twenty-four months ending on 25.12.2024, including the grace period, the Respondent has failed to complete the project and hand over possession of the Complainant's share.

43. The Complainant further submitted that the Respondent cannot rely upon the pendency of O.S. No.182 of 2023 as a justification for delay in completion of the project. According to the Complainant, the Respondent had entered into the Development Agreement only after verification of title documents and issuance of public notice inviting objections from the public. It was further contended that the said litigation was initiated by the relatives of the Complainant on the basis of false claims and cannot absolve the Respondent from its contractual obligations.

44. The Complainant further submitted that he is a farmer and has suffered severe financial hardship and mental agony on account of the delay in completion of the project and non-handover of possession by the Respondent.

45. It was reiterated that the Respondent is obligated to complete the project in accordance with the terms of the Development Agreement and obtain Occupancy Certificate and release of the mortgaged flats before insisting upon refund of the refundable security deposit amount.

46. The Complainant clarified that no monetary compensation is sought in the present complaint and that the relief sought is confined to completion of construction of the Complainant's 35% share, obtaining Occupancy Certificate, and release of the mortgaged flats in accordance with the terms of the Development Agreement.

47. Accordingly, the Complainant prayed that the Respondent be directed to complete construction of the Complainant's 35% share consisting of seven flats, hand over possession of the same, obtain Occupancy Certificate in respect of the project, release the mortgaged flats, and pass such other orders as this Authority may deem fit and proper in the circumstances of the case.

E. *Points for Consideration*

48. After considering the facts stated and submissions made by both the parties, the following questions arise before this Authority:

I. Whether the present Complaint is maintainable before this Authority, having regard to the nature of the relationship between the Complainants and the Respondents, and whether the Complainants fall within the definition of "allottees" under Section 2(d) of the Real Estate (Regulation and Development) Act, 2016?

II. Whether the Complainants are entitled to the reliefs sought? If so, to what extent?

POINT I

49. The Before this Authority proceeds to examine the merits of the reliefs sought, it is necessary to first resolve the threshold question of maintainability namely, whether the Complainant falls within the definition of "allottee" under Section 2(d) of the Real Estate (Regulation and Development) Act, 2016, and whether the present dispute is one that properly lies within the adjudicatory jurisdiction of this Authority.

50. This Authority has carefully examined the factual matrix as it emerges from the pleadings of both sides. The admitted position is that the Complainant is the absolute owner of land admeasuring 889 Square Yards situated in Survey No. 598/E2/1 at Ram Nagar, Bhongir Town, Yadadri Bhuvanagiri District, Telangana State. Prior to approaching the Respondent, the Complainant had independently obtained conversion of the subject land from agricultural to non-agricultural use and had secured the necessary statutory approvals and permissions for development of a residential apartment project comprising a stilt plus five upper floors consisting of twenty units. The Complainant had also registered the project under the provisions of the RE(R&D) Act. Thereafter, the Complainant entered into a registered Development Agreement-cum-Irrevocable General Power of Attorney (hereinafter referred to as "the DGPA") bearing Document No. 3289/2023, registered before the Sub-Registrar, Bhongir, and handed over the subject land to the Respondent for the purpose of undertaking construction and development of the residential apartment complex. Under the terms of the said DGPA dated 25.04.2023, the Complainant was allotted seven (7) flats bearing Nos. 101, 102, 103, 104, 403, 501 and 502, constituting 35% of the total twenty units in the project, as his share of the developed property in consideration for the land so contributed.

51. Against this backdrop, this Authority is called upon to examine whether the Complainant, in the facts and circumstances aforesaid, can be characterised as an "allottee" within the meaning and purport of Section 2(d) of the RE(R&D) Act, which reads as follows:

"allottee", in relation to a real estate project, means the person to whom a plot,

apartment or building, as the case may be, has been allotted, sold (whether as freehold or leasehold) or otherwise transferred by the promoter, and includes the person who subsequently acquires the said allotment through sale, transfer or otherwise but does not include a person to whom such plot, apartment or building, as the case may be, is given on rent."

52. A careful reading of the aforesaid definition makes it manifest that the legislative intent underlying the term "allottee" is to bring within its protective ambit persons who receive plots, apartments, or buildings by way of allotment, sale, or transfer from a promoter, in the context of a conventional real estate transaction. The Real Estate (Regulation and Development) Act, 2016 is, by its very preamble and design, a welfare legislation enacted to protect the interests of genuine homebuyers and end-consumers who, by reason of their position of informational and bargaining disadvantage vis-à-vis the promoter, are rendered vulnerable to exploitation and breach of contractual obligations. The right to approach this Authority under Section 31 of the Act is a remedy conceived and conferred specifically for the benefit of such bona fide allottees and consumers it is not intended to constitute a forum for adjudication of commercial or inter se disputes arising out of development arrangements between landowners and developers inter se.

53. In the present case, a perusal of the DGPA and the pleadings makes it unambiguously clear that the Complainant is not a purchaser, a consumer, or an end-user of units in the real estate project. The Complainant is the original landowner who contributed his own land as the very substrate of the project and who received the seven flats not as a purchaser paying consideration to a promoter, but as a co-participant and co-sharer in the development enterprise, entitled to a percentage of the built-up area as recompense for the land so contributed. The entitlement of the Complainant to the seven flats flows directly from his ownership of and contribution of land under the DGPA, and not from any sale, allotment, or transfer effected by the Respondent in the ordinary course of a real estate transaction with a third-party purchaser. In these circumstances, to extend the protective definition of "allottee" under Section 2(d) to the Complainant would be to do violence to the plain language and legislative intent of the Act, and would render the said definition unworkably elastic.

54. This Authority further finds it apposite to advert to the definition of "promoter" under Section 2(zk) of the Act, the relevant portions whereof read as under:

> *"promoter" means, —*
> *(ii) a person who develops land into a project, whether or not the person also constructs structures on any of the plots, for the purpose of selling to other persons all or some of the plots in the said project, whether with or without structures thereon; or*
> *(v) any other person who acts himself as a builder, coloniser, contractor, developer, estate developer or by any other name or claims to be acting as the holder of a power of attorney from the owner of the land on which the building or apartment is constructed or plot is developed for sale.*
> *Explanation.— For the purposes of this clause, where the person who constructs or converts a building into apartments or develops a plot for sale and the person who sells apartments or plots are different persons, both of them shall be deemed to be the promoters and shall be jointly liable as such for the functions and responsibilities specified under this Act or the rules and regulations made thereunder."*

55. The Explanation to Section 2(zk) of the Act is, in the considered opinion of this Authority, directly applicable to the facts of the present case and resolves all ambiguity as to the legal character of the Complainant. It is the Respondent who has undertaken construction and development of the apartment complex on the subject land, while the Complainant, as the original landowner, has contributed the land itself and is entitled to sell seven of the twenty units as his proportionate share. In terms of the Explanation to Section 2(zk), where the person who constructs the apartments and the person who sells apartments are different persons, both are deemed to be "promoters" and are jointly liable as such. The Complainant, by contributing land for development of a registered residential apartment project and being entitled to sell his proportionate share of units to prospective purchasers, falls squarely within the definition of "promoter" under Section 2(zk) of the Act, read with the Explanation thereunder.

56. It is a well-settled principle of statutory interpretation that one and the same person cannot simultaneously be a "promoter" and an "allottee" under the Act in respect of the same project. The roles and liabilities associated with these two categories are conceptually and legally distinct. A person who is deemed to be a promoter under the Act cannot, in the same breath, claim the status and protection of an "allottee" to invoke the remedial jurisdiction of this Authority.

57. In light of the foregoing analysis, this Authority is of the considered view that the Complainant does not fall within the definition of "allottee" under Section 2(d) of the Act. The Complainant is, in substance and in law, a co-promoter of the project by virtue of having contributed the subject land and being entitled to a proportionate share of the developed units. The dispute raised in the present complaint is, in essence, an inter se dispute between co-promoters namely the landowner and the developer arising out of their mutual obligations under the DGPA dated 25.04.2023, including the alleged delay in completion of construction, non-handover of the landowner's share, and the contested refund of the security deposit amount of ₹40,00,000/-. Such a dispute does not fall within the adjudicatory jurisdiction of this Authority under the Real Estate (Regulation and Development) Act, 2016.

58. The fact that the Complainant's 35% share has been formally identified and the units have been specified under the DGPA does not alter this conclusion, since such identification and specification flows from the landowner-developer arrangement and not from any independent act of allotment, sale, or transfer by the Respondent in favour of the Complainant as a consumer or end-user.

59. In view of the finding recorded under Point I that the present complaint is not maintainable before this Authority and that the Complainant does not fall within the definition of "allottee" as contemplated under Section 2(d) of the Real Estate (Regulation and Development) Act, 2016, the question of the Complainant's entitlement to the reliefs sought being dependent upon and consequential to the maintainability of the complaint does not survive for independent consideration. Accordingly, Point II is left open, without expressing any opinion on the merits thereof, and without prejudice to the rights, contentions, and remedies available to the Complainant before the appropriate forum of competent jurisdiction.

60. For the reasons set forth hereinabove, the present complaint is hereby dismissed as not maintainable before this Authority. No order as to costs, having regard to the nature of the dispute and the circumstances of the case.

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

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